

SHIRE OF KENT
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the Period Ended 31 October 2021

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

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PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 31 October 2021
Prepared by: Manager Corporate
Reviewed by: Chief Executive Officer

BASIS OF PREPARATION

REPORT PURPOSE

This report is prepared to meet the requirements of Local Government (Financial Management) Regulations 1996, Regulation 34. Note: The Statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

BASIS OF ACCOUNTING

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also 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 Council controls resources to carry on its functions have been included in this statement. 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 statement, but a separate statement of those monies appears at Note 12.

SIGNIFICANT ACCOUNTING POLICES

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.

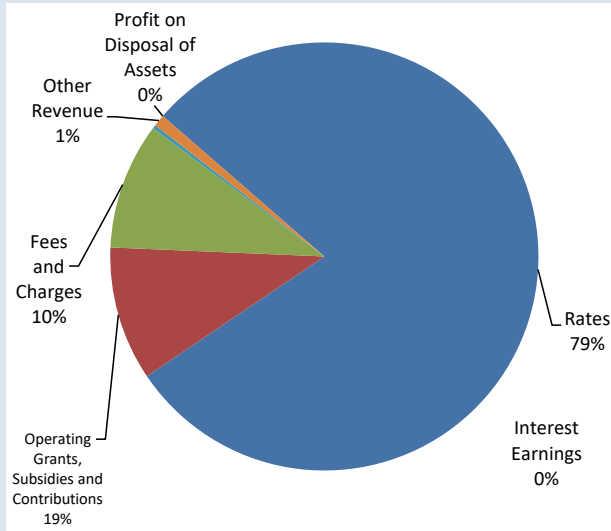
CRITICAL ACCOUNTING ESTIMATES

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.

