

MONTHLY FINANCIAL REPORT

2022-2023

SEPTEMBER 2022



SHIRE OF
COCOS
KEELING
ISLANDS

MAJU PULU KITA | ADVANCE OUR ISLANDS

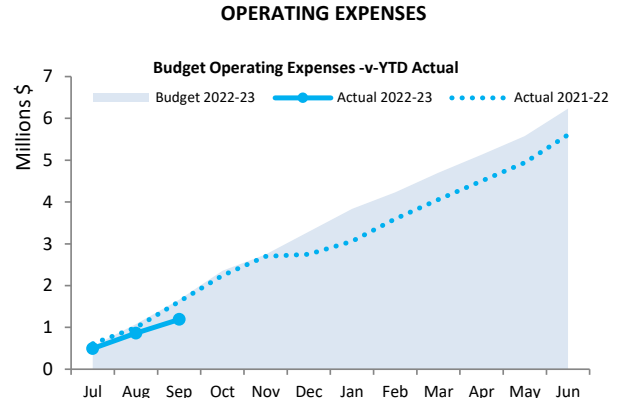
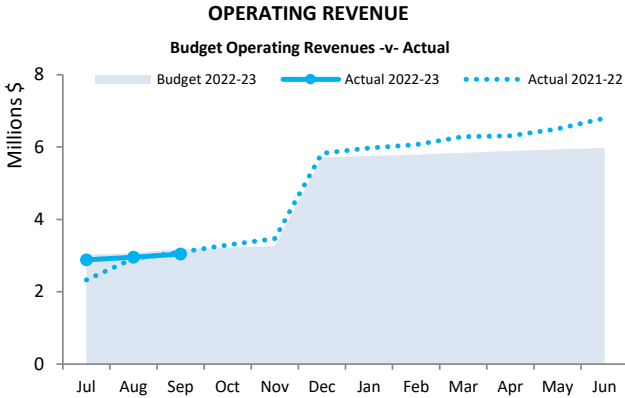
SHIRE OF COCOS (KEELING) ISLANDS
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the Period Ended 30 September 2022

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

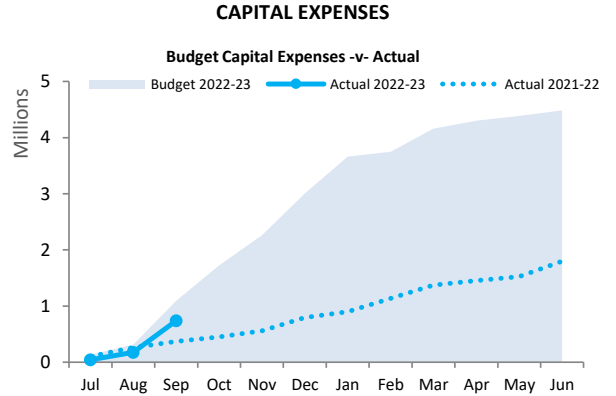
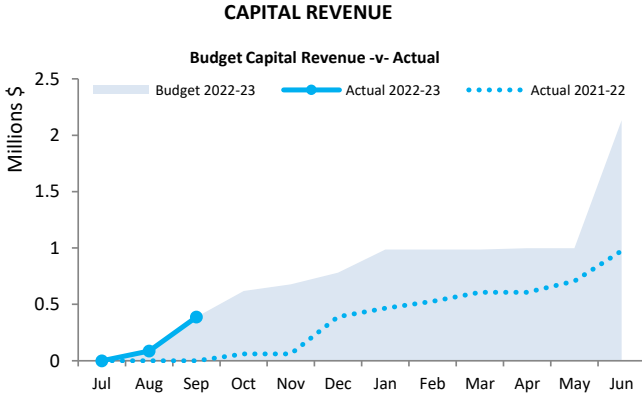
TABLE OF CONTENTS

| | |
|---|----|
| Statement of Financial Activity by Nature or Type | 4 |
| Explanation of Material Variances | 6 |
| Basis of Preparation | 7 |
| Note 1 Statement of Financial Activity Information | 8 |
| Note 2 Cash and Financial Assets | 9 |
| Note 3 Rates Receivable | 10 |
| Note 4 Other Receivables | 11 |
| Note 5 Disposal of Assets | 12 |
| Note 6 Capital Acquisitions | 13 |
| Note 7 Reserve Accounts | 15 |
| Note 8 Operating grants and contributions | 16 |
| Note 9 Non operating grants and contributions | 17 |
| Note 10 Budget Amendments | 18 |

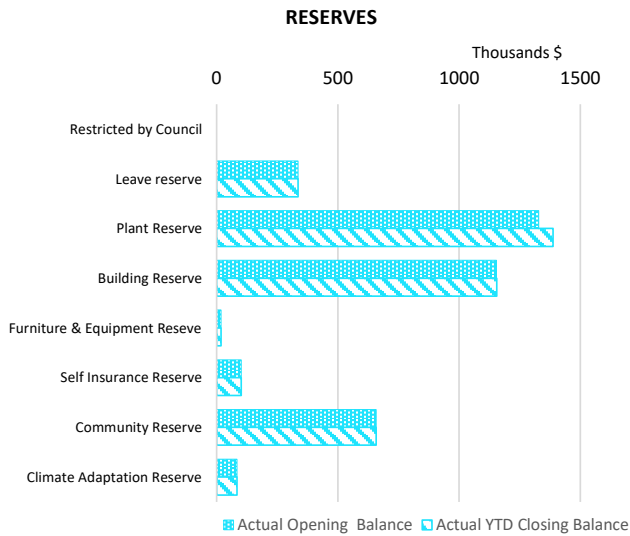
OPERATING ACTIVITIES



INVESTING ACTIVITIES



FINANCING ACTIVITIES



KEY TERMS AND DESCRIPTIONS
FOR THE PERIOD ENDED 30 SEPTEMBER 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, rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

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 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, contract services, consultancy, information technology, rental & 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.

