

# MONTHLY FINANCIAL REPORT

## 2022-2023

---

### JANUARY 2023

---



SHIRE OF  
**COCOS**  
KEELING  
**ISLANDS**

MAJU PULU KITA | ADVANCE OUR ISLANDS

# SHIRE OF COCOS (KEELING) ISLANDS

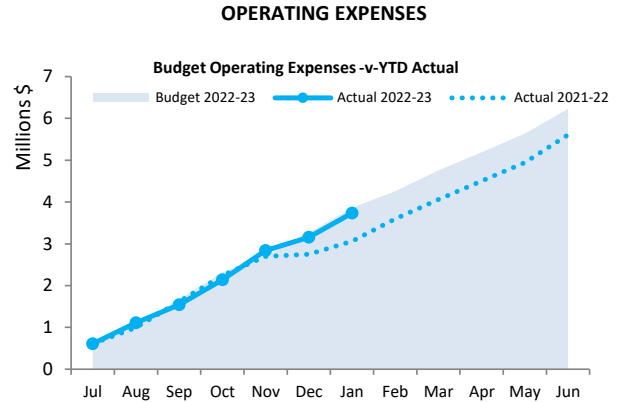
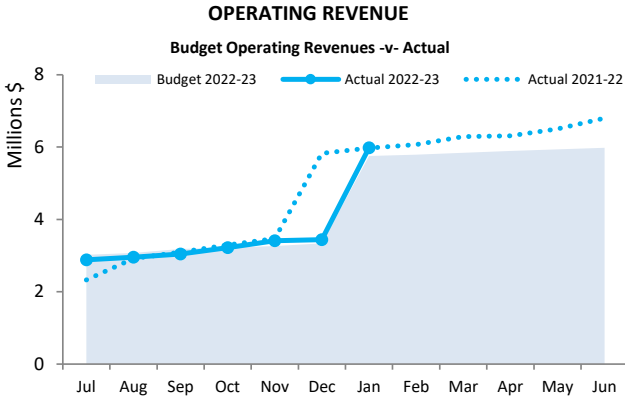
## MONTHLY FINANCIAL REPORT (Containing the Statement of Financial Activity) For the Period Ended 31 January 2023

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

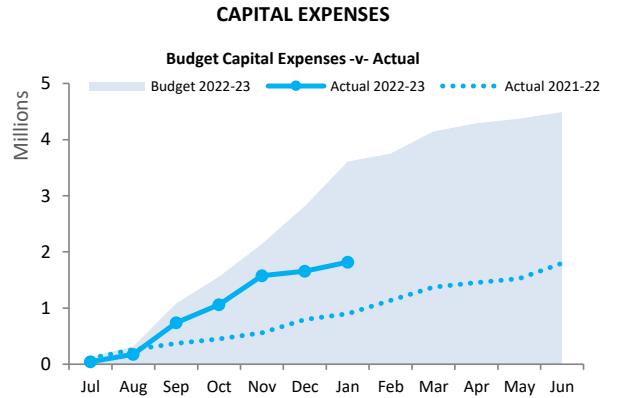
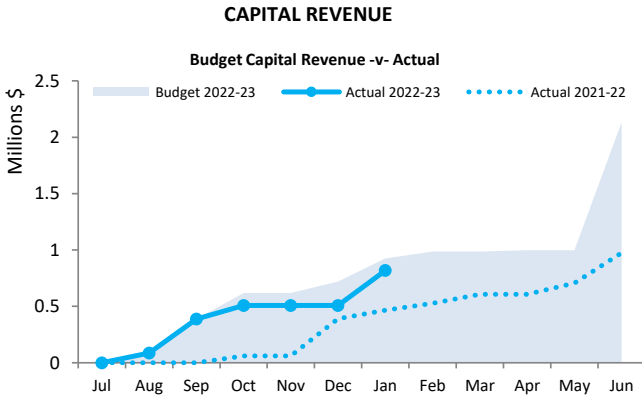
### TABLE OF CONTENTS