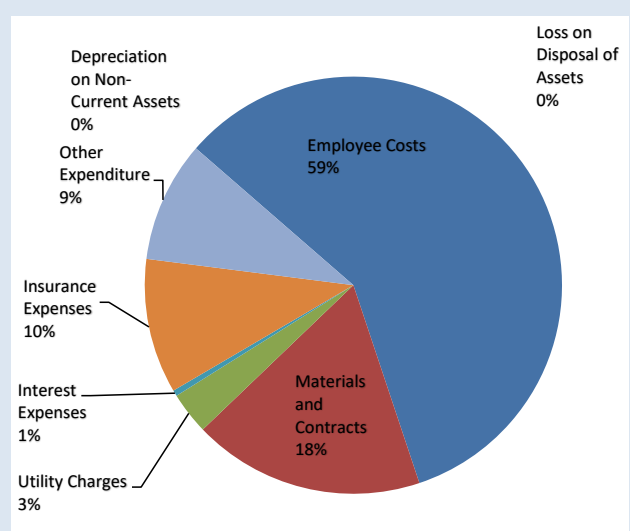
ROUNDING OFF FIGURES

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

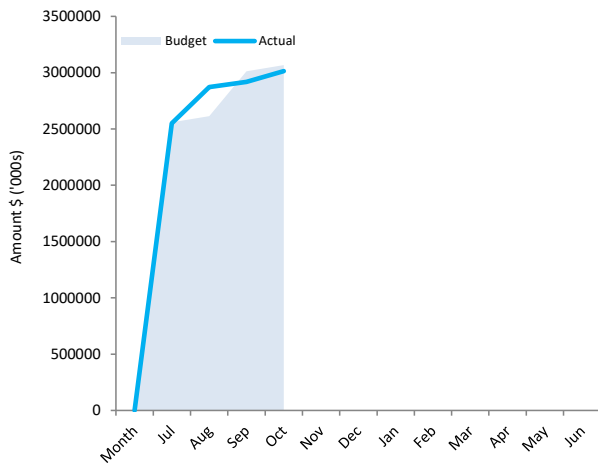
OPERATING REVENUE



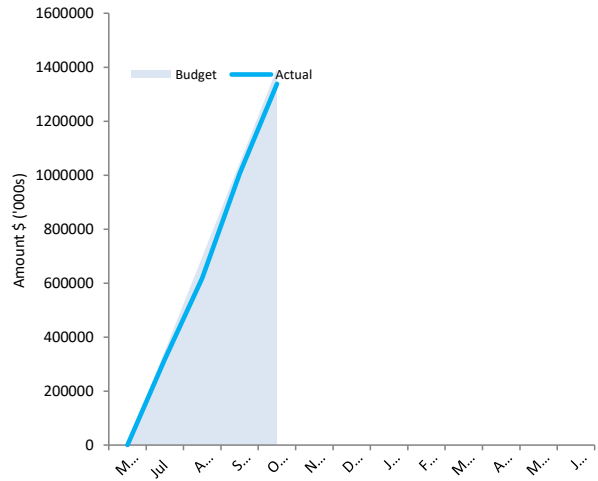
OPERATING EXPENSES



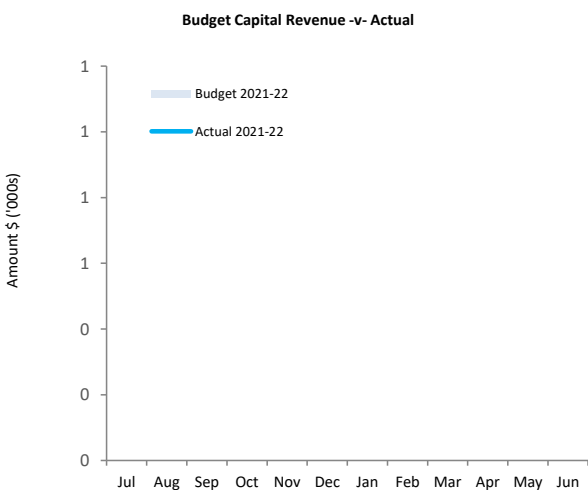
Budget Operating Revenues -v- Actual



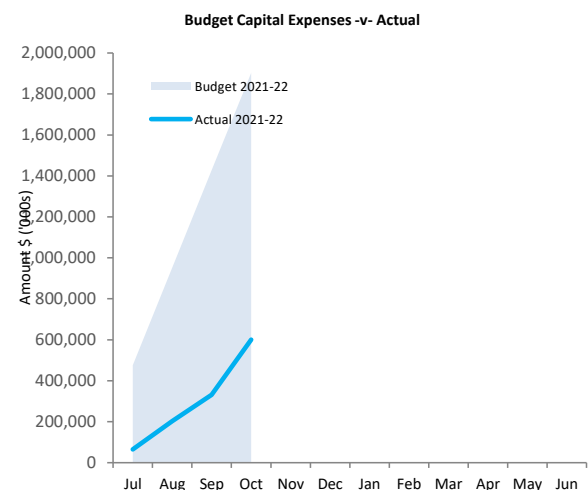
Budget Operating Expenses -v-YTD Actual



CAPITAL REVENUE



CAPITAL EXPENSES



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

**KEY TERMS AND DESCRIPTIONS
FOR THE PERIOD ENDED 31 OCTOBER 2021**

STATUTORY REPORTING PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task 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 and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance. Operation of child health clinic.
EDUCATION AND WELFARE	To provide assistance to disadvantaged persons, the elderly, children and youth.	Provision of assistance for child minding centre, playgroup centre, primary schools and other voluntary services.
HOUSING	To provide and maintain staff housing and to manage and maintain community housing.	Provision and maintenance of staff housing stocks. Management and maintenance of community housing.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, maintenance of townsites sewerage schemes and cemeteries, protection of the environment and administration of town planning schemes.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Maintenance of public halls, recreation centres and various sporting facilities and reserves. Provision and maintenance of parks, gardens and playgrounds. Operation of libraries and other cultural facilities.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES	To help promote the Shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of caravan parks. Provision of rural services including weed control, vermin control and standpipes. Building Control.
OTHER PROPERTY AND SERVICES	To monitor and control Shire overheads operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

STATUTORY REPORTING PROGRAMS

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus(Deficit)	1(b)	2,858,801	2,858,801	2,797,751	(61,050)	(2%)	
Revenue from operating activities							
Governance		5,200	1,720	914	(806)	(47%)	
General Purpose Funding - Rates	5	2,388,105	2,387,769	2,385,862	(1,907)	(0%)	
General Purpose Funding - Other		1,191,260	301,240	261,452	(39,788)	(13%)	▼
Law, Order and Public Safety		67,951	46,540	50,369	3,829	8%	
Health		7,000	2,332	0	(2,332)	(100%)	
Housing		100,170	33,384	37,473	4,089	12%	
Community Amenities		177,535	111,101	132,026	20,925	19%	▲
Recreation and Culture		9,200	1,056	(2,503)	(3,559)	(337%)	
Transport		562,075	134,656	76,899	(57,757)	(43%)	▼
Economic Services		104,700	8,224	35,303	27,079	329%	▲
Other Property and Services		117,230	39,064	36,071	(2,993)	(8%)	
		4,730,426	3,067,086	3,013,866			
Expenditure from operating activities							
Governance		(639,077)	(193,596)	(203,794)	(10,198)	(5%)	
General Purpose Funding		(101,750)	(33,908)	(37,767)	(3,859)	(11%)	
Law, Order and Public Safety		(235,165)	(64,224)	(72,312)	(8,088)	(13%)	
Health		(53,838)	(17,936)	(12,474)	5,462	30%	
Education and Welfare		(34,991)	(11,660)	(13,258)	(1,598)	(14%)	
Housing		(511,287)	(111,876)	(137,349)	(25,473)	(23%)	▼
Community Amenities		(510,418)	(150,576)	(156,286)	(5,710)	(4%)	
Recreation and Culture		(893,378)	(206,312)	(164,390)	41,922	20%	▲
Transport		(2,859,641)	(619,572)	(554,990)	64,582	10%	▲
Economic Services		(336,895)	(107,072)	(86,366)	20,706	19%	▲
Other Property and Services		(186,559)	121,808	100,735	(21,073)	17%	
		(6,362,997)	(1,394,924)	(1,338,249)			
Operating activities excluded from budget							
Add Back Depreciation		2,189,018	4,856	0	(4,856)	(100%)	
Adjust (Profit)/Loss on Asset Disposal	6	(104,000)	2,000	0	(2,000)	(100%)	
Adjust Provisions and Accruals - LSL NC		(12,855)	0	96	96		
Amount attributable to operating activities		439,592	1,679,018	1,675,713			
Investing Activities							
Non-operating Grants, Subsidies and Contributions							
Contributions	11	3,073,105	438,888	0	(438,888)	(100%)	▼
Proceeds from Disposal of Assets	6	470,000	39,166	0	(39,166)	(100%)	▼
Capital Acquisitions	7	(6,604,398)	(1,902,576)	(600,603)	1,301,973	68%	▲
Amount attributable to investing activities		(3,061,293)	(1,424,522)	(600,603)			
Financing Activities							
Proceeds from New Debentures		750,000	62,501	0	(62,501)	(100%)	▼
Repayment of Lease		0	0	(3,793)	(3,793)		
Repayment of Debentures	9	(130,025)	(10,835)	(29,401)	(18,566)	(171%)	▼
Transfer to Reserves	10	(857,075)	(47,062)	0	47,062	100%	▲
Amount attributable to financing activities		(237,100)	4,604	(33,194)			
Closing Funding Surplus(Deficit)	1(b)	(0)	3,117,901	3,839,667			

KEY INFORMATION

▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold. Refer to threshold. Refer to Note 2 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2021/22 year is \$10,000 or 10% 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 31 OCTOBER 2021**

REVENUE

RATES

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer 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 non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

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.

