

SHIRE OF KENT

MONTHLY FINANCIAL REPORT

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

For the period ended 31 August 2023

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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SHIRE OF KENT
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 AUGUST 2023

		Adopted Budget Estimates	YTD Budget Estimates	YTD Actual	Variance* \$ (c) - (b)	Variance* % ((c) - (b))/(b)	Var.
	Supplemental Information	(a) \$	(b) \$	(c) \$	(c) - (b) \$	((c) - (b))/(b) %	
OPERATING ACTIVITIES							
Revenue from operating activities							
General rates	10	2,567,065	2,518,351	2,504,803	(13,548)	(0.54%)	▼
Grants, subsidies and contributions	14	406,800	242,796	257,587	14,791	6.09%	▲
Fees and charges		860,978	249,570	223,830	(25,740)	(10.31%)	▼
Interest revenue		294,022	10,748	16,196	5,448	50.69%	▲
Other revenue		69,900	11,642	7,418	(4,224)	(36.28%)	▼
Profit on asset disposals	6	27,000	4,500	0	(4,500)	(100.00%)	▼
		4,225,765	3,037,607	3,009,834	(27,773)	(0.91%)	
Expenditure from operating activities							
Employee costs		(2,499,761)	(416,546)	(462,306)	(45,760)	(10.99%)	▼
Materials and contracts		(1,484,935)	(247,090)	(186,189)	60,901	24.65%	▲
Utility charges		(211,758)	(35,220)	(25,894)	9,326	26.48%	▲
Depreciation		(2,626,500)	(437,734)	0	437,734	100.00%	▲
Finance costs		(16,085)	(2,014)	(2,014)	0	0.00%	
Insurance		(186,673)	(93,337)	(95,386)	(2,049)	(2.20%)	
Other expenditure		(417,961)	(69,588)	(38,789)	30,799	44.26%	▲
Loss on asset disposals	6	(80,000)	(13,332)	0	13,332	100.00%	▲
		(7,523,673)	(1,314,861)	(810,578)	504,283	38.35%	
Non-cash amounts excluded from operating activities	note 2(l)	2,666,180	446,566	0	(446,566)	(100.00%)	▼
Amount attributable to operating activities		(631,728)	2,169,312	2,199,256	29,944	1.38%	
INVESTING ACTIVITIES							
Inflows from investing activities							
Proceeds from capital grants, subsidies and contributions	15	2,093,001	174,933	0	(174,933)	(100.00%)	▼
Proceeds from disposal of assets	6	239,000	0	0	0	0.00%	
		2,332,001	174,933	0	(174,933)	(100.00%)	
Outflows from investing activities							
Payments for property, plant and equipment	5	(2,575,000)	(232,834)	(57,556)	175,278	75.28%	▲
Payments for construction of infrastructure	5	(3,668,395)	(482,478)	(112,643)	369,835	76.65%	▲
Amount attributable to investing activities		(3,911,394)	(540,379)	(170,200)	370,179	68.50%	
FINANCING ACTIVITIES							
Inflows from financing activities							
Proceeds from new debentures	11	500,000	0	0	0	0.00%	
Transfer from reserves	4	940,000	0	0	0	0.00%	
		1,440,000	0	0	0	0.00%	
Outflows from financing activities							
Repayment of borrowings	11	(138,453)	(31,962)	(31,459)	503	1.57%	
Payments for principal portion of lease liabilities	12	(314)	0	0	0	0.00%	
Transfer to reserves	4	(371,522)	0	0	0	0.00%	
		(510,289)	(31,962)	(31,459)	503	1.57%	
Amount attributable to financing activities		929,711	(31,962)	(31,459)	503	1.57%	
MOVEMENT IN SURPLUS OR DEFICIT							
Surplus or deficit at the start of the financial year		3,613,411	3,613,411	3,775,810	162,399	4.49%	▲
Amount attributable to operating activities		(631,728)	2,169,312	2,199,256	29,944	1.38%	▲
Amount attributable to investing activities		(3,911,394)	(540,379)	(170,200)	370,179	68.50%	▲
Amount attributable to financing activities		929,711	(31,962)	(31,459)	503	1.57%	
Surplus or deficit after imposition of general rates		0	5,210,382	5,773,407	563,025	10.81%	▲

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 KENT
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 AUGUST 2023

