

SHIRE OF JERRAMUNGUP

MONTHLY FINANCIAL REPORT

(Containing the required statement of financial activity and statement of financial position)

For the period ended 31 July 2023

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

TABLE OF CONTENTS

Statements required by regulation

Statement of Financial Activity	2
Statement of Financial Position	3
Note 1 Basis of Preparation	4
Note 2 Statement of Financial Activity Information	5
Note 3 Explanation of Material Variances	6

SHIRE OF JERRAMUNGUP
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2023

	Supplementary Information	Adopted Budget Estimates (a) \$	YTD Budget Estimates (b) \$	YTD Actual (c) \$	Variance* \$ (c) - (b)	Variance* % ((c) - (b))/(b)	Var.
OPERATING ACTIVITIES							
Revenue from operating activities							
Rates	10	3,880,317	0	0	0	0.00%	
Grants, subsidies and contributions	14	668,257	20,518	20,362	(156)	(0.76%)	
Fees and charges		916,049	25,532	49,163	23,631	92.55%	▲
Interest revenue		104,542	6,721	6,336	(385)	(5.73%)	
Other revenue		79,315	5,030	7,835	2,805	55.77%	▲
Profit on asset disposals	6	11,244	0	0	0	0.00%	
		5,659,724	57,801	83,696	25,895	44.80%	
Expenditure from operating activities							
Employee costs		(2,665,192)	(271,116)	(141,936)	129,180	47.65%	▲
Materials and contracts		(3,267,034)	(245,364)	(232,727)	12,637	5.15%	▲
Utility charges		(188,516)	(14,830)	(14,091)	739	4.98%	
Depreciation		(2,591,846)	(215,858)	(356)	215,502	99.84%	▲
Finance costs		(34,827)	(5,935)	2,733	8,668	146.05%	▲
Insurance		(241,463)	(208,784)	(117,555)	91,229	43.70%	▲
Other expenditure		(249,473)	(36,078)	(4,113)	31,965	88.60%	▲
Loss on asset disposals	6	(40,139)	0	0	0	0.00%	
		(9,278,490)	(997,965)	(508,045)	489,920	49.09%	
Non-cash amounts excluded from operating activities	Note 2(b)	2,620,741	179,086	380	(178,706)	(99.79%)	▼
Amount attributable to operating activities		(998,025)	(761,078)	(423,969)	337,109	44.29%	
INVESTING ACTIVITIES							
Inflows from investing activities							
Proceeds from capital grants, subsidies and contributions	15	1,857,778	0	0	0	0.00%	
Proceeds from disposal of assets	6	150,000	0	0	0	0.00%	
		2,007,778	0	0	0	0.00%	
Outflows from investing activities							
Payments for property, plant and equipment	5	(635,000)	(32,900)	(20,800)	12,100	36.78%	▲
Payments for construction of infrastructure	5	(3,585,050)	(200,129)	(64,873)	135,256	67.58%	▲
		(4,220,050)	(233,029)	(85,673)	147,356	63.24%	
Amount attributable to investing activities		(2,212,272)	(233,029)	(85,673)	147,356	63.24%	
FINANCING ACTIVITIES							
Inflows from financing activities							
Proceeds from new debentures	11	900,000	0	0	0	0.00%	
Transfer from reserves	4	340,000	0	0	0	0.00%	
		1,240,000	0	0	0	0.00%	
Outflows from financing activities							
Repayment of borrowings	11	(183,351)	(13,819)	(13,819)	0	0.00%	
Payments for principal portion of lease liabilities	12	(4,023)	(329)	(329)	0	0.00%	
Transfer to reserves	4	(668,499)	0	(712)	(712)	0.00%	
		(855,873)	(14,148)	(14,860)	(712)	(5.03%)	
Amount attributable to financing activities		384,127	(14,148)	(14,860)	(712)	(5.03%)	
MOVEMENT IN SURPLUS OR DEFICIT							
Surplus or deficit at the start of the financial year		2,826,170	2,826,170	2,826,779	609	0.02%	
Amount attributable to operating activities		(998,025)	(761,078)	(423,969)	337,109	44.29%	▲
Amount attributable to investing activities		(2,212,272)	(233,029)	(85,673)	147,356	63.24%	▲
Amount attributable to financing activities		384,127	(14,148)	(14,860)	(712)	(5.03%)	
Surplus or deficit after imposition of general rates		0	1,817,915	2,302,277	484,362	26.64%	▲

KEY INFORMATION

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

* Refer to Note 3 for an explanation of the reasons for the variance.