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

Loss on the disposal of fixed assets.

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, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

BY NATURE OR TYPE

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus (Deficit)	1(b)	2,858,801	2,858,801	2,797,751	(61,050)	(2%)	
Revenue from operating activities							
Rates	5	2,388,105	2,387,769	2,385,837	(1,932)	(0%)	
Operating Grants, Subsidies and Contributions	11	1,492,920	381,496	305,077	(76,419)	(20%)	▼
Fees and Charges		641,241	265,125	287,833	22,708	9%	
Interest Earnings		32,760	10,916	8,731	(2,185)	(20%)	
Other Revenue		65,400	21,780	26,389	4,609	21%	
Profit on Disposal of Assets	6	110,000	0	0			
		4,730,426	3,067,086	3,013,866			
Expenditure from operating activities							
Employee Costs		(2,094,830)	(698,104)	(782,706)	(84,602)	(12%)	▼
Materials and Contracts		(1,367,181)	(455,044)	(240,335)	214,709	47%	
Utility Charges		(191,872)	(63,796)	(43,767)	20,029	31%	
Depreciation on Non-Current Assets		(2,189,018)	(4,856)	0	4,856	100%	
Interest Expenses		(22,530)	(7,504)	(6,177)	1,327	18%	
Insurance Expenses		(159,968)	(53,224)	(139,807)	(86,583)	(163%)	▼
Other Expenditure		(331,598)	(110,396)	(125,458)	(15,062)	(14%)	▼
Loss on Disposal of Assets	6	(6,000)	(2,000)	0			
		(6,362,997)	(1,394,924)	(1,338,249)			
Operating activities excluded from budget							
Add back Depreciation		2,189,018	4,856	0	(4,856)	(100%)	
Adjust (Profit)/Loss on Asset Disposal	6	(104,000)	2,000	0	(2,000)	(100%)	
Adjust Provisions and Accruals - LSL NC		(12,855)	0	96	96		
Amount attributable to operating activities		439,592	1,679,018	1,675,713			
Investing activities							
Non-operating grants, subsidies and contributions	11	3,073,105	438,888	0	(438,888)	(100%)	▼
Proceeds from Disposal of Assets	6	470,000	39,166	0	(39,166)	(100%)	▼
Capital acquisitions	7	(6,604,398)	(1,902,576)	(600,603)	1,301,973	68%	▲
Amount attributable to investing activities		(3,061,293)	(1,424,522)	(600,603)			
Financing Activities							
Proceeds from New Debentures		750,000	62,501	0	(62,501)	(100%)	▼
Repayment of Lease		0	0	(3,793)	(3,793)		
Repayment of Debentures	9	(130,025)	(10,835)	(29,401)	(18,566)	(171%)	▼
Transfer to Reserves	10	(857,075)	(47,062)	0	47,062	100%	▲
Amount attributable to financing activities		(237,100)	4,604	(33,194)			
Closing Funding Surplus (Deficit)	1(b)	(0)	3,117,901	3,839,667			

KEY INFORMATION

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

Refer to Note 2 for an explanation of the reasons for the variance.

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

SIGNIFICANT ACCOUNTING POLICIES

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. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non current based on Council's intentions to release for sale.

EMPLOYEE BENEFITS

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (*Short-term Benefits*)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the City has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the City expects to pay and includes related on-costs.

(ii) *Annual Leave and Long Service Leave (Long-term Benefits)*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the City does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

PROVISIONS

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

INVENTORIES

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.

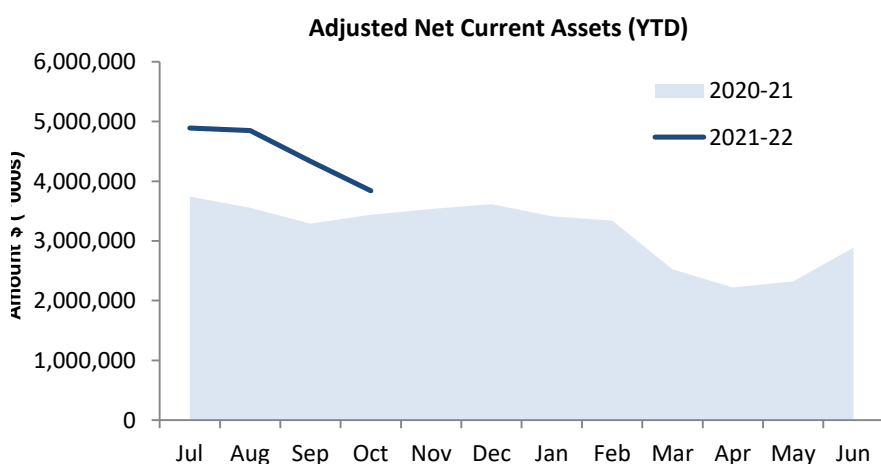
	Ref Note	Last Years Closing 30 June 2021	This Time Last Year 31 Oct 2020	Year to Date Actual 31 Oct 2021
		\$	\$	\$
Adjusted Net Current Assets				
Current Assets				
Cash Unrestricted	3	2,589,717	2,595,397	3,862,087
Cash Restricted	3	3,966,286	3,462,391	3,966,286
Receivables - Rates	4	12,106	504,969	386,713
Receivables - Other	4	1,326,647	660,328	1,301,941
Accrued Income		640,207	0	0
Interest / ATO Receivable		49,975	23,138	33,337
Inventories		64,293	80,155	98,509
		8,649,231	7,326,378	9,648,873
Less: Current Liabilities				
Payables		(121,412)	(195,900)	(71,481)
Provisions - employee		(268,156)	(228,916)	(268,156)
Contract liability		(1,720,214)	0	(1,720,214)
ATO Payable		(43,569)	0	(51,225)
Lease liabilities		(708)	0	(10,826)
Long term borrowings		(59,761)	(35,135)	(30,360)
		(2,213,820)	(459,951)	(2,152,262)
Unadjusted Net Current Assets		6,435,411	6,866,427	7,496,611
Adjustments and exclusions permitted by FM Reg 32				
Less: Cash reserves	3	(3,966,286)	(3,462,391)	(3,966,286)
Add: Provisions - employee		268,156	0	268,156
Add: Lease liabilities		708	0	10,826
Add: Long term borrowings		59,761	35,135	30,360
Adjusted Net Current Assets		2,797,750	3,439,171	3,839,667

