

SHIRE OF NANNUP
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 30 September 2024

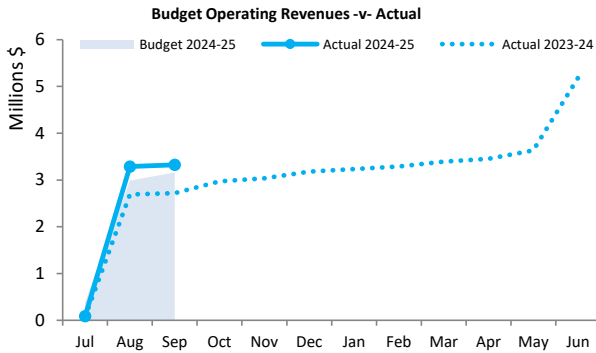
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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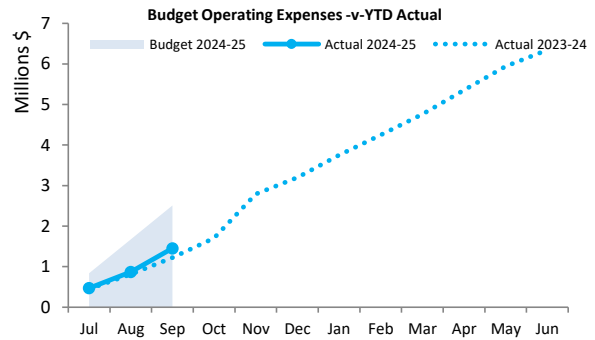
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OPERATING ACTIVITIES

OPERATING REVENUE

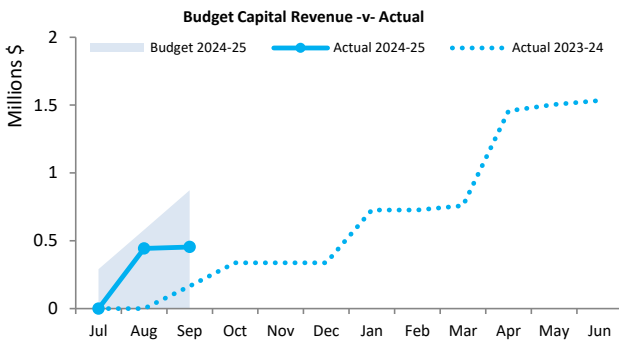


OPERATING EXPENSES

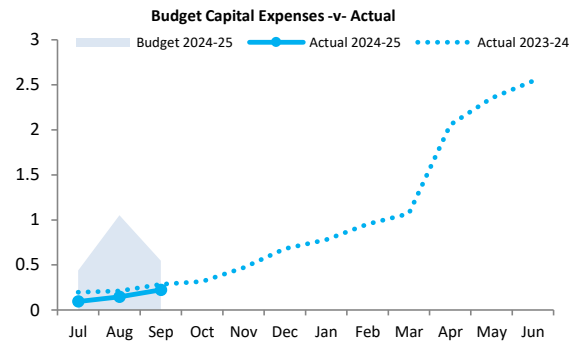


INVESTING ACTIVITIES

CAPITAL REVENUE



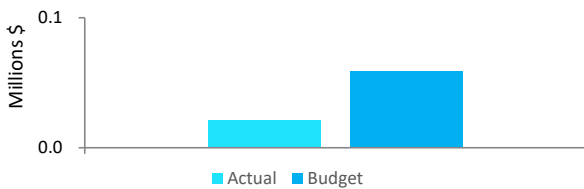
CAPITAL EXPENSES



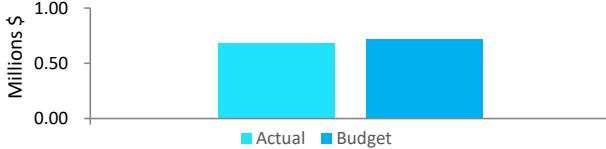
FINANCING ACTIVITIES

BORROWINGS

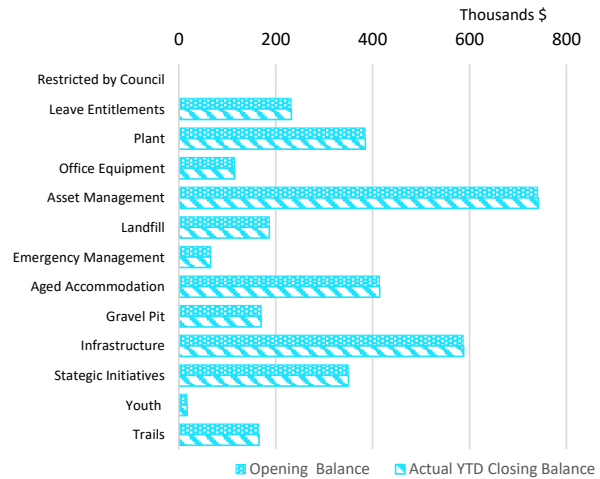
Principal Repayments



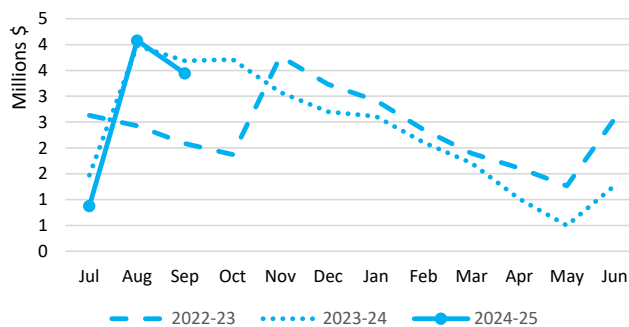
Principal Outstanding



RESERVES



Closing funding surplus / (deficit)



