SHIRE OF KENT

MONTHLY FINANCIAL REPORT

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

For the period ended 30 June 2026

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

TABLE OF CONTENTS

SHIRE OF KENT
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 JUNE 2026

	Note	Adopted Budget Estimates (a) $	YTD Budget Estimates (b) $	YTD Actual (c) $	Variance* $ (c) - (b) $	Variance* % ((c) - (b))/(b) %	Var.
OPERATING ACTIVITIES							
Revenue from operating activities							
General rates		2,680,568	2,695,339	**2,696,467**	1,128	0.04%	
Grants, subsidies and contributions		1,560,696	1,663,232	**4,060,678**	2,397,446	144.14%	▲
Fees and charges		628,610	648,610	**667,547**	18,937	2.92%	
Interest revenue		373,264	373,264	**350,912**	(22,352)	(5.99%)	
Other revenue		83,400	71,582	**94,013**	22,431	31.34%	▲
Profit on asset disposals		306,656	58,892	**43,530**	(15,362)	(26.09%)	▼
		5,633,194	**5,510,919**	**7,913,147**	**2,402,228**	43.59%	
Expenditure from operating activities							
Employee costs		(2,850,438)	(2,820,438)	**(2,437,553)**	382,885	13.58%	▲
Materials and contracts		(1,750,238)	(1,914,302)	**(1,286,999)**	627,303	32.77%	▲
Utility charges		(202,200)	(202,200)	**(168,814)**	33,386	16.51%	▲
Depreciation		(2,843,200)	(2,843,200)	**(1,050,606)**	1,792,594	63.05%	▲
Finance costs		(9,872)	(9,872)	**(9,311)**	561	5.68%	
Insurance		(217,636)	(217,636)	**(193,902)**	23,734	10.91%	▲
Other expenditure		(88,550)	(93,501)	**(66,028)**	27,473	29.38%	▲
Loss on asset disposals		(49,626)	(188,395)	**(165,777)**	22,618	12.01%	▲
Change in revaluation of non-current assets		0	0	**20,000**	20,000	0.00%	
		(8,011,760)	**(8,289,544)**	**(5,358,990)**	**2,930,554**	35.35%	
Non cash amounts excluded from operating activities	2(c)	2,588,869	2,972,703	**1,169,942**	(1,802,761)	(60.64%)	▼
Amount attributable to operating activities		**210,303**	**194,078**	**3,724,099**	**3,530,021**	1818.87%	
INVESTING ACTIVITIES							
Inflows from investing activities							
Proceeds from capital grants, subsidies and contributions		3,546,962	2,456,807	**1,426,125**	(1,030,682)	(41.95%)	▼
Proceeds from disposal of assets		753,300	613,300	**565,296**	(48,004)	(7.83%)	
		4,300,262	**3,070,107**	**1,991,421**	**(1,078,686)**	(35.14%)	
Outflows from investing activities							
Acquisition of property, plant and equipment		(4,152,500)	(2,618,976)	**(2,061,164)**	557,812	21.30%	▲
Acquisition of infrastructure		(4,006,180)	(3,900,180)	**(2,323,510)**	1,576,670	40.43%	▲
		(8,158,680)	**(6,519,156)**	**(4,384,675)**	**2,134,481**	32.74%	
Amount attributable to investing activities		**(3,858,418)**	**(3,449,049)**	**(2,393,254)**	**1,055,795**	30.61%	
FINANCING ACTIVITIES							
Inflows from financing activities							
Transfer from reserves		946,700	0	**657,476**	657,476	0.00%	
		946,700	**0**	**657,476**	**657,476**	0.00%	
Outflows from financing activities							
Repayment of borrowings		(73,734)	(73,733)	**(73,733)**	0	0.00%	
Transfer to reserves		(652,931)	0	**(804,468)**	(804,468)	0.00%	
		(726,665)	**(73,733)**	**(878,200)**	**(804,467)**	(1091.05%)	
Amount attributable to financing activities		**220,035**	**(73,733)**	**(220,724)**	**(146,991)**	(199.36%)	
MOVEMENT IN SURPLUS OR DEFICIT							
Surplus or deficit at the start of the financial year	2(a)	3,393,128	3,393,128	**3,394,430**	1,302	0.04%	
Amount attributable to operating activities		210,303	194,078	**3,724,099**	3,530,021	1818.87%	▲
Amount attributable to investing activities		(3,858,418)	(3,449,049)	**(2,393,254)**	1,055,795	30.61%	▲
Amount attributable to financing activities		220,035	(73,733)	**(220,724)**	(146,991)	(199.36%)	▼
Surplus or deficit after imposition of general rates		**(34,951)**	**64,424**	**4,504,551**	**4,440,127**	6892.04%	▲

KEY INFORMATION

▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data outside the adopted materiality threshold.
▲ Indicates a variance with a positive impact on the financial position.
▼ Indicates a variance with a negative impact on the financial position.
Refer to Note 3 for an explanation of the reasons for the variance.