	Supplementary Information	30 June 2023	31 August 2023
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	3,240,312	3,148,089
Trade and other receivables		154,481	2,134,649
Other financial assets		4,530,195	4,530,195
Inventories	8	70,389	114,142
Contract assets	8	650,904	650,904
TOTAL CURRENT ASSETS		8,646,281	10,577,979
NON-CURRENT ASSETS			
Trade and other receivables		6,607	6,607
Other financial assets		85,265	85,265
Property, plant and equipment		13,484,465	13,541,222
Infrastructure		253,342,412	253,455,055
Right-of-use assets		3,689	3,689
TOTAL NON-CURRENT ASSETS		266,922,438	267,091,838
TOTAL ASSETS		275,568,719	277,669,817
CURRENT LIABILITIES			
Trade and other payables	9	157,118	90,417
Other liabilities	13	100,166	100,166
Lease liabilities	12	1,293	1,293
Borrowings	11	138,453	106,995
Employee related provisions	13	190,542	190,542
TOTAL CURRENT LIABILITIES		587,572	489,413
NON-CURRENT LIABILITIES			
Borrowings	11	576,453	576,453
Employee related provisions		48,646	48,646
TOTAL NON-CURRENT LIABILITIES		625,099	625,099
TOTAL LIABILITIES		1,212,671	1,114,512
NET ASSETS		274,356,048	276,555,305
EQUITY			
Retained surplus		37,036,513	39,235,769
Reserve accounts	4	4,530,195	4,530,196
Revaluation surplus		232,789,340	232,789,340
TOTAL EQUITY		274,356,048	276,555,305

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

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 AUGUST 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. A separate statement of those monies appears at Note 16 to these 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 POLICIES

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 08 September 2023

SHIRE OF KENT
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 AUGUST 2023

2 STATEMENT OF FINANCIAL ACTIVITY INFORMATION

		Adopted Budget Opening 30 June 2023	Last Year Closing 30 June 2023	Year to Date 31 August 2023
(a) Net current assets used in the Statement of Financial Activity				
Current assets		\$	\$	\$
Cash and cash equivalents	3	3,240,312	3,240,312	3,148,089
Trade and other receivables		154,482	154,481	2,134,649
Other financial assets		4,530,195	4,530,195	4,530,195
Inventories	8	70,389	70,389	114,142
Contract assets	8	36,682	650,904	650,904
		8,032,060	8,646,281	10,577,979
Less: current liabilities				
Trade and other payables	9	(156,319)	(157,118)	(90,417)
Other liabilities	13	(506,054)	(100,166)	(100,166)
Lease liabilities	12	(1,293)	(1,293)	(1,293)
Borrowings	11	(138,453)	(138,453)	(106,995)
Employee related provisions	13	(190,542)	(190,542)	(190,542)
		(992,661)	(587,572)	(489,413)
Net current assets		7,039,399	8,058,709	10,088,566
Less: Total adjustments to net current assets	Note 2(c)	(4,282,899)	(4,282,899)	(4,314,357)
Closing funding surplus / (deficit)		2,756,500	3,775,810	5,774,209

(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*.

		Adopted Budget \$	YTD Budget (a) \$	YTD Actual (b) \$
Non-cash amounts excluded from operating activities				
Adjustments to operating activities				
Less: Profit on asset disposals	6	(27,000)	(4,500)	0
Less: Movement in liabilities associated with restricted cash		(8,000)	0	0
Add: Loss on asset disposals	6	80,000	13,332	0
Add: Depreciation		2,626,500	437,734	0
Movement in current employee provisions associated with restricted cash		(12,320)	0	0
Non-cash movements in non-current assets and liabilities:				
- Pensioner deferred rates		4,000	0	0
- Employee provisions		3,000	0	0
Total non-cash amounts excluded from operating activities		2,666,180	446,566	0

(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.

		Adopted Budget Opening 30 June 2023 \$	Last Year Closing 30 June 2023 \$	Year to Date 31 August 2023 \$
Adjustments to net current assets				
Less: Reserve accounts	4	(4,530,195)	(4,530,195)	(4,530,195)
Add: Current liabilities not expected to be cleared at the end of the year:				
- Current portion of borrowings	11	138,453	138,453	106,995
- Current portion of lease liabilities	12	1,293	1,293	1,293
- Current portion of employee benefit provisions held in reserve	4	107,550	107,550	107,550
Total adjustments to net current assets	Note 2(a)	(4,282,899)	(4,282,899)	(4,314,357)

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 KENT
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 AUGUST 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 5.00% whichever is the greater.

Description	Var. \$	Var. %	
	\$	%	
Revenue from operating activities			
General rates	(13,548)	(0.54%)	▼
Have not yet raised ex-gratia rates	Timing		
Grants, subsidies and contributions	14,791	6.09%	▲
More FAG's received than budgeted	Timing		
Fees and charges	(25,740)	(10.31%)	▼
Nil standpipe income to date	Timing		
Minimal DoT income to date	Timing		
Interest revenue	5,448	50.69%	▲
Interest on Municipal account	Timing		
Other revenue	(4,224)	(36.28%)	▼
Nil plant/material sales to date	Timing		
No diesel fuel rebate claimed to date	Timing		
Profit on asset disposals	(4,500)	(100.00%)	▼
Nil disposal of assets	Timing		
Expenditure from operating activities			
Employee costs	(45,760)	(10.99%)	▼
Wages	Permanent		
Materials and contracts	60,901	24.65%	▲
Commencement of financial year - minimum spend	Timing		
Utility charges	9,326	26.48%	▲
Commencement of financial year - minimum spend	Timing		
Depreciation	437,734	100.00%	▲
Nil depreciation raised to date	Timing		
Other expenditure	30,799	44.26%	▲
Commencement of financial year - minimum spend	Timing		
Loss on asset disposals	13,332	100.00%	▲
Nil disposal of assets	Timing		
Non-cash amounts excluded from operating activities	(446,566)	(100.00%)	▼
Nil depreciation raised to date	Timing		
Inflows from investing activities			
Proceeds from capital grants, subsidies and contributions	(174,933)	(100.00%)	▼
Nil capital grant received to date	Timing		
Outflows from investing activities			
Payments for property, plant and equipment	175,278	75.28%	▲
Commencement of financial year - minimum spend	Timing		
Payments for construction of infrastructure	369,835	76.65%	▲
Commencement of financial year - minimum spend	Timing		
Surplus or deficit at the start of the financial year	162,399	4.49%	▲
Year end 30 June 2023 not yet finalised	Timing		
Surplus or deficit after imposition of general rates	563,025	10.81%	▲
Due to variances described above			