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

SHIRE OF JERRAMUNGUP
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 JULY 2023

	Supplementary Information	30 June 2023	31 July 2023
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	5,357,240	4,552,936
Trade and other receivables		715,504	728,792
Inventories	8	36,995	36,691
TOTAL CURRENT ASSETS		6,109,739	5,318,419
NON-CURRENT ASSETS			
Investments - LG unit shares		58,353	58,353
Property, plant and equipment		26,153,410	26,174,210
Infrastructure		227,744,774	227,809,647
Right-of-use assets		15,377	15,021
TOTAL NON-CURRENT ASSETS		253,971,914	254,057,231
TOTAL ASSETS		260,081,653	259,375,650
CURRENT LIABILITIES			
Trade and other payables	9	661,602	394,095
Other liabilities	13	90,516	90,516
Lease liabilities	12	4,023	3,694
Borrowings	11	183,351	169,531
Employee related provisions	13	469,566	469,566
TOTAL CURRENT LIABILITIES		1,409,058	1,127,402
NON-CURRENT LIABILITIES			
Lease liabilities	12	11,432	11,432
Borrowings	11	807,944	807,944
Employee related provisions		47,718	47,718
Other provisions		1,752,735	1,752,735
TOTAL NON-CURRENT LIABILITIES		2,619,829	2,619,829
TOTAL LIABILITIES		4,028,887	3,747,231
NET ASSETS		256,052,766	255,628,419
EQUITY			
Retained surplus		66,966,528	66,541,469
Reserve accounts	4	2,134,117	2,134,829
Revaluation surplus		186,952,121	186,952,121
TOTAL EQUITY		256,052,766	255,628,419

This statement is to be read in conjunction with the accompanying notes.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD ENDED 31 JULY 2023

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

This prescribed 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.

Local Government (Financial Management) Regulations 1996, regulation 34 prescribes contents of the financial report. Supporting information does not form part of the financial report.

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.

Judgements and 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 that are 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:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimated useful life of intangible assets

SIGNIFICANT ACCOUNTING POLICES

Significant accounting policies utilised in the preparation of these statements are as described within the 2023-24 Annual Budget. Please refer to the adopted budget document for details of these policies.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 10 August 2023

SHIRE OF JERRAMUNGUP
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2023

2 STATEMENT OF FINANCIAL ACTIVITY INFORMATION

(a) Net current assets used in the Statement of Financial Activity	Supplementary Information	Adopted Budget Opening 30 June 2023	Last Year Closing 30 June 2023	Year to Date 31 July 2023
		\$	\$	\$
Current assets				
Cash and cash equivalents	3	5,357,232	5,357,240	4,552,936
Trade and other receivables		716,482	715,504	728,792
Inventories	8	36,995	36,995	36,691
		<u>6,110,709</u>	<u>6,109,739</u>	<u>5,318,419</u>
Less: current liabilities				
Trade and other payables	9	(663,181)	(661,602)	(394,095)
Other liabilities	13	(90,516)	(90,516)	(90,516)
Lease liabilities	12	(4,023)	(4,023)	(3,694)
Borrowings	11	(183,351)	(183,351)	(169,531)
Employee related provisions	13	(469,566)	(469,566)	(469,566)
		<u>(1,410,637)</u>	<u>(1,409,058)</u>	<u>(1,127,402)</u>
Net current assets		4,700,072	4,700,681	4,191,017
Less: Total adjustments to net current assets	Note 2(c)	(1,873,902)	(1,873,902)	(1,888,740)
Closing funding surplus / (deficit)		2,826,170	2,826,779	2,302,277

(b) Non-cash amounts excluded from operating activities

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

Non-cash amounts excluded from operating activities		Adopted Budget	YTD Budget (a)	YTD Actual (b)
		\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	6	(11,244)	(36,772)	0
Less: Movement in liabilities associated with restricted cash		0	0	24
Add: Loss on asset disposals	6	40,139	0	0
Add: Depreciation		2,591,846	215,858	356
Total non-cash amounts excluded from operating activities		2,620,741	179,086	380

(c) Current assets and liabilities excluded from budgeted deficiency

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.

Adjustments to net current assets		Adopted Budget Opening 30 June 2023	Last Year Closing 30 June 2023	Year to Date 31 July 2023
		\$	\$	\$
Less: Reserve accounts	4	(2,134,117)	(2,134,117)	(2,134,829)
Add: Current liabilities not expected to be cleared at the end of the year:				
- Current portion of borrowings	11	183,351	183,351	169,531
- Current portion of lease liabilities	12	4,023	4,023	3,694
- Current portion of employee benefit provisions held in reserve	4	72,841	72,841	72,865
Total adjustments to net current assets	Note 2(a)	(1,873,902)	(1,873,902)	(1,888,740)

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.

SHIRE OF JERRAMUNGUP
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2023

3 EXPLANATION OF MATERIAL VARIANCES

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date actual materially.

The material variance adopted by Council for the 2023-24 year is \$10,000 or 10.00% whichever is the greater.