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

SHIRE OF KENT
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 JUNE 2026

	Actual 30 June 2025	Actual as at 30 June 2026
	$	$
CURRENT ASSETS		
Cash and cash equivalents	3,081,308	4,881,271
Trade and other receivables	131,519	100,065
Other financial assets	5,425,742	5,572,734
Inventories	105,573	87,540
Contract assets	780,851	10
TOTAL CURRENT ASSETS	9,524,993	10,641,620
NON-CURRENT ASSETS		
Trade and other receivables	9,822	9,822
Other financial assets	79,620	79,620
Property, plant and equipment	26,991,659	27,512,702
Infrastructure	167,774,733	169,920,215
TOTAL NON-CURRENT ASSETS	194,855,834	197,522,359
TOTAL ASSETS	204,380,827	208,163,979
CURRENT LIABILITIES		
Trade and other payables	455,554	311,075
Other liabilities	745	0
Borrowings	73,734	74,875
Employee related provisions	248,521	253,258
TOTAL CURRENT LIABILITIES	778,554	639,208
NON-CURRENT LIABILITIES		
Borrowings	431,167	356,293
Employee related provisions	64,718	81,807
Other provisions	60,184	60,184
TOTAL NON-CURRENT LIABILITIES	556,069	498,284
TOTAL LIABILITIES	1,334,623	1,137,492
NET ASSETS	**203,046,204**	**207,026,487**
EQUITY		
Retained surplus	42,077,135	45,890,426
Reserve accounts	5,425,742	5,572,734
Revaluation surplus	155,543,327	155,563,327
TOTAL EQUITY	**203,046,204**	**207,026,487**

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

1 BASIS OF PREPARATION AND MATERIAL 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. Supplementary 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.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 30 June 2026

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.

MATERIAL ACCOUNTING POLICES
Material accounting policies utilised in the preparation of these statements are as described within the 2024-25 Annual Budget. Please refer to the adopted budget document for details of these policies.

Critical accounting estimates and judgements
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.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment
  - Infrastructure
- Impairment losses of non-financial assets
- Expected credit losses on financial assets
- Measurement of employee benefits
- Measurement of provisions

2 NET CURRENT ASSETS INFORMATION

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

	Note	Adopted Budget Opening 1 July 2025	Actual as at 30 June 2025	Actual as at 30 June 2026
		$	$	$
Current assets				
Cash and cash equivalents		3,082,271	3,081,308	4,881,271
Trade and other receivables		132,888	131,519	100,065
Other financial assets		5,425,742	5,425,742	5,572,734
Inventories		153,941	105,573	87,540
Contract assets		785,143	780,851	10
		9,579,985	9,524,993	10,641,620
Less: current liabilities				
Trade and other payables		(476,894)	(455,554)	(311,075)
Other liabilities		(745)	(745)	0
Borrowings		(73,733)	(73,734)	(74,875)
Employee related provisions		(248,521)	(248,521)	(253,258)
		(799,893)	(778,554)	(639,208)
Net current assets		8,780,092	8,746,439	10,002,412
Less: Total adjustments to net current assets	2(b)	(5,352,013)	(5,352,009)	(5,497,859)
Closing funding surplus / (deficit)		**3,428,079**	**3,394,430**	**4,504,551**

(b) Current assets and liabilities excluded from budgeted deficiency

	Note	Adopted Budget Opening 1 July 2025	Actual as at 30 June 2025	Actual as at 30 June 2026
Adjustments to net current assets				
Less: Reserve accounts		(5,425,741)	(5,425,740)	(5,572,734)
Less: Current assets not expected to be received at end of year				
- Current financial assets at amortised cost - self supporting loans		(1,307)	(1,307)	0
Add: Current liabilities not expected to be cleared at the end of the year				
- Current portion of borrowings		73,733	73,734	74,875
- Current portion of employee benefit provisions held in reserve		1,302	1,302	
Total adjustments to net current assets	2(a)	**(5,352,013)**	**(5,352,009)**	**(5,497,859)**

(c) Non-cash amounts excluded from operating activities

	Adopted Budget Estimates 30 June 2026	YTD Budget Estimates 30 June 2026	YTD Actual 30 June 2026
	$	$	$
Adjustments to operating activities			
Less: Profit on asset disposals	(306,656)	(58,892)	(43,530)
Less: Movement in liabilities associated with restricted cash	(2,014)	0	0
Add: Loss on asset disposals	49,626	188,395	165,777
Add: Change in revaluation of non current assets	0	0	(20,000)
Add: Depreciation	2,843,200	2,843,200	1,050,606
Movement in current contract liabilities associated with restricted cash	(1,302)		0
Non-cash movements in non-current assets and liabilities:			
- Pensioner deferred rates	1,658	0	0
- Employee provisions	4,357	0	17,089
Total non-cash amounts excluded from operating activities	**2,588,869**	**2,972,703**	**1,169,942**

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 local governments' operational cycle.

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 2025-26 year is $10,000 and 10.00% whichever is the greater.

Description	Var. $	Var. %	
	$	%	
Revenue from operating activities			
Grants, subsidies and contributions	**2,397,446**	**144.14%**	▲
Account for donation of Church and land asset		Permanent	
Early FA Grant payment		Permanent	
WA Police grant funding & Worker's Compensation reimbursements		Permanent	
Other revenue	**22,431**	**31.34%**	▲
Unbudgeted sale of metal scraps		Permanent	
Profit on asset disposals	**(15,362)**	**(26.09%)**	▼
Budgeted profit not realised		Permanent	
Expenditure from operating activities			
Employee costs	**382,885**	**13.58%**	▲
Vacant positions reducing wages & housing expenses		Permanent	
Materials and contracts	**627,303**	**32.77%**	▲
Contingencies not required to date, contract works not completed		Timing	
Utility charges	**33,386**	**16.51%**	▲
Contingencies not required to date		Timing	
Depreciation	**1,792,594**	**63.05%**	▲
Roads depreciation to be calculated prior to annual reporting		Timing	
Insurance	**23,734**	**10.91%**	▲
Plant insurance under budget		Permanent	
Other expenditure	**27,473**	**29.38%**	▲
Contingencies not required to date			
Loss on asset disposals	**22,618**	**12.01%**	▲
Budgeted profit not realised following fair value adjustments post budget		Permanent	
Sale of CESM vehicle carried forward to 26/27			
Non cash amounts excluded from operating activities	**(1,802,761)**	**(60.64%)**	▼
Road depreciation yet to process		Timing	
Revaluation of asset		Permanent	
Inflows from investing activities			
Proceeds from capital grants, subsidies and contributions	**(1,030,682)**	**(41.95%)**	▼
All RRG/GSSF & 70% RTR funding received		Timing	
Grant for SLRIP denied		Permanent	
Outflows from investing activities			
Acquisition of property, plant and equipment	**557,812**	**21.30%**	▲
15 Aspendale building project partially carried forward to 26/27		Timing	
Acquisition of infrastructure	**1,576,670**	**40.43%**	▲
Other infrastructure projects behind projected timeline,		Timing	
Own Source road projects currently being completed		Timing	
Surplus or deficit after imposition of general rates	**4,440,127**	**6892.04%**	▲
Due to variances described above			