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

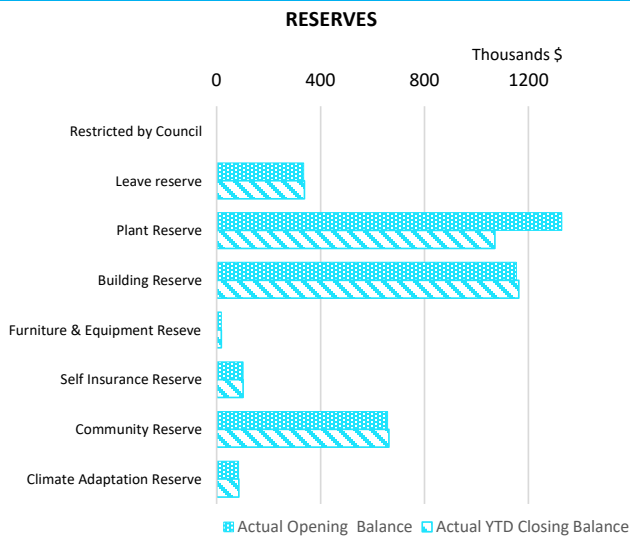
**OPERATING ACTIVITIES**



**INVESTING ACTIVITIES**



**FINANCING ACTIVITIES**



**KEY TERMS AND DESCRIPTIONS**  
**FOR THE PERIOD ENDED 31 JANUARY 2023**

**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 31 JANUARY 2023

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	564,176	8,024	
<b>Revenue from operating activities</b>							
Rates		442,694	442,694	442,694	435,316	(7,378)	
Operating grants, subsidies and contributions	9	4,909,182	4,909,182	4,873,002	4,879,576	6,574	
Fees and charges		480,731	480,731	321,642	502,838	181,196	▲
Interest earnings		11,288	11,288	7,442	40,877	33,435	▲
Other revenue		60,400	115,400	89,850	85,293	(4,557)	
Profit on disposal of assets	5	21,225	21,225	21,225	8,683	(12,542)	
		<b>5,925,521</b>	<b>5,980,521</b>	<b>5,755,855</b>	<b>5,952,583</b>	196,728	
<b>Expenditure from operating activities</b>							
Employee costs		(3,439,581)	(3,439,581)	(2,001,714)	(1,925,433)	76,281	
Materials and contracts		(1,459,710)	(1,466,446)	(902,778)	(599,845)	302,933	▲
Utility charges		(48,540)	(48,540)	(35,850)	(19,898)	15,952	
Depreciation on non-current assets		(1,168,037)	(1,168,037)	(681,354)	(796,981)	(115,627)	▼
Insurance expenses		(171,410)	(171,410)	(171,410)	(166,759)	4,651	
Other expenditure - includes transfer to 1979 & 1984 Trusts		(235,722)	(244,509)	(171,336)	(303,734)	(132,398)	▼
Loss on disposal of assets	5	(13,928)	(13,928)	0	(14,430)	(14,430)	
		<b>(6,536,928)</b>	<b>(6,552,451)</b>	<b>(3,964,442)</b>	<b>(3,827,080)</b>	137,362	
Non-cash amounts excluded from operating activities	1(a)	1,160,740	1,160,740	660,129	802,728	142,599	▲
<b>Amount attributable to operating activities</b>		<b>549,333</b>	<b>588,810</b>	<b>2,451,542</b>	<b>2,928,231</b>	476,689	
<b>Investing activities</b>							
Proceeds from non-operating grants, subsidies and contributions	10	2,132,684	2,132,684	925,876	818,213	(107,663)	▼
Proceeds from disposal of assets	5	27,591	27,591	0	39,591	39,591	▲
Payments for property, plant and equipment and infrastructure	6	(3,992,038)	(4,165,652)	(3,494,817)	(1,722,737)	1,772,080	▲
		<b>(1,831,763)</b>	<b>(2,005,378)</b>	<b>(2,568,941)</b>	<b>(864,933)</b>	1,704,008	
Non-cash amounts excluded from investing activities	1(b)	0	0	0	0	0	
<b>Amount attributable to investing activities</b>		<b>(1,831,763)</b>	<b>(2,005,378)</b>	<b>(2,568,941)</b>	<b>(864,933)</b>	1,704,008	
<b>Financing Activities</b>							
Transfer from reserves	8	823,204	923,204	475,089	326,479	(148,610)	▼
Transfer to reserves	8	(7,788)	(62,788)	(60,192)	(88,446)	(28,254)	▼
<b>Amount attributable to financing activities</b>		<b>815,416</b>	<b>860,416</b>	<b>414,897</b>	<b>238,033</b>	(176,864)	
Closing funding surplus / (deficit)	1(c)	0	0	853,650	2,865,507	2,011,858	▲