SIGNIFICANT ACCOUNTING POLICIES

Please see Note 1(a) for information on significant accounting policies relating to Net Current Assets.

KEY INFORMATION

The amount of the adjusted net current assets at the end of the period represents the actual surplus (or deficit if the figure is a negative) as presented on the Rate Setting Statement.



This Year YTD

Surplus(Deficit)

\$3.84 M

Last Year YTD

Surplus(Deficit)

\$3.44 M

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

**NOTE 2
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 budget materially.

The material variance adopted by Council for the 2021/22 year is \$10,000 or 10% whichever is the greater.

Reporting Program	Var. \$	Var. %	Var.	Timing/ Permanent	Explanation of Variance
	\$	%			
Revenue from operating activities					
Governance	(806)	(47%)		Permanent	Staff contributions to leaving gift
General Purpose Funding - Other	(39,788)	(13%)	▼	Timing	FAGS funding wasn't expected until end of September EHO services contracted to other shire, only on an as needs basis.
Health	(2,332)	(100%)		Timing	
Housing	4,089	12%		Permanent	Unexpected insurance income from water damage. Still to claim waste management grant funding and also NRM funding.
Community Amenities	20,925	19%	▲	Timing	Credit to debtor due to nil contribution from Nyabing Sports Club into reserve at 30 Jun 21
Recreation and Culture	(3,559)	(337%)		Permanent	
Transport	(57,757)	(43%)	▼	Timing	No Roads to Recovery funding received as yet.
Economic Services	27,079	329%	▲	Timing	Debtor timing for standpipe income
Expenditure from operating activities					
Governance	(10,198)	(5%)		Timing	Depreciation not yet raised
General Purpose Funding	(3,859)	(11%)		Timing	Depreciation not yet raised
Law, Order and Public Safety	(8,088)	(13%)		Timing	Depreciation not yet raised.
Health	5,462	30%		Timing	Yet to use EHO services
Education and Welfare	(1,598)	(14%)		Timing	All community donations approved in budget have been paid.
Housing	(25,473)	(23%)	▼	Timing	Depreciation not yet raised; staff housing redistribution not yet raised.
Recreation and Culture	41,922	20%	▲	Timing	Depreciation not yet raised.
Transport	64,582	10%	▲	Timing	Depreciation not yet raised.
Economic Services	20,706	19%	▲	Timing	Depreciation not yet raised.
Other Property and Services	(21,073)	17%		Timing	Timing due to PWOH and POC
Investing Activities					
Non-operating Grants, Subsidies and Contributions	(438,888)	(100%)	▼	Timing	Nil Roads to Recovery funding received.
Proceeds from Disposal of Assets	(39,166)	(100%)	▼	Timing	No sales of assets as yet No vehicle purchases to date; minimal capital housing costs to date
Capital Acquisitions	1,301,973	68%	▲	Timing	
Financing Activities					
Proceeds from New Debentures	(62,501)	(100%)	▼	Timing	Loan not yet raised
Repayment of Debentures	(18,566)	(171%)	▼	Timing	Difference due to loan not yet being raised
Transfer to Reserves	47,062	100%	▲	Timing	End of year transfers

KEY INFORMATION

Most differences are due to timing as commencement of new financial year.

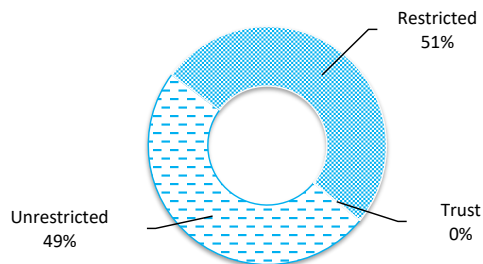
Cash and Investments	Unrestricted	Restricted	Trust	Total YTD Actual	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$			
Cash on Hand							
Petty Cash and Floats	300			300	nil		on hand
At Call Deposits							
Municipal Fund	1,959,403			1,959,403	CBA	Variable	Cheque Acc
Business Online Saver Acct 10173111	1,902,384			1,902,384	CBA	Variable	Cheque Acc
Trust Fund			338	338	CBA	Variable	Cheque Acc
Term Deposits							
Municipal Investment - Term Deposit Acct No. 206562 - Muni Acct		3,966,286		3,966,286	CBA	0.200%	28-Sep-21
Total	3,862,087	3,966,286	338	7,828,411			

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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 financial position.

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 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 financial position.