SHIRE OF KENT
SUPPLEMENTARY INFORMATION
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SHIRE OF KENT
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 AUGUST 2023

1 KEY INFORMATION

Funding Surplus or Deficit Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$3.61 M	\$3.61 M	\$3.78 M	\$0.16 M
Closing	\$0.00 M	\$5.21 M	\$5.77 M	\$0.56 M

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$7.68 M	% of total
Unrestricted Cash	\$3.15 M	41.0%
Restricted Cash	\$4.53 M	59.0%

Refer to 3 - Cash and Financial Assets

Payables	
	\$0.09 M
Trade Payables	\$0.03 M
0 to 30 Days	87.7%
Over 30 Days	12.3%
Over 90 Days	0.0%

Refer to 9 - Payables

Receivables		
	\$0.08 M	% Collected
Rates Receivable	\$2.05 M	18.9%
Trade Receivable	\$0.08 M	% Outstanding
Over 30 Days		85.2%
Over 90 Days		72.1%

Refer to 7 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$0.63 M)	\$2.17 M	\$2.20 M	\$0.03 M

Refer to Statement of Financial Activity

Rates Revenue		
YTD Actual	\$2.50 M	% Variance
YTD Budget	\$2.52 M	(0.5%)

Refer to 10 - Rate Revenue

Grants and Contributions		
YTD Actual	\$0.26 M	% Variance
YTD Budget	\$0.24 M	6.1%

Refer to 14 - Grants and Contributions

Fees and Charges		
YTD Actual	\$0.22 M	% Variance
YTD Budget	\$0.25 M	(10.3%)

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)
(\$3.91 M)	(\$0.54 M)	(\$0.17 M)	\$0.37 M

Refer to Statement of Financial Activity

Proceeds on sale		
YTD Actual	\$0.00 M	%
Adopted Budget	\$0.24 M	(100.0%)

Refer to 6 - Disposal of Assets

Asset Acquisition		
YTD Actual	\$0.11 M	% Spent
Adopted Budget	\$3.67 M	(96.9%)

Refer to 5 - Capital Acquisitions

Capital Grants		
YTD Actual	\$0.00 M	% Received
Adopted Budget	\$2.09 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)
\$0.93 M	(\$0.03 M)	(\$0.03 M)	\$0.00 M

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	(\$0.03 M)
Interest expense	\$0.00 M
Principal due	\$0.68 M

Refer to 11 - Borrowings

Reserves	
Reserves balance	\$4.53 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	\$0.00 M

Refer to Note 12 - Lease Liabilities

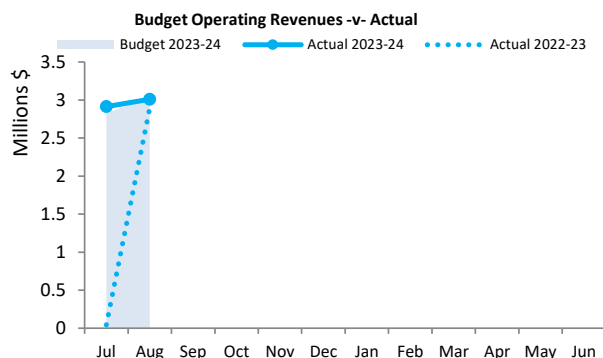
This information is to be read in conjunction with the accompanying Financial Statements and notes.

