

SHIRE OF KENT

MONTHLY FINANCIAL REPORT

**(Containing the required statement of financial activity and statement of financial position)
For the period ended 31 December 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 DECEMBER 2023

	Supplemental Information	Adopted Budget Estimates (a)	YTD Budget Estimates (b)	YTD Actual (c)	Variance* \$ (c) - (b)	Variance* % ((c) - (b))/(b)	Var.
	For the period ended 31 December 2023	\$	\$	\$	\$	%	
OPERATING ACTIVITIES							
Revenue from operating activities							
General rates	10	2,567,065	2,532,379	2,504,692	(27,687)	(1.09%)	▼
Grants, subsidies and contributions	13	406,800	308,388	301,764	(6,624)	(2.15%)	
Fees and charges		860,978	494,074	435,595	(58,479)	(11.84%)	▼
Interest revenue		294,022	147,005	178,985	31,980	21.75%	▲
Other revenue		69,900	34,926	19,572	(15,354)	(43.96%)	▼
Profit on asset disposals	6	27,000	13,500	40,909	27,409	203.03%	▲
		4,225,765	3,530,272	3,481,517	(48,755)	(1.38%)	
Expenditure from operating activities							
Employee costs		(2,499,761)	(1,249,638)	(1,125,348)	124,290	9.95%	▲
Materials and contracts		(1,485,249)	(741,270)	(654,843)	86,427	11.66%	▲
Utility charges		(211,758)	(105,660)	(86,159)	19,501	18.46%	▲
Depreciation		(2,626,500)	(1,313,202)	(578,171)	735,031	55.97%	▲
Finance costs		(16,085)	(8,761)	(8,761)	0	0.00%	
Insurance		(186,673)	(186,673)	(228,025)	(41,352)	(22.15%)	▼
Other expenditure		(417,961)	(208,764)	(215,212)	(6,448)	(3.09%)	
Loss on asset disposals	6	(80,000)	(39,996)	0	39,996	100.00%	▲
		(7,523,987)	(3,853,964)	(2,896,519)	957,445	24.84%	
Non-cash amounts excluded from operating activities	Note 2(i)	2,666,180	1,339,698	537,262	(802,436)	(59.90%)	▼
Amount attributable to operating activities		(632,042)	1,016,006	1,122,260	106,254	10.46%	
INVESTING ACTIVITIES							
Inflows from investing activities							
Proceeds from capital grants, subsidies and contributions	14	2,093,001	329,845	116,000	(213,845)	(64.83%)	▼
Proceeds from disposal of assets	6	239,000	30,000	40,909	10,909	36.36%	▲
		2,332,001	359,845	156,909	(202,936)	(56.40%)	
Outflows from investing activities							
Payments for property, plant and equipment	5	(2,575,000)	(698,502)	(828,766)	(130,264)	(18.65%)	▼
Payments for construction of infrastructure	5	(3,668,395)	(1,458,120)	(444,109)	1,014,011	69.54%	▲
		(6,243,395)	(2,156,622)	(1,272,875)	883,747	40.98%	
Non-cash amounts excluded from investing activities	Note 2(i)	0	0	0	0	0.00%	
Amount attributable to investing activities		(3,911,394)	(1,796,777)	(1,115,966)	680,811	37.89%	
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)	(69,227)	(68,500)	727	1.05%	
Transfer to reserves	4	(371,522)	(114,761)	(116,107)	(1,346)	(1.17%)	
		(509,975)	(183,988)	(184,607)	(619)	(0.34%)	
Amount attributable to financing activities		930,025	(183,988)	(184,607)	(619)	(0.34%)	
MOVEMENT IN SURPLUS OR DEFICIT							
Surplus or deficit at the start of the financial year		3,613,411	3,613,411	3,769,528	156,117	4.32%	▲
Amount attributable to operating activities		(632,042)	1,016,006	1,122,260	106,254	10.46%	▲
Amount attributable to investing activities		(3,911,394)	(1,796,777)	(1,115,966)	680,811	37.89%	▲
Amount attributable to financing activities		930,025	(183,988)	(184,607)	(619)	(0.34%)	
Surplus or deficit after imposition of general rates		0	2,648,652	3,591,215	942,563	35.59%	▲