SHIRE OF KENT

SUPPLEMENTARY INFORMATION

TABLE OF CONTENTS

BASIS OF PREPARATION - SUPPLEMENTARY INFORMATION

Supplementary information is presented for information purposes. The information does not comply with the disclosure requirements of the Australian Accounting Standards.

not comply with the disclosure requirements of the Australian Accounting Standards.

SHIRE OF KENT
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2026

1 KEY INFORMATION

Funding Surplus or Deficit Components

Funding surplus / (deficit)

	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. $ (b)-(a)
Opening	$3.39 M	$3.39 M	$3.39 M	$0.00 M
Closing	($0.03 M)	$0.06 M	$4.50 M	$4.44 M

Refer to Statement of Financial Activity

Cash and cash equivalents

	$10.45 M	% of total
Unrestricted Cash	$4.88 M	46.7%
Restricted Cash	$5.57 M	53.3%

Refer to 3 - Cash and Financial Assets

Payables

	$0.31 M	% Outstanding
Trade Payables	$0.16 M	
0 to 30 Days		99.8%
Over 30 Days		0.2%
Over 90 Days		0.0%

Refer to 9 - Payables

Receivables

	$0.08 M	% Collected
Rates Receivable	$0.02 M	99.3%
Trade Receivable	$0.08 M	% Outstanding
Over 30 Days		21.5%
Over 90 Days		5.2%

Refer to 7 - Receivables

Key Operating Activities

Amount attributable to operating activities

Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. $ (b)-(a)
$0.21 M	$0.19 M	$3.72 M	$3.53 M

Refer to Statement of Financial Activity

Rates Revenue

		% Variance
YTD Actual	$2.70 M	
YTD Budget	$2.70 M	0.0%

Grants and Contributions

		% Variance
YTD Actual	$4.06 M	
YTD Budget	$1.66 M	144.1%

Refer to 12 - Grants and Contributions

Fees and Charges

		% Variance
YTD Actual	$0.67 M	
YTD Budget	$0.65 M	2.9%

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)
($3.86 M)	($3.45 M)	($2.39 M)	$1.06 M

Refer to Statement of Financial Activity

Proceeds on sale

		%
YTD Actual	$0.57 M	
Adopted Budget	$0.75 M	(25.0%)

Refer to 6 - Disposal of Assets

Asset Acquisition

		% Spent
YTD Actual	$2.32 M	
Adopted Budget	$4.01 M	(42.0%)

Refer to 5 - Capital Acquisitions

Capital Grants

		% Received
YTD Actual	$1.43 M	
Adopted Budget	$3.55 M	(59.8%)

Refer to 5 - Capital Acquisitions

Key Financing Activities

Amount attributable to financing activities

Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. $ (b)-(a)
$0.22 M	($0.07 M)	($0.22 M)	($0.15 M)

Refer to Statement of Financial Activity

Borrowings

Principal repayments	($0.07 M)
Interest expense	($0.01 M)
Principal due	$0.43 M

Refer to 10 - Borrowings

Reserves

Reserves balance	$5.57 M
Net Movement	$0.15 M

Refer to 4 - Cash Reserves

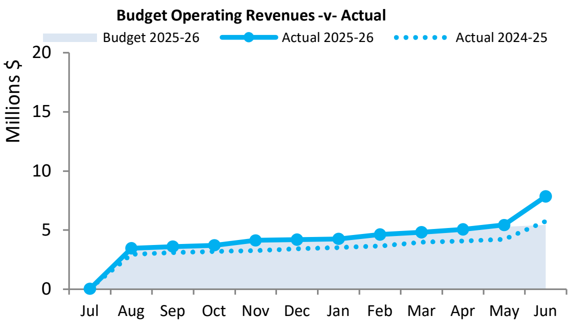
This information is to be read in conjunction with the accompanying Financial Statements and notes.