SHIRE OF KENT
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 AUGUST 2023

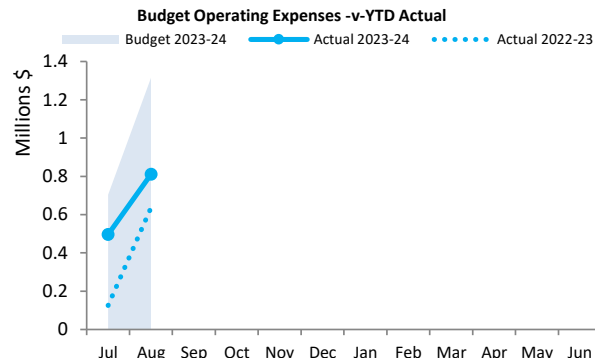
2 KEY INFORMATION - GRAPHICAL

OPERATING ACTIVITIES

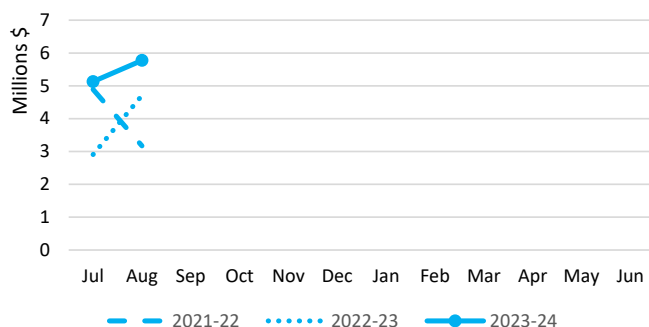
OPERATING REVENUE



OPERATING EXPENSES

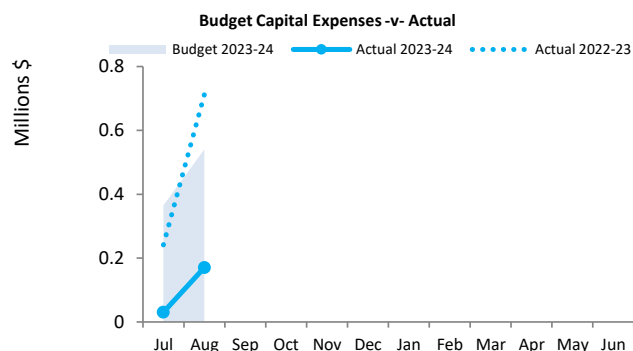


Closing funding surplus / (deficit)



INVESTING ACTIVITIES

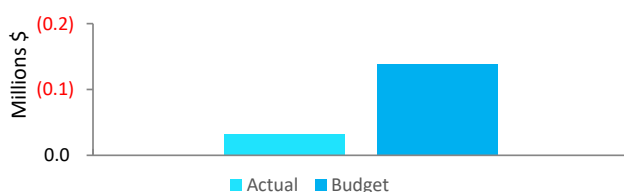
CAPITAL EXPENSES



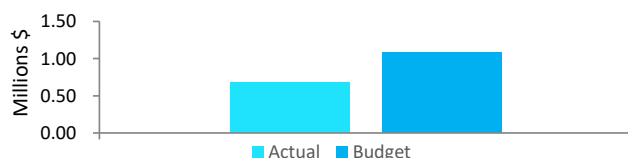
FINANCING ACTIVITIES

BORROWINGS

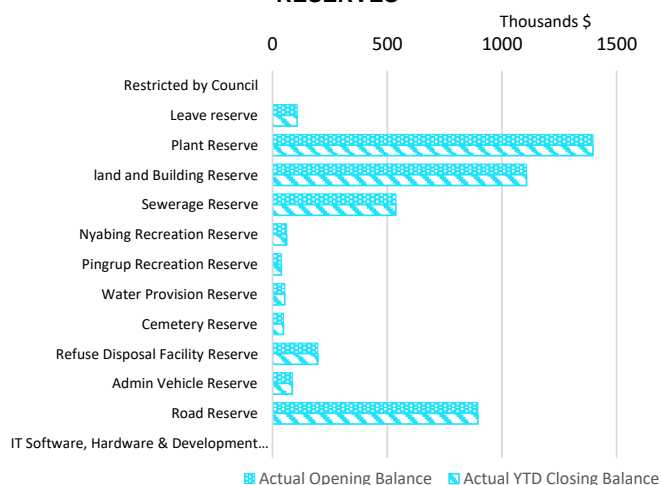
Principal Repayments



Principal Outstanding



RESERVES



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

3 CASH AND FINANCIAL ASSETS

Description	Classification	Unrestricted \$	Restricted \$	Total Cash \$	Trust \$	Institution	Interest Rate	Maturity Date
Cash on hand								
Municipal Account	Cash and cash equivalents	2,333,699	0	2,333,699	0	CBA	3.25%	N/A
Business Online Saver	Cash and cash equivalents	814,390		814,390	0	CBA	4.15%	N/A
Term Deposit	Financial assets at amortised cost	(0)	4,530,195	4,530,195	0	CBA	5.14%	29/12/2023
Trust	Cash and cash equivalents	0		0	3,576	CBA	2.75%	N/A
Total		3,148,088	4,530,195	7,678,284	3,576			
Comprising								
Cash and cash equivalents		3,148,089	0	3,148,089	3,576			
Financial assets at amortised cost		(0)	4,530,195	4,530,195	0			
		3,148,088	4,530,195	7,678,284	3,576			