Total Cash

\$7.83 M

Unrestricted

\$3.86 M

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

**OPERATING ACTIVITIES
NOTE 4
RECEIVABLES**

Rates Receivable	30 June 2021	31 Oct 21
	\$	\$
Opening Arrears Previous Years	22,957	12,106
Levied this year	2,353,782	2,349,698
Less Collections to date	(2,364,633)	(1,975,091)
Equals Current Outstanding	12,106	386,713
Net Rates Collectable	12,106	386,713
% Collected	-99.49%	-83.63%

Receivables - General	Current	30 Days	60 Days	90+ Days	Credit	Total
	\$	\$	\$	\$		\$
Receivables - General	252,531	117	11	1,036,295	(307)	1,288,647
Percentage	20%	0%	0%	80%		0
Balance per Trial Balance						
Sundry debtors						1,303,028
GST receivable						33,337
Doubtful debts						(1,664)
Other - ESL						577
Total Receivables General Outstanding						1,335,278

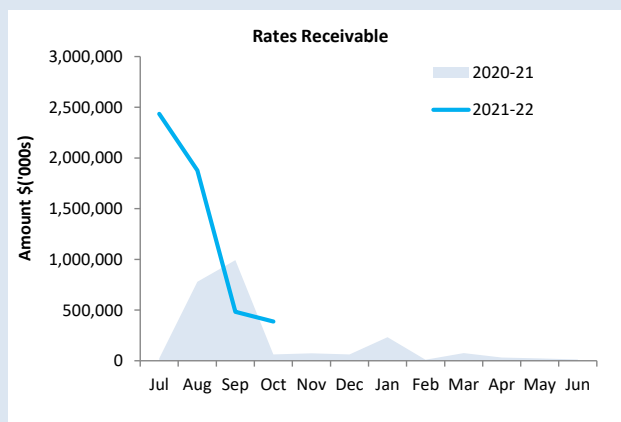
Amounts shown above include GST (where applicable)

KEY INFORMATION

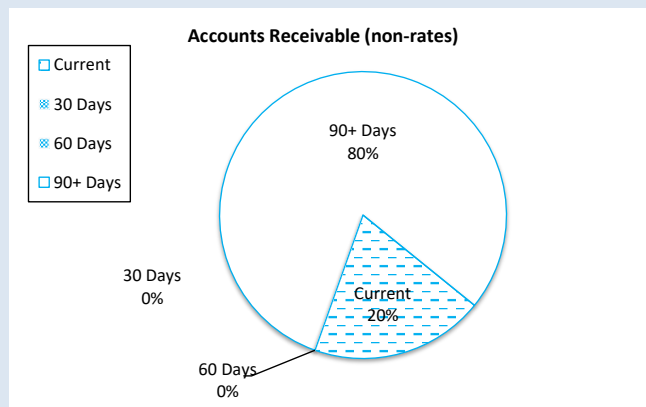
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

SIGNIFICANT ACCOUNTING POLICIES

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 doubtful debts is raised when there is objective evidence that they will not be collectible.



Collected	Rates Due
-84%	\$386,713



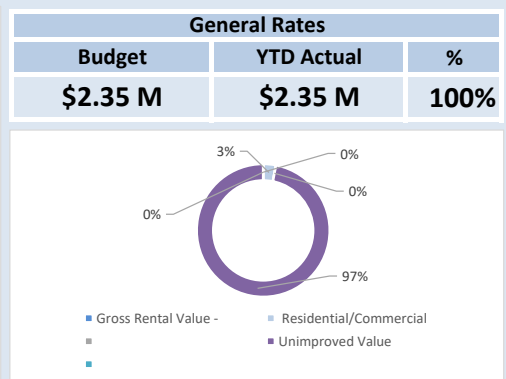
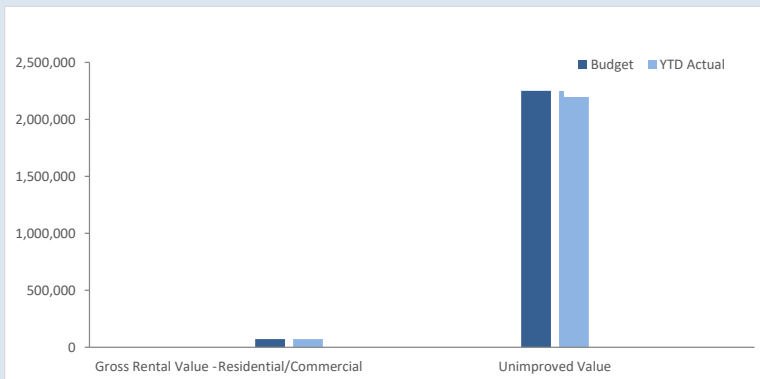
Debtors Due
\$1,335,278
Over 30 Days
80%
Over 90 Days
80%

General Rate Revenue	Current Budget						YTD Actual				
	Rate in	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
RATE TYPE	\$			\$	\$	\$	\$	\$	\$	\$	\$
Differential General Rate											
Gross Rental Value - Residential/Commercial	0.108390	76	661,128	71,660			71,660	71,660			71,660
Unimproved Value	0.008610	339	261,239,000	2,250,419	500	0	2,250,919	2,248,521	(25)		2,248,496
Mining Tenements	0.008610	0	0	0			0				0
Minimum \$											
Gross Rental Value - Residential/Commercial	518	16	24,288	8,288			8,288	8,288			8,288
Unimproved Value	518	10	369,400	5,180			5,180	5,180			5,180
Mining Tenements	518	31	233,475	16,058			16,058	16,058			16,058
							0				0
							0				0
Sub-Totals		472	262,527,291	2,351,605	500	0	2,352,105	2,349,707	(25)	0	2,349,682
Discount											
Concession											
Amount from General Rates							2,352,105				2,349,682
Ex-Gratia Rates							36,000				36,155
Total General Rates							2,388,105				2,385,837