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 DECEMBER 2023

		Supplementary Information	30 June 2023	31 December 2023
			\$	\$
CURRENT ASSETS				
Cash and cash equivalents	3		3,240,318	2,900,452
Trade and other receivables			147,398	451,905
Other financial assets			4,530,196	4,646,302
Inventories	8		70,389	72,952
Contract assets	8		650,904	496,104
TOTAL CURRENT ASSETS			8,639,205	8,567,715
NON-CURRENT ASSETS				
Trade and other receivables			8,517	8,517
Other financial assets			85,265	85,265
Property, plant and equipment			13,516,165	13,879,952
Infrastructure			123,143,900	123,480,916
TOTAL NON-CURRENT ASSETS			136,755,152	137,449,857
TOTAL ASSETS			145,394,357	146,017,572
CURRENT LIABILITIES				
Trade and other payables	9		156,324	147,040
Other liabilities	12		100,166	100,166
Borrowings	11		138,453	69,954
Employee related provisions	12		190,542	190,542
TOTAL CURRENT LIABILITIES			585,485	507,702
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			1,210,584	1,132,801
NET ASSETS			144,183,779	144,884,771
EQUITY				
Retained surplus			38,750,433	39,335,323
Reserve accounts	4		4,530,195	4,646,303
Revaluation surplus			100,903,145	100,903,145
TOTAL EQUITY			144,183,773	144,884,771

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

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 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 15 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 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 09 February 2024

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

2 STATEMENT OF FINANCIAL ACTIVITY INFORMATION

		Adopted Budget Opening	Last Year Closing	Year to Date
		30 June 2023	30 June 2023	31 December 2023
		\$	\$	\$
(a) Net current assets used in the Statement of Financial Activity				
Current assets				
Cash and cash equivalents	3	3,240,312	3,240,318	2,900,452
Trade and other receivables		154,482	147,398	451,905
Other financial assets		4,530,195	4,530,196	4,646,302
Inventories	8	70,389	70,389	72,952
Contract assets	8	36,682	650,904	496,104
		8,032,060	8,639,205	8,567,715
Less: current liabilities				
Trade and other payables	9	(156,319)	(156,324)	(147,040)
Other liabilities	12	(506,054)	(100,166)	(100,166)
Lease liabilities		(1,293)	0	0
Borrowings	11	(138,453)	(138,453)	(69,954)
Employee related provisions	12	(190,542)	(190,542)	(190,542)
		(992,661)	(585,485)	(507,702)
Net current assets		7,039,399	8,053,720	8,060,013
Less: Total adjustments to net current assets	Note 2(c)	(4,282,899)	(4,284,192)	(4,468,798)
Closing funding surplus / (deficit)		2,756,500	3,769,528	3,591,215

(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)	(13,500)	(40,909)
Less: Movement in liabilities associated with restricted cash		(8,000)	0	0
Add: Loss on asset disposals	6	80,000	39,996	0
Add: Depreciation		2,626,500	1,313,202	578,171
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	1,339,698	537,262

(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	Last Year Closing	Year to Date
		30 June 2023	30 June 2023	31 December 2023
		\$	\$	\$
Adjustments to net current assets				
Less: Reserve accounts	4	(4,530,195)	(4,530,195)	(4,646,302)
Add: Current liabilities not expected to be cleared at the end of the year:				
- Current portion of borrowings	11	138,453	138,453	69,954
- Current portion of lease liabilities		1,293	0	0
- 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)	(4,284,192)	(4,468,798)