Description	Var. \$	Var. %	
	\$	%	
Revenue from operating activities			
Fees and charges	23,631	92.55%	▲
Timing			
Other revenue	2,805	55.77%	▲
Timing			
Expenditure from operating activities			
Employee costs	129,180	47.65%	▲
Timing			
Materials and contracts	12,637	5.15%	▲
Timing			
Depreciation	215,502	99.84%	▲
Unable to run Depreciation until Fair value completed for 22-23			
Finance costs	8,668	146.05%	▲
Timing			
Insurance	91,229	43.70%	▲
Timing			
Other expenditure	31,965	88.60%	▲
Timing			
Non-cash amounts excluded from operating activities	(178,706)	(99.79%)	▼
Timing			
Outflows from investing activities			
Payments for property, plant and equipment	12,100	36.78%	▲
Timing			
Payments for construction of infrastructure	135,256	67.58%	▲
Timing			
Surplus or deficit after imposition of general rates	484,362	26.64%	▲
Due to variances described above			

SHIRE OF JERRAMUNGUP
SUPPLEMENTARY INFORMATION

TABLE OF CONTENTS

1	Key Information	8
2	Key Information - Graphical	9
3	Cash and Financial Assets	10
4	Reserve Accounts	11
5	Capital Acquisitions	12
6	Disposal of Assets	14
7	Receivables	15
8	Other Current Assets	16
9	Payables	17
10	Rate Revenue	18
11	Borrowings	19
12	Lease Liabilities	20
13	Other Current Liabilities	21
14	Grants and contributions	22
15	Capital grants and contributions	23

SHIRE OF JERRAMUNGUP
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 JULY 2023

1 KEY INFORMATION

Funding Surplus or Deficit Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$2.83 M	\$2.83 M	\$2.83 M	\$0.00 M
Closing	\$0.00 M	\$1.82 M	\$2.30 M	\$0.48 M

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$4.55 M	% of total
Unrestricted Cash	\$2.42 M	53.1%
Restricted Cash	\$2.13 M	46.9%

Refer to 3 - Cash and Financial Assets

Payables	
	\$0.39 M
Trade Payables	\$0.14 M
0 to 30 Days	97.8%
Over 30 Days	2.2%
Over 90 Days	0.0%

Refer to 9 - Payables

Receivables		
	\$0.65 M	% Collected
Rates Receivable	\$0.08 M	0.0%
Trade Receivable	\$0.65 M	% Outstanding
Over 30 Days		97.1%
Over 90 Days		3.5%

Refer to 7 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$1.00 M)	(\$0.76 M)	(\$0.42 M)	\$0.34 M

Refer to Statement of Financial Activity

Rates Revenue		
YTD Actual	\$0.00 M	% Variance
YTD Budget	\$0.00 M	0.0%

Refer to 10 - Rate Revenue

Grants and Contributions		
YTD Actual	\$0.02 M	% Variance
YTD Budget	\$0.02 M	(0.8%)

Refer to 14 - Grants and Contributions

Fees and Charges		
YTD Actual	\$0.05 M	% Variance
YTD Budget	\$0.03 M	92.6%

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)
(\$2.21 M)	(\$0.23 M)	(\$0.09 M)	\$0.15 M

Refer to Statement of Financial Activity

Proceeds on sale		
YTD Actual	\$0.00 M	%
Adopted Budget	\$0.15 M	(100.0%)

Refer to 6 - Disposal of Assets

Asset Acquisition		
YTD Actual	\$0.06 M	% Spent
Adopted Budget	\$3.59 M	(98.2%)

Refer to 5 - Capital Acquisitions

Capital Grants		
YTD Actual	\$0.00 M	% Received
Adopted Budget	\$1.86 M	(100.0%)

Refer to 5 - Capital Acquisitions

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$0.38 M	(\$0.01 M)	(\$0.01 M)	(\$0.00 M)

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	(\$0.01 M)
Interest expense	\$0.00 M
Principal due	\$0.98 M

Refer to 11 - Borrowings

Reserves	
Reserves balance	\$2.13 M
Interest earned	\$0.00 M

Refer to 4 - Cash Reserves

Lease Liability	
Principal repayments	(\$0.00 M)
Interest expense	(\$0.00 M)
Principal due	\$0.02 M