SIGNIFICANT ACCOUNTING POLICIES

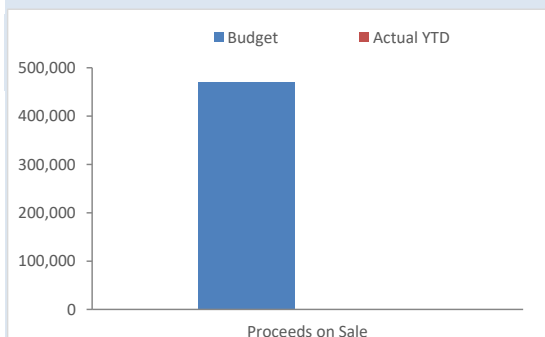
Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

KEY INFORMATION



Asset Ref.	Asset Description	Budget				YTD Actual			
		Net Book		Profit	(Loss)	Net Book		Profit	(Loss)
		Value	Proceeds			Value	Proceeds		
\$	\$	\$	\$	\$	\$	\$	\$		
Transport									
2263	2016 Komatsu Loader (KT028)		130,000	20,000	0				
2281	2017 Mitsubishi Utility (KT017)		14,000	0	3,000				
2283	2018 Mitsubishi Utility (KT014)		14,000	3,000	0				
2282	2017 Mitsubishi Utility (KT020)		14,000	0	3,000				
2085	Mitsubishi MN Triton GLX Utility - Landcare KT4		8,000	2,000	0				
2348	2021 Mazda BT-50 4 x 4 Crew Cab (50KT)		40,000	15,000	0				
2310	2019 Holden Colorado Trailblazer (40KT)		40,000	40,000	0				
	OKT - changeover 1		70,000	10,000	0				
	OKT - changeover 2		70,000	10,000	0				
	OKT - changeover 3		70,000	10,000	0				
		0	470,000	110,000	6,000	0	0	0	0

KEY INFORMATION



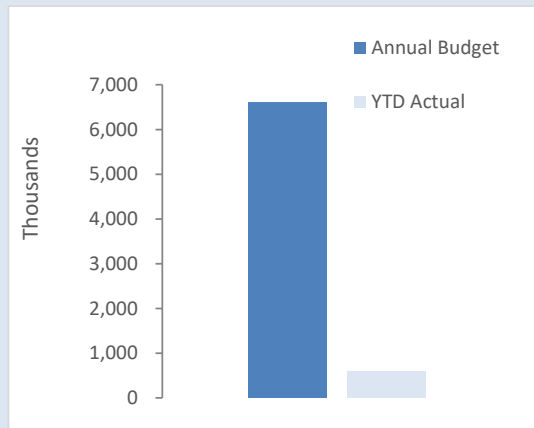
Proceeds on Sale		
Budget	YTD Actual	%
\$470,000	\$0	0%

Capital Acquisitions	Annual Budget	YTD Budget	YTD Actual Total	YTD Budget Variance
	\$	\$	\$	\$
Land	50,000	16,668	0	(16,668)
Buildings	1,564,200	518,064	20,338	(497,726)
Plant & Equipment	1,013,000	337,668	0	(337,668)
Furniture & Equipment	20,000	14,732	0	(14,732)
Infrastructure - Roads	3,017,743	1,005,944	553,536	(452,408)
Parks, Gardens, Recreation Facilities	437,901	9,500	26,729	17,229
Unclassified	501,554	0	0	0
Capital Expenditure Totals	6,604,398	1,902,576	600,603	(1,301,973)
Capital Acquisitions Funded By:				
	\$	\$	\$	\$
Capital grants and contributions	3,073,105	438,888	0	(438,888)
Borrowings	750,000	62,501	0	(62,501)
Other (Disposals & C/Fwd)	470,000	39,166	0	(39,166)
Cash Backed Reserves				
Infrastructure Reserve	0	0	0	0
Plant Replacement Reserve	0	0	0	0
Contribution - operations	2,311,293	1,362,021	600,603	(761,418)
Capital Funding Total	6,604,398	1,902,576	600,603	(1,301,973)

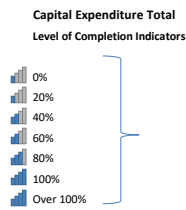
SIGNIFICANT ACCOUNTING POLICIES

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.

KEY INFORMATION



Acquisitions	Annual Budget	YTD Actual	% Spent
	\$6.6 M	\$.6 M	9%
Capital Grant	Annual Budget	YTD Actual	% Received
	\$3.07 M	\$. M	0%



Percentage YTD Actual to Annual Budget
Expenditure over budget highlighted in red.