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 31 JANUARY 2023

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		
<b>Revenue from operating activities</b>								
Fees and charges		488,779	488,779	311,054	314,290	3,236		Timing of lease fees being raised.
Other revenue		110,000	110,000	110,000	102,456	(7,544)		Kampong insurance contributions.
		<b>598,779</b>	<b>598,779</b>	<b>421,054</b>	<b>416,746</b>	<b>(4,308)</b>		
<b>Expenditure from operating activities</b>								
Employee costs		(84,012)	(84,012)	(48,955)	(19,197)	29,758	▲	
Materials and contracts		(7,200)	(7,200)	(4,450)	(172,707)	(168,257)	▼	Legal fees regarding leases & Land Trust.
Utility charges		(49,800)	(49,800)	(47,900)	(41,039)	6,861		
Depreciation on non-current assets		(349,963)	(349,963)	(204,145)	(991,664)	(787,519)	▼	Higher depn due to revaluation of building assets in 21/22.
Insurance expenses		(295,070)	(295,070)	(295,070)	(298,057)	(2,987)		
		<b>(786,045)</b>	<b>(786,045)</b>	<b>(600,520)</b>	<b>(1,522,664)</b>	<b>(922,144)</b>		
Non-cash amounts excluded from operating activities		349,963	349,963	204,145	991,664	787,519	▲	Higher depn due to revaluation of building assets in 21/22.
<b>Amount attributable to operating activities</b>		<b>162,697</b>	<b>162,697</b>	<b>24,679</b>	<b>(114,253)</b>	<b>(138,932)</b>		
<b>Investing activities</b>								
Payments for property, plant and equipment and infrastructure	6	(300,822)	(300,822)	(90,413)	(85,377)	5,036		Refer NOTE 6 for breakdown of capital expenditure.
		<b>(300,822)</b>	<b>(300,822)</b>	<b>(90,413)</b>	<b>(85,377)</b>	<b>5,036</b>		
Closing funding surplus / (deficit)		(138,125)	(138,125)	(65,733)	(199,629)	(133,896)		
Interfund Transfer		138,125	138,125	65,733	199,629	133,896	▲	
<b>Net Closing funding surplus / (deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		

1984 TRUST	Ref	2865507 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		
<b>Revenue from operating activities</b>								
Fees and charges		141,764	141,764	74,348	57,594	(16,754)		
		<b>141,764</b>	<b>141,764</b>	<b>74,348</b>	<b>57,594</b>	<b>(16,754)</b>		
<b>Expenditure from operating activities</b>								
Employee costs		(38,859)	(38,859)	(22,644)	(5,265)	17,378		
Materials and contracts		(23,000)	(23,000)	(13,667)	(50,214)	(36,548)	▼	Legal fees regarding leases & Land Trust.
Utility charges		(6,200)	(6,200)	(2,800)	(5,564)	(2,764)		
Depreciation on non-current assets		(56,484)	(56,484)	(32,949)	(151,998)	(119,049)	▼	Higher depn due to revaluation of building assets in 21/22.
Insurance expenses		(47,303)	(47,303)	(47,303)	(44,318)	2,985		
		<b>(171,846)</b>	<b>(171,846)</b>	<b>(119,362)</b>	<b>(257,359)</b>	<b>(137,997)</b>		
Non-cash amounts excluded from operating activities		56,484	56,484	32,949	151,998	119,049	▲	Higher depn due to revaluation of building assets in 21/22.
<b>Amount attributable to operating activities</b>		<b>26,402</b>	<b>26,402</b>	<b>(12,065)</b>	<b>(47,767)</b>	<b>(35,701)</b>		
<b>Investing activities</b>								
Payments for property, plant and equipment and infrastructure	6	(15,000)	(23,778)	(23,778)	(8,778)	15,000		Refer NOTE 6 for breakdown of capital expenditure.
		<b>(15,000)</b>	<b>(23,778)</b>	<b>(23,778)</b>	<b>(8,778)</b>	<b>15,000</b>		
Closing funding surplus / (deficit)		11,402	2,624	(35,843)	(56,545)	(20,702)		
Interfund Transfer		(11,403)	(2,615)	20,853	56,545	35,692	▲	
<b>Net Closing funding surplus / (deficit)</b>		<b>-</b>	<b>10</b>	<b>(14,990)</b>	<b>-</b>	<b>-</b>		