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 DECEMBER 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			
Have not yet received ex-gratia rates	(27,687)	(1.09%)	▼
		Timing	
Fees and charges	(58,479)	(11.84%)	▼
Reduced stand pipe income to date		Timing	
Minimal private works to date		Timing	
Reduced DoT income to date		Timing	
Interest revenue	31,980	21.75%	▲
Interest rate increased		Timing	
Other revenue	(15,354)	(43.96%)	▼
Nil plant/material sales to date		Timing	
No diesel fuel rebate claimed to date		Timing	
Profit on asset disposals	27,409	203.03%	▲
Nil disposal of assets		Timing	
Expenditure from operating activities			
Employee costs	124,290	9.95%	▲
Wages		Timing	
Materials and contracts	86,427	11.66%	▲
Fuel reconciliations to be allocated; plant depreciation to be allocated;		Timing	
Utility charges	19,501	18.46%	▲
Timing of water & electricity accounts; Reduced standpipe expenditure to date		Timing	
Depreciation	735,031	55.97%	▲
Nil depreciation raised to date		Timing	
Insurance	(41,352)	(22.15%)	▼
Unexpected increase in price		Permanent	
Loss on asset disposals	39,996	100.00%	▲
Nil disposal of assets		Timing	
Non-cash amounts excluded from operating activities	(802,436)	(59.90%)	▼
Nil depreciation raised to date		Timing	
Inflows from investing activities			
Proceeds from capital grants, subsidies and contributions	(213,845)	(64.83%)	▼
Minimal capital grant received to date		Timing	
Proceeds from disposal of assets	10,909	36.36%	▲
Minimal disposal of assets to date		Timing	
Outflows from investing activities			
Payments for property, plant and equipment	(130,264)	(18.65%)	▼
Minimal plant purchases to date		Timing	
Payments for construction of infrastructure	1,014,011	69.54%	▲
Minimal spend on road construction to date		Timing	
Surplus or deficit at the start of the financial year	156,117	4.32%	▲
Year end 30 June 2023 not yet finalised		Timing	
Surplus or deficit after imposition of general rates	942,563	35.59%	▲
Due to variances described above			

SHIRE OF KENT

SUPPLEMENTARY INFORMATION

For the period ended 31 December 2023

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

1 KEY INFORMATION

Funding Surplus or Deficit Components

For the period ended 31 December 2023

Funding surplus / (deficit)

	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$3.61 M	\$3.61 M	\$3.77 M	\$0.16 M
Closing	\$0.00 M	\$2.65 M	\$3.59 M	\$0.94 M

Refer to Statement of Financial Activity

Cash and cash equivalents

	\$7.55 M	% of total
Unrestricted Cash	\$2.90 M	38.4%
Restricted Cash	\$4.65 M	61.6%

Refer to 3 - Cash and Financial Assets

Payables

	\$0.15 M	% Outstanding
Trade Payables	\$0.06 M	
0 to 30 Days		98.1%
Over 30 Days		1.8%
Over 90 Days		(2.1%)

Refer to 9 - Payables

Receivables

	\$0.14 M	% Collected
Rates Receivable	\$0.32 M	87.3%
Trade Receivable	\$0.14 M	% Outstanding
Over 30 Days		98.0%
Over 90 Days		87.9%

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)	\$1.02 M	\$1.12 M	\$0.11 M

Refer to Statement of Financial Activity

Rates Revenue

YTD Actual	\$2.50 M	% Variance
YTD Budget	\$2.53 M	(1.1%)

Refer to 10 - Rate Revenue

Grants and Contributions

YTD Actual	\$0.28 M	% Variance
YTD Budget	\$0.31 M	(7.7%)

Refer to 13 - Grants and Contributions

Fees and Charges

YTD Actual	\$0.44 M	% Variance
YTD Budget	\$0.49 M	(11.8%)

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)	(\$1.80 M)	(\$1.12 M)	\$0.68 M

Refer to Statement of Financial Activity

Proceeds on sale

YTD Actual	\$0.04 M	%
Adopted Budget	\$0.24 M	(82.9%)

Refer to 6 - Disposal of Assets

Asset Acquisition

YTD Actual	\$0.44 M	% Spent
Adopted Budget	\$3.67 M	(87.9%)

Refer to 5 - Capital Acquisitions

Capital Grants

YTD Actual	\$0.12 M	% Received
Adopted Budget	\$2.09 M	(94.5%)

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	(\$0.18 M)	(\$0.18 M)	(\$0.00 M)

Refer to Statement of Financial Activity

Borrowings

Principal repayments	(\$0.07 M)
Interest expense	(\$0.01 M)
Principal due	\$0.65 M