SHIRE OF KENT
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2026

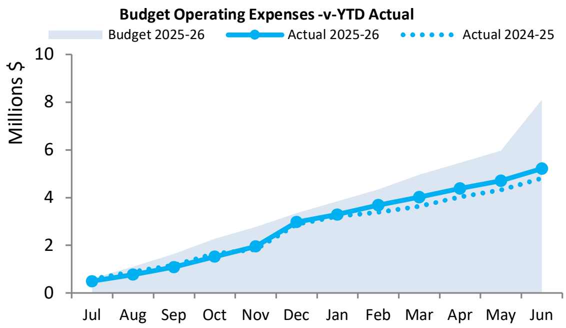
2 KEY INFORMATION - GRAPHICAL

OPERATING ACTIVITIES

OPERATING REVENUE

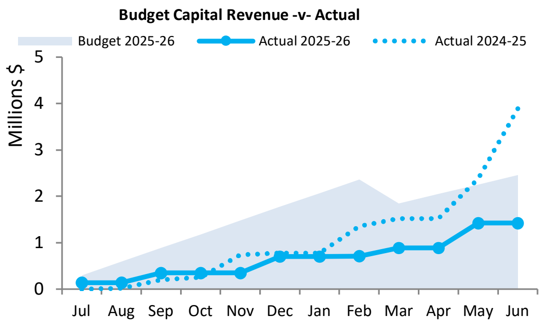


OPERATING EXPENSES

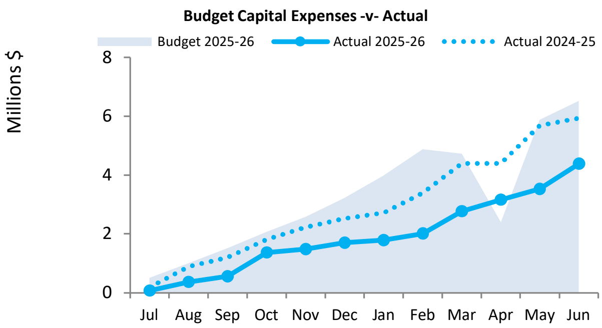


INVESTING ACTIVITIES

CAPITAL REVENUE

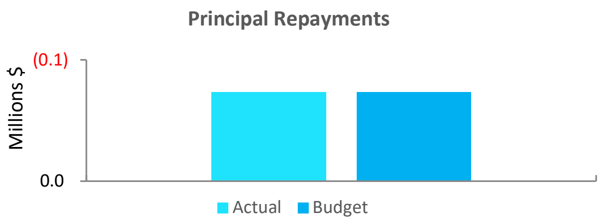


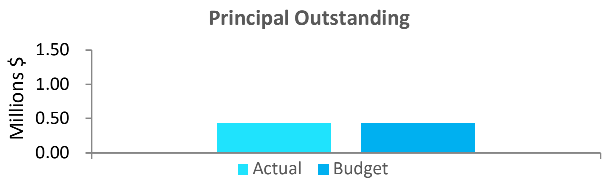
CAPITAL EXPENSES



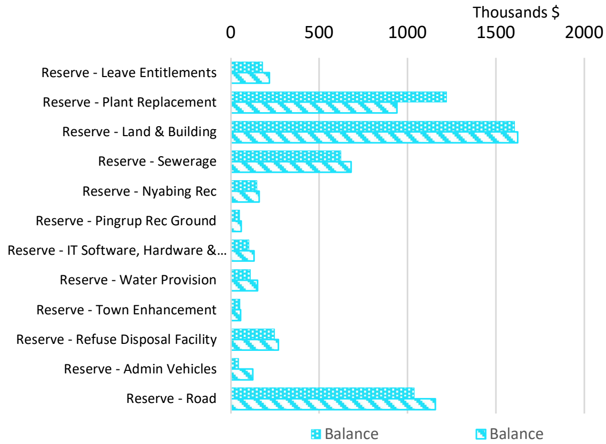
FINANCING ACTIVITIES

BORROWINGS

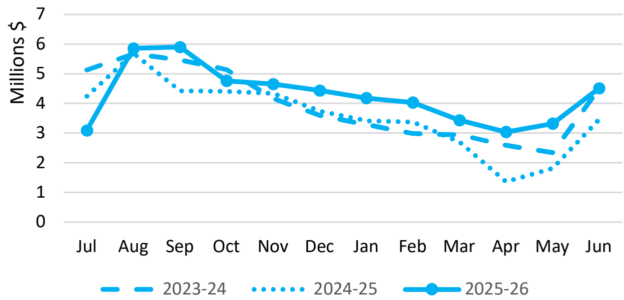




RESERVES



Closing funding surplus / (deficit)



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

3 CASH AND FINANCIAL ASSETS AT AMORTISED COST

Description	Classification	Unrestricted	Reserve Accounts	Total	Trust	Institution	Interest Rate	Maturity Date
		$	$	$	$			
Municipal Account	Cash and cash equivalents	2,146,127		2,146,127		CBA	3.50%	n/a
Municipal Term Deposit	Cash and cash equivalents	1,812,818		1,812,818		CBA	4.66%	25/06/2026
Business online Saver	Cash and cash equivalents	922,325		922,325		CBA	4.15%	n/a
Trust	Cash and cash equivalents	0			3,416	CBA	3.00%	n/a
Term Deposit	Financial assets at amortised cost	(0)	5,572,734	5,572,734		CBA	4.77%	30/06/2026
Total		**4,881,271**	**5,572,734**	**10,454,005**	**3,416**			
Comprising								
Cash and cash equivalents		4,881,271	0	4,881,271	3,416			
Financial assets at amortised cost - Term Deposits		(0)	5,572,734	5,572,734	0			
		4,881,271	**5,572,734**	**10,454,005**	**3,416**			

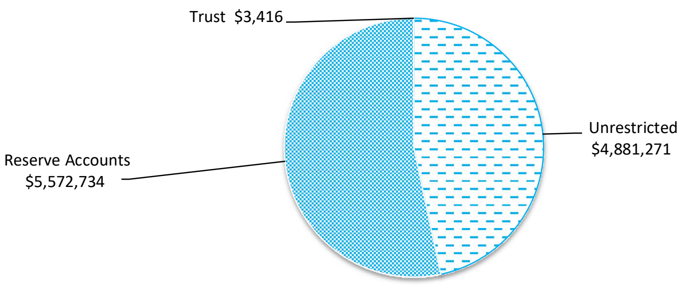
KEY INFORMATION

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 8 - Other assets.