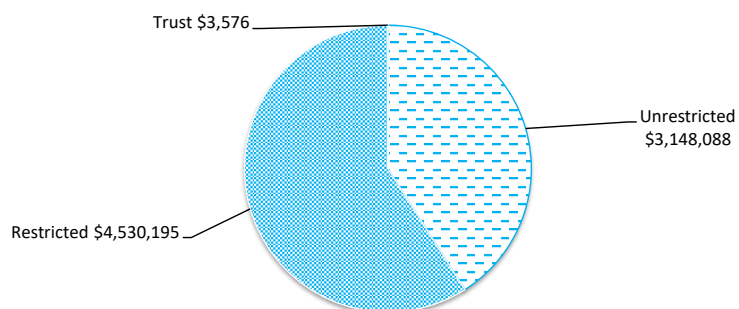
KEY INFORMATION

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

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

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

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



SHIRE OF KENT
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 AUGUST 2023

4 RESERVE ACCOUNTS

Reserve name	Budget Opening Balance	Budget Interest Earned	Budget Transfers In (+)	Budget Transfers Out (-)	Budget Closing Balance	Actual Opening Balance	Actual Interest Earned	Actual Transfers In (+)	Actual Transfer s Out (-)	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Council										
Leave reserve	107,550	5,378	30,000	0	142,928	107,550	0	0	0	107,550
Plant Reserve	1,396,866	69,846	50,000	(395,000)	1,121,712	1,396,866	0	0	0	1,396,866
land and Building Reserve	1,107,532	55,380	0	(500,000)	662,912	1,107,532	0	0	0	1,107,532
Sewerage Reserve	537,694	26,886	0	0	564,580	537,694	0	0	0	537,694
Nyabing Recreation Reserve	61,803	3,090	6,000	0	70,893	61,803	0	0	0	61,803
Pingrup Recreation Reserve	38,569	1,929	6,000	0	46,498	38,569	0	0	0	38,569
Water Provision Reserve	53,857	2,693	0	0	56,550	53,857	0	0	0	53,857
Cemetery Reserve	47,231	2,362	0	0	49,593	47,231	0	0	0	47,231
Refuse Disposal Facility Reserve	197,412	9,871	0	0	207,283	197,412	0	0	0	197,412
Admin Vehicle Reserve	86,705	4,336	0	(45,000)	46,041	86,705	0	0	0	86,705
Road Reserve	894,976	44,752	0	0	939,728	894,976	0	0	0	894,976
IT Software, Hardware & Development Reserve	0	3,000	50,000	0	53,000	0	0	0	0	0
	4,530,195	229,523	142,000	(940,000)	3,961,718	4,530,195	0	0	0	4,530,195

5 CAPITAL ACQUISITIONS

Capital acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Land - freehold land	0	1,666	0	(1,666)
Buildings - non-specialised	1,178,000	14,166	11,660	(2,506)
Buildings - specialised	196,000	16,834	37,899	21,065
Furniture and equipment	50,000	8,334	0	(8,334)
Plant and equipment	1,151,000	191,834	7,997	(183,837)
Acquisition of property, plant and equipment	2,575,000	232,834	57,556	(175,278)
Infrastructure - roads	3,172,795	395,212	56,155	(339,057)
Infrastructure - other	495,600	87,266	56,488	(30,778)
Acquisition of infrastructure	3,668,395	482,478	112,643	(720,390)
Total capital acquisitions	6,243,395	715,312	170,200	(895,668)
Capital Acquisitions Funded By:				
Capital grants and contributions	2,093,001	174,933	0	(174,933)
Borrowings	500,000	0	0	0
Lease liabilities	0	0	0	0
Other (disposals & C/Fwd)	239,000	0	0	0
Reserve accounts				
Plant Reserve	395,000	0	0	0
land and Building Reserve	500,000	0	0	0
Admin Vehicle Reserve	45,000	0	0	0
Contribution - operations	2,471,394	540,379	170,200	(370,179)
Capital funding total	6,243,395	715,312	170,200	(545,112)

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.

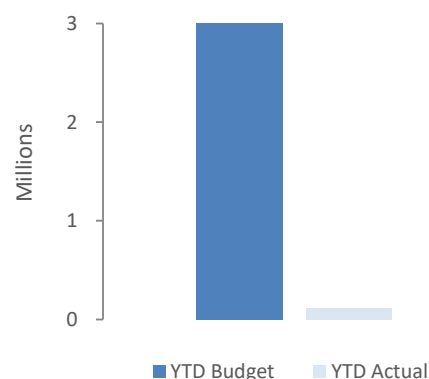
Initial recognition and measurement for assets held at cost

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.

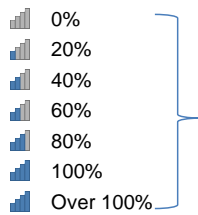
Payments for Capital Acquisitions



5 CAPITAL ACQUISITIONS - DETAILED

Capital expenditure total

Level of completion indicators



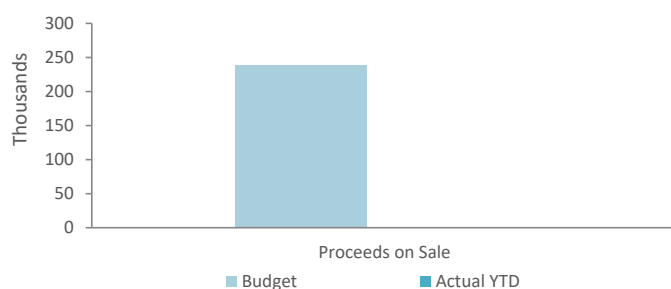
Percentage Year to Date Actual to Annual Budget expenditure where the expenditure over budget highlighted in red.