Refer to 11 - Borrowings

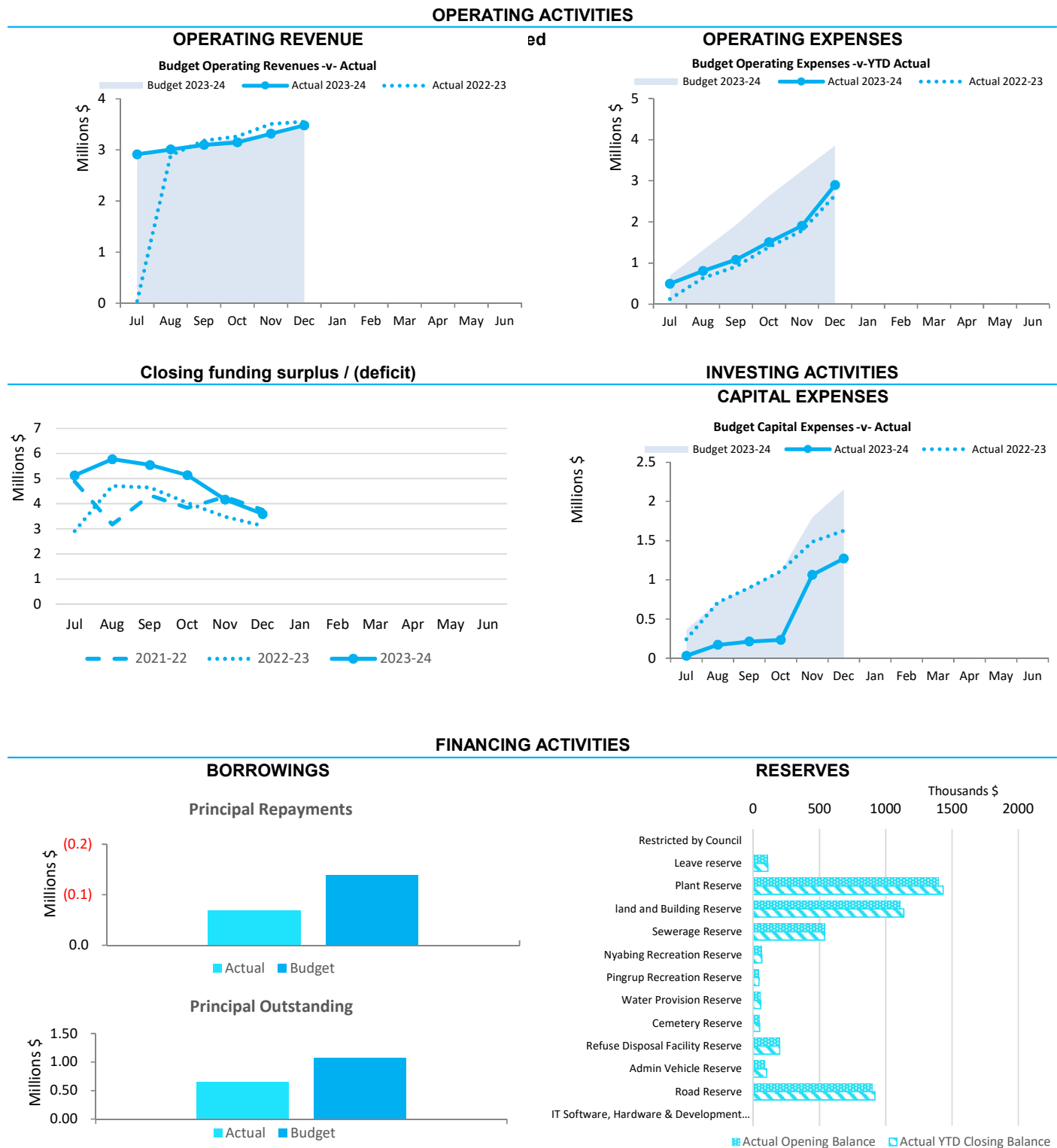
Reserves

Reserves balance	\$4.65 M
Interest earned	\$0.12 M

Refer to 4 - Cash Reserves

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

2 KEY INFORMATION - GRAPHICAL



**SHIRE OF KENT
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2023**

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	2,074,667		2,074,667	0	CBA	3.50%	N/A
Business Online Saver	Cash and cash equivalents	825,785		825,785	0	CBA	4.35%	N/A
Term Deposit	Financial assets at amortised cost	0	4,646,302	4,646,302	0	CBA	5.14%	28/06/2024
Trust	Cash and cash equivalents	0		0	3,576	CBA	2.75%	N/A
Total		2,900,452	4,646,302	7,546,754	3,576			
Comprising								
Cash and cash equivalents		2,900,452	0	2,900,452	3,576			
Financial assets at amortised cost		0	4,646,302	4,646,302	0			
		2,900,452	4,646,302	7,546,754	3,576			