4 RESERVE ACCOUNTS

	Budget					Actual			
Reserve account name	Opening Balance	Transfers In (+)	Transfers Out (-)	Budget Review	Closing Balance	Opening Balance	Transfers In (+)	Transfers Out (-)	Closing Balance
	$	$	$	$	$	$	$	$	$
Reserve accounts restricted by Council									
Reserve - Leave Entitlements	181,131	37,337			218,468	181,131	37,905		219,037
Reserve - Plant Replacement	1,221,170	99,462	(368,700)	(16,300)	935,632	1,221,170	103,297	(385,000)	939,467
Reserve - Land & Building	1,605,084	210,012	(550,000)	320,000	1,585,096	1,605,084	279,553	(260,000)	1,624,637
Reserve - Sewerage	623,937	55,272			679,209	623,937	57,231		681,168
Reserve - Nyabing Rec	147,780	11,986			159,766	147,780	12,450		160,230
Reserve - Pingrup Rec Ground	50,962	8,064			59,026	50,962	8,224		59,186
Reserve - IT Software, Hardware & Development	102,460	29,150			131,610	102,460	29,472		131,932
Reserve - Water Provision	109,491	42,892			152,383	109,491	43,236		152,727
Reserve - Town Enhancement	52,171	2,113			54,284	52,171	2,277		54,448
Reserve - Refuse Disposal Facility	248,061	20,047			268,108	248,061	20,826		268,887
Reserve - Admin Vehicles	44,904	21,819	(28,000)	85,522	124,245	44,904	91,958	(12,476)	124,386
Reserve - Road	1,038,592	114,776			1,153,368	1,038,591	118,038		1,156,629
	5,425,741	**652,931**	**(946,700)**	**389,222**	**5,521,194**	**5,425,741**	**804,468**	**(657,476)**	**5,572,734**

5 CAPITAL ACQUISITIONS

Capital acquisitions	Adopted Budget	YTD Budget	YTD Actual	YTD Variance
	$	$	$	$
Land - freehold land	0	100,000	81,322	(18,678)
Buildings - non-specialised	1,157,500	1,147,500	700,036	(447,464)
Buildings - specialised	1,530,000	150,000	72,151	(77,849)
Plant and equipment	1,465,000	1,221,476	1,207,655	(13,821)
Acquisition of property, plant and equipment	**4,152,500**	**2,618,976**	**2,061,164**	**(557,812)**
Infrastructure - roads	3,506,180	3,506,180	2,204,183	(1,301,997)
Infrastructure -Other	500,000	394,000	119,327	(274,673)
Acquisition of infrastructure	**4,006,180**	**3,900,180**	**2,323,510**	**(1,576,670)**
Total capital acquisitions	**8,158,680**	**6,519,156**	**4,384,675**	**(2,134,481)**
Capital Acquisitions Funded By:				
Capital grants and contributions	3,546,962	2,456,807	1,426,125	(1,030,682)
Other (disposals & C/Fwd)	753,300	613,300	565,296	(48,004)
Reserve accounts				
Reserve - Plant Replacement	368,700	0	385,000	385,000
Reserve - Land & Building	550,000	0	260,000	260,000
Reserve - Admin Vehicles	28,000	0	12,476	12,476
Contribution - operations	2,911,718	3,449,049	1,735,778	(1,713,271)
Capital funding total	**8,158,680**	**6,519,156**	**4,384,675**	**(2,134,481)**

KEY INFORMATION

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the 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. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2).* Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

Reportable Value

In accordance with *Local Government (Financial Management) Regulation 17A(2),* the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

5 CAPITAL ACQUISITIONS (CONTINUED) - DETAILED

Capital expenditure total
Level of completion indicators

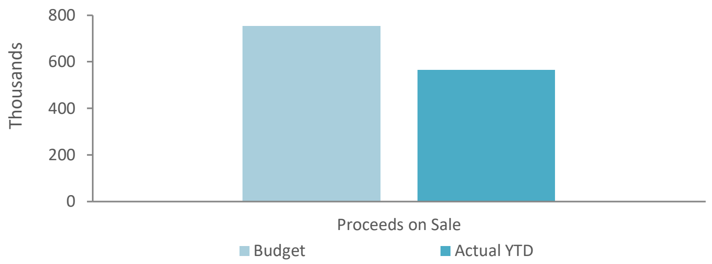
0%
20%
40%
60%
80%
100%
Over 100%

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

	Account Description	Adopted Budget	YTD Budget	YTD Actual	Variance (Under)/Over
		$	$	$	$
04983	Capital Admin Building Upgrades	50,000	50,000	51,153	(1,153)
09976	Construction of 2x1, 15A Aspendale Street	550,000	550,000	310,018	239,982
09977	Construction of 2x1, 15B Aspendale Street	550,000	550,000	310,018	239,982
09987	CAPITAL HOUSING UPGRADES	7,500	47,500	0	47,500
11971	Capital Building Purchase	0	0	80,000	(80,000)
11986	Nyabing Pavilion - Capital Upgrades	1,500,000	100,000	20,998	79,002
11972	Solar pump upgrades	20,000	14,000	13,596	404
11973	Pingrup Lions Park Upgrade	15,000	15,000	0	15,000
11990	Memorial Park Upgrade	50,000	50,000	49,187	813
11991	Burston Park Upgrade - Pingrup	50,000	50,000	44,828	5,172
12800	Own Source Construction	825,885	825,885	534,132	291,753
12801	Roads To Recovery	743,563	743,563	731,259	12,304
12802	Regional Road Group	700,000	700,000	526,511	173,489
12805	Local Road & Community Infrastructure Program	824,470	824,470	0	824,470
12806	Great Southern Secondary Freight (GSSF)	412,262	412,262	412,281	(19)
12951	Purchase of Plant and Vehicles	1,465,000	1,221,476	1,207,655	13,821
13972	Reline Water Tank - Rasmussen	15,000	15,000	11,716	3,284
13978	Capital Townscape Projects	250,000	250,000	0	250,000
13990	Urban Regeneration	100,000	100,000	81,322	18,678
		8,128,680	**6,519,156**	**4,384,675**	**2,134,481**

