

SHIRE OF MOORA

MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 31 July 2022

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

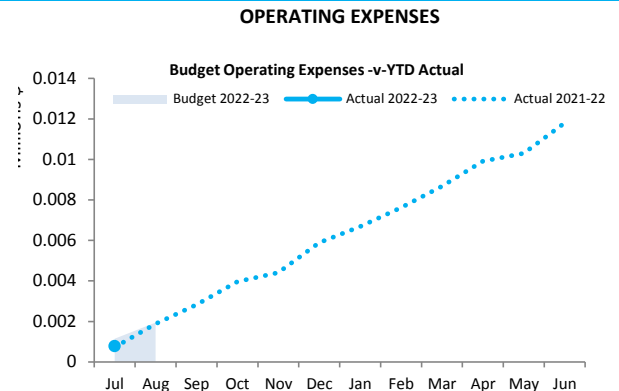
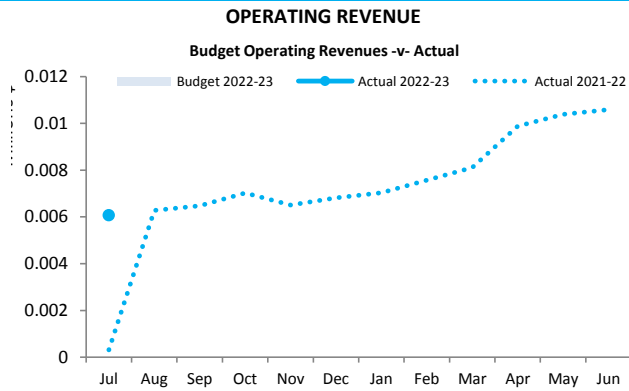
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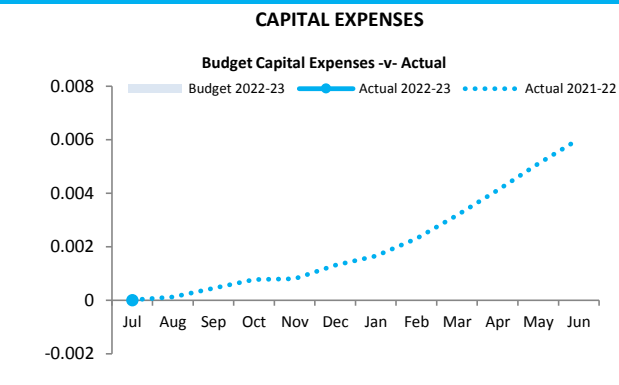
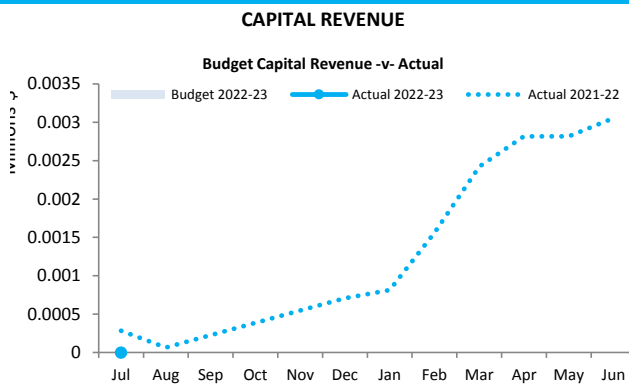
**MONTHLY FINANCIAL REPORT
FOR THE PERIOD ENDED 31 JULY 2022**