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 - SHIRE
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

BY NATURE OR TYPE

| SHIRE | Ref Note | Adopted Budget (a) | Current Budget | YTD Budget (b) | YTD Actual (c) | YTD Variance (c) - (b) | Var. |
|---|-------------|-----------------------|--------------------|----------------------|----------------------|------------------------------|------|
| | | \$ | | \$ | \$ | \$ | |
| Opening funding surplus / (deficit) | 1(c) | 467,014 | 556,152 | 556,152 | 564,177 | 8,025 | |
| Revenue from operating activities | | | | | | | |
| Rates | | 442,695 | 442,695 | 442,694 | 435,316 | (7,378) | |
| Operating grants, subsidies and contributions | 8 | 4,909,182 | 4,909,182 | 2,465,058 | 2,343,910 | (121,148) | |
| Fees and charges | | 480,731 | 480,731 | 199,969 | 185,087 | (14,882) | |
| Interest earnings | | 11,288 | 11,288 | 3,846 | 7,811 | 3,965 | |
| Other revenue | | 60,400 | 115,400 | 70,550 | 61,171 | (9,379) | |
| Profit on disposal of assets | 5 | 21,225 | 21,225 | 0 | 8,683 | 8,683 | |
| | | 5,925,521 | 5,980,521 | 3,182,117 | 3,041,978 | (140,139) | |
| Expenditure from operating activities | | | | | | | |
| Employee costs | | (3,439,581) | (3,439,581) | (844,712) | (840,725) | 3,987 | |
| Materials and contracts | | (1,459,710) | (1,471,446) | (337,950) | (215,996) | 121,954 | ▲ |
| Utility charges | | (48,540) | (48,540) | (21,290) | (10,300) | 10,990 | |
| Depreciation on non-current assets | | (1,168,037) | (1,168,037) | (292,009) | 0 | 292,009 | ▲ |
| Insurance expenses | | (171,410) | (171,410) | (85,704) | (87,190) | (1,486) | |
| Other expenditure - includes transfer to 1979 & 1984 Trusts | | (235,722) | (244,509) | (128,337) | (44,430) | 83,907 | ▲ |
| Loss on disposal of assets | 5 | (13,928) | (13,928) | 0 | 0 | 0 | |
| | | (6,536,928) | (6,557,451) | (1,710,002) | (1,198,641) | 511,361 | |
| Non-cash amounts excluded from operating activities | 1(a) | 1,160,740 | 1,160,740 | 292,009 | (8,683) | (300,692) | ▼ |
| Amount attributable to operating activities | | 549,333 | 583,810 | 1,764,124 | 1,834,654 | 70,530 | |
| Investing activities | | | | | | | |
| Proceeds from non-operating grants, subsidies and contributions | 9 | 2,132,684 | 2,132,684 | 387,213 | 387,213 | 0 | |
| Proceeds from disposal of assets | 5 | 27,591 | 27,591 | 0 | 10,500 | 10,500 | |
| Payments for property, plant and equipment and infrastructure | 6 | (3,992,038) | (4,160,652) | (1,044,507) | (729,746) | 314,761 | ▲ |
| | | (1,831,763) | (2,000,378) | (657,294) | (332,033) | 325,261 | |
| Non-cash amounts excluded from investing activities | 1(b) | 0 | 0 | 0 | 0 | 0 | |
| Amount attributable to investing activities | | (1,831,763) | (2,000,378) | (657,294) | (332,033) | 325,261 | |
| Financing Activities | | | | | | | |
| Transfer from reserves | 7 | 823,204 | 923,204 | 400,089 | 0 | (400,089) | ▼ |
| Transfer to reserves | 7 | (7,788) | (62,788) | (57,596) | (62,485) | (4,889) | |
| Amount attributable to financing activities | | 815,416 | 860,416 | 342,493 | (62,485) | (404,978) | |
| Closing funding surplus / (deficit) | 1(c) | 0 | 0 | 2,005,475 | 2,004,313 | (1,162) | |

KEY INFORMATION

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

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

STATEMENT OF FINANCIAL ACTIVITY - LAND TRUSTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

BY NATURE OR TYPE

| 1979 TRUST | | Ref | Adopted Budget | Current Budget | YTD Budget | YTD Actual | YTD Variance | Var. | Explanation of Variance |
|---|--|------|------------------|------------------|------------------|------------------|--------------|------|--|
| | | Note | (a) | | (b) | (c) | (c) - (b) | | |
| | | | \$ | | \$ | \$ | \$ | | |
| Opening funding surplus / (deficit) | | | 0 | 0 | 0 | 0 | 0 | | |
| Revenue from operating activities | | | | | | | | | |
| Fees and charges | | | 488,779 | 488,779 | 144,776 | 174,834 | 30,058 | ▲ | Timing of lease fees being raised. |
| Other revenue | | | 110,000 | 110,000 | 55,000 | 51,228 | (3,772) | | |
| | | | 598,779 | 598,779 | 199,776 | 226,062 | 26,286 | | |
| Expenditure from operating activities | | | | | | | | | |
| Employee costs | | | (84,012) | (84,012) | (20,471) | (9,481) | 10,991 | | |
| Materials and contracts | | | (7,200) | (7,200) | (2,050) | (25,732) | (23,682) | ▼ | Legal fees regarding leases & Trust. |
| Utility charges | | | (49,800) | (49,800) | (46,300) | (39,143) | 7,157 | | |
| Depreciation on non-current assets | | | (349,963) | (349,963) | (87,491) | 0 | 87,491 | ▲ | Asset module to be rolled after EOY audit. |
| Insurance expenses | | | (295,070) | (295,070) | (147,535) | (149,028) | (1,493) | | |
| | | | (786,045) | (786,045) | (303,847) | (223,384) | 80,463 | | |
| Non-cash amounts excluded from operating activities | | | 349,963 | 349,963 | 87,491 | 0 | (87,491) | ▼ | Asset module to be rolled after EOY audit. |
| Amount attributable to operating activities | | | 162,697 | 162,697 | (16,580) | 2,678 | 19,259 | | |
| Investing activities | | | | | | | | | |
| Payments for property, plant and equipment and infrastructure | | 6 | (300,822) | (300,822) | (39,524) | 0 | 39,524 | ▲ | Refer NOTE 6 for breakdown of capital expenditure. |
| | | | (300,822) | (300,822) | (39,524) | 0 | 39,524 | | |
| Closing funding surplus / (deficit) | | | (138,125) | (138,125) | (56,104) | 2,678 | 58,782 | | |
| <i>Interfund Transfer</i> | | | 138,125 | 138,125 | 56,104 | (2,678) | (58,782) | ▼ | |
| Net Closing funding surplus / (deficit) | | | - | - | - | - | - | | |