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 31 JANUARY 2023

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
	\$	%		
<b>Opening funding surplus / (deficit)</b>	8,024	1.44%		
<b>Revenue from operating activities</b>				
Rates	(7,378)	(1.67%)		
Operating grants, subsidies and contributions	6,574	0.13%		Refer NOTE 9 for details on operating grants.
Fees and charges	181,196	56.33%	▲ Permanent	Private Works income higher than budgeted (partially offset by increased Private works expenditure).
Interest earnings	33,435	449.27%	▲ Permanent	Improved interest rates.
Other revenue	(4,557)	(5.07%)		
Profit on disposal of assets	(12,542)	(59.09%)		Refer NOTE 5 for details on asset disposals.
<b>Expenditure from operating activities</b>				
Employee costs	76,281	3.81%		
Materials and contracts	302,933	33.56%	▲ Timing	Waste materials \$134k under budget, Intergrated Planning \$62k under budget, Parks & Reserves \$59k under budget, Plant parts & materials \$44k under budget.
Utility charges	15,952	44.50%		
Depreciation on non-current assets	(115,627)	(16.97%)	▼ Permanent	Depreciation higher than budgeted due to revaluation of assets for 2021/22. (non-cash)
Interest expenses	0	0.00%		
Insurance expenses	4,651	2.71%		
Other expenditure - includes transfer to 1979 & 1984 Trusts	(132,398)	(77.27%)	▼ Permanent	Refer Statement of Financial Activity for Land Trusts.
Loss on disposal of assets	(14,430)	0.00%		
<b>Investing activities</b>				
Proceeds from non-operating grants, subsidies and contributions	(107,663)	(11.63%)	▼ Timing	Refer NOTE 10 for details on non-operating grants.
Proceeds from disposal of assets	39,591	0.00%	▲ Timing	Refer NOTE 5 for details on asset disposals.
Payments for property, plant and equipment and infrastructure	1,772,080	50.71%	▲ Timing	Refer NOTE 6 for breakdown of capital expenditure.
<b>Financing activities</b>				
Transfer from reserves	(148,610)	(31.28%)	▼ Timing	Funding for Light Vehicle & Rubbish Truck replacement full capital expense not yet incurred.
Transfer to reserves	(28,254)	(46.94%)	▼ Permanent	Improvement in interest rates on Reserve funds held in term deposits.
<b>Closing funding surplus / (deficit)</b>	2,011,858	(235.68%)	▲ Timing	

### **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)
<b>Non-cash items excluded from operating activities</b>				
		\$	\$	\$
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	5	(21,225)	(21,225)	(8,683)
Add: Loss on asset disposals	5	13,928	0	14,430
Add: Loss on revaluation of non current assets		0	0	0
Add: Depreciation on assets		1,168,037	681,354	796,981
<b>Total non-cash items excluded from operating activities</b>		<b>1,160,740</b>	<b>660,129</b>	<b>802,728</b>

(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 January 2023
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash	8	(3,679,057)	(3,679,057)	(3,441,024)
Add: Provisions employee related provisions		397,904	413,148	413,148
<b>Total adjustments to net current assets</b>		<b>(3,281,153)</b>	<b>(3,254,995)</b>	<b>(3,016,962)</b>

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

**Current assets**

Cash and cash equivalents	2	4,392,866	4,874,043	3,745,259
Rates receivables (incl. pensioner rebates claimable)	3	12,636	8,849	101,297
Receivables	3	345,777	415,198	2,659,138
Other current assets		35,351	59,748	153,043
<b>Less: Current liabilities</b>				
Payables		(109,559)	(378,496)	(147,097)
Contract liabilities & Unspent grants	10	(531,000)	(736,109)	(205,109)
Lease liabilities	7	0	(10,914)	(10,914)
Provisions		(397,904)	(413,148)	(413,148)
<b>Less: Total adjustments to net current assets</b>	1(b)	<b>(3,281,153)</b>	<b>(3,254,995)</b>	<b>(3,016,962)</b>
<b>Closing funding surplus / (deficit)</b>		<b>467,014</b>	<b>564,176</b>	<b>2,865,507</b>

**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 JANUARY 2023**

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

<b>Description</b>	<b>Classification</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total Cash</b>	<b>Institution</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
		\$	\$	\$			
Municipal Fund - 7340 & 5474	Cash and cash equivalents	34,858	0	34,858	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	268,977	3,441,024	3,710,001	CBA	3.60%	Feb-23
<b>Total</b>		<b>304,235</b>	<b>3,441,024</b>	<b>3,745,259</b>			
<b>Comprising</b>							
Cash and cash equivalents		304,235	3,441,024	3,745,259			
		<b>304,235</b>	<b>3,441,024</b>	<b>3,745,259</b>			

**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.

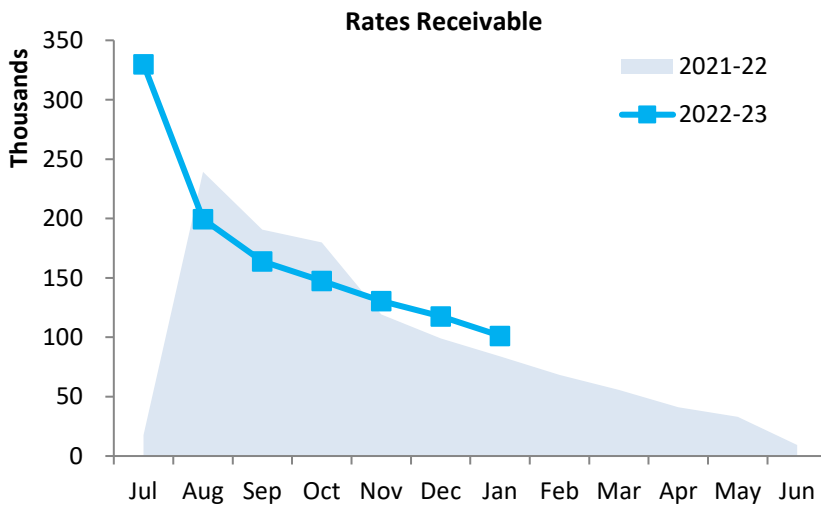
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 JANUARY 2023