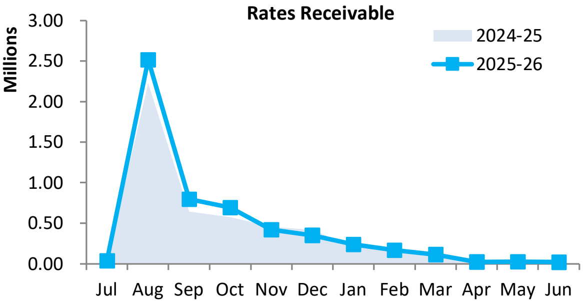
6 DISPOSAL OF ASSETS

		Budget				YTD Actual			
Asset Ref.	Asset description	Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		$	$	$	$	$	$	$	$
	Buildings								
110/490	5 George Street, Nyabing	27,135	230,000	202,865	0	334,434	230,000	0	(104,434)
	Plant and equipment								
2360	2022 Fuso Prime Mover (KT045)	168,987	136,300	0	(32,687)	157,744	104,344	0	(53,400)
2343	2010 Roadwest A-trailer (KT2481)	22,099	50,000	27,901	0	21,776	34,986	13,210	0
2178	Isuzu 550 Fuel Truck (KT012)	13,809	30,000	16,191	0			0	0
2038	2004 HP Tandem Axle Side tipper (dog) (KT2292	7,500	60,000	52,500	0	7,500	34,322	26,822	0
2345	Toyota Hilix SR5 CESM (KT000)	51,605	40,000	0	(11,605)			0	0
2368	Mitsubishi 4x4 S/Cab (KT017)	21,054	20,000	0	(1,054)			0	0
2311	Mitsubishi 4x4 tipper/crane- T/ldr (KT004)	15,000	20,000	5,000	0	15,000	18,182	3,182	0
2400	Toyota Prado GXL - CEO (Mar)	70,780	67,000	0	(3,780)	71,404	69,998	0	(1,406)
2401	Toyota Fortuner GXL DCEO (Mar)	50,500	50,000	0	(500)	49,683	50,000	317	0
2392	Toyota Fortuner GXL MI (Dec)	47,801	50,000	2,199	0			0	0
937	1996 Cat 428C Backhoe Loader (KT016)	0	0	0	0	30,000	23,464	0	(6,536)
		496,270	**753,300**	**306,656**	**(49,626)**	**687,542**	**565,296**	**43,531**	**(165,777)**



7 RECEIVABLES

Rates receivable	30 June 2025	30 Jun 2026
	$	$
Opening arrears previous year	48,989	46,999
Levied this year	2,602,348	2,696,467
Less - collections to date	(2,604,337)	(2,722,992)
Gross rates collectable	**46,999**	**20,474**
Net rates collectable	**46,999**	**20,474**
% Collected	98.2%	99.3%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	$	$	$	$	$	$
Receivables - general	(1,799)	28,332	4,941	578	1,765	33,817
Percentage	(5.3%)	83.8%	14.6%	1.7%	5.2%	
Balance per trial balance						
Trade receivables						33,817
Rates Debtors - ESL						1,217
GST receivable						37,615
Receivables for employee related provisions						14,657
Allowance for impairment of receivables from contracts with customers						(7,917)
Pensioner Rebates Suspense						0
Accured Interest Receivable						202
Total receivables general outstanding						**79,591**

Amounts shown above include GST (where applicable)

KEY INFORMATION

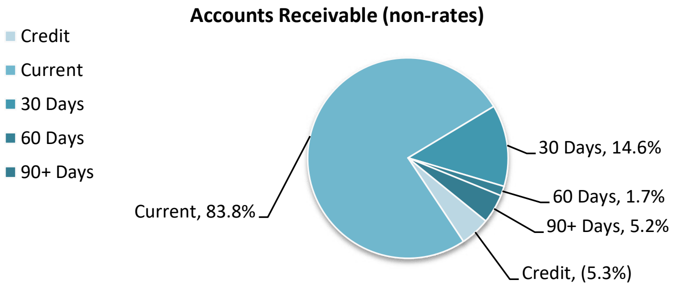
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.



8 OTHER CURRENT ASSETS

Other current assets	Opening Balance 1 July 2025	Asset Increase	Asset Reduction	Closing Balance 30 June 2026
	$	$	$	$
Financial assets at amortised cost	5,425,742	804,468	(657,476)	5,572,734
Inventory				
Fuel & materials	105,573	321,718	(339,751)	87,540
Contract assets				
Contract assets	780,851	0	(780,841)	10
Total other current assets	**6,312,166**	**1,126,186**	**(1,778,068)**	**5,660,284**

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.

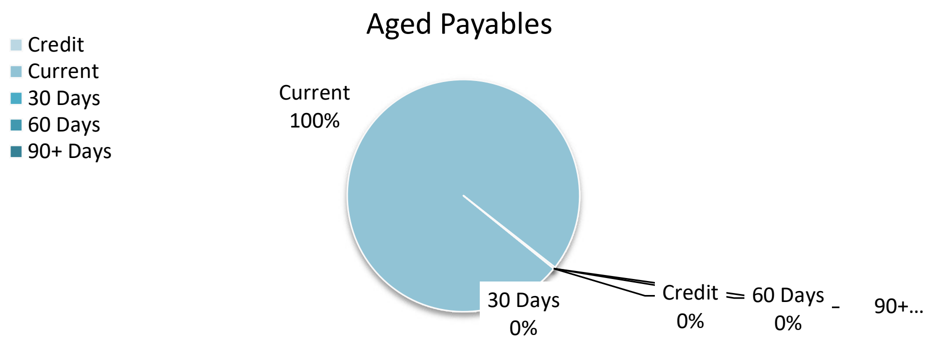
9 PAYABLES

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	$	$	$	$	$	$
Payables - general	0	158,708	356	0	0	159,064
Percentage	0.0%	99.8%	0.2%	0.0%	0.0%	
Balance per trial balance						
Sundry creditors						159,064
Accrued salaries and wages						73,308
ATO liabilities						55,322
GST Payable						1,734
GST on Employee Contributions (NL)						0
GST Suspense						143
Excess Rates Receipts						16,990
Time in Lieu - accrued						(2,133)
Other accrued expenses						269
Accrued Interest - loans						6,378
Novated Leasing (NL)						0
Total payables general outstanding						**311,075**