| 1984 TRUST | | Ref | Budget | Current Budget | YTD Budget | YTD Actual | YTD Variance | Var. | Explanation of Variance |
|---|--|------|------------------|------------------|-----------------|-----------------|--------------|------|--|
| | | Note | (a) | | (b) | (c) | (c) - (b) | | |
| | | | \$ | | \$ | \$ | \$ | | |
| Opening funding surplus / (deficit) | | | 0 | 0 | 0 | 0 | 0 | | |
| Revenue from operating activities | | | | | | | | | |
| Fees and charges | | | 141,764 | 141,764 | 38,828 | 33,887 | (4,941) | | |
| | | | 141,764 | 141,764 | 38,828 | 33,887 | (4,941) | | |
| Expenditure from operating activities | | | | | | | | | |
| Employee costs | | | (38,859) | (38,859) | (9,472) | (1,533) | 7,939 | | |
| Materials and contracts | | | (23,000) | (23,000) | (6,000) | (10,524) | (4,524) | | |
| Utility charges | | | (6,200) | (6,200) | (1,400) | (2,063) | (663) | | |
| Depreciation on non-current assets | | | (56,484) | (56,484) | (14,121) | 0 | 14,121 | | Asset module to be rolled after EOY audit. |
| Insurance expenses | | | (47,303) | (47,303) | (23,651) | (22,159) | 1,493 | | |
| | | | (171,846) | (171,846) | (54,644) | (36,279) | 18,366 | | |
| Non-cash amounts excluded from operating activities | | | 56,484 | 56,484 | 14,121 | 0 | (14,121) | | Asset module to be rolled after EOY audit. |
| Amount attributable to operating activities | | | 26,402 | 26,402 | (1,695) | (2,391) | (696) | | |
| Investing activities | | | | | | | | | |
| Payments for property, plant and equipment and infrastructure | | 6 | (15,000) | (23,788) | (8,788) | (8,778) | 10 | | Refer NOTE 6 for breakdown of capital expenditure. |
| | | | (15,000) | (23,788) | (8,788) | (8,778) | 10 | | |
| Closing funding surplus / (deficit) | | | 11,402 | 2,614 | (10,483) | (11,170) | (686) | | |
| <i>Interfund Transfer</i> | | | (11,403) | (2,615) | 10,483 | 11,170 | 686 | | |
| Net Closing funding surplus / (deficit) | | | - | - | - | - | - | | |

KEY INFORMATION

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

EXPLANATION OF MATERIAL VARIANCES

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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 \$20,000 or 10.00% whichever is the greater.

| Nature or type | Var. \$ | Var. % | Timing / Permanent | Explanation of variances |
|---|-----------|-----------|--------------------|---|
| | \$ | % | | |
| Opening funding surplus / (deficit) | 8,025 | 1.44% | | |
| Revenue from operating activities | | | | |
| Rates | (7,378) | (1.67%) | | |
| Operating grants, subsidies and contributions | (121,148) | (4.91%) | Timing | Refer NOTE 8 for details on operating grants. |
| Fees and charges | (14,882) | (7.44%) | | |
| Interest earnings | 3,965 | 103.09% | | |
| Other revenue | (9,379) | (13.29%) | | |
| Profit on disposal of assets | 8,683 | 0.00% | Permanent | Refer NOTE 5 for details on asset disposals. |
| Expenditure from operating activities | | | | |
| Employee costs | 3,987 | 0.47% | | |
| Materials and contracts | 121,954 | 36.09% | ▲ Timing | Integrated Planning consultants \$45k under budget, Plant operating costs \$33k under budget, Parks & reserves maintenance \$10k under budget, Waste Management \$5k under budget, Roads Maintenance \$8k under budget. |
| Utility charges | 10,990 | 51.62% | Timing | |
| Depreciation on non-current assets | 292,009 | 100.00% | ▲ Timing | Asset module will be rolled once AFS Audit completed in December. Depreciation is non-cash with nil effect on closing surplus. |
| Interest expenses | 0 | 0.00% | | |
| Insurance expenses | (1,486) | (1.73%) | | |
| Other expenditure - includes transfer to 1979 & 1984 Trusts | 83,907 | 65.38% | ▲ Timing | Refer Statement of Financial Activity for Land Trusts. |
| Loss on disposal of assets | 0 | 0.00% | | |
| Investing activities | | | | |
| Proceeds from non-operating grants, subsidies and contributions | 0 | 0.00% | | Refer NOTE 9 for details on non-operating grants. |
| Proceeds from disposal of assets | 10,500 | 0.00% | | Refer NOTE 5 for details on asset disposals. |
| Payments for property, plant and equipment and infrastructure | 314,761 | 30.13% | ▲ Timing | Refer NOTE 6 for breakdown of capital expenditure. |
| Financing activities | | | | |
| Transfer from reserves | (400,089) | (100.00%) | ▼ Timing | Funding for Light Vehicle & Rubbish Truck replacements - invoices yet to be received (capital expense not yet incurred). |
| Transfer to reserves | (4,889) | (8.49%) | Permanent | Improvement in interest rates on Reserve funds held in term deposits. |
| Closing funding surplus / (deficit) | (1,162) | 0.06% | | |

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.