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

Funding surplus / (deficit) Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$1.24 M	\$1.24 M	\$1.27 M	\$0.03 M
Closing	\$0.00 M	\$4.09 M	\$3.45 M	(\$0.64 M)

Refer to Statement of Financial Activity

Cash and cash equivalents		
	YTD Actual	% of total
Unrestricted Cash	\$0.95 M	15.3%
Restricted Cash	\$5.24 M	84.7%

Refer to Note 2 - Cash and Financial Assets

Payables		% Outstanding
	YTD Actual	
Trade Payables	\$0.00 M	
0 to 30 Days		0.0%
Over 30 Days		0.0%
Over 90 Days		0%

Refer to Note 5 - Payables

Receivables		
	YTD Actual	% Collected
Rates Receivable	\$2.73 M	4.1%
Trade Receivable	\$0.29 M	% Outstanding
Over 30 Days		98.6%
Over 90 Days		71.6%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$0.96 M)	\$1.75 M	\$1.87 M	\$0.12 M

Refer to Statement of Financial Activity

Rates Revenue		
	YTD Actual	% Variance
YTD Actual	\$2.65 M	
YTD Budget	\$2.65 M	0.22%

Refer to Statement of Financial Activity

Operating Grants and Contributions		
	YTD Actual	% Variance
YTD Actual	\$0.14 M	
YTD Budget	\$0.26 M	(46.46%)

Refer to Note 12 - Operating Grants and Contributions

Fees and Charges		
	YTD Actual	% Variance
YTD Actual	\$0.44 M	
YTD Budget	\$0.17 M	166.08%

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)
(\$1.28 M)	\$0.77 M	\$0.34 M	(\$0.44 M)

Refer to Statement of Financial Activity

Proceeds on sale		
	YTD Actual	%
YTD Actual	\$0.08 M	
Adopted Budget	\$0.43 M	19.65%

Refer to Note 6 - Disposal of Assets

Asset Acquisition		
	YTD Actual	% Spent
YTD Actual	\$0.22 M	
Adopted Budget	\$5.26 M	4.3%

Refer to Note 7 - Capital Acquisitions

Capital Grants		
	YTD Actual	% Received
YTD Actual	\$0.11 M	
Adopted Budget	\$3.49 M	3.05%

Refer to Note 7 - Capital Acquisitions

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$0.99 M	\$0.32 M	(\$0.03 M)	(\$0.35 M)

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	(\$0.02 M)
Interest expense	(\$0.01 M)
Principal due	\$0.69 M

Refer to Note 8 - Borrowings

Reserves	
Reserves balance	\$3.43 M
Interest earned	\$0.01 M

Refer to Note 10 - Cash Reserves

Lease Liability	
Principal repayments	\$0.00 M
Interest expense	\$0.00 M
Principal due	\$0.01 M

Refer to Note 9 - Lease Liabilities

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

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 30 SEPTEMBER 2024

REVENUE

RATES

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refers to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of identifiable non financial assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, and other fees and charges.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates, reimbursements etc.

PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

NATURE OR TYPE DESCRIPTIONS

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Shortfall between the value of assets received over the net book value for assets on their disposal.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets. Excluding Land.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