OPERATING ACTIVITIES  
NOTE 3  
RECEIVABLES

Rates receivable	Prior Year Close 30 June 2022	This time Last year	31 Jan 2023
	\$	\$	\$
Opening arrears previous years	26,616	26,616	8,849
Levied this year	430,999	431,078	435,316
Less - collections to date	(448,291)	(373,841)	(342,868)
Pensioner rebates claimable	(475)	(7,550)	(8,775)
<b>Net rates collectable</b>	<b>8,849</b>	<b>76,302</b>	<b>92,522</b>
% Collected	98%	81.7%	77.2%

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 31 JANUARY 2023

OPERATING ACTIVITIES  
NOTE 4  
RECEIVABLES

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - Sundry	(19,857)	2,607,804	20,877	2,317	62,039	2,673,179
Percentage	(0.7%)	97.6%	0.8%	0.1%	2.3%	
<b>Balance per trial balance</b>						
Rubbish & Swimming Pool Fees - Charged on Rates Notices						2,878
Receivables - General Suspense						(70)
Allowance for impairment of receivables from contracts with customers						(16,850)
<b>Total receivables general outstanding</b>						<b>2,659,138</b>

**Sundry Debtors Outstanding Over 90 Days**

Description	Status / Action	\$
Kampong Lease - insurance contribution	Payments fortnightly	434
Kampong Lease - insurance contribution & Private works	Final demand letter issued Jan23.	712
Kampong Lease - insurance contribution	Final demand letter issued Jan23.	712
Kampong Lease - insurance contribution	Starting to make payments since Sep22. Prior to that, no payments made towards insurance since 2018/19.	3,976
Commercial Property - Lease	No payments made - Leasing Officer to follow up.	3,153
Commercial Property - Leases LIA Shed	Final demand letter issued Jan23.	8,032
Kampong Lease - insurance contribution	Payments fortnightly. No payment in January?	183
Emergency Management Services	Invoiced debtor to be corrected and resent	901
Commercial Property - Leases	No payments made - Leasing Officer to follow up.	13,690
Private Works - Vehicle Disposal	Final demand letter to be issued.	940
Kampong Lease - insurance contribution	Paying \$50/fortnight encourage to increase.	971
Kampong Lease - insurance contribution	Small pmts being made monthly, but not enough to cover debt in a timely manner. Debtor is a pensioner.	2,059
Commercial Property - Leases	Paying monthly instalments. No January Payment?	123
Private Works - plumbing - inspect & remove solarhart	Paid 1/2/2023.	300
Kampong rental and private works.	Paying current monthly rent but not enough to cover arrears on rent under payments and private works.	682
Kampong Lease - insurance contribution	Payments fortnightly	262
Kampong Lease - insurance contribution	Resend statement. Nolonger on employee deductions.	641
Kampong Lease - insurance contribution	Currently paying \$150/month.	2,534
Kampong Lease - insurance contribution & Private works	Paying monthly instalments.	1,337
Kampong Lease - insurance contribution	Paying \$50/fortnight.	293
Kampong Lease - insurance contribution	Currently off island.	1,058
Kampong Lease - insurance contribution	Making regular payments towards debt. No January pmt?	868
Kampong Lease - insurance contribution	Final demand letter issued Jan23.	712
Kampong Lease - insurance contribution	Payments fortnightly	212
Kampong Lease - insurance contribution	Pmts increased to \$150/month.	1,158
Commercial Lease - LIA Shed 2020 - 2022	Lease cancelled, engage debt collection agency once Policy adopted. Shed is yet to be cleared.	6,938
Kampong Lease - insurance contribution	\$100 pmt made in January, continue to followup balance	412
Kampong Lease - insurance contribution	Paying \$50/month - encourage to increase.	212
Kampong Lease - insurance contribution	Paying \$200/month. No payment since November.	400
Commercial Property - Leases	Final demand letter to be issued.	486
Kampong Lease - insurance contribution	Paying \$50/fortnight.	262
Commercial Property - Leases	Final demand letter to be issued.	5,558
Kampong Lease - insurance contribution	Paying \$50/fortnight	462
Cat registration, desexing & microchipping	Monthly payments towards debt. No payment since November.	269
Kampong Lease Preparation Fee & Insurance Contribution	Final demand letter issued Jan23. Potential lease cancellation.	962
Kampong Lease - insurance contribution	Making regular payments towards debt.	142
		<b>62,039</b>