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.

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

ROUNDING OFF FIGURES

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

(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 | 5 | (21,225) | 0 | (8,683) |
| Movement in pensioner deferred rates (non-current) | | 0 | 0 | 0 |
| Add: Loss on asset disposals | 5 | 13,928 | 0 | 0 |
| Add: Loss on revaluation of non current assets | | 0 | 0 | 0 |
| Add: Depreciation on assets | | 1,168,037 | 292,009 | 0 |
| Total non-cash items excluded from operating activities | | 1,160,740 | 292,009 | (8,683) |

(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 30 September 2022 |
|--|-------------------------------------|--------------------------------|--------------------------------|
| Adjustments to net current assets | | | |
| Less: Reserves - restricted cash | 7 (3,679,057) | (3,679,057) | (3,741,542) |
| Add: Provisions employee related provisions | 397,904 | 413,148 | 413,148 |
| Total adjustments to net current assets | (3,281,153) | (3,265,909) | (3,328,394) |

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

| | | | | |
|---|------|--------------------|--------------------|--------------------|
| Current assets | | | | |
| Cash and cash equivalents | 2 | 4,392,866 | 4,874,044 | 5,943,435 |
| Rates receivables (incl. pensioner rebates claimable) | 3 | 12,636 | 8,849 | 163,840 |
| Receivables | 3 | 345,777 | 415,198 | 179,283 |
| Other current assets | | 35,351 | 59,748 | 59,748 |
| Less: Current liabilities | | | | |
| Payables | | (109,559) | (378,496) | (164,342) |
| Contract liabilities & Unspent grants | 9 | (531,000) | (736,109) | (436,109) |
| Provisions | | (397,904) | (413,148) | (413,148) |
| Less: Total adjustments to net current assets | 1(b) | (3,281,153) | (3,265,909) | (3,328,394) |
| Closing funding surplus / (deficit) | | 467,014 | 564,177 | 2,004,313 |

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 30 SEPTEMBER 2022**

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

| Description | Classification | Unrestricted | Restricted | Total Cash | Institution | Interest Rate | Maturity Date |
|--------------------------------|---------------------------|---------------------|-------------------|-------------------|--------------------|----------------------|----------------------|
| | | \$ | \$ | \$ | | | |
| Municipal Fund - 7340 & 5474 | Cash and cash equivalents | 2,201,493 | 57,502 | 2,258,995 | CBA | Variable | |
| Cash on hand - Float (HI & WI) | Cash and cash equivalents | 400 | 0 | 400 | N/A | N/A | |
| Term Deposit - Reserve Funds | Cash and cash equivalents | 0 | 3,684,040 | 3,684,040 | CBA | 2.77% | Nov-22 |
| Total | | 2,201,893 | 3,741,542 | 5,943,435 | | | |
| Comprising | | | | | | | |
| Cash and cash equivalents | | 2,201,893 | 3,741,542 | 5,943,435 | | | |
| | | 2,201,893 | 3,741,542 | 5,943,435 | | | |

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.

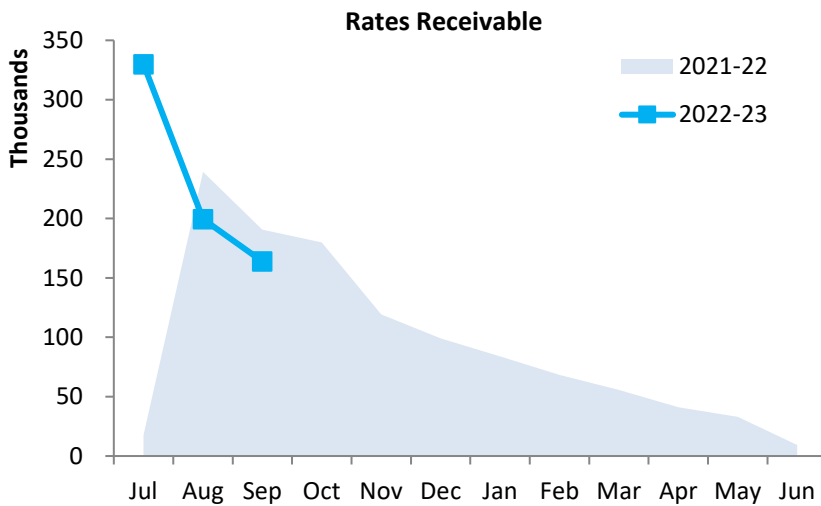
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

OPERATING ACTIVITIES
NOTE 3
RECEIVABLES

| Rates receivable | Prior Year Close 30 Jun 2022 | This time Last year | 30 Sep 2022 |
|--------------------------------|---------------------------------|------------------------|----------------|
| | \$ | \$ | \$ |
| Opening arrears previous years | 26,616 | 26,616 | 8,849 |
| Levied this year | 430,999 | 429,297 | 435,316 |
| Less - collections to date | (448,291) | (265,245) | (280,325) |
| Pensioner rebates claimable | (475) | (6,425) | (7,275) |
| Net rates collectable | 8,849 | 184,243 | 156,565 |
| % Collected | 98% | 58.2% | 63.1% |