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 BORROWINGS

Repayments - borrowings

Information on borrowings			New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	Loan No.	1 July 2025	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		$	$	$	$	$	$	$	$	$
Teacher Housing	94	504,545	0	0	(73,733)	(73,734)	430,812	430,811	(9,311)	(9,872)
Total		**504,545**	**0**	**0**	**(73,733)**	**(73,734)**	**430,812**	**430,811**	**(9,311)**	**(9,872)**
Current borrowings		73,378					74,875			
Non-current borrowings		431,167					355,937			
		504,545					**430,812**			

All debenture repayments were financed by general purpose revenue.

KEY INFORMATION

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

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.

11 OTHER CURRENT LIABILITIES

Other current liabilities	Note	Opening Balance 1 July 2025	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 30 June 2026
		$	$	$	$	$
Other liabilities						
Department of Transport Clearing		745	0	248,623	(249,368)	0
Bond Administration Clearing		0	0	3,860	(3,860)	0
Total other liabilities		745	0	252,483	(253,228)	0
Employee Related Provisions						
Provision for annual leave		153,173	0	12,648	0	165,821
Provision for long service leave		95,348	0	0	(7,911)	87,437
Total Provisions		248,521	0	12,648	(7,911)	253,258
Total other current liabilities		**249,266**	**0**	**265,131**	**(261,139)**	**253,258**

Amounts shown above include GST (where applicable)

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

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.

12 GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Adopted Budget Revenue	YTD Budget	Annual Budget	Budget Variations	Expected	YTD Revenue Actual
	Grants, subsidies and contributions revenue					
	$	$	$	$	$	$
Grants and subsidies						
Grants - General Purpose	728,177	749,489	728,177	21,312	749,489	2,055,040
Grants - Untied Roads	459,019	492,685	459,019	33,666	492,685	1,436,682
LGGS Operational Grant	96,000	80,000	96,000	(16,000)	80,000	58,866
Other Emergency Management Funding	0	7,678	0	7,678	7,678	7,678
Other Welfare	12,000	0	12,000	(12,000)	0	0
Other Culture	0	0	0	0	0	1,364
Other Tourism & Area Promotion	0	0	0	0	0	14,000
Direct Grant	250,000	275,490	250,000	25,490	275,490	275,490
	1,545,196	**1,605,342**	**1,545,196**	**60,146**	**1,605,342**	**3,849,120**
Contributions						
Reimbursement - Debt Collection Expenses	2,000	2,000	2,000	0	2,000	0
Members of Council	0	0	0	0	0	3,024
Members of Council - No GST	0	0	0	0	0	2,875
Administration General	1,500	1,500	1,500	0	1,500	3,347
Other Emergency Management Funding	0	12,390	0	0	0	21,946
Staff Housing	0	0	0	0	0	1,691
Revenue - Other Housing	1,000	1,000	1,000	0	1,000	3,381
Other Recreation & Sport	6,000	6,000	6,000	0	6,000	146,000
Licensing (No GST)	0	0	0	0	0	105
Public Works Overhead	5,000	5,000	5,000	0	5,000	(1,684)
Public Works Overhead - No GST	0	30,000	0	30,000	30,000	30,826
Plant Operation (revenue)	0	0	0	0	0	47
	15,500	**57,890**	**15,500**	**30,000**	**45,500**	**211,558**
TOTALS	**1,560,696**	**1,663,232**	**1,560,696**	**90,146**	**1,650,842**	**4,060,678**

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

	Capital grant/contribution liabilities					Capital grants, subsidies and contributions revenue					
Provider	Liability 1 July 2025	Increase in Liability	Decrease in Liability (As revenue)	Liability 30 Jun 2026	Current Liability 30 Jun 2026	Adopted Budget Revenue	YTD Budget	Annual Budget	Budget Variations	Expected	YTD Revenue Actual
	$	$	$	$	$	$	$	$	$	$	$
Capital grants and subsidies											
Grants - Federal				0		1,100,000	0	1,100,000	(1,100,000)	0	0
LGGS Operational Grant				0		0	9,845	0	9,845	9,845	9,845
Grants Roads to Recovery				0		743,563	743,563	743,563	0	743,563	537,349
Grants Regional Road Group				0		466,667	466,667	466,667	0	466,667	466,668
Local Road & Community Infrastructure Program				0		824,470	824,470	824,470	0	824,470	0
Grants Great Southern Secondary Freight Network (GSSF)				0		412,262	412,262	412,262	0	412,262	412,263
	0	**0**	**0**	**0**	**0**	**3,546,962**	**2,456,807**	**3,546,962**	**(1,090,155)**	**2,456,807**	**1,426,125**

14 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 2025	Amount Received	Amount Paid	Closing Balance 30 June 2026
	$	$	$	$
Beasts in the Bush	3,416			**3,416**
	3,416	**0**	**0**	**3,416**

