

SHIRE OF CUNDERDIN

BUDGET REVIEW REPORT

FOR THE PERIOD ENDED 31 JANUARY 2026

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

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SHIRE OF CUNDERDIN
STATEMENT OF BUDGET REVIEW
FOR THE PERIOD ENDED 31 JANUARY 2026

		Budget v Actual				
	Note	Adopted Budget (a)	Year to Date Actual	Predicted Variance (b) - (a)	Estimated Amount at Year End (b)	
		\$	\$	\$	\$	
OPERATING ACTIVITIES						
Revenue from operating activities						
General rates		2,626,171	2,625,118	0	2,626,171	
Grants, subsidies and contributions	4.1	2,566,958	1,081,603	(941,970)	1,624,988	▼
Fees and charges	4.2	655,368	484,555	72,300	727,668	▲
Interest revenue	4.3	101,200	52,210	(30,000)	71,200	▼
Other revenue	4.4	5,000	23,936	20,900	25,900	▲
Profit on asset disposals	4.5	95,000	20,834	(74,000)	21,000	▼
		6,049,697	4,288,256	(952,770)	5,096,927	
Expenditure from operating activities						
Employee costs	4.6	(2,365,593)	(1,265,060)	(16,115)	(2,381,708)	▼
Materials and contracts	4.7	(2,397,326)	(1,045,789)	633,987	(1,763,339)	▲
Utility charges	4.8	(308,613)	(116,751)	9,672	(298,941)	▲
Depreciation	4.9	(3,454,305)	(2,118,131)	(59,130)	(3,513,435)	▼
Finance costs	4.10	(38,484)	(22,353)	(6,000)	(44,484)	▼
Insurance	4.11	(232,708)	(240,758)	(10,047)	(242,755)	▼
Other expenditure	4.12	(92,045)	(48,613)	10,870	(81,175)	▲
Loss on asset disposals	4.13	0	0	(10,000)	(10,000)	▼
		(8,889,074)	(4,857,455)	553,237	(8,335,837)	
Non-cash amounts excluded from operating activities	4.14	3,155,618	2,097,297	346,817	3,502,435	▲
Amount attributable to operating activities		316,241	1,528,098	(52,716)	263,525	
INVESTING ACTIVITIES						
Inflows from investing activities						
Capital grants, subsidies and contributions	4.15	2,870,572	373,671	466,619	3,337,191	▲
Proceeds from disposal of assets	4.16	95,000	40,909	200,000	295,000	▲
		2,965,572	414,580	666,619	3,632,191	
Outflows from investing activities						
Purchase of land and buildings	4.17	(592,000)	(367,776)	(286,400)	(878,400)	▼
Purchase of plant and equipment	4.18	(781,000)	(762,565)	(139,800)	(920,800)	▼
Purchase of furniture and equipment	4.19	(115,000)	(9,026)	40,000	(75,000)	▲
Purchase and construction of infrastructure-roads	4.20	(1,570,355)	(918,762)	(137,269)	(1,707,624)	▼
Purchase and construction of infrastructure-other	4.21	(2,841,137)	(433,357)	(321,800)	(3,162,937)	▼
		(5,899,492)	(2,491,486)	(845,269)	(6,744,761)	
Amount attributable to investing activities		(2,933,920)	(2,076,906)	(178,650)	(3,112,570)	
FINANCING ACTIVITIES						
Cash inflows from financing activities						
Transfers from reserve accounts	4.22	612,000		425,000	1,037,000	▲
		612,000	0	425,000	1,037,000	
Cash outflows from financing activities						
Repayment of borrowings	4.23	(67,405)	(33,268)	0	(67,405)	▼
Transfers to reserve accounts	4.24	(170,000)	(30,971)	0	(170,000)	▼
		(237,405)	(64,239)	0	(237,405)	
Amount attributable to financing activities		374,595	(64,239)	425,000	799,595	
MOVEMENT IN SURPLUS OR DEFICIT						
Surplus or deficit at the start of the financial year	4.25	2,243,648	2,050,014	(193,634)	2,050,014	▲
Amount attributable to operating activities		316,241	1,528,098	(52,716)	263,525	
Amount attributable to investing activities		(2,933,920)	(2,076,906)	(178,650)	(3,112,570)	
Amount attributable to financing activities		374,595	(64,239)	425,000	799,595	
Surplus or deficit after imposition of general rates	3(a),4.26	564	1,436,967	0	564	▲

1. BASIS OF PREPARATION

This budget review has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996*, prescribe that the budget review be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from *AASB 16 Leases* which would have required the Shire of Cunderdin to measure any vested improvements at zero cost.

Local Government (Financial Management) Regulations 1996, regulation 33A prescribes contents of the budget review.

Accounting policies which have been adopted in the preparation of this budget review have been consistently applied unless stated otherwise. Except for the statement of financial activity, the budget review 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.

Year to Date Actual balances

Balances shown in this budget as Year to Date Actual are based on records at the time of preparation of the budget review and are subject to final adjustments.

Rounding off figures

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Cunderdin controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements.

Critical accounting estimates and judgements

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 that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the budget review.