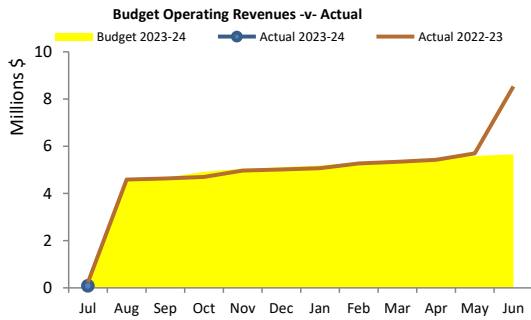
Refer to Note 12 - Lease Liabilities

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

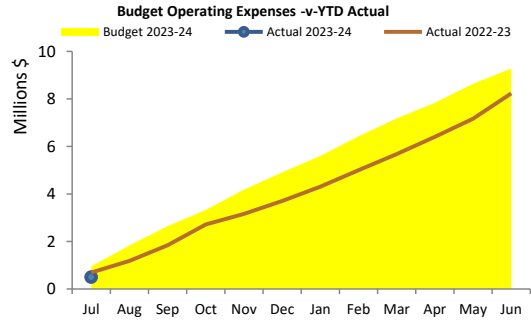
2 KEY INFORMATION - GRAPHICAL

OPERATING ACTIVITIES

OPERATING REVENUE

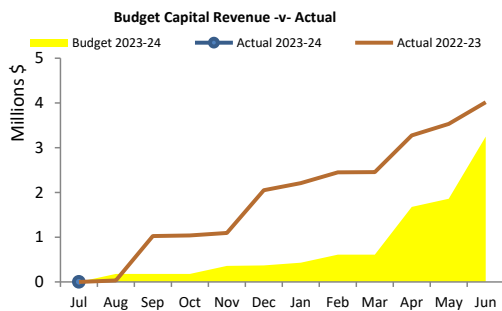


OPERATING EXPENSES

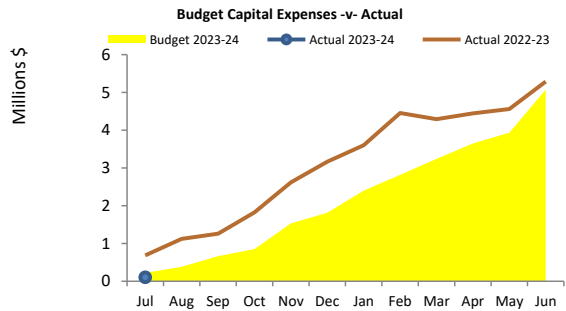


INVESTING ACTIVITIES

CAPITAL REVENUE

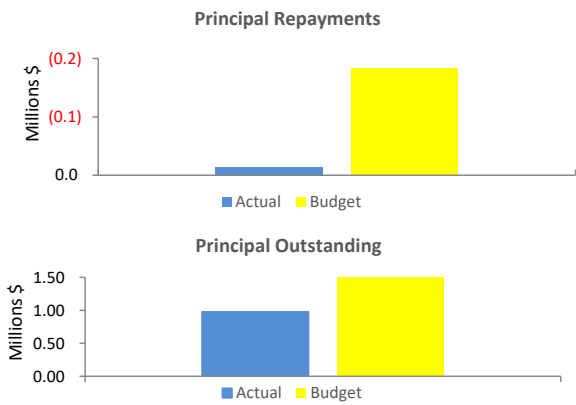


CAPITAL EXPENSES

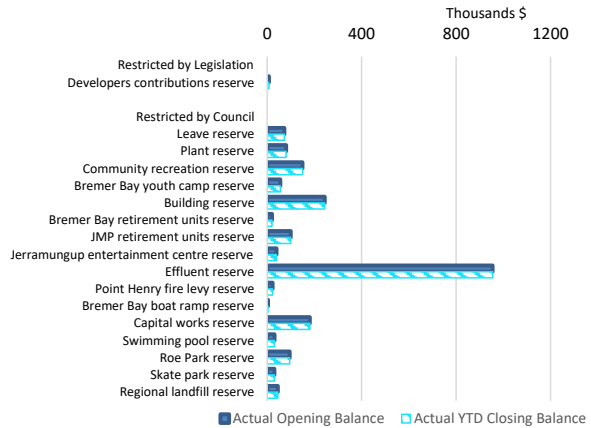


FINANCING ACTIVITIES

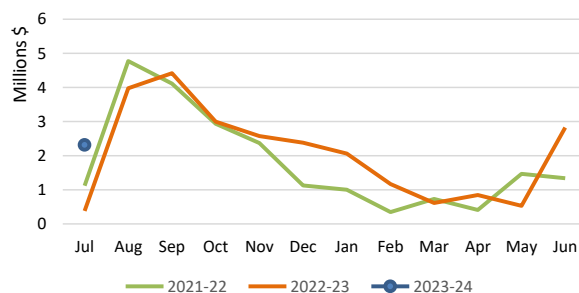
BORROWINGS



RESERVES



Closing funding surplus / (deficit)