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	OCM2526/059	Opening surplus(deficit)			(34,951)	(34,951)
Land and Building Reserve transfer	OCM2526/048	Capital expenses		10,000		(24,951)
2B Coates Close internal paint	OCM2526/048	Capital expenses			(10,000)	(34,951)
Land and Building Reserve transfer	OCM2526/048	Capital expenses		10,000		(24,951)
2/3 Gaby Street internal paint	OCM2526/048	Capital expenses			(10,000)	(34,951)
Rates Ex Gratia	OCM2526/059	Operating Revenue		14,771		(20,180)
Grants - General Purpose (FAG)	OCM2526/059	Operating Revenue		21,312		1,132
Grants - Untied Roads (FAG)	OCM2526/059	Operating Revenue		33,666		34,798
Grants - Federal	OCM2526/059	Operating Revenue			(1,100,000)	(1,065,202)
LGGS Operational Grant	OCM2526/059	Operating Revenue			(16,000)	(1,081,202)
LGGS Operational Grant	OCM2526/059	Operating Revenue		9,845		(1,071,357)
Other Emergency Mgmt Funding	OCM2526/059	Operating Revenue		7,678		(1,063,679)
Other Emergency Mgmt Funding	OCM2526/059	Operating Revenue		12,390		(1,051,289)
ESL Remitted	OCM2526/059	Operating Expenses			(4,951)	(1,056,240)
Other Welfare donations	OCM2526/059	Operating Revenue			(12,000)	(1,068,240)
Other Welfare donations	OCM2526/059	Operating Expenses		12,000		(1,056,240)
26 Aspendale St - Contract	OCM2526/059	Operating Expenses		33,000		(1,023,240)
28 Aspendale St - Contract	OCM2526/059	Operating Expenses		32,000		(991,240)
Other housing	OCM2526/059	Operating Revenue		3,182		(988,058)
Profit on sale of housing	OCM2526/059	Operating Revenue			(202,865)	(1,190,923)
Loss on sale of asset	OCM2526/059	Operating Expenses			(104,434)	(1,295,357)
Capital Housing Upgrades	OCM2526/059	Capital Expense			(40,000)	(1,335,357)
RSL Hall	OCM2526/059	Operating Expenses		15,000		(1,320,357)
Direct Grant	OCM2526/059	Operating Revenue		25,490		(1,294,867)
Road Maintenance - contract services	OCM2526/059	Operating Expenses			(155,414)	(1,450,281)
Kerbing & Drainage - contract services	OCM2526/059	Operating Expenses			(50,650)	(1,500,931)
Proceeds from Sale of Asset	OCM2526/059	Operating Revenue			(131,670)	(1,632,601)
Realisation of Assets	OCM2526/059	Operating Expenses		131,670		(1,500,931)
Profit on the Sale of Plant	OCM2526/059	Operating Revenue			(44,899)	(1,545,830)
Loss on the Sale of Plant	OCM2526/059	Operating Expenses			(34,335)	(1,580,165)
Pingrup Caravan Park - CBH units	OCM2526/059	Operating Revenue		10,000		(1,570,165)
Standpipe Income	OCM2526/059	Operating Revenue		10,000		(1,560,165)
Plant Hire & Material Sales	OCM2526/059	Operating Revenue			(15,000)	(1,575,165)
Public Works Overheads - no GST	OCM2526/059	Operating Revenue		30,000		(1,545,165)
Public Works Overheads - WC	OCM2526/059	Operating Expenses		10,000		(1,535,165)
Plant Operation - salaries & wages	OCM2526/059	Operating Expenses		50,000		(1,485,165)
Plant Operation - fuel	OCM2526/059	Operating Expenses			(80,000)	(1,565,165)
Plant Operation - repairs & maintenance	OCM2526/059	Operating Expenses		100,000		(1,465,165)
Plant Operation - contract	OCM2526/059	Operating Expenses			(50,000)	(1,515,165)
Worker's Compensation	OCM2526/059	Operating Expenses			(30,000)	(1,545,165)
Pingrup Pavilion capital upgrades	OCM2526/059	Capital Expense		30,000		(1,515,165)
Nyabing Pavilion capital upgrades	OCM2526/059	Capital Expense		1,400,000		(115,165)
Transfer from Land & Building Reserve	OCM2526/059	Capital Revenue			(300,000)	(415,165)
Purchase Plant & Equipment	OCM2526/059	Capital Expense		10,000		(405,165)
Purchase Plant & Equipment	OCM2526/059	Capital Expense		100,000		(305,165)
Purchase Plant & Equipment	OCM2526/059	Capital Expense		30,000		(275,165)
Purchase Plant & Equipment	OCM2526/059	Capital Expense			(20,000)	(295,165)
Purchase Plant & Equipment	OCM2526/059	Capital Expense			(4,000)	(299,165)
Purchase Plant & Equipment	OCM2526/059	Capital Expense			(5,000)	(304,165)
Purchase Plant & Equipment	OCM2526/059	Capital Expense		75,000		(229,165)
Purchase Plant & Equipment	OCM2526/059	Capital Expense			(2,476)	(231,641)
Purchase Plant & Equipment	OCM2526/059	Capital Expense		60,000		(171,641)
Transfer from Plant Reserve	OCM2526/059	Capital Revenue		16,300		(155,341)
Solar Pump replacement	OCM2526/059	Capital Expense		6,000		(149,341)
Transfer to Land and Building Reserve	OCM2526/059	Capital Expense			(15,000)	(164,341)
Transfer to Land and Building Reserve	OCM2526/059	Capital Expense			(25,000)	(189,341)
Transfer to Admin Vehicle Reserve	OCM2526/059	Capital Expense			(69,998)	(259,339)
Transfer from Admin Vehicle Reserve	OCM2526/059	Capital Revenue			(15,524)	(274,863)
Change is asset revaluation surplus	OCM2526/059	Non Cash Item	20,000			(254,863)
Loss on Asset disposal	OCM2526/059	Non Cash Item	386,533			131,670
Proceeds from sale of asset	OCM2526/059	Non Cash Item	(131,670)			0
			274,863	**2,309,304**	**(2,584,167)**	**(34,951)**