BY NATURE OR TYPE

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Variance \$ (b) - (a)	Variance % ((b) - (a))/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	1,244,564	1,244,564	1,269,907	25,343	2.04%	
Revenue from operating activities							
Rates		2,645,918	2,647,100	2,652,922	5,822	0.22%	
Operating grants, subsidies and contributions	12	1,058,365	264,462	141,606	(122,856)	(46.46%)	▼
Fees and charges		666,747	166,563	443,189	276,626	166.08%	▲
Interest earnings		159,020	39,732	35,481	(4,251)	(10.70%)	
Other revenue		48,324	12,051	50,352	38,301	317.82%	▲
Profit on disposal of assets	6	121,773	30,426	0	(30,426)	(100.00%)	▼
		4,700,147	3,160,333	3,323,550	163,217	5.16%	
Expenditure from operating activities							
Employee costs		(3,192,935)	(798,900)	(793,132)	5,768	0.72%	
Materials and contracts		(1,658,503)	(413,961)	(431,794)	(17,833)	(4.31%)	
Utility charges		(109,262)	(27,240)	(21,758)	5,482	20.12%	
Depreciation on non-current assets		(4,558,462)	(1,139,142)	0	1,139,142	100.00%	▲
Interest expenses		(21,192)	(5,292)	(7,748)	(2,456)	(46.41%)	
Insurance expenses		(241,669)	(60,348)	(133,585)	(73,237)	(121.36%)	▼
Other expenditure		(254,714)	(62,784)	(66,026)	(3,242)	(5.16%)	
Loss on disposal of assets	6	(4,440)	(1,107)	0	1,107	100.00%	
		(10,041,177)	(2,508,774)	(1,454,043)	1,054,731	(42.04%)	
Non-cash amounts excluded from operating activities	1(a)	4,385,224	1,095,847	375	(1,095,472)	(99.97%)	▼
Amount attributable to operating activities		(955,806)	1,747,406	1,869,882	122,476	7.01%	
Investing activities							
Proceeds from non-operating grants, subsidies and contributions	13	3,490,542	872,277	453,826	(418,451)	(47.97%)	▼
Proceeds from disposal of assets	6	425,000	425,000	83,509	(341,491)	(80.35%)	▼
Proceeds from financial assets at amortised cost - self supporting loans	8	58,839	21,481	21,481	0	0.00%	
Payments for property, plant and equipment and infrastructure	7	(5,257,148)	(545,847)	(223,457)	322,390	59.06%	▲
Amount attributable to investing activities		(1,282,767)	772,911	335,359	(437,552)	(56.61%)	
Financing Activities							
Transfer from reserves	10	1,711,388	427,847	0	(427,847)	(100.00%)	▼
Payments for principal portion of lease liabilities		(7,921)	(7,921)	(2,540)	5,381	67.93%	
Repayment of debentures	8	(95,588)	(95,588)	(21,481)	74,107	77.53%	
Transfer to reserves	10	(613,870)	0	(5,550)	(5,550)	0.00%	
Amount attributable to financing activities		994,009	324,338	(29,571)	(353,910)	(109.12%)	
Closing funding surplus / (deficit)	1(c)	0	4,089,219	3,445,576	(643,643)	(16%)	▼

KEY INFORMATION

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

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

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

Note: No Depreciation has been calculated nor applied for this period due to Revaluation of Assets for period ending 30 June 2024 being undertaken at the time of this report.

BASIS OF PREPARATION

The financial report has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying Regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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.

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 14 to these financial statements.

SIGNIFICANT ACCOUNTING POLICES

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors 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 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:

- estimation of fair values of certain financial assets
- estimation of fair values of fixed assets shown at fair value
- impairment of financial assets

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

ROUNDING OFF FIGURES

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

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 17 October 2024

(a) Non-cash items 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*.

	Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities				
		\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	6	(121,773)	(30,426)	0
Less: Movement in liabilities associated with restricted cash				375
Movement in employee benefit provisions (non-current)		(55,905)	(13,976)	0
Add: Loss on asset disposals	6	4,440	1,107	0
Add: Depreciation on assets		4,558,462	1,139,142	0
Total non-cash items excluded from operating activities		4,385,224	1,095,847	375

(b) Adjustments to net current assets in the Statement of Financial Activity

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	Last Year	Year to
		Opening	Closing	Date
		30 June 2024	30 June 2024	30 September 2024
Adjustments to net current assets				
Less: Reserves - restricted cash	10	(3,427,249)	(3,427,249)	(3,432,799)
Less: - Financial assets at amortised cost - self supporting loans	4	(58,840)	(58,839)	(37,358)
Add: Borrowings	8	95,588	95,588	74,107
Add: Provisions employee related provisions	11	231,853	231,854	232,230
Add: Lease liabilities	9	7,921	7,921	5,381
Total adjustments to net current assets		(3,150,727)	(3,150,725)	(3,158,440)

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

Current assets				
Cash and cash equivalents	2	5,498,523	5,498,523	6,182,124
Rates receivables	3	198,271	198,271	2,733,585
Receivables	3	1,348,027	1,348,027	290,189
Other current assets	4	97,033	97,033	43,926
Less: Current liabilities				
Payables	5	(491,092)	(465,750)	(414,356)
Borrowings	8	(95,588)	(95,588)	(74,107)
Contract liabilities	11	(1,804,237)	(1,804,237)	(1,804,237)
Lease liabilities	9	(7,921)	(7,921)	(5,381)
Provisions	11	(347,726)	(347,726)	(347,726)
Less: Total adjustments to net current assets	1(b)	(3,150,727)	(3,150,725)	(3,158,440)
Closing funding surplus / (deficit)		1,244,564	1,269,907	3,445,576

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 operational cycle.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

**OPERATING ACTIVITIES
NOTE 2
CASH AND FINANCIAL ASSETS**

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$				
Municipal Cash at Bank	Cash and cash equivalents	945,088	1,804,237	2,749,325	0	CBA	3.55%	on call
Reserve Cash at Bank	Cash and cash equivalents	0	724,278	724,278	0	CBA	3.25%	on call
Reserve Term Deposit	Cash and cash equivalents	0	2,708,521	2,708,521	0	Westpac	4.00%	11/01/2025
Total		945,088	5,237,036	6,182,124	0			
Comprising								
Cash and cash equivalents		945,088	5,237,036	6,182,124	0			
		945,088	5,237,036	6,182,124	0			