SUMMARY INFORMATION - GRAPHS

OPERATING ACTIVITIES



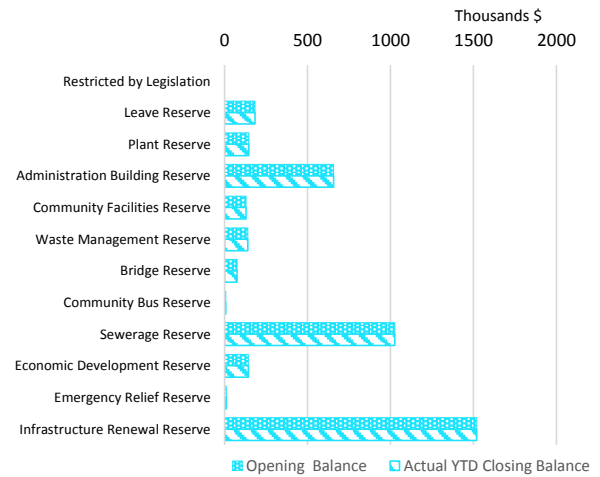
INVESTING ACTIVITIES



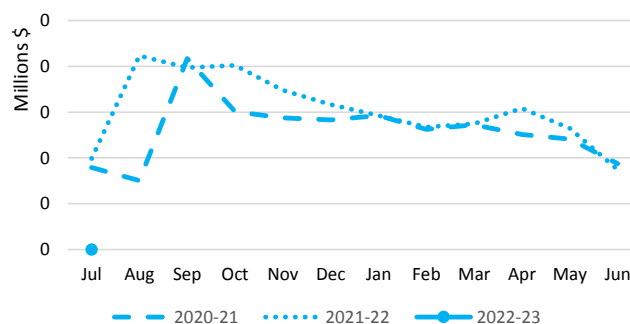
FINANCING ACTIVITIES

BORROWINGS

RESERVES



Closing funding surplus / (deficit)



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

MONTHLY FINANCIAL REPORT
FOR THE PERIOD ENDED 31 JULY 2022

EXECUTIVE SUMMARY

Funding surplus / (deficit) Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$2.79 M	\$2.79 M	\$3.19 M	\$0.40 M
Closing	\$12.50 M	\$12.44 M	\$8.48 M	(\$3.96 M)

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$	% of total
Unrestricted Cash	\$5.81 M	61.6%
Restricted Cash	\$3.63 M	38.4%

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$	% Outstanding
Trade Payables	\$0.16 M	
0 to 30 Days		100.0%
Over 30 Days		0.0%
Over 90 Days		0%

Refer to Note 5 - Payables

Receivables		
	\$	% Collected
Rates Receivable	\$6.01 M	-31.3%
Trade Receivable	\$0.77 M	
Over 30 Days		58.1%
Over 90 Days		4.8%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$0.04 M	\$0.04 M	\$5.28 M	\$5.24 M

Refer to Statement of Financial Activity

Rates Revenue		
	\$	% Variance
YTD Actual	\$4.57 M	
YTD Budget	\$4.59 M	(0.3%)

Refer to Statement of Financial Activity

Operating Grants and Contributions		
	\$	% Variance
YTD Actual	\$0.03 M	
YTD Budget	\$0.00 M	0.0%

Refer to Note 11 - Operating Grants and Contributions

Fees and Charges		
	\$	% Variance
YTD Actual	\$1.45 M	
YTD Budget	\$2.96 M	(51.0%)

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)
\$9.60 M	\$9.60 M	\$0.00 M	(\$9.60 M)

Refer to Statement of Financial Activity

Proceeds on sale		
	\$	%
YTD Actual	\$0.00 M	
Adopted Budget	\$0.02 M	(100.0%)

Refer to Note 6 - Disposal of Assets

Asset Acquisition		
	\$	% Spent
YTD Actual	\$0.00 M	
Adopted Budget	\$0.00 M	

Refer to Note 7 - Capital Acquisitions

Capital Grants		
	\$	% Received
YTD Actual	\$0.00 M	
Adopted Budget	\$9.58 M	(100.0%)

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)
\$0.06 M	\$0.00 M	\$0.00 M	\$0.00 M

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$1.00 M
Interest expense	\$0.00 M
Principal due	\$0.57 M

Refer to Note 8 - Borrowings

Reserves	
Reserves balance	\$4.04 M
Interest earned	\$0.00 M

Refer to Note 9 - Cash Reserves

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

KEY TERMS AND DESCRIPTIONS FOR THE PERIOD ENDED 31 JULY 2022

NATURE OR TYPE DESCRIPTIONS

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.