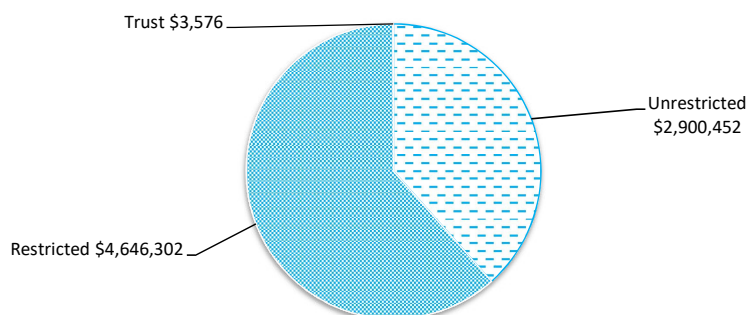
KEY INFORMATION

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



SHIRE OF KENT
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 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 Transfers Out (-)	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Council										
Leave reserve	107,550	5,378	30,000	0	142,928	107,550	2,756	0	0	110,306
Plant Reserve	1,396,866	69,846	50,000	(395,000)	1,121,712	1,396,866	35,801	0	0	1,432,667
land and Building Reserve	1,107,532	55,380	0	(500,000)	662,912	1,107,532	28,386	0	0	1,135,918
Sewerage Reserve	537,694	26,886	0	0	564,580	537,694	1,584	0	0	539,278
Nyabing Recreation Reserve	61,803	3,090	6,000	0	70,893	61,803	989	0	0	62,792
Pingrup Recreation Reserve	38,569	1,929	6,000	0	46,498	38,569	5,060	0	0	43,629
Water Provision Reserve	53,857	2,693	0	0	56,550	53,857	2,222	0	0	56,079
Cemetery Reserve	47,231	2,362	0	0	49,593	47,231	1,211	0	0	48,442
Refuse Disposal Facility Reserve	197,412	9,871	0	0	207,283	197,412	1,380	0	0	198,792
Admin Vehicle Reserve	86,705	4,336	0	(45,000)	46,041	86,705	13,781	0	0	100,486
Road Reserve	894,976	44,752	0	0	939,728	894,976	22,938	0	0	917,914
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	116,107	0	0	4,646,302

5 CAPITAL ACQUISITIONS

	Budget	Adopted YTD Budget	YTD Actual	YTD Actual Variance
	\$	\$	\$	\$
Capital acquisitions				
Land - freehold land	0	4,998	7,400	2,402
Buildings - non-specialised	1,178,000	42,498	41,705	(793)
Buildings - specialised	196,000	50,502	63,872	13,370
Furniture and equipment	50,000	25,002	0	(25,002)
Plant and equipment	1,151,000	575,502	715,789	140,287
Acquisition of property, plant and equipment	2,575,000	698,502	828,766	130,264
Infrastructure - roads	3,172,795	1,185,636	326,935	(858,701)
Infrastructure - other	495,600	272,484	117,174	(155,310)
Acquisition of infrastructure	3,668,395	1,458,120	444,109	(753,483)
Total capital acquisitions	6,243,395	2,156,622	1,272,875	(623,219)
Capital Acquisitions Funded By:				
Capital grants and contributions	2,093,001	329,845	116,000	(213,845)
Borrowings	500,000	0	0	0
Other (disposals & C/Fwd)	239,000	30,000	40,909	10,909
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	1,796,777	1,115,966	(680,811)
Capital funding total	6,243,395	2,156,622	1,272,875	(883,747)

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.