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

**SHIRE OF JERRAMUNGUP
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 JULY 2023**

3 CASH AND FINANCIAL ASSETS

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
Municipal cash at bank	Cash and cash equivalents	2,417,897	0	2,417,897		Bankwest	2.50%	N/A
Telenet account	Cash and cash equivalents	1	0	1		Bankwest	1.35%	N/A
Telenet account	Cash and cash equivalents	1	0	1		Bankwest	1.35%	N/A
Reserve Bank account	Cash and cash equivalents	0	2,134,829	2,134,829		Bankwest	1.35%	N/A
Cash on hand	Cash and cash equivalents	200	0	200		TILL	0.00%	N/A
BPAY holding account	Cash and cash equivalents	1	0	1		Bankwest	0.00%	N/A
Trust account	Cash and cash equivalents	8	0	8		Bankwest	0.00%	N/A
Total		2,418,107	2,134,829	4,552,936	0			
Comprising								
Cash and cash equivalents		2,418,107	2,134,829	4,552,936	0			
		2,418,107	2,134,829	4,552,936	0			

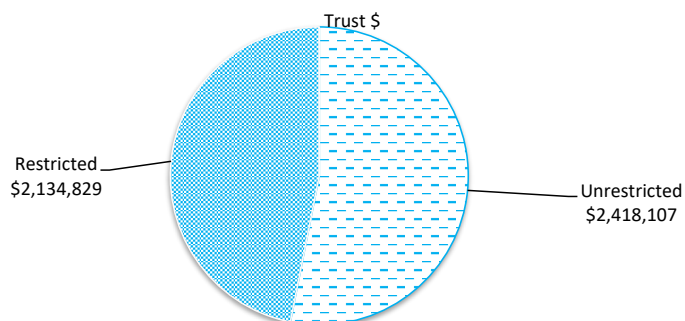
KEY INFORMATION

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



**SHIRE OF JERRAMUNGUP
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 JULY 2023**

4 RESERVE ACCOUNTS

Reserve name	Budget	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual YTD
	Opening	Interest	Transfer	Transfers	Closing	Opening	Interest	Transfers	Transfer	Closing
	Balance	Earned	s In (+)	Out (-)	Balance	Balance	Earned	In (+)	s Out (-)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Legislation										
Developers contribution	7,356	320	0	0	7,676	7,356	2	0	0	7,358
Restricted by Council										
Leave reserve	72,841	3,167	50,000	0	126,008	72,841	24	0	0	72,865
Plant reserve	80,346	3,494	50,000	0	133,840	80,346	26	0	0	80,372
Community recreation r	149,758	4,289	95,427	(40,000)	209,474	149,758	50	0	0	149,808
Bremer Bay youth camp	55,456	2,411	0	0	57,867	55,456	18	0	0	55,474
Building reserve	243,776	2,780	50,000	0	296,556	243,776	81	0	0	243,857
Bremer Bay retirement i	20,535	893	0	0	21,428	20,535	7	0	0	20,542
JMP retirement units re	99,923	4,345	0	0	104,268	99,923	33	0	0	99,956
Jerramungup entertainr	39,766	1,729	10,000	0	51,495	39,766	13	0	0	39,779
Effluent reserve	954,642	40,535	74,127	0	1,069,304	954,643	320	0	0	954,963
Point Henry fire levy res	22,996	462	21,670	0	45,128	22,996	8	0	0	23,004
Bremer Bay boat ramp i	3,594	156	20,000	0	23,750	3,594	1	0	0	3,595
Capital works reserve	180,836	1,316	150,000	(300,000)	32,152	180,836	61	0	0	180,897
Swimming pool reserve	31,243	1,359	45,233	0	77,835	31,243	10	0	0	31,253
Roe Park reserve	95,237	4,141	10,000	0	109,378	95,237	32	0	0	95,269
Skate park reserve	30,724	1,336	10,000	0	42,060	30,724	10	0	0	30,734
Regional landfill reserve	45,088	1,961	7,348	0	54,397	45,089	16	0	0	45,105
	2,134,117	74,694	593,805	(340,000)	2,462,616	2,134,117	712	0	0	2,134,829

5 CAPITAL ACQUISITIONS

	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Capital acquisitions				
Land and buildings	80,100	19,000	6,850	(12,150)
Furniture and equipment	18,000	0	0	0
Plant and equipment	536,900	13,900	13,950	50
Acquisition of property, plant and equipment	635,000	32,900	20,800	(12,100)
Infrastructure - roads	1,493,187	181,710	53,838	(127,872)
Infrastructure - footpaths	97,728	0	0	0
Infrastructure - parks & ovals	18,419	18,419	11,035	(7,384)
Infrastructure - other	100,000	0	0	0
Aerodromes	1,875,716	0	0	0
Acquisition of infrastructure	3,585,050	200,129	64,873	(159,456)
Total capital acquisitions	4,220,050	233,029	85,673	(171,556)
Capital Acquisitions Funded By:				
Capital grants and contributions	1,857,778	0	0	0
Borrowings	900,000	0	0	0
Other (disposals & C/Fwd)	150,000	0	0	0
Reserve accounts				
Community recreation reserve	40,000	0	0	0
Capital works reserve	300,000	0	0	0
Contribution - operations	972,272	233,029	85,673	(147,356)
Capital funding total	4,220,050	233,029	85,673	(147,356)

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.