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 31 JULY 2022**

BY NATURE OR TYPE

	Ref	Adopted Budget	YTD Budget	YTD Actual	Forecast 30 June 2023 Closing	Variance \$	Variance %	Var.
	Note	(a)	(b)	(c)	(a)-(b)+(c)	(c) - (b)	((c) - (b))/(b)	
		\$	\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	2,792,346	2,792,346	3,192,893	3,192,893	400,547	14.34%	▲
Revenue from operating activities								
Rates		4,588,890	4,588,890	4,574,395	4,574,395	(14,495)	(0.32%)	
Operating grants, subsidies and contributions	11	1,551,753	1,551,753	29,005	29,005	(1,522,748)	(98.13%)	▼
Fees and charges		2,959,841	2,959,841	1,449,408	1,449,408	(1,510,433)	(51.03%)	▼
Interest earnings		60,486	60,486	3,115	3,115	(57,371)	(94.85%)	▼
Other revenue		125,580	125,580	18,797	18,797	(106,783)	(85.03%)	▼
Profit on disposal of assets	6	15,000	0	0	15,000	0	0.00%	
		9,301,550	9,286,550	6,074,720	6,089,720	(3,211,830)	(34.59%)	
Expenditure from operating activities								
Employee costs		(4,874,760)	(4,874,760)	(597,671)	(597,671)	4,277,089	87.74%	▲
Materials and contracts		(3,323,361)	(3,323,361)	(144,939)	(144,939)	3,178,422	95.64%	▲
Utility charges		(425,960)	(425,960)	(43,960)	(43,960)	382,000	89.68%	▲
Depreciation on non-current assets		(4,606,079)	(4,606,079)	0	(0)	4,606,079	100.00%	▲
Interest expenses		(20,994)	(20,994)	0	0	20,994	100.00%	▲
Insurance expenses		(219,636)	(219,636)	0	(0)	219,636	100.00%	▲
Other expenditure		(376,848)	(376,848)	(3,790)	(3,790)	373,058	98.99%	▲
Loss on disposal of assets	6	(35,000)	0	0	(35,000)	0	0.00%	
		(13,882,639)	(13,847,638)	(790,360)	(825,361)	13,057,278	(94.29%)	
Non-cash amounts excluded from operating activities	1(a)	4,626,079	4,606,079	0	20,000	(4,606,079)	(100.00%)	▼
Amount attributable to operating activities		44,991	44,991	5,284,360	5,284,360	5,239,369	11645.37%	
Investing activities								
Proceeds from non-operating grants, subsidies and contributions	12	9,584,329	9,584,329	0	0	(9,584,329)	(100.00%)	▼
Proceeds from disposal of assets	6	15,000	15,000	0	0	(15,000)	(100.00%)	▼
Amount attributable to investing activities		9,599,329	9,599,329	0	0	(9,599,329)	(100.00%)	
Financing Activities								
Proceeds from new debentures	8	0	0	1,000,000	1,000,000	1,000,000	0.00%	▲
Repayment of debentures	8	58,497	0	(1,000,000)	(941,503)	(1,000,000)	0.00%	▼
Amount attributable to financing activities		58,497	0	0	58,497	0	0.00%	
Closing funding surplus / (deficit)	1(c)	12,495,163	12,436,666	8,477,253	8,535,750	(3,959,413)	31.84%	▼

KEY INFORMATION

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

Refer to Note 14 for an explanation of the reasons for the variance.

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

**MONTHLY FINANCIAL REPORT
FOR THE PERIOD ENDED 31 JULY 2022**

BASIS OF PREPARATION

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 13 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 31 July 2022

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022**

**NOTE 1
STATEMENT OF FINANCIAL ACTIVITY INFORMATION**

(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)	Forecast 30 June 2023 Closing
Non-cash items excluded from operating activities					
		\$	\$	\$	
Adjustments to operating activities					
Less: Profit on asset disposals	6	(15,000)	0	0	(15,000)
Add: Loss on asset disposals	6	35,000	0	0	35,000
Add: Depreciation on assets		4,606,079	4,606,079	0	0
Total non-cash items excluded from operating activities		4,626,079	4,606,079	0	20,000