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

			Adopted		Variance (Under)/Over
Account Description			Budget	YTD Budget	
			\$	\$	\$
13990	Urban Regeneration		10,000	1,666	0
04983	Capital Admin Building Upgrades		85,000	14,166	11,660
09987	CAPITAL HOUSING UPGRADES		178,000	29,666	0
11975	Capital Pingrup Hall BuildingUpgrades		30,000	5,000	20,000
11976	Pingrup Potters - Ceiling Replacement		18,000	3,000	0
11983	Pingrup Pavilion - Capital Upgrades		53,000	8,834	17,899
04984	Server and Comms Upgrades		50,000	8,334	0
10991	Capital Upgrades - Pingrup Cemetery		35,000	5,834	0
11974	Capital Upgrades - Pingrup Race Club		10,000	1,666	0
11984	Nyabing Pavilion Playground - Infrastructure Projects		30,000	5,000	0
11990	Memorial Park Upgrade		7,800	1,300	0
11991	Burston Park Upgrade - Pingrup		7,800	1,300	0
12810	Nyabing - Footpath Upgrade		28,000	4,666	0
13977	Replacement Water Tank - Chesterpass Standpipe		20,000	3,334	0
13978	Capital Townscape Projects		88,000	14,666	0
13981	Pingrup Silo Walk Trail		36,000	6,000	28,053
13988	Upgrade Pingrup Caravan Park		11,000	1,834	28,435
13989	Upgrade Nyabing Caravan Park (Grounds)		250,000	41,666	0
12990	Small Plant - Other		47,000	7,834	457
12704	Remote Fuel Access System (Ny & Pg Depots)		8,000	1,334	0
12705	Pingrup Depot Diesel Fuel Tank 20,000L		55,000	9,166	0
12951	Purchase of Plant and Vehicles		1,041,000	173,500	7,540
12800	Own Source Construction		1,042,855	173,812	46,140
12801	Roads To Recovery		482,411	80,402	0
12802	Regional Road Group		656,000	109,332	0
12803	Black Spot		0	0	0
12805	Local Road & Community Infrastructure Program		150,000	25,000	8,319
12811	Pingrup - footpath upgrade		40,000	6,666	1,696
			4,469,866	744,978	170,200
					574,778

6 DISPOSAL OF ASSETS

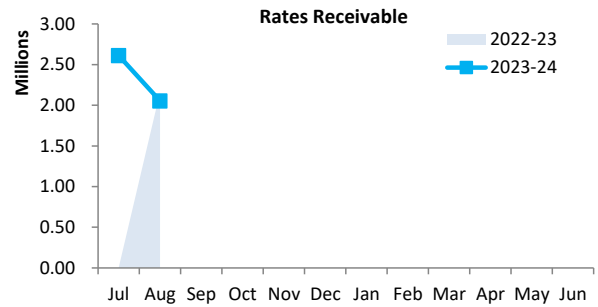
Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book	Proceeds	Profit	(Loss)	Net Book	Proceeds	Profit	(Loss)
		Value				Value			
		\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment									
2084	2013 Komatsu Grader - (KT027)	150,000	85,000	0	(65,000)	0	0	0	0
2295	2018 Mitsub Utility - (KT002)	12,000	22,000	10,000	0	0	0	0	0
2283	2018 Mitsub Utility - (KT014)	11,000	22,000	11,000	0	0	0	0	0
2355	2021 Ford Everest - CEO (0KT)	35,000	40,000	5,000	0	0	0	0	0
2366	2021 Mitsub Triton - MI (50KT)	45,000	30,000	0	(15,000)	0	0	0	0
2357	2021 Mazda CX-30 (40KT)	29,000	30,000	1,000	0	0	0	0	0
2234	Grillo 4WD Collector (KT4058)	5,000	5,000	0	0	0	0	0	0
2257	Grillo 4WD Collector (KT4013)	5,000	5,000	0	0	0	0	0	0
		292,000	239,000	27,000	(80,000)	0	0	0	0



7 RECEIVABLES

Rates receivable

	30 Jun 2023	31 Aug 2023
	\$	\$
Opening arrears previous years	27,241	27,241
Levied this year	2,455,294	2,504,803
Less - collections to date	(2,455,294)	(478,227)
Gross rates collectable	27,241	2,053,817
Net rates collectable	27,241	2,053,817
% Collected	98.9%	18.9%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(1,013)	10,346	6,226	2,050	45,569	63,178
Percentage	(1.6%)	16.4%	9.9%	3.2%	72.1%	
Balance per trial balance						
Trade receivables	(1,013)	10,346	6,226	2,050	11,180	28,789
Debtors - ESL	0	34,389	0	0	0	34,389
Interest accrued						202
GST receivable						11,094
Receivables for employee related provisions						9,261
Allowance for credit losses of trade receivables						(2,903)
Total receivables general outstanding						80,832