2022/23 Rates due 31/08/2022
Instalment Due Dates

31/08/2022
30/11/2022
31/01/2023
31/03/2023



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

OPERATING ACTIVITIES
NOTE 4
RECEIVABLES

| Receivables - general | Credit | Current | 30 Days | 60 Days | 90+ Days | Total |
|---|---------|---------|---------|---------|----------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Receivables - Sundry | (2,168) | 93,461 | 56,942 | 12,244 | 25,685 | 186,164 |
| Percentage | (1.2%) | 50.2% | 30.6% | 6.6% | 13.8% | |
| Balance per trial balance | | | | | | |
| Rubbish & Swimming Pool Fees - Charged in Rates | | | | | | 9,969 |
| Receivables - General Suspense | | | | | | (0) |
| Allowance for impairment of receivables from contracts with customers | | | | | | (16,850) |
| Total receivables general outstanding | | | | | | 179,283 |

Sundry Debtors Outstanding Over 90 Days

| Description | Debtor # | Status / Action | \$ |
|--|----------|--|---------------|
| Kampong Lease - insurance contribution | | Paid 06/10/2022 | 110 |
| Private Works - repairs to leased property | | Has been making payments towards total debt. | 640 |
| Kampong Lease - insurance contribution | | Final reminder to be issued. | 237 |
| Kampong rental | | Paying instalments for arrears. | 647 |
| Kampong Lease - insurance contribution | | Breach of lease - potential engagement of debt collection agency. | 947 |
| Kampong Lease - insurance contribution | | Made \$500 pmt in Sep22. Prior to that, no payments made towards insurance since 2018/19. Also has large Rates balance. Has verbally agreed to make payments. Potential engagement of debt collection agency. | 3,915 |
| Private Works | | Part paid invoice - potentially disputing admin fee. Reminder has been sent. Potential engagement of debt collection agency. | 316 |
| Kampong Lease - insurance contribution | | Paying instalments. | 277 |
| Kampong Lease - insurance contribution | | Paid 3/10/2022. | 237 |
| Kampong Lease - insurance contribution | | Paying instalments. | 709 |
| Commercial Lease Fees | | Final Reminder sent 15/9/2022. Potential engagement of debt collection agency. | 1,478 |
| Kampong Lease - insurance contribution | | Small prmts being made monthly, but not enough to cover debt in a timely manner. Debtor is a pensioner. | 1,398 |
| Kampong rental and private works. | | Paying current monthly rent but not enough to cover arrears on rent under payments and private works. Issued detailed statement of account in August. Leasing Officer to discuss with tenant. | 462 |
| Kampong Lease - insurance contribution | | Currently paying \$200/month. | 2,322 |
| Kampong Lease - insurance contribution & Private works | | Paying instalments | 1,026 |
| Kampong Lease - insurance contribution | | Paying \$100/month | 547 |
| Kampong Lease - insurance contribution | | Paying instalments | 407 |
| Private works - vehicle disposal | | Paying instalments | 50 |
| Kampong Lease - insurance contribution | | Has paid current insurance contribution but not prior period. Tenant currently in perth. Will follow-up upon return. | 710 |
| Private Works - sand delivery | | Final reminder to be issued. | 532 |
| Kampong Lease - insurance contribution | | Paying instalments | 897 |
| Commercial Lease - LIA Shed 2020 - 2022 | | Lease cancelled, final demand letter to be issued. Leassee is yet to remove belongings. | 6,938 |
| Kampong Lease - insurance contribution | | Paying instalments | 289 |
| Private Works - Lease Property | | Paid 03/10/2022. | 236 |
| Kampong Lease - insurance contribution | | Paying instalments | 136 |
| Private Works - lease property | | Reminder sent 15/9/22 | 226 |
| | | | 25,685 |

| Asset Ref. | Asset description | Budget | | | | | YTD Actual | | | | Comments |
|---------------|--|----------------|----------------|----------------------------|---------------|-----------------|----------------|-------------------------------|--------------|--|--|
| | | Net Book Value | Proceeds | Cost to remove from island | Profit | (Loss) | Net Book Value | Proceeds (net cost to remove) | Profit | (Loss) | |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | | |
| | Plant and equipment | | | | | | | | | | |
| | Transport | | | | | | | | | | |
| PE429 | Plant Replacement - Holden Crew Cab Ute | 0 | 5,000 | | 5,000 | 0 | 0 | 0 | 0 | To be disposed once new plant arrives. | |
| PE422 | Plant Replacement - Mitsubishi Triton Crew Cab | 0 | 5,000 | | 5,000 | 0 | 0 | 0 | 0 | To be disposed once new plant arrives. | |
| PE1404 | EziGo Electric Car (HI) | 3,194 | 5,000 | | 1,806 | 0 | 0 | 0 | 0 | | |
| PE709 / PE741 | Boat - Quintrex KI907 & Yamaha 60HP Motor | 0 | 0 | 0 | 0 | 0 | 1,817 | 10,500 | 8,683 | 0 | Public tender August 2022. Not budgeted. |
| PE734 | Plant Replacement - Bobcat Skid Steer | 7,428 | 13,500 | (15,000) | 0 | (8,928) | 0 | 0 | 0 | 0 | To be disposed once new plant arrives. |
| PE724 | Plant Replacement - Rubbish Truck | 0 | 29,091 | (25,000) | 4,091 | 0 | 0 | 0 | 0 | 0 | To be disposed once new plant arrives. |
| PE727 | Plant Replacement - Side Tipper | 0 | 30,000 | (25,000) | 5,000 | 0 | 0 | 0 | 0 | 0 | To be disposed once new plant arrives. |
| PE728 | Plant Replacement - R35Z-9 6t with Flail Mower | 0 | 5,000 | (10,000) | 0 | (5,000) | 0 | 0 | 0 | 0 | To be disposed once new plant arrives. |
| PE747 | Tandem Plant trailer with ramps (WI) | 9,673 | 10,000 | 0 | 327 | 0 | 0 | 0 | 0 | 0 | |
| | | 20,295 | 102,591 | (75,000) | 21,225 | (13,928) | 1,817 | 10,500 | 8,683 | 0 | |