(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 Opening 30 June 2022	Last Year Closing 30 June 2022	Year to Date 31 July 2022
Adjustments to net current assets			
Less: Reserves - restricted cash	9	(4,039,292)	(4,039,293)
Less: - Financial assets at amortised cost - self supporting loans	4	(4,079)	(4,079)
Add: Borrowings	8	105,078	105,078
Total adjustments to net current assets		(3,938,293)	(3,938,294)

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

Current assets

Cash and cash equivalents	2	10,028,713	10,028,713	9,440,126
Rates receivables	3	383,239	383,239	6,006,291
Receivables	3	759,562	759,562	774,338
Other current assets	4	102,001	102,001	66,438
Less: Current liabilities				
Payables	5	(639,399)	(639,399)	(706,389)
Borrowings	8	(105,078)	(105,078)	(92,512)
Contract liabilities	10	(2,562,616)	(2,562,616)	(2,388,789)
Provisions	10	(835,235)	(835,235)	(835,235)
Less: Total adjustments to net current assets	1(b)	(3,938,294)	(3,938,294)	(3,938,294)
Closing funding surplus / (deficit)		3,192,893	3,192,893	8,325,974

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$				
Municipal Bank Account 1510110		2,975,053	0	2,975,053				
Petty Cash & Floats		1,039	0	1,039				
Reserve Bank Account 1510210		0	1,109,529	1,109,529				
Trust Bank Account 1990110		6,329	0	6,329	6,329			
Westpac Muni Notice Saver 1510160		2,832,176	0	2,832,176				
Westpac Reserve Fund Notice Saver 1510270		0	2,516,000	2,516,000				
Total		5,814,597	3,625,529	9,440,126	6,329			
Comprising								
Cash and cash equivalents		5,814,597	3,625,529	9,440,126	6,329			
		5,814,597	3,625,529	9,440,126	6,329			

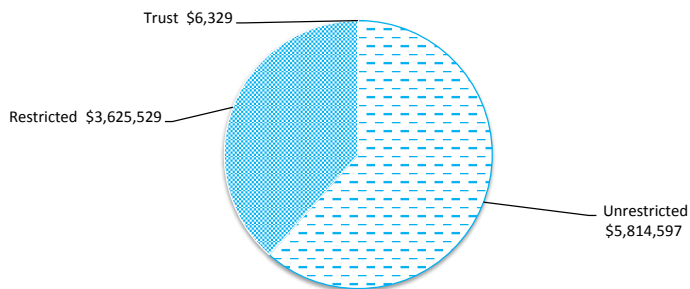
KEY INFORMATION

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.

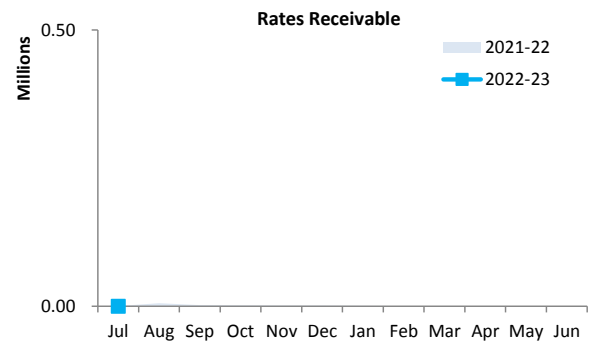
Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022

OPERATING ACTIVITIES
NOTE 3
RECEIVABLES

Rates receivable	30 Jun 2022	31 Jul 2022
	\$	\$
Opening arrears previous years	93,896	0
Levied this year	4,588,892	4,574,395
Less - collections to date	(4,299,549)	1,431,896
Gross rates collectable	383,239	6,006,291
Net rates collectable	383,239	6,006,291
% Collected	91.8%	-31.3%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(71)	132,369	166,100	2,626	15,263	316,287
Percentage	0.0%	41.9%	52.5%	0.8%	4.8%	
Balance per trial balance						
Sundry receivable						316,287
GST receivable						496,109
Allowance for impairment of receivables from contracts with customers						(38,058)
Total receivables general outstanding						774,338