Amounts shown above include GST (where applicable)

KEY INFORMATION

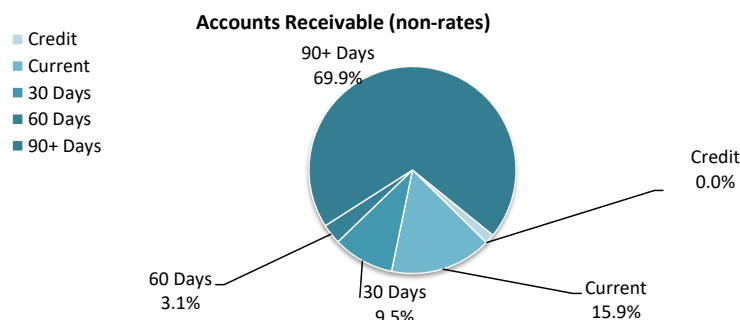
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods and services performed in the ordinary course of business.

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

	Opening Balance 1 July 2023	Asset Increase	Asset Reduction	Closing Balance 31 August 2023
	\$	\$	\$	\$
Other current assets				
Other financial assets at amortised cost				
Financial assets at fair value through other comprehensive income	4,530,195	0	0	4,530,195
Inventory				
Other inventories - fuel and materials	70,389	43,753	0	114,142
Contract assets				
Contract assets	650,904	0	0	650,904
Total other current assets	5,251,488	43,753	0	5,295,241

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.

Contract assets

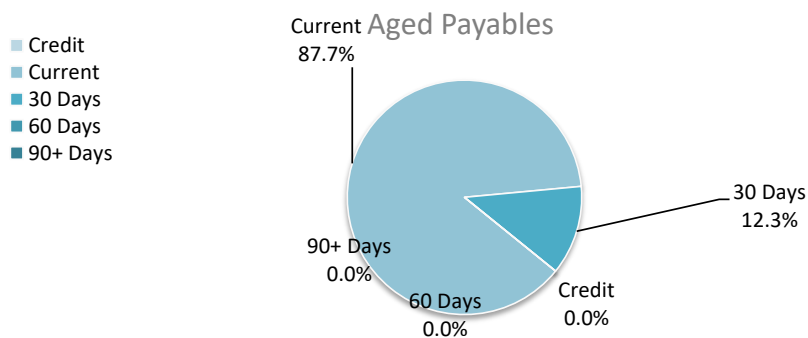
A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

9 PAYABLES

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	26,748	3,759	0	0	30,506
Percentage	0.0%	87.7%	12.3%	0.0%	0.0%	
Balance per trial balance						
Sundry creditors	0	26,748	3,759	0	0	30,505
Accrued salaries and wages						(2,133)
ATO liabilities						50,684
Receipts in advance						4,299
Other payables - GST						1,756
Accrued expenses						1,696
Accrued interest on debentures						3,610
Total payables general outstanding						90,417
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.



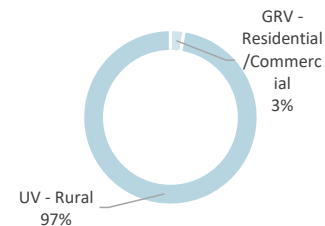
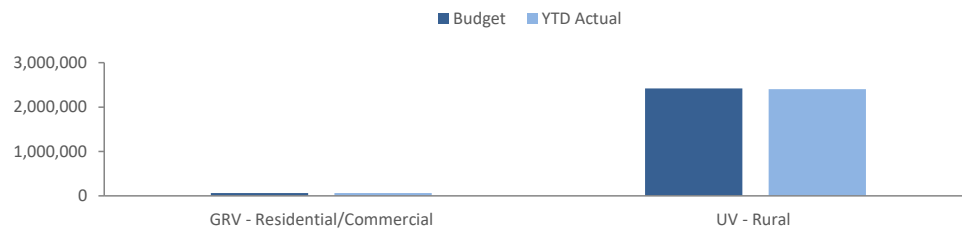
10 RATE REVENUE

General rate revenue

RATE TYPE	Rate in	Number of	Rateable	Rate	Budget	Total	Rate	YTD Actual	Total
	\$ (cents)	Properties	Value	Revenue	Reassessed Rate Revenue	Revenue	Revenue	Reassessed Rate Revenue	Revenue
				\$	\$	\$	\$	\$	\$
Gross rental value									
GRV - Residential/Commercial	0.0952	74	648,700	61,756	0	61,756	61,776		61,776
Unimproved value									
UV - Rural	0.0062	337	390,509,000	2,421,156	500	2,421,656	2,402,802	(475)	2,402,327
Sub-Total		411	391,157,700	2,482,912	500	2,483,412	2,464,578	(475)	2,464,103
Minimum payment	Minimum Payment \$								
Gross rental value									
GRV - Residential/Commercial	550	16	28,973	8,800	0	8,800	8,800		8,800
Unimproved value									
UV - Rural	550	12	729,000	6,600	0	6,600	6,600		6,600
Mining	550	46	422,799	25,300	0	25,300	25,300		25,300
Sub-total		74	1,180,772	40,700	0	40,700	40,700	0	40,700
Amount from general rates						2,524,112			2,504,803
Ex-gratia rates						42,953			0
Total						2,567,065			2,504,803

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 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.