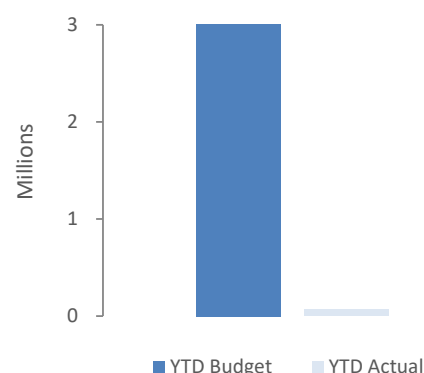
Initial recognition and measurement for assets held at cost

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.

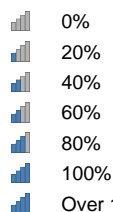
Payments for Capital Acquisitions



5 CAPITAL ACQUISITIONS - DETAILED

Capital expenditure total

Level of completion indicators



Percentage Year to Date Actual to Annual Budget expenditure where the expenditure over budget highlighted in red.

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

Account Description	Adopted			Variance (Under)/Over
	Budget	YTD Budget	YTD Actual	
	\$	\$	\$	\$
Furniture & Equipment				0
A947 Audio Recording System - Council Meetings	18,000	0	0	0
Plant & Equipment				0
A925 Traffic Trailer	35,000	0	0	0
A951 800Lt On-Road Trailer Fire Fighting Unit Town Services	13,900	13,900	13,950	-50
A952 Broons Duo Roller	78,000	0	0	0
A953 Construction Loader 2023	340,000	0	0	0
A954 200Lt Versatile Motorised Sled Sprayer	5,000	0	0	0
A942 DCEO Vehicle	65,000	0	0	0
Land & Buildings				0
A47 9 (Lot 24) Memorial Road - Replace awning	13,000	0	0	0
A33 6 Memorial Road - Painting & flooring	19,000	19,000	6,850	12,150
A729 2 (Lot 223)Derrick Street - Outside blinds	10,000	0	0	0
A730 6 (Lot 225) Derrick St - Outside blinds & screens	18,100	0	0	0
A34 Lot 120 Vasey Street - Shire Office	20,000	0	0	0
Roads				0
C148EV Java Road Ev Charging	103,019	0	0	0
C16 Cameron Road Construciton	126,101	0	0	0
C160 Bennett St - Jerramungup	59,347	0	0	0
C173 Marnigarup South Road	126,851	0	0	0
C206 Cameron Road - Flood Crossing	14,000	0	0	0
C30 Cowalellup Road	124,091	58,222	2,160	56,062
C32 Devils Creek Road	24,152	0	0	0
C38 Exchange Road	130,311	0	0	0
RG14 Cuiss Road - Mrwa	119,561	0	0	0
RR34 Rabbit Proof Fence Road	123,488	123,488	51,678	71,810
RR35 Doubtful Island	181,855	0	0	0
RR36 Monjebup Road	121,230	0	0	0
RR37 Jacup North Road	122,369	0	0	0
RR38 Doubtful Island Crossing	116,812	0	0	0
Aerodromes				0
A458A BB Airfield Cross Runway	1,717,012	0	0	0
A71 Jerramungup Airstrip	158,704	0	0	0
Footpaths				0
P325 Footpath - BB Brewery To Telegraph	97,728	0	0	0
Parks & Gardens				0
A46P Jerramungup Sports club - Retaining wall	18,419	18,419	11,035	7,384
Other Infrastructure				0
A63I Football Pavillion Water Tank	100,000	0	0	0
	4,220,050	233,029	85,673	147,356

6 DISPOSAL OF ASSETS

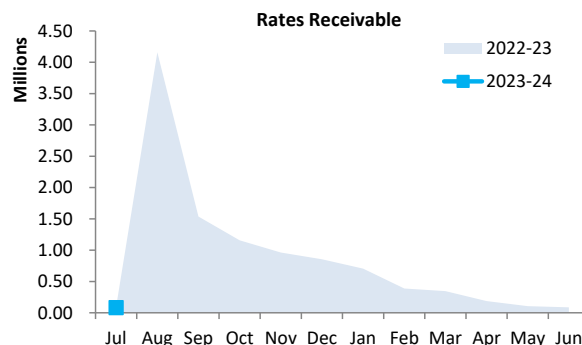
Asset Ref.	Asset description	Budget		YTD Actual			
		Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$
	Plant and equipment						
A841	Loader	0	(37,875)	0	0	0	0
A133	Broons Duo Roller	0	(2,264)	0	0	0	0
A924	DCEO vehicle	11,244	0	0	0	0	0
		11,244	(40,139)	0	0	0	0