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

	Account Number	Annual Budget	YTD Budget	YTD Actual	Variance (Under)/Over
Capital Expenditure					
Land					
0.00	Urban Regeneration	13990	50,000	16,668	0 (16,668)
Buildings					
0.16	CAPITAL HOUSING UPGRADES	09987	44,200	14,732	2,036 (12,696)
0.02	Construction 2 x 1 - 16B Bourke Street, NYABING (GROH Lease)	09984	375,000	125,000	2,464 (122,536)
0.00	Construction 2 x 1 - 16A Bourke Street, NYABING (GROH Lease)	09986	375,000	125,000	515 (124,485)
0.03	Construction 4 x 2 - 6 Paterson Street, PINGRUP (GROH Lease)	09992	600,000	200,000	6,123 (193,877)
0.00	PV Solar - Nyabing & Pingrup Pavilions (LRCIP Phase 2)	11978	60,000	20,000	0 (20,000)
0.00	Pingrup Pavilion - Capital Upgrades	11983	50,000	16,668	0 (16,668)
1.57	Nyabing Hall - Ceiling/Roof Replacement	11988	10,000	3,332	9,200 5,868
0.00	Pingrup Depot - Storage Shed	12700	40,000	13,332	0 (13,332)
0.00	Nyabing Caravan Park Upgrade (Buildings)	13987	10,000	3,332	0 (3,332)
	Buildings Total		1,564,200	521,396	20,338 (501,058)
Plant & Equipment					
0.00	Purchase of Plant and Vehicles	12951	785,000	261,668	0 (261,668)
0.00	Purchase - OKT (CEO)	12997	228,000	76,000	0 (76,000)
	Plant & Equipment Total		1,013,000	337,668	0 (337,668)
Furniture & Equipment					
0.00	Small Office Equipment	4995	20,000	14,732	0 (14,732)
	Furniture & Equipment Total		20,000	14,732	0 (14,732)
Infrastructure - Roads					
0.00	Own Source - Nyabing South Road	C006	76,162	25,392	0 (25,392)
0.05	Own Source - North Kuringup Road	C008	39,582	13,200	571 (12,629)
2.52	Own Source - East Road	C012	95,952	31,988	52,968 20,980
0.04	Own Source - Kuringup Road	C013	76,162	25,388	987 (24,401)
0.01	Own Source - Rasmussen Road	C014	76,162	25,388	305 (25,083)
1.00	Own Source - Steele Road	C015	0	0	31,262 31,262
0.00	Own Source - Paterson Road	C026	133,783	44,596	0 (44,596)
0.00	Own Source - Lake Bryde Floodway	C047	138,402	46,140	0 (46,140)
2.82	Own Source - Ryan Road	C049	81,672	27,220	42,183 14,963
0.00	Own Source - Manuel Road	C109	45,220	15,072	0 (15,072)
0.00	Own Source - Bitumen Repairs	C999	113,662	37,892	0 (37,892)
1.34	Roads To Recovery - Range Road	RR007	257,921	85,980	49,246 (36,734)
0.01	Roads To Recovery - North Fence Road	RR009	206,816	68,936	406 (68,530)
0.00	Dumbleyung Road	RG001	135,000	45,000	0 (45,000)
1.00	Newdegate Pingup Road	RG002	0	0	9,000 9,000
1.28	North Needilup Road	RG017	108,000	36,000	166,270 130,270
0.00	Kuringup Road - Blackspot	BS013	60,000	20,004	0 (20,004)
0.00	Neve Road - Blackspot	BS016	150,000	50,000	0 (50,000)
0.05	Heavy Vehicle Safety & Productivity Program (HVSP)	HV005	696,693	232,232	10,241 (221,991)
5.78	Kukerin/Range Road - Local Road & Comm Infra Pro	LRP005	471,554	157,184	190,097 32,913
0.00	Coates Close - drainage (LRCIP Phase 2)	12812	40,000	13,332	0 (13,332)
0.00	Jury Street - drainage (LRCIP Phase 2)	12813	15,000	5,000	0 (5,000)
	Infrastructure - Roads Total		3,017,743	987,612	553,536 (434,076)
Infrastructure - Other					
0.00	Strategic Waste Grant Expenditure	10993	63,304	21,100	0 (21,100)
0.00	Replace/Add Playground Equipment	11980	30,000	10,000	0 (10,000)
0.00	Shade Shelters - Memorial & Burstons Parks (LRCIP Phase 2)	11979	150,000	50,000	0 (50,000)
0.00	Pingrup - footpath upgrade	12811	35,000	11,668	0 (11,668)
0.00	Jury Street - solar lighting (LRCIP Phase 2)	12814	20,000	6,668	0 (6,668)
0.00	Pingrup Silo Walk Trail (Drought Relief Program)	13981	20,000	6,668	0 (6,668)
0.00	Pingrup Dam Evap Covers (Drought Relief Program)	13982	63,945	21,316	0 (21,316)
1.50	Pingrup Town Dam (Drought Relief Program)	13983	3,411	1,136	3,411 2,275
1.51	Nyabing Rec Dam Water Harvesting (Drought Relief Program)	13984	23,741	7,912	23,319 15,407
0.00	Solar Pump replacement	13980	28,500	9,500	0 (9,500)
	Infrastructure - Other Total		437,901	145,968	26,729 (119,239)

Information on Borrowings Particulars	2020/21	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
		Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing									
Loan 91, various Duplexes	180,301	0	0	27,734	56,356	152,567	123,945	5,679	10,485
Teacher Housing (new)	0	0	750,000	0	70,261	0	679,739	0	10,524
Community Amenities									
Loan 54, Nyabing Effluent	11,180	0	0	1,666	3,408	9,514	7,772	498	921
	191,481	0	750,000	29,401	130,025	162,080	811,456	6,177	21,930
	0	0	0	0	0	0	0	0	0
Total	191,481	0	750,000	29,401	130,025	162,080	811,456	6,177	21,930

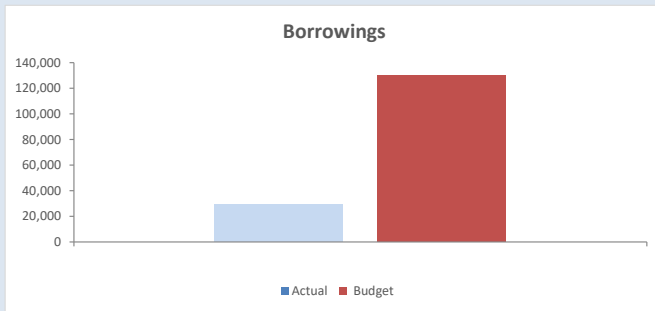
All debenture repayments were financed by general purpose revenue.