Amounts shown above include GST (where applicable)

KEY INFORMATION

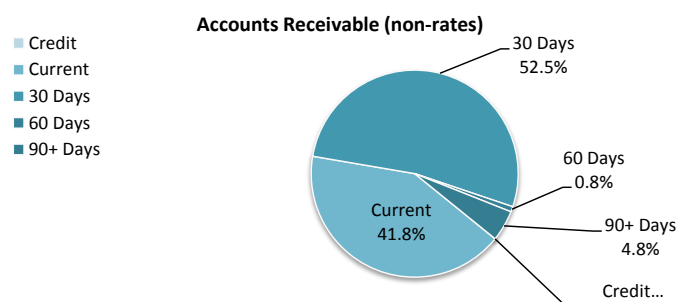
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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.



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022**

**OPERATING ACTIVITIES
NOTE 4
OTHER CURRENT ASSETS**

	Opening Balance 1 July 2022	Asset Increase	Asset Reduction	Closing Balance 31 July 2022
	\$	\$	\$	\$
Other current assets				
Other financial assets at amortised cost				
Financial assets at amortised cost - self supporting loans	4,079	0	0	4,079
Financial assets at amortised cost - community loans	85	0	0	85
Inventory				
Fuel	97,837		(35,563)	62,274
Total other current assets	102,001	0	(35,563)	66,438
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.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022**

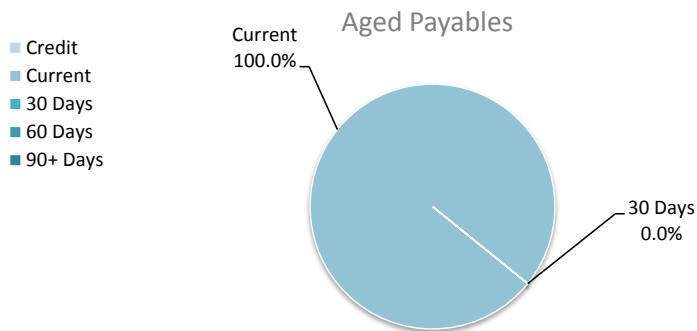
**OPERATING ACTIVITIES
NOTE 5
PAYABLES**

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	93,896	0	0	0	93,896
Percentage	0%	100%	0%	0%	0%	
Balance per trial balance						
Sundry creditors						157,042
ATO liabilities						103,114
PAYG payable						445,983
Trust Assets						(6,329)
Trust Liabilities						6,579
Total payables general outstanding						706,389

Amounts shown above include GST (where applicable)

KEY INFORMATION

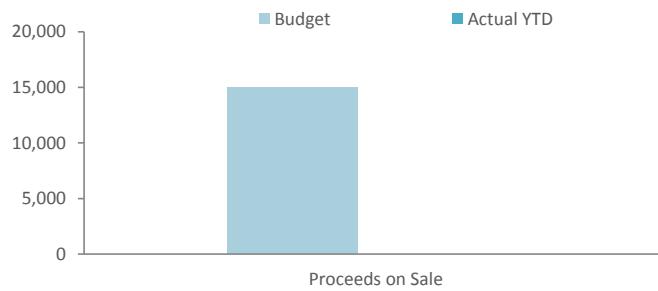
Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the period that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised 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.



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022

OPERATING ACTIVITIES
NOTE 6
DISPOSAL OF ASSETS

Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	Plant and equipment								
	Transport		15,000	15,000	0			0	0
		35,000		0	(35,000)			0	0
		35,000	15,000	15,000	(35,000)	0	0	0	0



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022**

**INVESTING ACTIVITIES
NOTE 7
CAPITAL ACQUISITIONS**

Capital Acquisitions Funded By:

	\$	\$	\$	\$	\$
Capital grants and contributions	9,584,329	9,584,329	0	0	(9,584,329)
Borrowings	0	0	1,000,000	1,000,000	1,000,000
Other (disposals & C/Fwd)	15,000	15,000	0	0	(15,000)
Contribution - operations	(9,599,329)	(9,599,329)	(1,000,000)	(1,000,000)	8,599,329

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.

