

10.3.3 - Monthly Financial Report – November 2024 (SJ4229)	
Responsible Officer:	Manager Finance
Senior Officer:	Director Corporate Services
Disclosure of Officer's Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Authority / Discretion

Legislative	Includes adopting local laws, local planning schemes and policies.
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Report Purpose

The purpose of this report is to provide a monthly financial report, which includes rating, investment, reserve, debtor, and general financial information to Councillors in accordance with Section 6.4 of the *Local Government Act 1995*.

This report is about the financial position of the Shire as at 30 November 2024.

Relevant Previous Decisions of Council

<p><i>Special Council Meeting – 25 July 2024 – SCM003/07/24 - COUNCIL RESOLUTION – extract</i></p> <p>7. That Council, in accordance with regulation 34 (5) of the <i>Local Government (Financial Management) Regulations 1996</i>, and <i>AASB 1031 Materiality</i>, the level to be used in statements of financial activity in 2024/25 for reporting material variances shall be:</p> <p>a) $\geq 10\%$ of the amended budget and $\geq \\$10,000$ of the amended budget; or</p> <p>b) $\geq \\$150,000$ of the amended budget</p> <p><i>In addition, the material variance limit will be applied to each Nature and Type Classification for Operating and Financing Activities and each Project for Investing Activities (Capital).</i></p>
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Background

The *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* require that the Shire prepare a Statement of Financial Activity each month by Nature and Type.

The Council has resolved to report Nature and Type and to assess the performance of each category, by comparing the year-to-date budget and actual results. Furthermore, Council has resolved that each Capital project outside of the materiality thresholds be reported on separately. This gives an indication that the Shire is performing against expectations at a point in time.

Community / Stakeholder Consultation

Nil.

Contact Us

Enquiries

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Statutory Environment

Section 6.4 of the *Local Government Act 1995* requires a local government to prepare an annual financial statement for the preceding year and other financial reports as are prescribed.

Regulation 34 (1) of the *Local Government (Financial Management) Regulations 1996* as amended requires the local government to prepare monthly financial statements and report on actual performance against what was set out in the annual budget.

Comment

Monthly Financial Report

The attached report shows the month end position as at the end of 30 November 2024.

The municipal surplus as at 30 November 2024 is \$24,603,493 which is favourable, compared to a budgeted amount of \$23,133,626. It is worth noting that the opening position for 2024/25 may change, pending the finalisation of the 2023/24 Financial reports.

Further information on material variances are listed in the analysis below.

Operating Activities

Operating Revenue

Rates

No variance analysis required, variance to budget is less than 10%.

Operating Grants, Subsidies and Contributions

No variance analysis required, variance to budget is less than 10%.

Fees and Charges

No variance analysis required, variance to budget is less than 10%.

Interest Earnings

Favourable permanent variance of \$205,118 primarily due to:

- Higher than anticipated interest received on Reserve Term Deposits - \$165,048
- Higher than anticipated interest received on Municipal Term Deposits - \$22,822
- Higher than anticipated interest received on Rates instalments - \$21,400

Other Revenue

Favourable variance of \$110,294 primarily due to:

- Favourable permanent variance - Reimbursement on workers compensation claim from Local Government Insurance Scheme (LGIS) - \$122,112

Profit on Asset Disposal

No variance analysis required, variance to budget is less than \$10,000.

Operating Expenses

Employee Costs

No variance analysis required, variance to budget is less than 10%.

Materials and Contracts



No variance analysis required, variance to budget is less than 10%.

Utility Charges

No variance analysis required, variance to budget is less than 10%.

Depreciation

No variance analysis required, variance to budget is less than 10%.

Finance Costs

No variance analysis required, variance to budget is less than \$10,000.

Insurance Expenses

No variance analysis required, variance to budget is less than 10%.

Other Expenditure

No variance analysis required, variance to budget is less than 10%.

Loss on Disposal of Assets

No variance analysis required, variance to budget is less than \$10,000.

Investing Activities

Contributions/Grants for the Construction of Assets

Favourable permanent variance of \$1,316,567 due to:

- Byford DCP - \$1,118,522
- Community Infrastructure DCP - \$220,119

Proceeds from Disposal of Assets

No variance analysis required, variance to budget is less than 10%.

Capital Expenditure

Unfavourable permanent variance of \$63,694 primarily due to:

- 80396 Mens Shed Upgrade - To complete the compliance requirement for electrical, water and sewage connection for the toilet and fixtures - \$20,376
- 80460 Depot Refurbishment - Outdoor Canopy – Additional expenditure due to drainage improvement (\$14,200), additional Polycarb infill panel supply and installation (\$1,380) and project management cost (\$2,012) – Total \$17,592

Financing Activities

Proceeds from new Borrowings

No variance analysis required, variance to budget is less than 10%.

Transfer from Reserve

No variance analysis required, variance to budget is less than 10%.

Repayment of new Borrowings

No variance analysis required, variance to budget is less than 10%.

Payment for principal portion of lease liabilities

No variance analysis required, variance to budget is less than \$10,000.



Transfer to Reserve

Permanent variance of \$1,484,190 due to:

- Byford DCP - \$1,118,522
- Community Infrastructure DCP - \$220,119
- Higher than anticipated interest received on Reserve Term Deposits - \$165,048

Option 1

That Council RECEIVES the Monthly Financial Report for November 2024 in accordance with Section 6.4 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Financial Management) Regulations 1996* as contained in **attachment 1**.

Option 2

That Council DOES NOT RECEIVE the Monthly Financial Report for November 2024, in accordance with Section 6.4 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Financial Management) Regulations 1996* as contained in **attachment 1**.

Option 1 is recommended.

Conclusion

Nil.

Attachments (available under separate cover)

- **10.3.3 - Attachment 1** – Monthly Financial Report – November 2024 (E24/17610)

Alignment with our Council Plan 2023-2033

Thriving
1. Plan for the sustainable growth of the Shire of Serpentine Jarrahdale
2. Advocate and attract businesses to grow and thrive, increasing opportunities for local employment
3. Ensure sustainable and optimal use of Shire resources and finances
Liveable
1. Improve maintenance and investment in roads and paths
2. Invest in facilities and amenities to meet current and future needs
Connected
1. Invest in community recreation and support local clubs and groups to increase opportunities for participation

Financial Implications

As at 30 November 2024, the Shire’s respective cash position was as follows:

Municipal Fund:	\$4,520,619
Cash Reserve:	\$15,506,568
Trust Fund:	\$304,222



Risk Implications

Risk has been assessed on the Officer Options:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	Nil.						
2	That Council does not receive the Monthly Financial Report for November 2024 leading to the Shire not meeting legislative requirements on financial reporting.	Provision of sufficient information and records to support the recommendation	Financial	Unlikely	Insignificant	LOW	Accept Officer Recommendation

Voting Requirements: Simple Majority

Officer Recommendation

That Council RECEIVES the Monthly Financial Report for November 2024 in accordance with Section 6.4 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Financial Management) Regulations 1996* as contained in attachment 1.