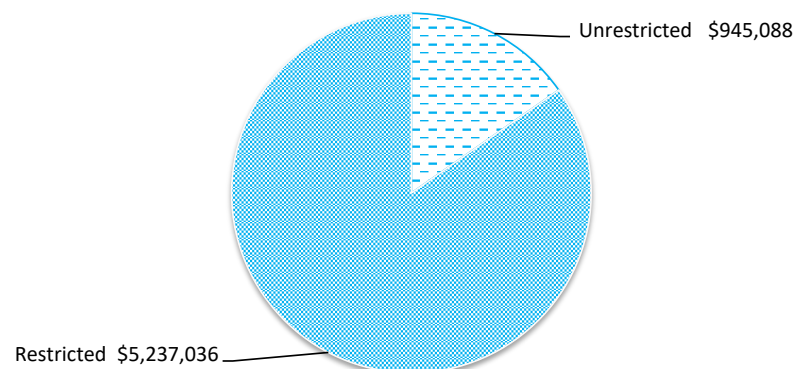
KEY INFORMATION

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

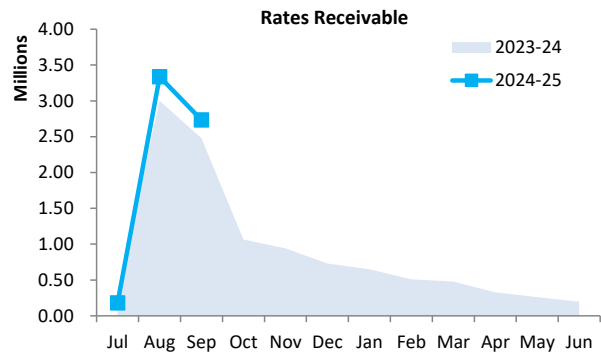
The local government classifies financial assets at amortised cost if both of the following criteria are met:

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

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



Rates receivable	30 Jun 2024	30 Sep 2024
	\$	\$
Opening arrears previous years	378,370	198,271
Levied this year	2,243,565	2,652,922
Less - collections to date	(2,423,664)	(117,608)
Gross rates collectable	198,271	2,733,585
Net rates collectable	198,271	2,733,585
% Collected	92.4%	4.1%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	0	2,556	23,230	24,724	127,358	177,869
Percentage	0.00%	1.4%	13.1%	13.9%	71.6%	
Balance per trial balance						
Pensioner Rebates Receivable						29,193
Sundry receivable						177,869
ATO GST receivable						81,467
Bond Held for Lease						1,660
Total receivables general outstanding						290,189

Amounts shown above include GST (where applicable)

KEY INFORMATION

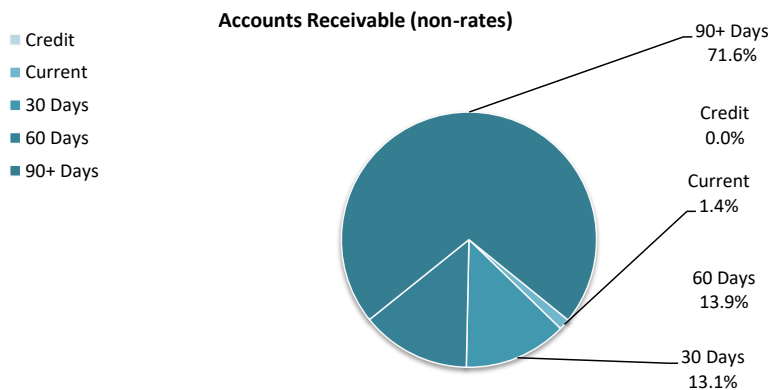
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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.



Other current assets	Opening Balance 1 July 2024	Asset Increase	Asset Reduction	Closing Balance 30 September 2024
	\$	\$	\$	\$
Other financial assets at amortised cost				
Financial assets at amortised cost - self supporting loans	58,839	0	(21,481)	37,358
Inventory				
Fuel	7,654	0	(1,086)	6,568
Accrued income	30,540	0	(30,540)	0
Total other current assets	97,033	0	(53,107)	43,926
Amounts shown above include GST (where applicable)				

KEY INFORMATION

Other financial assets at amortised cost

The Shire 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.

Inventory

Inventories are measured at the lower of cost and net realisable value.

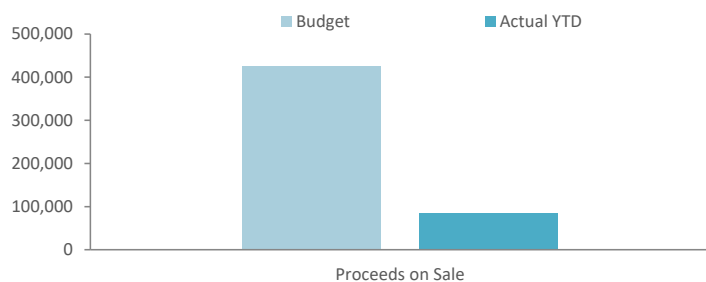
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	0	0	0	0	0
Percentage	0%	0%	0%	0%	0%	
Balance per trial balance						
ATO GST & PAYG liabilities						190,951
Bonds & Deposits						106,166
Rates in Advance						20,772
Other payables						90,250
Payroll - Novated Leases						6,217
Total payables general outstanding						414,356
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.

Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book				Net Book			
		Value	Proceeds	Profit	(Loss)	Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	
	Plant and equipment								
	Recreation and culture								
	Ford Transit Tipper	0	20,000	20,000	0	0	0	0	0
	John Deere Mower	0	6,000	6,000	0	0	3,000	3,000	0
	Transport								
	Dispose Tri Axle Low Loader Trailer	0	7,000	7,000	0	0	0	0	0
	Fuso Tipper	49,302	45,000	0	(4,302)	0	0	0	0
	Toyota Hilux	27,670	30,000	2,330	0	0	0	0	0
	Toyota Hilux	19,941	32,000	12,059	0	0	0	0	0
	Hino Long Crew Cab	5,793	35,000	29,207	0	0	0	0	0
	Volvo Loader L90	97,768	120,000	22,232	0	0	0	0	0
	Forklift	3,138	3,000	0	(138)	0	0	0	0
	HAMM Roller	0	10,000	10,000	0	0	0	0	0
	Other property and services								
	Toyota Prado	52,845	60,000	7,155	0	52,845	59,345	6,500	0
	Toyota Prado	16,592	22,000	5,408	0	16,592	21,164	4,572	0
	Toyota Hilux	24,618	35,000	10,382	0	0	0	0	0
		297,667	425,000	131,773	(4,440)	69,437	83,509	14,072	0



Capital acquisitions	Adopted Budget	Amended Budget	Adopted YTD Budget	YTD Actual	YTD Actual Variance
	\$	\$	\$	\$	\$
Buildings	523,982	0	130,929	50,824	(80,105)
Plant and equipment	1,066,000	1,066,000	0	68,840	68,840
Infrastructure - roads	973,688	0	170,331	84,874	(85,457)
Infrastructure - footpaths & cyclepaths	2,314,352	0	153,159	17,059	(136,100)
Infrastructure - drainage	10,000	0	1,689	1,860	171
Infrastructure - bridges	318,510	0	79,590	0	(79,590)
Infrastructure - parks & ovals	40,616	0	10,149	0	(10,149)
Infrastructure - other	10,000	10,000	0	0	0
Payments for Capital Acquisitions	5,257,148	1,076,000	545,847	223,457	(322,390)
Capital Acquisitions Funded By:					
	\$	\$	\$	\$	\$
Capital grants and contributions	3,490,542	0	872,277	106,415	(765,862)
Other (disposals & C/Fwd)	425,000	425,000	425,000	83,509	(341,491)
Cash backed reserves					
Leave Entitlements	60,000	60,000		0	0
Plant	641,000	641,000		0	0
Asset Management	573,105	573,105		0	0
Landfill	10,000	10,000		0	0
Infrastructure	200,000	200,000		0	0
Strategic Initiatives	227,283	227,283	0	0	0
Contribution - operations	(369,782)	(1,060,388)	(751,430)	33,533	784,963
Capital funding total	5,257,148	1,076,000	545,847	223,457	(322,390)

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.

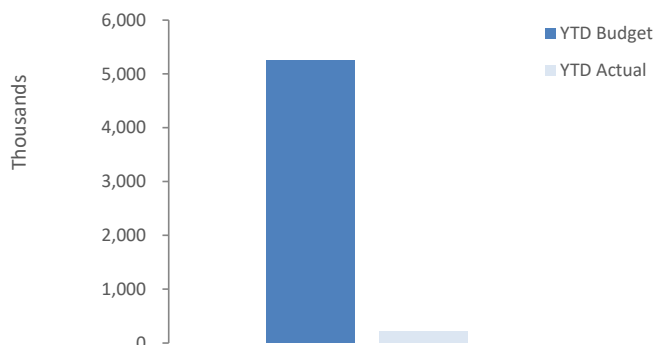
Initial recognition and measurement for assets held at cost

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 recognised 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