11 BORROWINGS

Repayments - borrowings

Information on borrowings		New Loans			Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	Loan No.	1 July 2023	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Various duplexes	91	63,924	0	0	(31,459)	(63,924)	32,465	0	2,014	(3,036)
Teacher Housing	94	646,926	0	0	0	(70,472)	646,926	576,454	0	(12,777)
Nyabing Effluent	54	4,057	0	0	0	(4,057)	4,057	0	0	(271)
New Housing		0	0	500,000	0	0	0	500,000	0	0
Total		714,907	0	500,000	(31,459)	(138,453)	683,448	1,076,454	2,014	(16,084)
Current borrowings		138,453					106,995			
Non-current borrowings		576,454					576,453			
		714,907					683,448			

All debenture repayments were financed by general purpose revenue.

Self supporting loans are financed by repayments from third parties.

New borrowings 2023-24

Particulars	Amount Borrowed	Amount Borrowed	Institution	Loan Type	Term Years	Total Interest & Charges	Interest Rate	Amount (Used)		Balance Unspent
	Actual	Budget				\$		Actual	Budget	\$
New Housing 2023-24	0	500,000	WATC		10	0	%	0	0	0
	0	500,000				0		0	0	0

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

KEY INFORMATION

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

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

12 LEASE LIABILITIES

Movement in carrying amounts

Information on leases Particulars	Lease No.	1 July 2023	New Leases		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Photocopier		314	0	0	0	(314)	314	0	0	0
Total		314	0	0	0	(314)	314	0	0	0
Current lease liabilities		1,293					1,293			
		1,293					1,293			

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 August 2023
		\$	\$	\$	\$	\$
Other current liabilities						
Other liabilities						
Capital grant/contributions liabilities		100,166	0	0	0	100,166
Total other liabilities		100,166	0	0	0	100,166
Employee Related Provisions						
Provision for annual leave		100,900	0	0	0	100,900
Provision for long service leave		89,642	0	0	0	89,642
Total Provisions		190,542	0	0	0	190,542
Total other current liabilities		290,708	0	0	0	290,708

Amounts shown above include GST (where applicable)

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 15

KEY INFORMATION

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Employee Related Provisions

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Contract liabilities

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

Capital grant/contribution liabilities

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

14 GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Grants, subsidies and contributions revenue					YTD
	Adopted Budget Revenue	YTD Budget	Annual Budget	Budget Variations	Expected	Revenue Actual
	\$	\$	\$	\$	\$	\$
Grants and subsidies						
Grants - General Purpose	60,000	10,000	60,000	0	60,000	15,514
Grants - Untied Roads	60,000	10,000	60,000	0	60,000	11,470
LGGS Operational Grant	59,300	9,882	59,300	0	59,300	0
Other Grant Funding	0	0	0	0	0	4,995
Direct Grant	210,000	210,000	210,000	0	210,000	224,032
	389,300	239,882	389,300	0	389,300	256,010
Contributions						
Other Recreation & Sport	6,000	1,000	6,000	0	6,000	0
Administration General	1,500	250	1,500	0	1,500	0
Revenue - Other Housing	5,000	832	5,000	0	5,000	345
Protection of the Environment	0	0	0	0	0	1,105
Caravan Park Pingrup - CBH	0	0	0	0	0	127
Public Works Overhead	5,000	832	5,000	0	5,000	0
	17,500	2,914	17,500	0	17,500	1,577
TOTALS	406,800	242,796	406,800	0	406,800	257,587

15 CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Capital grant/contribution liabilities					Capital grants, subsidies and contributions revenue					
	Liability	Increase in	Decrease in	Liability	Current	Adopted	YTD	Annual	Budget	Expected	YTD
	1 July 2023	Liability	Liability	31 Aug 2023	Liability	Budget	Budget	Budget	Variations	Expected	Revenue
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital grants and subsidies											
Grants - Federal	506,054	0	0	506,054	506,054	400,080	0	400,080	0	400,080	0
Grants R 2 R	0	0	0	0	0	464,737	0	464,737	0	464,737	0
Grants Regional Road Group	0	0	0	0	0	437,333	174,933	437,333	0	437,333	0
Local Road & Community Infrastructure Program	0	0	0	0	0	790,851	0	790,851	0	790,851	0
	506,054	0	0	506,054	506,054	2,093,001	174,933	2,093,001	0	2,093,001	0

SHIRE OF KENT
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 AUGUST 2023

16 TRUST FUND

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

Description	Opening Balance	Amount Received	Amount Paid	Closing Balance
	1 July 2023			31 Aug 2023
	\$	\$	\$	\$
Housing bonds	160	0	0	160
Trust other	3,416	0	0	3,416
	3,576	0	0	3,576