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)	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
	<b>Plant and equipment</b>										
	<b>Transport</b>										
PE429	Plant Replacement - Holden Crew Cab Ute	0	5,000		5,000	0	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	0	To be disposed once new plant arrives.
PE1404	EziGo Electric Car (HI)	3,194	5,000		1,806	0	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	29,091	29,091	0	Awaiting shipment off island.
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	
PE735	Tipper Truck	0	0	0	0	0	14,430	0	0	(14,430)	Truck written off in accident.
		<b>20,295</b>	<b>102,591</b>	<b>(75,000)</b>	<b>21,225</b>	<b>(13,928)</b>	<b>16,247</b>	<b>39,591</b>	<b>37,774</b>	<b>(14,430)</b>	

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 JANUARY 2023

INVESTING ACTIVITIES  
NOTE 6  
CAPITAL ACQUISITIONS

	Adopted Budget	Current Budget	Current YTD Budget	YTD Actual	YTD Actual Variance
<b>Capital acquisitions</b>	\$		\$	\$	\$
Intangible Assets	0	5,000	5,000	5,000	0
Buildings	2,264,392	2,329,392	1,791,134	568,779	(1,222,355)
Furniture and equipment	10,000	10,000	10,000	12,561	2,561
Plant and equipment	1,447,371	1,497,371	1,418,221	857,488	(560,733)
Infrastructure - roads	270,276	270,276	216,848	232,228	15,380
Infrastructure - Other	0	53,614	53,614	46,681	(6,933)
<b>Payments for Capital Acquisitions</b>	<b>3,992,038</b>	<b>4,165,652</b>	<b>3,494,817</b>	<b>1,722,737</b>	<b>(1,772,080)</b>
<b>Capital Acquisitions Funded By:</b>	\$		\$	\$	\$
Capital grants and contributions	2,132,684	2,132,684	925,876	818,213	(107,663)
Other (disposals & C/Fwd)	19,091	19,091	0	29,091	29,091
Cash backed reserves					
Plant Reserve	500,089	500,089	400,089	326,479	(73,610)
Building Reserve	235,352	235,352	0	0	0
Community Reserve	187,763	187,763	0	0	0
Contribution - operations	917,059	917,059	2,168,852	548,954	(1,619,898)
<b>Capital funding total</b>	<b>3,992,038</b>	<b>3,992,038</b>	<b>3,494,817</b>	<b>1,722,737</b>	<b>(1,772,080)</b>

**SIGNIFICANT ACCOUNTING POLICIES**

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

**Initial recognition and measurement for assets held at cost**

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognise at fair value. Assets held at cost are depreciated and assessed for impairment annually.

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 JANUARY 2023

INVESTING ACTIVITIES  
NOTE 6  
CAPITAL ACQUISITIONS (CONTINUED)