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

INVESTING ACTIVITIES
NOTE 6
CAPITAL ACQUISITIONS

| | Adopted Budget | Current Budget | Current YTD Budget | YTD Actual | YTD Actual Variance |
|--|-------------------|-------------------|-----------------------|----------------|------------------------|
| Capital acquisitions | \$ | | \$ | \$ | \$ |
| Buildings | 2,264,392 | 2,279,392 | 421,420 | 162,055 | (259,365) |
| Furniture and equipment | 10,000 | 10,000 | 10,000 | 6,656 | (3,344) |
| Plant and equipment | 1,447,371 | 1,547,371 | 453,191 | 355,120 | (98,071) |
| Infrastructure - roads | 270,276 | 270,276 | 106,282 | 159,234 | 52,952 |
| Infrastructure - Other | 0 | 53,614 | 53,614 | 46,681 | (6,933) |
| Payments for Capital Acquisitions | 3,992,038 | 4,160,652 | 1,044,507 | 729,746 | (314,761) |
| Capital Acquisitions Funded By: | \$ | | \$ | \$ | \$ |
| Capital grants and contributions | 2,132,684 | 2,132,684 | 387,213 | 387,213 | 0 |
| Other (disposals & C/Fwd) | 19,091 | 19,091 | 0 | 0 | 0 |
| Cash backed reserves | | | | | |
| Plant Reserve | 500,089 | 500,089 | 0 | 0 | 0 |
| Building Reserve | 235,352 | 235,352 | 0 | 0 | 0 |
| Community Reserve | 187,763 | 187,763 | 0 | 0 | 0 |
| Contribution - operations | 917,059 | 917,059 | 657,294 | 342,533 | (314,761) |
| Capital funding total | 3,992,038 | 3,992,038 | 1,044,507 | 729,746 | (314,761) |

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 30 SEPTEMBER 2022

INVESTING ACTIVITIES
NOTE 6
CAPITAL ACQUISITIONS (CONTINUED)

| Account Description | Adopted | Current | YTD Budget | YTD Actual | Variance (Under)/Over | Status | Comments |
|--|------------------|------------------|------------------|----------------|--------------------------|-------------|--|
| | Budget | Budget | | | | | |
| | \$ | \$ | \$ | \$ | \$ | | |
| Buildings | | | | | | | |
| C267 Studio Unit Lot 198 HI | 32,500 | 32,500 | 32,500 | 5,343 | (27,157) | In Progress | Footings have been installed - awaiting transport of unit from WI to HI. |
| C233 Resheeting of Bungalows | 235,424 | 235,424 | 70,843 | 6,446 | (64,397) | Not Started | Materials delivered. |
| C143 HI Retail Precinct - Stage 2 & 3 | 829,376 | 829,376 | 150,751 | 951 | (149,800) | In Progress | Works have commenced with footings complete on the extension with deck and frame under construction. |
| C254 New Houses - Home Island | 65,426 | 65,426 | 65,226 | 106,967 | 41,741 | In Progress | Works substantially complete on both houses - awaiting final materials to complete cladding, deck and enclose extension |
| C268 Tokoh Building Refurbishment | 1,101,666 | 1,101,666 | 87,100 | 7,246 | (79,854) | Planning | Design progressing - cost estimate has increased significantly (predominantly due to shipping costs). Discussions with BBRF in regard to funding milestones and external labour. |
| C248 Shelter - The Spot | 0 | 15,000 | 15,000 | 35,103 | 20,103 | Complete | Works complete. |
| Buildings Total | 2,264,392 | 2,279,392 | 421,420 | 162,055 | (259,365) | | |
| Plant, Furniture and Equipment | | | | | | | |
| Furniture and Equipment | | | | | | | |
| C056 Marquee - West Island | 10,000 | 10,000 | 10,000 | 6,656 | (3,345) | Ordered | Awaiting delivery. Expected on October-22 ship |
| Plant Replacement | | | | | | | |
| C068 Plant Replacement - C194 Cat Roller | 180,000 | 180,000 | 0 | 0 | 0 | Ordered | Awaiting delivery. Expected on December-22 ship |
| C237 Plant Replacement - C1081 Rubbish Truck | 234,180 | 234,180 | 0 | 0 | 0 | Ordered | Awaiting delivery. Expected on ship Feb/March 2023 |
| C238 Plant Replacement - Bobcat (Skid Steer) | 136,780 | 122,780 | 104,780 | 0 | (104,780) | Ordered | Awaiting delivery. Expected on ship Feb/March 2023 |
| C222 Plant Replacement - Excavator | 366,411 | 366,411 | 348,411 | 355,120 | 6,709 | Ordered | Awaiting delivery. Expected on October-22 ship |
| C215 Plant Replacement - Side Tipper | 250,000 | 264,000 | 0 | 0 | 0 | Ordered | Awaiting delivery. Expected on ship Feb/March 2023 |
| C239 Plant Replacement - 6t with Flail Mower | 100,000 | 77,000 | 0 | 0 | 0 | | Plant repaired, no longer requires replacement. |
| C223 Plant Replacement - 5t Tipper Truck - Home Island | 0 | 100,000 | 0 | 0 | 0 | Ordered | Insurance claim. Awaiting delivery. Expected on December-22 ship. |
| C270 Plant Replacement - Loader Bucket Replacement | 0 | 23,000 | 0 | 0 | 0 | Ordered | Awaiting delivery. Expected on ship Feb/March 2023. |
| Motor Vehicles | | | | | | | |
| C552 Plant replacement - 3x Light Vehicles (Works) | 180,000 | 180,000 | 0 | 0 | 0 | Ordered | Awaiting delivery. Expected on ship Feb/March 2023. |
| Plant, Furniture and Equipment Total | 1,457,371 | 1,557,371 | 463,191 | 361,775 | (101,416) | | |
| Roads | | | | | | | |
| C553 Jalan Bunga Mawar - Roads to Recovery Funding 720m2 | 270,276 | 270,276 | 106,282 | 159,234 | 52,952 | Planning | Pavers delivered - works on hold pending arrival of replacement truck. |
| Roads Total | 270,276 | 270,276 | 106,282 | 159,234 | 52,952 | | |
| Infrastructure Other | | | | | | | |
| C262 Birdhide - Freshwater Lagoon | 0 | 53,614 | 53,614 | 39,231 | (14,383) | Complete | Works complete. |
| C194 Steps - Trannies Beach | 0 | 0 | 0 | 7,450 | 7,450 | Complete | Works complete. |
| Infrastructure Other Total | 0 | 53,614 | 53,614 | 46,681 | (6,933) | | |
| Shire Total | 3,992,038 | 4,160,652 | 1,044,507 | 729,746 | (314,761) | | |
| Capital Expenditure - LAND TRUST ASSETS | | | | | | | |
| Buildings - 1979 Trust | | | | | | | |
| C263 Kampong Bathroom Renewals - 1979 Trust | 104,269 | 104,269 | 30,568 | 0 | (30,568) | In Progress | Works have commenced in Hse 94 to repair ceiling/roof prior to bathroom install. |
| C269 Kampong Kitchen & Window Renewals - 1979 Trust | 196,553 | 196,553 | 8,956 | 0 | (8,956) | Not started | On hold pending inspections of Kampong rental properties. |
| Buildings 1979 Trust Total | 300,822 | 300,822 | 39,524 | 0 | (39,524) | | |
| Buildings - 1984 Trust | | | | | | | |
| C332 HI Admin Office Building Upgrades | 15,000 | 23,788 | 8,788 | 8,778 | (10) | Not started | \$8.8k cfwd of FY22 cladding completed in July. |
| Buildings 1984 Trust Total | 15,000 | 23,788 | 8,788 | 8,778 | (10) | | |
| Total Capital Expenditure | 4,307,861 | 4,485,263 | 1,092,819 | 738,524 | (354,295) | | |