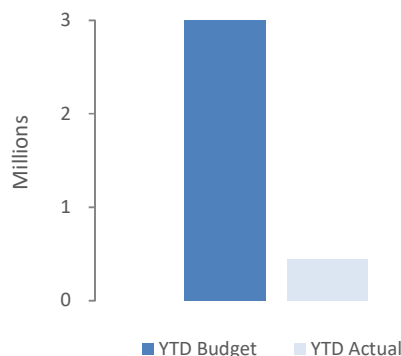
Initial recognition and measurement for assets held at cost

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

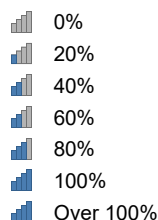
In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The 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

Level of completion indicators



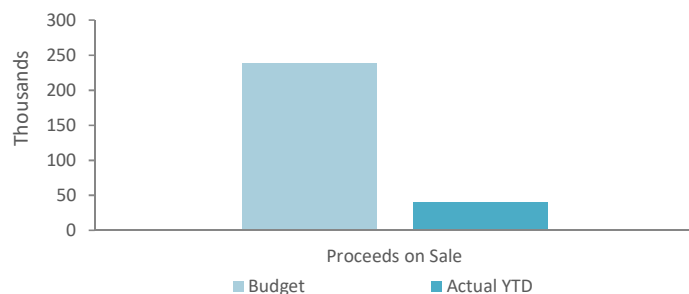
Percentage Year to Date Actual to Annual Budget expenditure where the expenditure over budget highlighted in red.

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

		Adopted		Variance	
Account Description		Budget	YTD Budget	YTD Actual	(Under)/Over
		\$	\$	\$	\$
	13990 Urban Regeneration	10,000	4,998	7,400	-2402
	04983 Capital Admin Building Upgrades	85,000	42,498	40,502	1995.64
	09987 CAPITAL HOUSING UPGRADES	178,000	88,998	6,561	82436.99
	11975 Capital Pingrup Hall Building Upgrades	30,000	15,000	20,000	-5000
	11976 Pingrup Potters - Ceiling Replacement	18,000	9,000	0	9000
	11983 Pingrup Pavilion - Capital Upgrades	53,000	26,502	37,311	-10809.12
	04984 Server and Comms Upgrades	50,000	25,002	0	25002
	10991 Capital Upgrades - Pingrup Cemetery	35,000	17,502	13,998	3504
	11974 Capital Upgrades - Pingrup Race Club	10,000	4,998	0	4998
	11984 Nyabing Pavilion Playground - Infrastructure Projects	30,000	15,000	0	15000
	11990 Memorial Park Upgrade	7,800	3,900	6,800	-2900
	11991 Burston Park Upgrade - Pingrup	7,800	3,900	7,300	-3400
	12810 Nyabing - Footpath Upgrade	28,000	13,998	0	13998
	13977 Replacement Water Tank - Chesterpass Standpipe	20,000	10,002	0	10002
	13978 Capital Townscape Projects	88,000	43,998	0	43998
	13981 Pingrup Silo Walk Trail	36,000	28,686	46,629	-17942.69
	13988 Upgrade Pingrup Caravan Park	11,000	5,502	42,447	-36945.32
	13989 Upgrade Nyabing Caravan Park (Grounds)	250,000	124,998	0	124998
	12990 Small Plant - Other	47,000	23,502	29,127	-5625.27
	12704 Remote Fuel Access System (Ny & Pg Depots)	8,000	4,002	0	4002
	12705 Pingrup Depot Diesel Fuel Tank 20,000L	55,000	27,498	48,520	-21022
	12951 Purchase of Plant and Vehicles	1,041,000	520,500	638,142	-117641.85
	12800 Own Source Construction	1,042,855	521,436	305,070	216366.46
	12801 Roads To Recovery	482,411	241,206	0	241206
	12802 Regional Road Group	656,000	327,996	10,125	317871
	12803 Black Spot	0	0	0	0
	12805 Local Road & Community Infrastructure Program	150,000	75,000	9,413	65587.16
	12811 Pingrup - footpath upgrade	40,000	19,998	2,327	17670.52
		4,469,866	2,245,620	1,271,672	973,948