Account Description	Adopted	Current	YTD Budget	YTD Actual	Variance (Under)/Over	Status	Comments
	Budget	Budget					
	\$	\$	\$	\$	\$		
<b>Buildings</b>							
C267 Studio Unit Lot 198 HI	32,500	32,500	32,500	5,343	(27,157)	Planning	Footings have been installed - awaiting transport of unit from WI to HI.
C233 Resheeting of Bungalows	235,424	235,424	199,780	6,446	(193,335)	In Progress	Materials delivered.
C143 HI Retail Precinct - Stage 2 & 3	829,376	829,376	631,499	269,256	(362,243)	In Progress	Works have commenced on the extension.
C254 New Houses - Home Island	65,426	65,426	65,426	167,985	102,559	Complete	Ready for occupation.
C268 Tokoh Building Refurbishment	1,101,666	1,101,666	806,929	84,645	(722,283)	Planning	Refer separate Council Report - February OCM regarding funding and project options.
C248 Shelter - The Spot	0	15,000	15,000	35,103	20,103	Complete	Works complete.
C018 Shelving - Home Island Depot	0	50,000	40,000	0	(40,000)	Ordered	Materials ordered.
<b>Buildings Total</b>	<b>2,264,392</b>	<b>2,329,392</b>	<b>1,791,134</b>	<b>568,779</b>	<b>(1,222,356)</b>		
<b>Intangible Assets</b>							
C901 Payment Hub Implementation	0	5,000	5,000	5,000	0	Ordered	
<b>Intangible Assets</b>	<b>0</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>		
<b>Plant, Furniture and Equipment</b>							
<b>Furniture and Equipment</b>							
C056 Marquee - West Island	10,000	10,000	10,000	7,496	(2,504)	Complete	Complete.
C271 Minor Plant Purchases (<\$5,000)	0	15,000	6,000	5,065	(935)	Ordered	\$5k Compressor ordered - delivery expected on February ship.
<b>Plant Replacement</b>							
C068 Plant Replacement - C194 Cat Roller	180,000	180,000	180,000	175,889	(4,111)	Complete	Delivered.
C237 Plant Replacement - C1081 Rubbish Truck	234,180	234,180	234,180	209,180	(25,000)	Ordered	Delivery February ship.
C238 Plant Replacement - Bobcat (Skid Steer)	136,780	122,780	122,780	0	(122,780)	Ordered	Awaiting delivery.
C222 Plant Replacement - Excavator	366,411	366,411	366,411	355,120	(11,291)	Complete	Delivered.
C215 Plant Replacement - Side Tipper	250,000	264,000	264,000	0	(264,000)	Ordered	Awaiting delivery.
C239 Plant Replacement - 6t with Flail Mower	100,000	12,000	0	0	0	Cancelled	Flail mower repaired - not being replaced.
C223 Plant Replacement - 5t Tipper Truck - Home Island	0	100,000	100,000	68,490	(31,510)	Complete	Delivered.
C270 Plant Replacement - Loader Bucket Replacement	0	23,000	18,850	0	(18,850)	Ordered	Delivered to Zentner for March ship.
<b>Motor Vehicles</b>							
C552 Plant replacement - 3x Light Vehicles (Works)	180,000	180,000	126,000	48,809	(77,191)	Ordered	1x car delivered Feb23. Other vehicles due to Perth March 23
<b>Plant, Furniture and Equipment Total</b>	<b>1,457,371</b>	<b>1,507,371</b>	<b>1,428,221</b>	<b>870,049</b>	<b>(558,172)</b>		
<b>Roads</b>							
C553 Jalan Bunga Mawar - Roads to Recovery Funding 720m2	270,276	270,276	216,848	232,228	15,380	Complete	Works complete.
<b>Roads Total</b>	<b>270,276</b>	<b>270,276</b>	<b>216,848</b>	<b>232,228</b>	<b>15,380</b>		
<b>Infrastructure Other</b>							
C262 Birdhide - Freshwater Lagoon	0	53,614	53,614	39,231	(14,383)	Complete	Works complete. Awaiting final invoice.
C194 Steps - Trannies Beach	0	0	0	7,450	7,450	Complete	Works complete.
<b>Infrastructure Other Total</b>	<b>0</b>	<b>53,614</b>	<b>53,614</b>	<b>46,681</b>	<b>(6,933)</b>		
<b>Shire Total</b>	<b>3,992,038</b>	<b>4,165,652</b>	<b>3,494,817</b>	<b>1,722,737</b>	<b>(1,772,080)</b>		
<b>Capital Expenditure - LAND TRUST ASSETS</b>							
<b>Buildings - 1979 Trust</b>							
C263 Kampong Bathroom Renewals - 1979 Trust	104,269	104,269	69,108	85,377	16,269	In Progress	Works complete on House 94 and 95. Renovation of main bathroom in 96 has commenced.
C269 Kampong Kitchen & Window Renewals - 1979 Trust	196,553	196,553	21,305	0	(21,305)	Not started	Awaiting property inspections to ascertain priority works. Potential carryover to 23/24
<b>Buildings 1979 Trust Total</b>	<b>300,822</b>	<b>300,822</b>	<b>90,413</b>	<b>85,377</b>	<b>(5,036)</b>		
<b>Buildings - 1984 Trust</b>							
C332 HI Admin Office Building Upgrades	15,000	23,778	23,778	8,778	(15,000)	Not started	\$8.8k cfwd of FY22 cladding. Reception Area roof to be replaced due to leaks.
<b>Buildings 1984 Trust Total</b>	<b>15,000</b>	<b>23,778</b>	<b>23,778</b>	<b>8,778</b>	<b>(15,000)</b>		
<b>Total Capital Expenditure</b>	<b>4,307,861</b>	<b>4,490,253</b>	<b>3,609,008</b>	<b>1,816,892</b>	<b>(1,792,116)</b>		

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 JANUARY 2023**

**OPERATING ACTIVITIES  
NOTE 8  
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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by Council</b>										
Leave reserve	335,348	2,784	0	0	338,132	335,348	870	0		336,218
Plant Reserve	1,328,323	11,428	57,500	(326,479)	1,070,772	1,328,323	1,920	55,000	(500,089)	885,154
Building Reserve	1,153,686	9,579	0	0	1,163,265	1,153,686	1,980	0	(235,352)	920,314
Furniture & Equipment Reserve	18,286	152	0	0	18,438	18,286	48	0		18,334
Self Insurance Reserve	101,591	700	0	0	102,291	101,591	540	0	0	102,131
Community Reserve	657,568	5,460	0	0	663,028	657,568	2,190	0	(187,763)	471,995
Climate Adaptation Reserve	84,255	844	0	0	85,099	84,255	240	0	0	84,495
	<b>3,679,057</b>	<b>30,946</b>	<b>57,500</b>	<b>(326,479)</b>	<b>3,441,024</b>	<b>3,679,057</b>	<b>7,788</b>	<b>55,000</b>	<b>(923,204)</b>	<b>2,818,641</b>