SIGNIFICANT ACCOUNTING POLICIES

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.

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.



Principal Repayments

\$29,401

Interest Earned

\$0

Interest Expense

\$6,177

Reserves Bal

\$3.97 M

Loans Due

\$.16 M

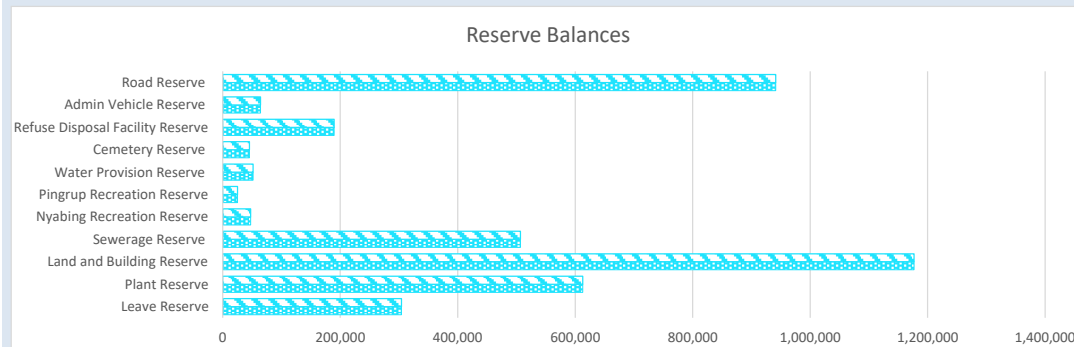
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021

OPERATING ACTIVITIES
NOTE 10
CASH AND INVESTMENTS

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	304,210	1,500	0	0	0	0	0	305,710	304,210
Plant Reserve	612,816	3,500	0	250,000	0	0	0	866,316	612,816
Land and Building Reserve	1,176,914	3,000	0	250,000	0	0	0	1,429,914	1,176,914
Sewerage Reserve	506,921	2,500	0	10,000	0	0	0	519,421	506,921
Nyabing Recreation Reserve	47,660	350	0	6,000	0	0	0	54,010	47,660
Pingrup Recreation Reserve	25,324	110	0	6,000	0	0	0	31,434	25,324
Water Provision Reserve	51,774	400	0	0	0	0	0	52,174	51,774
Cemetery Reserve	45,404	400	0	0	0	0	0	45,804	45,404
Refuse Disposal Facility Reserve	189,776	1,000	0	0	0	0	0	190,776	189,776
Admin Vehicle Reserve	64,184	500	0	25,000	0	0	0	89,684	64,184
Road Reserve	941,304	4,500	0	292,315	0	0	0	1,238,119	941,304
	3,966,287	17,760	0	839,315	0	0	0	4,823,362	3,966,287

KEY INFORMATION



Grants and Contributions

	Annual Budget	YTD Budget	YTD Actual	Variance (Under)/Over
Operating grants, subsidies and contributions				
General Purpose Funding				
Reimbursement - Debt Collection Expenses	2,000	664	1,189	525
Grants - General Purpose	700,000	175,000	151,542	(23,458)
Grants - Untied Roads	450,000	112,500	93,850	(18,650)
Governance				
Members of Council	2,000	664	0	(664)
Administration General	1,000	332	0	(332)
Revenue - Other Governance	1,000	332	114	(218)
Law, Order & Public Safety				
LGGS Operational Grant	27,203	6,800	0	(6,800)
Other Emergency Management Funding	0	0	1,365	
Health				
Health Inspection	7,000	2,332	0	(2,332)
Education & Welfare				
Other Welfare	0	0	0	0
Housing				
Revenue - Other Housing	2,000	664	4,663	3,999
Community Amenities				
Protection of the Environment	35,500	11,832	0	(11,832)
Other Grant Funding	59,642	19,880	55,097	35,217
Other Grant Funding	0	0	0	0
Recreation & Culture				
Other Recreation & Sport	6,000	0	(3,000)	(3,000)
Transport				
Direct Grant	192,075	48,000	0	(48,000)
Licensing (No GST)	500	164	0	(164)
Economic Services				
Caravan Park Pingrup - CBH	7,000	2,332	0	(2,332)
Other Property Services				
Public Works Overhead	0	0	155	155
Plant Operation (revenue)	0	0	101	101
Operating grants, subsidies and contributions Total	1,492,920	381,496	305,077	(77,785)
Non-operating grants, subsidies and contributions				
General Purpose Funding				
Grants - Federal	850,618	0	0	0
Drought Communities Programme	96,681	0	0	0
Community Amenities				
Other Refuse Collection	105,515	0	0	0
Transport				
Grants R 2 R	464,737	50,000	0	(50,000)
Grants Black Spot	160,000	40,000	0	(40,000)
Grants Regional Road Group	162,000	40,500	0	(40,500)
Local Road & Community Infrastructure Program	471,554	117,888	0	(117,888)
Heavy Vehicle Safety & Productivity Program (HVSPP)	762,000	190,500	0	(190,500)
Non-operating grants, subsidies and contributions Total	3,073,105	438,888	0	(438,888)
Grand Total	4,566,025	820,384	305,077	(516,673)

KEY INFORMATION

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

**NOTE 12
TRUST FUND**

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance 01 Jul 2021	Amount Received	Amount Paid	Closing Balance 31 Oct 2021
	\$	\$	\$	\$
Housing Bonds	160	0	0	160
Trust Other	178	0	0	178
Building Commission / BCITF	0	0	0	0
	338	0	0	338

KEY INFORMATION