Account Description		Adopted	Amended	Adopted	Variance	
		Budget	Budget	YTD Budget	YTD Actual	(Under)/Over
		\$	\$	\$	\$	\$
Buildings						
BC5601	Ses Shed - Building (Capital)	92,996	0	23,238	23,909	(671)
BC5501	Nannup Brook Vbfb Fire Station - Building (Capital)	13,533	0	3,381	0	3,381
BC5509	Cundinup Bfb Fire Station - Building (Capital)	20,000	0	4,998	4,850	148
BC8101	Pre-School Centre Nannup - Building (Capital)	73,842	0	18,453	537	17,916
BC9101	House (Lot 234) 30 Dunnett Road - Building (Capital)	142,748	0	35,670	7,715	27,955
BC10101	Waste Management Facility - Building (Capital)	0	0	0	2,290	(2,290)
BC11101	Town Hall Nannup (1903) - Building (Capital)	44,171	0	11,037	11,523	(486)
BC11303	Recreation Centre Nannup - Building (Capital)	20,000	0	4,995	0	4,995
BC12102	Shire Depot - Administration Office - Building (Capital)	18,525	0	4,629	0	4,629
BC11305	Foreshore Park Amphitheatre Stage - Building (Capital)	44,679	0	11,163	0	11,163
BC11308	Bowling Club Nannup - Building (Capital)	15,488	0	3,870	0	3,870
BC11601	Old Road Board Office (1898?) - Building (Capital)	8,000	0	1,998	0	1,998
BC14201	Shire Offices, Chambers, Library Etc - Building (Capital)	30,000	0	7,497	0	7,497
Total Buildings		523,982	0	130,929	50,824	80,105
Total Furniture & Equipment		0	0	0	0	0
Plant & Equipment						
4110330	REC - Plant & Equipment (Capital)	120,000	120,000	0	21,200	(21,200)
4120330	PLANT - Plant & Equipment (Capital)	846,000	846,000	0	0	0
4130830	OTH ECON - Plant & Equipment (Capital)	50,000	50,000	0	0	0
4140230	ADMIN - Plant & Equipment (Capital)	50,000	50,000	0	47,640	(47,640)
Total Plant & Equipment		1,066,000	1,066,000	0	68,840	(68,840)
Roads						
RC042	Jephson Street (Sealed) (Capital)	0	0	0	57	(57)
RC045	Jalbarragup Road (Capital)	120,000	0	15,001	0	15,001
RC317	Gracillus Road (Capital)	0	0	0	0	0
RC005	Milyeannup Coast Road (Capital)	37,600	0	4,700	48,454	(43,754)
RC094	Cundinup South Road (Capital)	0	0	0	0	0
RC026	Guthridge Road (Capital)	0	0	0	0	0
RRG094	Cundinup South Road (Rrg)	209,633	0	52,386	0	52,386
RRG109	Bridgetown - Nannup Road (Rrg)	179,633	0	44,889	0	44,889
RRG007	Governor Broome Road (Rrg)	120,000	0	15,000	0	15,000
RRG069	Fouracres Road (Rrg)	120,000	0	15,000	0	15,000
R2R080	Helyar Road (R2R)	65,000	0	8,126	0	8,126
R2R116	Leschenaultia Drive (R2R)	121,822	0	15,229	36,363	(21,134)
Total Roads		973,688	0	170,331	84,874	85,457
Drainage						
R2R047	Mowen Road (R2R)	0	0	0	1,860	(1,860)
DC004	East Nannup Road - Drainage Capital	10,000	0	1,689	0	1,689
Total Drainage		10,000	0	1,689	1,860	(171)
Bridges						
BR3958A	East Nannup Rd - Bridge (Capital)	258,000	0	64,473	0	64,473
BR4643A	Brushtail Rd (F) - Bridge (Capital)	35,510	0	8,871	0	8,871
BR9222	Old Rail Alignment - Bridge (Capital)	25,000	0	6,246	0	6,246
Total Bridges		318,510	0	79,590	0	79,590
Footpaths & Cyclepaths						
FC000	Footpath Construction General (Budgeting Only)	20,000	0	4,998	0	4,998
FC305	Hitchcock Drive - Footpath Capital	50,000	0	12,495	0	12,495
OC12111	Trail Town - Stage 1 - Southern Entrance To Town Bridge	422,835	0	105,666	1,175	104,491
OC12112	Trail Town - Stage 2	0	0	0	1,379	(1,379)
OC12113	Trail Town - Stage 3	1,821,517	0	30,000	14,505	15,495
Total Footpaths & Cyclepaths		2,314,352	0	153,159	17,059	136,100
Parks & Gardens						
PC11327	Marinko Tomas Bicycle Pump Track	40,616	0	10,149	0	10,149
Total Parks & Gardens		40,616	0	10,149	0	10,149
Other Infrastructure						
4100290	SAN OTH - Infrastructure Other (Capital)	10,000	10,000	0	0	0
Total Other Infrastructure		10,000	10,000	0	0	0
TOTAL PPE & INFRASTRUCTURE		5,257,148	1,076,000	545,847	223,457	322,390

Repayments - borrowings

Information on borrowings	Particulars	Loan No.	1 July 2024	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
				Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
			\$	\$	\$	\$	\$	\$	\$	\$	\$
	Community amenities										
	Waste Facility Machine	40	227,464	0	0	0	0	227,464	227,464	0	2,707
			227,464	0	0	0	0	227,464	227,464	0	2,707
	Self supporting loans										
	Community amenities										
	Nannup Music Club	39	134,164	0	0	21,481	30,795	155,645	164,959	974	4,112
	Nannup Music Club	41	303,168	0	0	0	28,044	303,168	331,212	6,774	14,373
			437,332	0	0	21,481	58,839	458,813	496,171	7,748	18,485
	Total		664,796	0	0	21,481	58,839	686,277	723,635	7,748	21,192
	Current borrowings		(58,839)					74,107			
	Non-current borrowings		723,635					612,170			
			664,796					686,277			

All debenture repayments were financed by general purpose revenue.