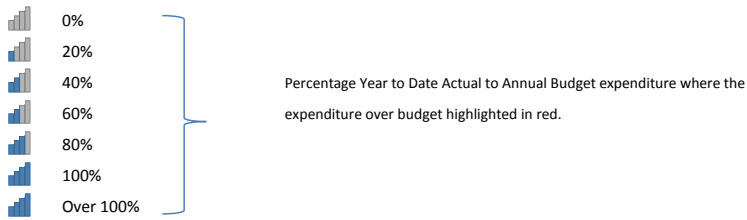
Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

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.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022

Capital expenditure total

Level of completion indicators



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

Account Description	Adopted		YTD Actual	Variance (Under)/Over
	Budget	YTD Budget		
	\$	\$	\$	\$

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022

Repayments - borrowings

Information on borrowings Particulars	Loan No.	1 July 2022	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Education and welfare										
Hydrotherapy Pool (327)	405,032					29,276	405,032	434,308		13,644
Housing			1,000,000		(1,000,000)					
Housing Executive Loan (317)	15,408					0	15,408	15,408		0
92 Roberts Street	96,412					20,733	96,412	117,145		2,108
Recreation and culture										
Moora Bowling Club SSL (324)	54,829					8,488	54,829	63,317		919
		571,681	1,000,000	0	(-1,000,000)	58,497	571,681	630,178	0	16,671

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.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022

Reserve accounts

Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Legislation									
Leave Reserve	182,421		0					182,421	182,421
Plant Reserve	145,423		0					145,423	145,423
Administration Building Reserve	657,402		0					657,402	657,402
Community Facilities Reserve	129,285		0					129,285	129,285
Waste Management Reserve	140,688		0					140,688	140,688
Bridge Reserve	75,378		0					75,378	75,378
Community Bus Reserve	7,389		0					7,389	7,389
Sewerage Reserve	1,026,551		0					1,026,551	1,026,551
Economic Development Reserve	143,456		0					143,456	143,456
Emergency Relief Reserve	10,977		0					10,977	10,977
Infrastructure Renewal Reserve	1,520,323		0					1,520,323	1,520,323
	4,039,293	0	0	0	0	0	0	4,039,293	4,039,293

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022**

**OPERATING ACTIVITIES
NOTE 10
OTHER CURRENT LIABILITIES**

	Note	Opening Balance 1 July 2022	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 31 July 2022
		\$		\$	\$	\$
Other current liabilities						
Other liabilities						
- Unspent grants, contributions and reimbursements		2,097,386	0	0	0	2,097,386
- Rates in Advance		201,501	0	0	(175,281)	26,220
- Bonds & Deposits		40,909	0	1,454		42,363
- Contracts with Customers		222,820	0	0	0	222,820
Total other liabilities		2,562,616	0	1,454	(175,281)	2,388,789
Employee Related Provisions						
Annual leave		421,333	0	0	0	421,333
Long service leave		413,902	0	0	0	413,902
Total Employee Related Provisions		835,235	0	0	0	835,235
Total other current assets		3,397,851	0	1,454	(175,281)	3,224,024
Amounts shown above include GST (where applicable)						

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 11 and 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.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022

NOTE 11
OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue			
	Liability 1 July 2022	Increase in Liability	Decrease in Liability (As revenue)	Liability 31 Jul 2022	Current Liability 31 Jul 2022	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual	Forecast 30 June Closing
	\$	\$	\$	\$	\$	\$	\$	\$	
Operating grants and subsidies									
General purpose funding									
Grants Commission - General Purpose Grant				0		590,464			590,464
Grants Commissions - Road				0		477,388			477,388
Law, order, public safety									
DFES - ESL Grant				0		73,570		26,321	99,891
DFES - ESL Grant				0		14,998			14,998
DFES - Bushfire Risk Planning Coordinator				0		176,083			176,083
Education and welfare									
Child Care Grants				0		0	0	1,609	1,609
Recreation and culture									
Community Contributions				0		1,500			1,500
Event Sponsorship				0		3,500			3,500
Small Community Grants				0		1,500			1,500
Transport									
Main Roads Direct Grant				0		200,000			200,000
Main Roads Street Lighting				0		6,000			6,000
Other property and services				0				1,075	1,075
	0	0	0	0	0	1,545,003	0	29,005	1,574,008
Operating contributions									
Law, order, public safety									
Health				0		4,000			4,000
Recreation and culture				0		250			250
Transport				0		2,000			2,000
				0		500			500
	0	0	0	0	0	6,750	0	0	6,750
TOTALS	0	0	0	0	0	1,551,753	0	29,005	1,580,758