6 DISPOSAL OF ASSETS

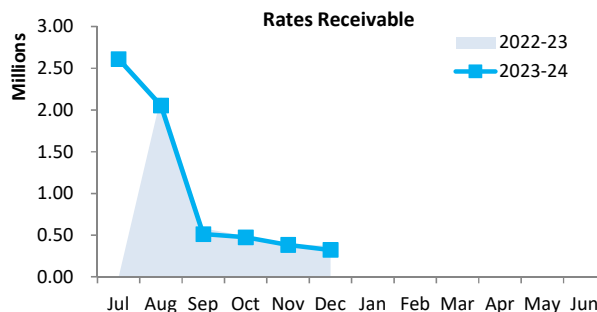
Asset Ref.	Budget				YTD Actual			
	Net Book	Proceeds	Profit	(Loss)	Net Book	Proceeds	Profit	(Loss)
	Value				Value			
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment								
2084 2013 Komatsu Grader - (KT027)	150,000	85,000	0	(65,000)	0	0	0	0
2295 2018 Mitsub Utility - (KT002)	12,000	22,000	10,000	0	0	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	40,909	40,909	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	40,909	40,909	0



7 RECEIVABLES

Rates receivable

	30 June 2023	31 Dec 2023
	\$	\$
Opening arrears previous years	27,241	25,331
Levied this year	2,455,294	2,504,803
Less - collections to date	(2,457,204)	(2,208,160)
Gross rates collectable	25,331	321,974
Net rates collectable	25,331	321,974
% Collected	99.0%	87.3%



Receivables - general

	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(1,631)	2,009	1,863	0	16,206	18,447
Percentage	(8.8%)	10.9%	10.1%	0.0%	87.9%	
Balance per trial balance						
Trade receivables	(1,013)	1,192	2,245	6,226	13,230	21,880
Debtors - ESL	0	8,742	0	0	0	8,742
Interest accrued						202
GST receivable						104,698
Receivables for employee related provisions						9,261
Allowance for credit losses of trade receivables						(8,076)
Total receivables general outstanding						136,707

Amounts shown above include GST (where applicable)

KEY INFORMATION

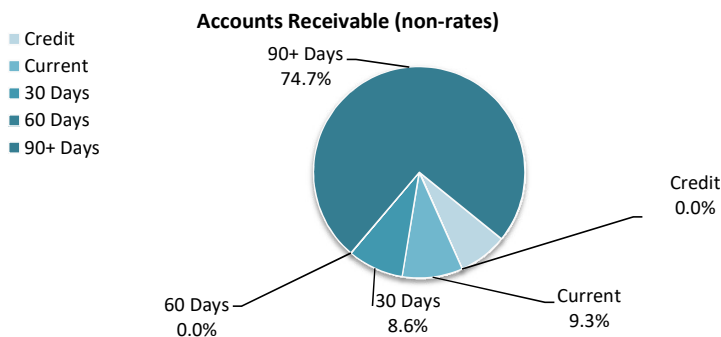
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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

	Opening Balance 1 July 2023	Asset Increase	Asset Reduction	Closing Balance 31 December 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	37,145	0	72,952
Contract assets				
Contract assets	650,904	0	(154,800)	496,104
Total other current assets	5,251,488	37,145	(154,800)	5,099,251

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.