Self supporting loans are financed by repayments from third parties.

The Shire has no unspent debenture funds as at 30th June 2024, nor is it expected to have unspent funds as at 30th June 2025.

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.

Movement in carrying amounts

Information on leases	Lease No.	1 July 2024	New Leases		Principal Repayments		Principal Outstanding	
			Actual	Budget	Actual	Budget	Actual	Budget
Particulars		\$	\$	\$	\$	\$	\$	
Law, order, public safety								
CESM Vehicle	979823	7,921	0	0	(2,540)	(7,921)	5,381	0
Total		7,921	0	0	(2,540)	(7,921)	5,381	0
Current lease liabilities		7,921					5,381	
		7,921					5,381	

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.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

OPERATING ACTIVITIES

NOTE 10

RESERVE ACCOUNTS

Reserve accounts	Opening Balance	Budget Interest Earned	Actual Interest Earned	Adopted		Adopted		Amended	Actual Transfers Out (-)	Adopted	
				Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Budget Transfers Out (-)			Budget Closing Balance	Actual YTD Closing Balance
Reserve name	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Council											
Leave Entitlements	231,854	4,095	376	0	0	60,000	60,000	0	175,949	232,230	
Plant	384,565	6,793	623	553,335	0	641,000	641,000	0	303,693	385,188	
Office Equipment	115,070	2,032	186	0	0	0	0	0	117,102	115,256	
Asset Management	740,514	13,080	1,199	0	0	573,105	573,105	0	180,489	741,713	
Landfill	186,674	3,297	303	0	0	10,000	10,000	0	179,971	186,977	
Emergency Management	65,913	1,164	107	0	0	0	0	0	67,077	66,020	
Aged Accommodation	414,033	7,313	670	0	0	0	0	0	421,346	414,703	
Gravel Pit	169,715	2,998	275	0	0	0	0	0	172,713	169,990	
Infrastructure	586,980	10,368	951	0	0	200,000	200,000	0	397,348	587,931	
Strategic Initiatives	349,618	6,175	566	0	0	227,283	227,283	0	128,510	350,184	
Youth	16,922	299	27	0	0	0	0	0	17,221	16,949	
Trails	165,391	2,921	268	0	0	0	0	0	168,312	165,659	
	3,427,249	60,535	5,550	553,335	0	1,711,388	1,711,388	0	2,329,731	3,432,799	

	Note	Opening Balance 1 July 2024	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 30 September 2024
		\$		\$	\$	\$
Other current liabilities						
Other liabilities						
- Contract liabilities		1,804,237	0			1,804,237
Total other liabilities		1,804,237	0	0	0	1,804,237
Employee Related Provisions						
Annual leave		197,822		0	0	197,822
Long service leave		149,904	0	0	0	149,904
Total Employee Related Provisions		347,726	0	0	0	347,726
Total other current assets		2,151,963	0	0	0	2,151,963
Amounts shown above include GST (where applicable)						

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 12

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.

Provider	Unspent operating grant, subsidies and contributions liability				Operating grants, subsidies and contributions revenue					
	Liability 1 July 2024	Increase in Liability	Decrease in Liability (As revenue)	Liability 30 Sep 2024	Adopted Budget Revenue	YTD Budget	Annual Budget	Budget Amendments	Expected	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating grants and subsidies										
Governance										
OTH GOV - Grant Funding - (SWDC - NARTL)	0	0	0	0	18,500	4,623	18,500	0	18,500	0
OTH GOV - Other Income	20,000	0	0	20,000	0	0	0	0	0	0
General purpose funding										
GEN PUR - Financial Assistance Grant - General	0	0	0	0	134,645	33,645	134,645	0	134,645	33,661
GEN PUR - Financial Assistance Grant - Roads	0	0	0	0	56,706	14,169	56,706	0	56,706	57,176
Law, order, public safety										
FIRE - Grants	120,895	0	0	120,895	366,500	91,587	366,500	0	366,500	0
ESL BFB - Operating Grant	0	0	0	0	184,625	46,137	184,625	0	184,625	43,098
ESL SES - Operating Grant	0	0	0	0	20,468	5,112	20,468	0	20,468	7,671
Education and welfare										
WELFARE - Contributions & Donations - Youth Zor	0	0	0	0	5,000	1,248	5,000	0	5,000	0
WELFARE - Grants	0	0	0	0	39,000	9,744	39,000	0	39,000	0
Recreation and culture										
LIBRARY - Grant - Regional Library Services	0	0	0	0	1,000	249	1,000	0	1,000	0
LIBRARY - Other Grants	0	0	0	0	1,010	252	1,010	0	1,010	0
OTH CUL - Other Income	0	0	0	0	20,000	4,998	20,000	0	20,000	0
COM AMEN - DPLH Heritage Grant (Cemetery Pro	0	0	0	0	5,000	1,248	5,000	0	5,000	0
REC - Grants DLGSCI	0	0	0	0	25,000	6,246	25,000	0	25,000	0
Transport										
ROADM - Direct Road Grant (MRWA)	0	0	0	0	179,411	44,832	179,411	0	179,411	0
	140,895	0	0	140,895	1,056,865	264,090	1,056,865	0	1,056,865	141,606
Operating contributions										
Economic services										
OTH ECON - Contributions & Donations	0	0	0	0	1,500	372	1,500	0	1,500	0
	0	0	0	0	1,500	372	1,500	0	1,500	0
TOTALS	140,895	0	0	140,895	1,058,365	264,462	1,058,365	0	1,058,365	141,606