7 RECEIVABLES

Rates receivable

	30 Jun 2023	31 Jul 2023
	\$	\$
Opening arrears previous years	88,944.3	81,690
Levied this year	0	0
Less - collections to date	(5,927)	0
Gross rates collectable	83,017	81,690
Allowance for impairment of rates receivable	(1,327)	(1,327)
Net rates collectable	81,690	80,362
% Collected	6.7%	0.0%



Receivables - general

	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(2,237)	10,618	266,689	2,485	10,065	287,620
Percentage	(0.8%)	3.7%	92.7%	0.9%	3.5%	
Balance per trial balance						
Trade receivables						287,621
GST receivable						47,244
Allowance for credit losses of trade receivables						(3,259)
Allowance for credit losses of other receivables						(77)
Accrued income/prepayments						315,573
Other receivables [describe]						(1,327)
Total receivables general outstanding						645,775

Amounts shown above include GST (where applicable)

KEY INFORMATION

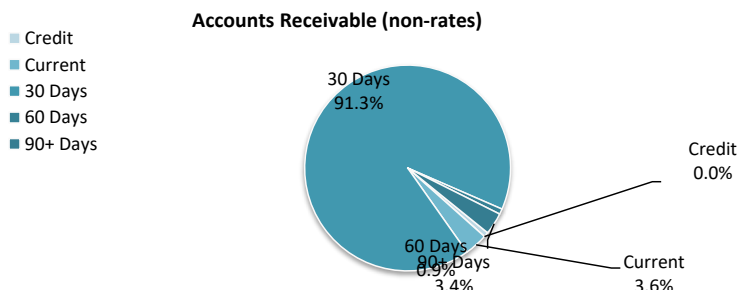
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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.



8 OTHER CURRENT ASSETS

Other current assets	Opening Balance 1 July 2023	Asset Increase	Asset Reduction	Closing Balance 31 July 2023
	\$	\$	\$	\$
Inventory				
Fuel, oils and materials on hand	36,995	15,262	(15,566)	36,691
Total other current assets	36,995	15,262	(15,566)	36,691

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.

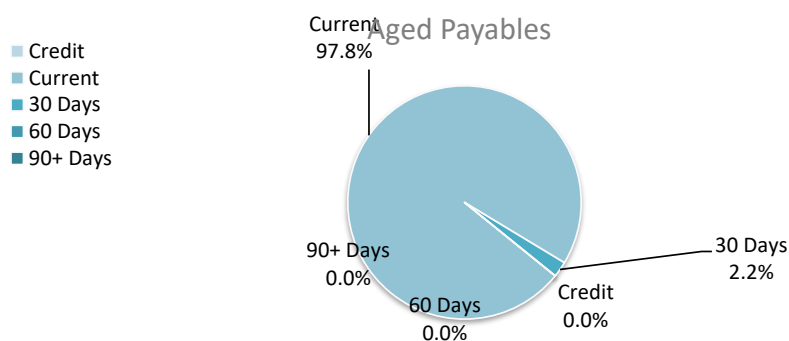
9 PAYABLES

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	132,286	2,950	0	0	135,236
Percentage	0.0%	97.8%	2.2%	0.0%	0.0%	
Balance per trial balance						
Sundry creditors						135,236
Retention funds owing						141,531
Excess rates						20,021
BCITF						1,666
Builders Registration Levy						6,643
Dept of Transport - Trust						3,460
Bonds - current liability						47,908
GST payable						3,599
Payroll creditors						34,031
Total payables general outstanding						394,095

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.



10 RATE REVENUE

General rate revenue

RATE TYPE	Rate in	Number of	Rateable	Rate	Budget	Total	Rate	YTD Actual	Total
	\$ (cents)	Properties	Value	Revenue	Reassessed	Revenue	Revenue	Reassessed	Revenue
				\$	\$	\$	\$	\$	\$
Gross rental value									
Gross Rental Value	0.1099	567	7,123,263	782,847	0	782,847	0	0	0
Unimproved value									
Unimproved Properties	0.0058	314	470,923,000	2,745,480	0	2,745,480	0	0	0
Sub-Total		881	478,046,263	3,528,327	0	3,528,327	0	0	0
Minimum payment									
			Minimum Payment \$						
Gross rental value									
Gross Rental Value	765.45	295	1,191,137	225,808	0	225,808	0	0	0
Unimproved value									
Unimproved Properties	765.45	49	3,024,200	37,507	0	37,507	0	0	0
Unimproved Mining	765.45	32	494,313	24,494	0	24,494	0	0	0
Sub-total		376	4,709,650	287,809	0	287,809	0	0	0
Amount from general rates						3,816,136			0
Ex-gratia rates						64,181			
Total general rates						3,880,317			0