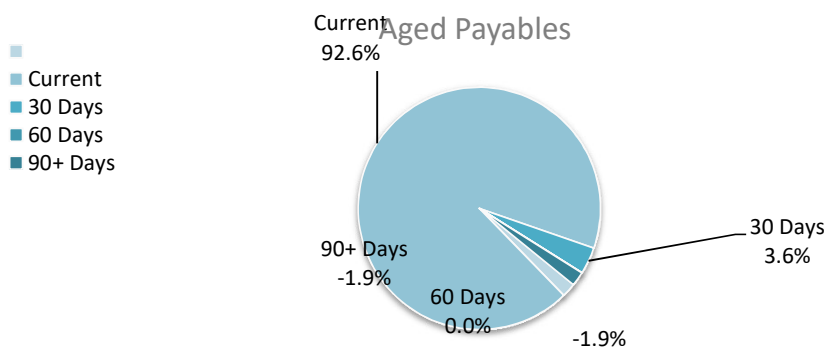
9 PAYABLES

Payables - general		Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	(1,126)	54,608	2,129	0	(1,126)	54,485
Percentage	-2.1%	100.2%	3.9%	0.0%	-2.1%	
Balance per trial balance						
Sundry creditors	0	26,748	3,759	0	0	55,610
Accrued salaries and wages						(2,133)
ATO liabilities						77,072
Receipts in advance						6,320
Other payables - GST						6,130
Accrued expenses						431
Accrued interest on debentures						3,610
Total payables general outstanding						147,040

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.



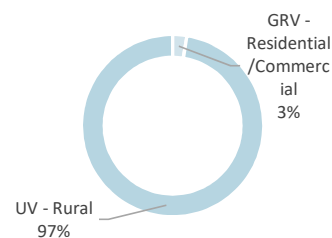
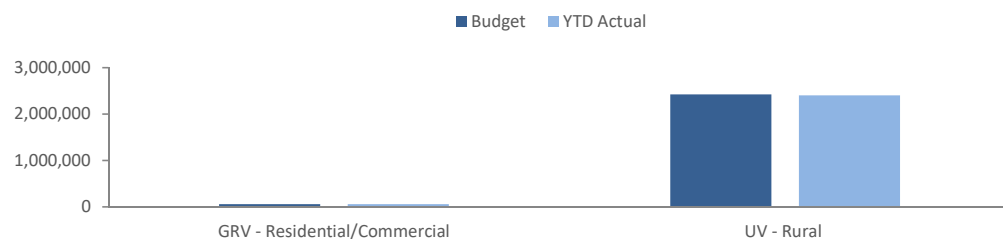
10 RATE REVENUE

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									
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	0	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	(35,058)	(70,472)	611,868	576,454	(6,557)	(12,777)
Nyabing Effluent	54	4,057	0	0	(1,983)	(4,057)	2,074	0	(181)	(271)
New Housing		0	0	500,000	0	0	0	500,000	0	0
Total		714,907	0	500,000	(68,500)	(138,453)	646,407	1,076,454	(8,752)	(16,084)
Current borrowings		138,453					69,954			
Non-current borrowings		576,454					576,452			
		714,907					646,406			

All debenture repayments were financed by general purpose revenue.

New borrowings 2023-24

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

	Opening Balance 1 July 2023	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 31 December 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 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.

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.

13 GRANTS, SUBSIDIES AND CONTRIBUTIONS

	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	30,000	60,000	0	60,000	42,497
Grants - Untied Roads	60,000	30,000	60,000	0	60,000	11,470
LGGS Operational Grant	59,300	29,646	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	299,646	389,300	0	389,300	282,993
Contributions						
Other Recreation & Sport	6,000	3,000	6,000	0	6,000	0
Administration General	1,500	750	1,500	0	1,500	80
Revenue - Other Housing	5,000	2,496	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	2,496	5,000	0	5,000	0
	17,500	8,742	17,500	0	17,500	1,657
TOTALS	406,800	308,388	406,800	0	406,800	284,650

14 CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Capital grant/contribution liabilities					Capital grants, subsidies and contributions revenue					
	Liability	Increase in Liability	Decrease in Liability	Liability	Current Liability	Adopted Budget	YTD	Annual	Budget	YTD Revenue	
	1 July 2023		(As revenue)	31 Dec 2023	31 Dec 2023	Revenue	Budget	Budget	Variations	Expected	Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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	154,912	464,737	0	464,737	0
Grants Regional Road Group	0	0	0	0	0	437,333	174,933	437,333	0	437,333	116,000
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	329,845	2,093,001	0	2,093,001	116,000

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

15 TRUST FUND

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

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

SHIRE OF KENT

SUPPLEMENTARY INFORMATION

FOR THE PERIOD ENDED 31 DECEMBER 2023

15 BUDGET AMENDMENTS

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

Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
			\$	\$	\$	\$
Budget adoption						0
13981 - Pingrup Silo Walk Trail	OCM2324/039	Capital expenses			(21,370)	(21,370)
				0	(21,370)	(21,370)