Provider	Capital grant/contribution liabilities				Non operating grants, subsidies and contributions revenue					
	Liability 1 July 2024	Increase in Liability	Decrease in Liability (As revenue)	Liability 30 Sep 2024	Adopted Budget Revenue	YTD Budget	Annual Budget	Budget Variations	Expected	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non-operating grants and subsidies										
Law, order, public safety										
ESL BFB - Capital Grant	0	0	0	0	13,536	3,381	13,536	0	13,536	0
ESL SES - Capital Grant	0	0	0	0	92,966	23,232	92,966	0	92,966	0
Education and welfare										
PRESCHOOL - Grant Funding	36,000	0	0	36,000	70,000	17,493	70,000	0	70,000	0
Recreation and culture										
HALLS - Grants	0	0	0	0	25,179	6,291	25,179		25,179	0
REC - Grants	27,170	0	0	27,170	80,295	20,064	80,295	0	80,295	0
Transport										
ROADC - Regional Road Group Grants (MRWA)	52,000	0	0	52,000	420,000	104,958	420,000	0	420,000	0
ROADC - Roads to Recovery Grant	121,822	0	0	121,822	186,822	46,686	186,822	0	186,822	0
ROADC - Other Grants - Roads/Streets	444,604	0	0	444,604	404,020	100,962	404,020	0	404,020	96,415
ROADC - Other Grants - Footpaths & Cycleway	969,724	0	0	969,724	1,939,724	484,737	1,939,724	0	1,939,724	0
ROADC - Other Grants - Bridges	0	0	0	0	258,000	64,473	258,000	0	258,000	0
	1,663,342	0	0	1,663,342	3,490,542	872,277	3,490,542	0	3,490,542	106,415

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

**NOTE 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	Amount	Amount	Closing Balance
	1 July 2024	Received	Paid	30 Sep 2024
	\$	\$	\$	\$
Building Services Levy (BSL)	336	3,826	(1,058)	3,104
Construction Training Fund (CTF)	0	3,850	(890)	2,960
Councillor Nomination Fees	700	(100)	(600)	0
Department of Transport	0	118,087	(118,087)	0
Key, Facility & Equipment Bonds	9,962	650	(400)	10,212
Retention Bonds	45,692	0	0	45,692
Other Bonds	44,018	0	0	44,018
Unclaimed Monies	180	0	0	180
	100,888	126,313	(121,035)	106,166

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

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
	Budget adoption		Opening Surplus(Deficit)	\$	\$	\$	\$
				0	0	0	0
				0	0	0	0
				0	0	0	0

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

**NOTE 16
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 2024-25 year is \$30,000 or 10.00% whichever is the greater.

Nature or type	Var. \$	Var. %	Timing / Permanent	Explanation of variances
Opening funding surplus / (deficit)	\$ 25,343	2%	Permanent	Opening Surplus position
Revenue from operating activities				
Rates	5,822	0%	Timing	
Rates (excluding general rate)	0	0%		
Operating grants, subsidies and contributions	(122,856)	(46%) ▼	Timing	
Fees and charges	276,626	166% ▲	Timing	
Interest earnings	(4,251)	(11%) ▼	Timing	
Other revenue	38,301	318% ▲	Timing	
Profit on disposal of assets	(30,426)	(100%) ▼	Timing	
Expenditure from operating activities				
Employee costs	5,768	1%	Timing	
Materials and contracts	(17,833)	(4%) ▼	Timing	
Utility charges	5,482	20%	Timing	
Depreciation on non-current assets	1,139,142	100% ▲	Timing	
Interest expenses	(2,456)	(46%) ▼	Timing	
Insurance expenses	(73,237)	(121%) ▼	Timing	
Other expenditure	(3,242)	(5%) ▼	Timing	
Loss on disposal of assets	1,107	100%	Timing	
Non-cash amounts excluded from operating activities	(1,095,472)	(100%) ▼	Timing	
Investing activities				
Proceeds from non-operating grants, subsidies and contributions	(418,451)	(48%) ▼	Timing	
Proceeds from disposal of assets	(341,491)	(80%) ▼	Timing	
Payments for property, plant and equipment and infrastructure	322,390	59% ▲	Timing	
Financing activities				
Proceeds from new debentures	0	0%	Timing	
Transfer from reserves	(427,847)	(100%) ▼		
Payments for principal portion of lease liabilities	5,381	68%	Timing	
Repayment of debentures	74,107	78%	Timing	
Transfer to reserves	(5,550)	0%	Timing	
Closing funding surplus / (deficit)	(643,643)			