11 BORROWINGS

Repayments - borrowings

Information on borrowings	Loan No.	New Loans			Principal Repayments		Principal Outstanding		Interest Repayments	
		1 July 2023	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Particulars		\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing										
Staff housing/seniors	264	358,529	0	0	0	(48,728)	358,529	309,801	2,255	(5,715)
Community Amenities										
Housing Bremer Bay	261	42,070	0	0	0	(42,070)	42,070	0	415	(1,362)
Transport										
Bremer Bay Townsite	263	153,196	0	0	0	(36,529)	153,196	116,667	667	(4,525)
Grader	265	437,500	0	0	(13,819)	(56,024)	423,681	381,476	(559)	(14,906)
Bremer Bay Airstrip Upgrade Project	266	0	0	900,000	0	0	0	900,000	0	0
Total		991,295	0	900,000	(13,819)	(183,351)	977,476	1,707,944	2,778	(26,508)
Current borrowings		183,351					169,531			
Non-current borrowings		807,944					807,945			
		991,295					977,476			

All debenture repayments were financed by general purpose revenue.

New borrowings 2023-24

Particulars	Amount Borrowed	Amount Borrowed	Institution	Loan Type	Term Years	Total Interest	Interest Rate	Amount (Used)		Balance
	Actual	Budget				& Charges		Actual	Budget	Unspent
	\$	\$				\$	%	\$	\$	\$
Bremer Bay Airstrip	0	900,000	WATC	Fixed	10	234,027	4.62%	0	(900,000)	0
	0	900,000				234,027		0	(900,000)	0

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.

12 LEASE LIABILITIES

Movement in carrying amounts

Information on leases Particulars	Lease No.	New Leases			Principal Repayments		Principal Outstanding		Interest Repayments	
		1 July 2023	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	
Photocopier - Konica Bizz		15,455	0	0	(329)	(4,023)	15,126	11,432	(45)	(470)
Total		15,455	0	0	(329)	(4,023)	15,126	11,432	(45)	(470)
Current lease liabilities		4,023					3,694			
Non-current lease liabilities		11,432					11,432			
		15,455					15,126			

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.

13 OTHER CURRENT LIABILITIES

	Note	Opening Balance 1 July 2023	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 31 July 2023
		\$	\$	\$	\$	\$
Other current liabilities						
Other liabilities						
Contract liabilities		90,516	0	0	0	90,516
Total other liabilities		90,516	0	0	0	90,516
Employee Related Provisions						
Provision for annual leave		200,443	0	0	0	200,443
Provision for long service leave		269,123	0	0	0	269,123
Total Provisions		469,566	0	0	0	469,566
Total other current liabilities		560,082	0	0	0	560,082

Amounts shown above include GST (where applicable)

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 14

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.

14 GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Unspent grant, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability	Increase in Liability	Decrease in Liability	Liability	Current Liability	Adopted Budget	YTD	YTD
	1 July 2023		(As revenue)	31 Jul 2023	31 Jul 2023	Revenue	Budget	Revenue
	\$	\$	\$	\$	\$	\$	\$	\$
Grants and subsidies								
Law order and public safety								
MAF 22/23	81,274	0	0	81,274	81,274	246,224	20,518	0
LGGS Operating grant - Bushfire brigades	0	0	0	0	0	78,000	0	20,200
BRMC funding - DFES, SoR	9,242	0	0	9,242	9,242	122,394	0	162
ESL Administration fee	0	0	0	0	0	4,000	0	0
Recreation and culture								
GSCORE - signage on walk trails	0	0	0	0	0	22,593	0	0
Transport								
Grant - MRWA Direct	0	0	0	0	0	192,262	0	0
	90,516	0	0	90,516	90,516	665,473	20,518	20,362
Contributions								
Law order and public safety								
DFES reimbursements	0	0	0	0	0	2,784	0	0
	0	0	0	0	0	2,784	0	0
TOTALS	90,516	0	0	90,516	90,516	668,257	20,518	20,362

15 CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Capital grant/contribution liabilities				Capital grants, subsidies and contributions revenue			
	Liability 1 July 2023	Increase in Liability	Decrease in Liability (As revenue)	Liability 31 Jul 2023	Current Liability 31 Jul 2023	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$
Capital grants and subsidies								
Recreation and culture								
CWSP - Water tank	0	0	0	0	0	70,000	0	0
Transport								
Grant MRWA Project	0	0	0	0	0	80,000	0	0
LRCI Phase 4B	0	0	0	0	0	252,267	0	0
Grant Roads to Recovery	0	0	0	0	0	639,947	0	0
RAUP grant - airstrip	0	0	0	0	0	815,564	0	0
	0	0	0	0	0	1,857,778	0	0