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022

NOTE 12
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Capital grant/contribution liabilities					Non operating grants, subsidies and contributions revenue			
	Liability 1 July 2022	Increase in Liability	Decrease in Liability (As revenue)	Liability 31 Jul 2022	Current Liability 31 Jul 2022	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual	Forecast 30 June Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non-operating grants and subsidies									
Governance									
General purpose funding	201,501		(175,281)	26,220					0
Local Road & Community Infrastructure				0		507,857			507,857
Education and welfare									
Child Care - Capital Grants				0		2,016,202			2,016,202
Community amenities									
Sewerage - Capital Grants				0		470,000			470,000
Recreation and culture									
Sport & Recreation Facility Grant				0		100,000			100,000
Swimming Pool Capital Grants				0		507,857			507,857
Transport									
Main Roads - Regional Road Grants				0		701,075			701,075
Grants - Roads to Recovery				0		471,000			471,000
Department of Communities & Infrastructure - Airstrip				0		705,488			705,488
Contributions - Road Construction				0		651,000			651,000
Main Roads - Wheatbelt Secondary Route				0		3,251,050			3,251,050
Grants Funding - Capital Projects				0		100,000			100,000
Economic services									
Grants Capital Funding				0		100,000			100,000
	201,501	0	(175,281)	26,220	0	9,581,529	0	0	9,581,529
Non-operating contributions									
Recreation and culture									
				0		102,800			102,800
	0	0	0	0	0	102,800	0	0	102,800
TOTALS	201,501	0	(175,281)	26,220	0	9,684,329	0	0	9,684,329

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022**

**NOTE 13
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 2022	Received	Paid	31 Jul 2022
	\$	\$	\$	\$
CTF Levy	(8)	248	0	240
BRB Levy	0	372	0	372
Community Groups Fund	2,206	0	0	2,206
Other General Trust	3,761	0	0	3,761
	5,959	620	0	6,579

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2022**

**NOTE 14
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 2022-23 year is \$5,000 or 5.00% whichever is the greater.

Nature or type	Var. \$	Var. %	Explanation of positive variances		Explanation of negative variances	
			Timing	Permanent	Timing	Permanent
	\$	%				
Opening funding surplus / (deficit)	400,547	14.34%	▲			
Revenue from operating activities						
Operating grants, subsidies and contributions	(1,522,748)	(98.13%)	▼			
Fees and charges	(1,510,433)	(51.03%)	▼			
Interest earnings	(57,371)	(94.85%)	▼			
Other revenue	(106,783)	(85.03%)	▼			
Expenditure from operating activities						
Employee costs	4,277,089	87.74%	▲			
Materials and contracts	3,178,422	95.64%	▲			
Utility charges	382,000	89.68%	▲			
Depreciation on non-current assets	4,606,079	100.00%	▲			
Interest expenses	20,994	100.00%	▲			
Insurance expenses	219,636	100.00%	▲			
Other expenditure	373,058	98.99%	▲			
Non-cash amounts excluded from operating activities	(4,606,079)	(100.00%)	▼			
Investing activities						
Proceeds from non-operating grants, subsidies and contributions	(9,584,329)	(100.00%)	▼			
Proceeds from disposal of assets	(15,000)	(100.00%)	▼			
Financing activities						
Proceeds from new debentures	1,000,000	0.00%	▲			
Repayment of debentures	(1,000,000)	0.00%	▼			
Closing funding surplus / (deficit)	(3,959,413)	31.84%	▼			