**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



Operating grants, subsidies and contributions revenue						
Provider	Adopted Budget Revenue	Current Annual Budget	YTD Revenue Budget	YTD Revenue Actual	YTD Variance	Comments
	\$	\$	\$	\$		
<b>Operating grants and subsidies</b>						
<b>General purpose funding</b>						
Local Government General Purpose Grant	4,571,000	4,571,000	4,571,000	4,587,360	16,360	Final instalment invoiced.
Local Government General Purpose Grant - Roads	187,000	187,000	187,000	179,699	(7,301)	0
<b>Recreation and culture</b>						
Parks Australia - Oral History Blue Holes	0	0	0	5,000	5,000	First instalment - \$10k total.
	<b>4,758,000</b>	<b>4,758,000</b>	<b>4,758,000</b>	<b>4,772,059</b>	<b>14,059</b>	
<b>Operating contributions</b>						
<b>Governance</b>						
WALGA - Councillor Training Contribution	0	0	0	5,000	5,000	
<b>Health</b>						
Dept Primary Industries - Declared Pest Program	86,832	86,832	50,652	38,167	(12,485)	Wasp Program - 2022/23 renewal signed Sept 2022. No increase to funding from 2021/22. (Budget assumed CPI increase)
<b>Transport</b>						
Dept. Transport - Provision of Licencing Services	64,350	64,350	64,350	64,350	0	Per service agreement 2020/21 to 2023/24.
	<b>151,182</b>	<b>151,182</b>	<b>115,002</b>	<b>107,517</b>	<b>(7,485)</b>	
<b>TOTALS</b>	<b>4,909,182</b>	<b>4,909,182</b>	<b>4,873,002</b>	<b>4,879,576</b>	<b>6,574</b>	

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 JANUARY 2023

NOTE 10  
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Capital grant/contribution liabilities				Non operating grants, subsidies and contributions revenue				Comments
	Unspent Grant Liability 1 July 2022	Increase in Liability	Decrease in Liability (As revenue)	Unspent Grant Liability 31 Jan 2023	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual	YTD Variance Actual	
	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Non-operating grants and subsidies</b>									
<b>Transport</b>									
Roads to Recovery Funding	0	87,213	(87,213)	0	99,921	87,213	87,213	0	C553 Jalan Bunga Mawar capital works.
Roads - Supplementary Funding	0	200,000	(200,000)	0	0	0	200,000	200,000	C553 Jalan Bunga Mawar capital works.
Stimulus Funding FY22 - Excavator Purchase	300,000	0	(300,000)	0	300,000	300,000	300,000	0	Excavator invoice paid Sept 2022.
<b>Economic services</b>									
BBRF - Tokoh Redevelopment	0	0	0	0	1,091,546	307,663	0	(307,663)	Grant terms under review.
Economic Stimulus - HI Retail Precinct Stage 2	231,000	0	(231,000)	0	231,000	231,000	231,000	0	Works commenced October 2022.
LRCI Phase 3 - HI Retail Precinct Stage 2	205,109	0	0	205,109	273,478	0	0	0	Works commenced October 2022.
LRCI Phase 3 Extension - HI Retail Precinct - Stage 3	0	0	0	0	136,739	0	0	0	Re-named Phase 4 and postponed to FY24.
<b>TOTAL</b>	<b>736,109</b>	<b>287,213</b>	<b>(818,213)</b>	<b>205,109</b>	<b>2,132,684</b>	<b>925,876</b>	<b>818,213</b>	<b>(107,663)</b>	

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 JANUARY 2023

NOTE 11  
BUDGET AMENDMENTS

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

GL Code	Description	Council Resolution	Classification	Increase in			Amended Budget Running Balance
				Non Cash Adjustment	Available Cash	Decrease in Available Cash	
				\$	\$	\$	\$
	<b>Budget adoption</b>	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
C271	Minor Plant >\$5,000	OCM 23 November 2022	Capital Expenses			(5,000)	(5,000)
C239	6t Flail Mower replacement	OCM 23 November 2022	Capital Expenses		5,000		0
C018	HI Depot Shelving	OCM 23 November 2022	Capital Expenses			(50,000)	(50,000)
C239	6t Flail Mower replacement	OCM 23 November 2022	Capital Expenses		50,000		0
C901	Payment Hubb Implementation	OCM 23 November 2022	Capital Expenses			(5,000)	(5,000)
144201	Consultants - Finance	OCM 23 November 2022	Operating Expenses		5,000		0
				<b>0</b>	<b>341,138</b>	<b>(341,138)</b>	<b>0</b>