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

**OPERATING ACTIVITIES
NOTE 7
RESERVE ACCOUNTS**

Reserve accounts

| Reserve name | Actual Opening Balance | Actual Interest Earned | Actual Transfers In (+) | Actual Transfers Out (-) | Actual YTD Closing Balance | Budget Opening Balance | Budget Interest Earned | Budget Transfers In (+) | Budget Transfers Out (-) | Budget Closing Balance |
|-------------------------------|------------------------|------------------------|-------------------------|--------------------------|----------------------------|------------------------|------------------------|-------------------------|--------------------------|------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Restricted by Council | | | | | | | | | | |
| Leave reserve | 335,348 | 454 | 0 | 0 | 335,802 | 335,348 | 870 | 0 | | 336,218 |
| Plant Reserve | 1,328,323 | 1,800 | 57,500 | 0 | 1,387,623 | 1,328,323 | 1,920 | 55,000 | (500,089) | 885,154 |
| Building Reserve | 1,153,686 | 1,563 | 0 | 0 | 1,155,249 | 1,153,686 | 1,980 | 0 | (235,352) | 920,314 |
| Furniture & Equipment Reserve | 18,286 | 25 | 0 | 0 | 18,311 | 18,286 | 48 | 0 | | 18,334 |
| Self Insurance Reserve | 101,591 | 114 | 0 | 0 | 101,705 | 101,591 | 540 | 0 | 0 | 102,131 |
| Community Reserve | 657,568 | 891 | 0 | 0 | 658,459 | 657,568 | 2,190 | 0 | (187,763) | 471,995 |
| Climate Adaptation Reserve | 84,255 | 138 | 0 | 0 | 84,393 | 84,255 | 240 | 0 | 0 | 84,495 |
| | 3,679,057 | 4,985 | 57,500 | 0 | 3,741,542 | 3,679,057 | 7,788 | 55,000 | (923,204) | 2,818,641 |

KEY INFORMATION

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

| Reserve name | Anticipated date of use | Purpose of the reserve |
|---------------------------------|-------------------------|--|
| Leave Reserve | Ongoing | - to be used to fund annual and long service leave requirements. |
| Plant Reserve | Ongoing | - to be used for the purchase of major plant. |
| Building Reserve | Ongoing | - to be used for the construction of Council buildings. |
| Climate Adaption Reserve | Ongoing | - to be used for the purpose of providing for the needs of climate adaptation in the future. |
| Community Reserve | Ongoing | - to be used for the development of Home Island facilities and infrastructure. |
| Furniture and Equipment Reserve | Ongoing | - to be used for the purchase of furniture and office equipment. |
| Self Insurance Reserve | Ongoing | - to be used to ensure that Council has sufficient cover on all insurance policies |

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

NOTE 8
OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

| Operating grants, subsidies and contributions revenue | | | | | | |
|---|------------------------------|-----------------------------|--------------------------|--------------------------|-----------------|--|
| Provider | Adopted Budget Revenue | Current Annual Budget | YTD Revenue Budget | YTD Revenue Actual | YTD Variance | Comments |
| | \$ | \$ | \$ | \$ | | |
| Operating grants and subsidies | | | | | | |
| General purpose funding | | | | | | |
| Local Government General Purpose Grant | 4,571,000 | 2,285,500 | 2,285,500 | 2,176,733 | 108,767 | 1st instalment paid based on 2021/22 grant. |
| Local Government General Purpose Grant - Roads | 187,000 | 93,500 | 93,500 | 89,044 | 4,456 | Final grant amount should be confirmed in October. |
| | 4,758,000 | 2,379,000 | 2,379,000 | 2,265,777 | 113,223 | |
| Operating contributions | | | | | | |
| Health | | | | | | |
| Dept Primary Industries - Declared Pest Program | 86,832 | 21,708 | 21,708 | 13,783 | 7,925 | Wasp Program - 2022/23 Renewal signed Sept 2022. |
| Transport | | | | | | |
| Dept. Transport - Provision of Licencing Services | 64,350 | 64,350 | 64,350 | 64,350 | 0 | Per service agreement |
| | 151,182 | 86,058 | 86,058 | 78,133 | 7,925 | |
| TOTALS | 4,909,182 | 2,465,058 | 2,465,058 | 2,343,910 | 121,148 | |

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

NOTE 9
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

| Provider | Capital grant/contribution liabilities | | | | Non operating grants, subsidies and contributions revenue | | | | Comments |
|---|--|-----------------------|-----------------------|-------------------------|---|----------------|--------------------|---------------------|-------------------------------------|
| | Unspent Grant Liability | Increase in Liability | Decrease in Liability | Unspent Grant Liability | Adopted Budget Revenue | YTD Budget | YTD Revenue Actual | YTD Variance Actual | |
| | 1 July 2022 | | (As revenue) | 30 Sep 2022 | \$ | \$ | \$ | \$ | |
| Non-operating grants and subsidies | | | | | | | | | |
| Transport | | | | | | | | | |
| R2R - Jalan Bunga Mawar | 0 | 87,213 | (87,213) | 0 | 99,921 | 87,213 | 87,213 | 0 | |
| Roads - Supplementary Funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Contract signed Aug 2022. |
| Stimulus Funding FY22 - Excavator Purchase | 300,000 | 0 | (300,000) | 0 | 300,000 | 300,000 | 300,000 | 0 | 0 Excavator invoice paid Sept 2022. |
| Economic services | | | | | | | | | |
| BBRF - Tokoh Redevelopment | 0 | 0 | 0 | 0 | 1,091,546 | 0 | 0 | 0 | 0 Grant terms under review. |
| Economic Stimulus - HI Retail Precinct Stage 2 | 231,000 | 0 | 0 | 231,000 | 231,000 | 0 | 0 | 0 | |
| LRCI Phase 3 - HI Retail Precinct Stage 2 | 205,109 | 0 | 0 | 205,109 | 273,478 | 0 | 0 | 0 | |
| LRCI Phase 3 Extension - HI Retail Precinct - Stage 3 | 0 | 0 | 0 | 0 | 136,739 | 0 | 0 | 0 | |
| TOTAL | 736,109 | 87,213 | (387,213) | 436,109 | 2,132,684 | 387,213 | 387,213 | 0 | |

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

**NOTE 10
BUDGET AMENDMENTS**

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 | OCM 22 June 2022 | | | | | 0 |
| | Opening Surplus - Capital projects cfwd to FY23. | OCM 24 August 2022 | Opening Surplus(Deficit) | | 68,614 | | 68,614 |
| C262 | Birdhide West Island | OCM 24 August 2022 | Capital Expenses | | | (53,614) | 15,000 |
| C248 | Shelter - The Spot | OCM 24 August 2022 | Capital Expenses | | | (15,000) | 0 |
| | Opening Surplus - Operating projects cfwd to FY23. | OCM 24 August 2022 | Opening Surplus(Deficit) | | 11,736 | | 11,736 |
| 10412240.020 | Integrated Planning - Community Strategic Plan | OCM 24 August 2022 | Operating Expenses | | | (11,736) | 0 |
| C215 | Purchase of Side Tipper - per tender results | OCM 24 August 2022 | Capital Expenses | | | (14,000) | (14,000) |
| C238 | Purchase of Bobcat replacement - savings | OCM 24 August 2022 | Capital Expenses | | 14,000 | | 0 |
| C332 | Admin Building Cladding - Cfwd from 2021/22 | OCM 28 September 2022 | Capital Expenses | | | (8,788) | (8,788) |
| | Opening Surplus - Capital projects cfwd to FY23. | OCM 28 September 2022 | Opening Surplus(Deficit) | | 8,788 | | 0 |
| C223 | Tipper Truck - Insurance Replacement | OCM 28 September 2022 | Capital Expenses | | | (100,000) | (100,000) |
| 19051020.00 | Plant & Equipment Reserve | OCM 28 September 2022 | Reserve Transfer | | 100,000 | | 0 |
| 11433150.202 | Insurance Proceeds | OCM 28 September 2022 | Operating Revenue | | 55,000 | | 55,000 |
| 19051020.00 | Plant & Equipment Reserve | OCM 28 September 2022 | Reserve Transfer | | | (55,000) | 0 |
| C270 | Loader Bucket Replacement | Urgent BV - 30 Sep 2022 | Capital Expenses | | (23,000) | | (23,000) |
| C239 | 6t Flail Mower replacement | Urgent BV - 30 Sep 2022 | Capital Expenses | | 23,000 | | 0 |
| | | | | 0 | 258,138 | (258,138) | 0 |