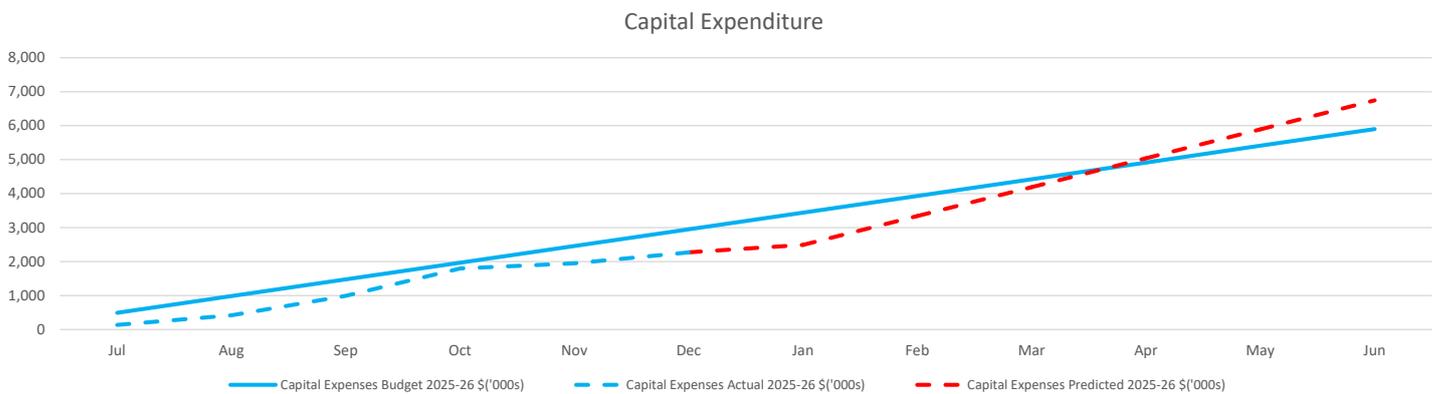
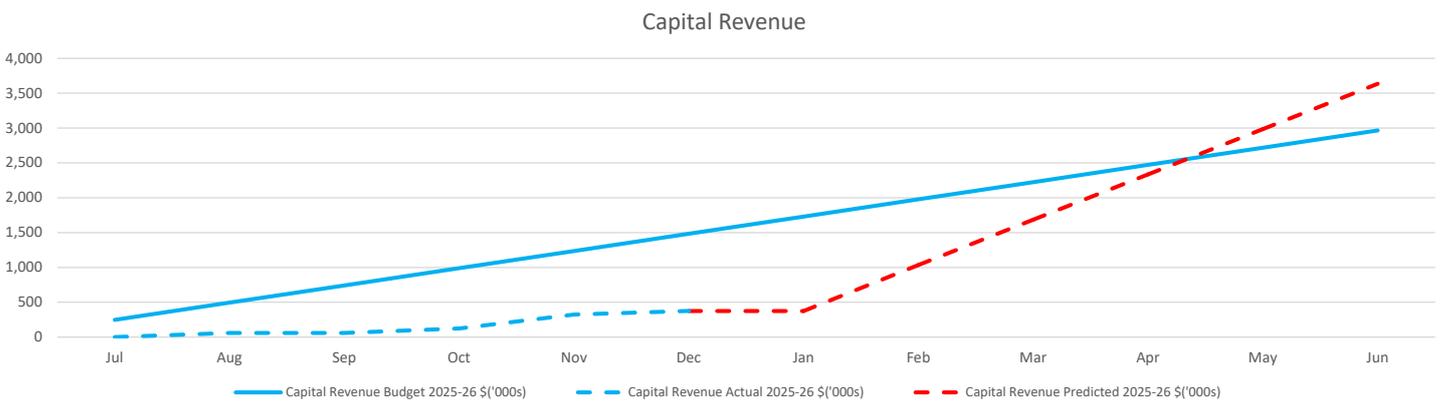
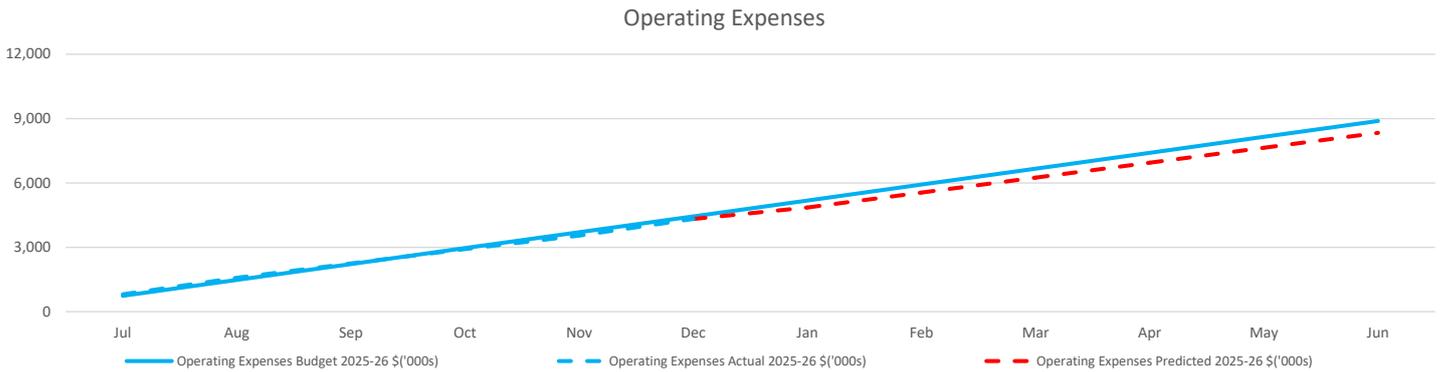
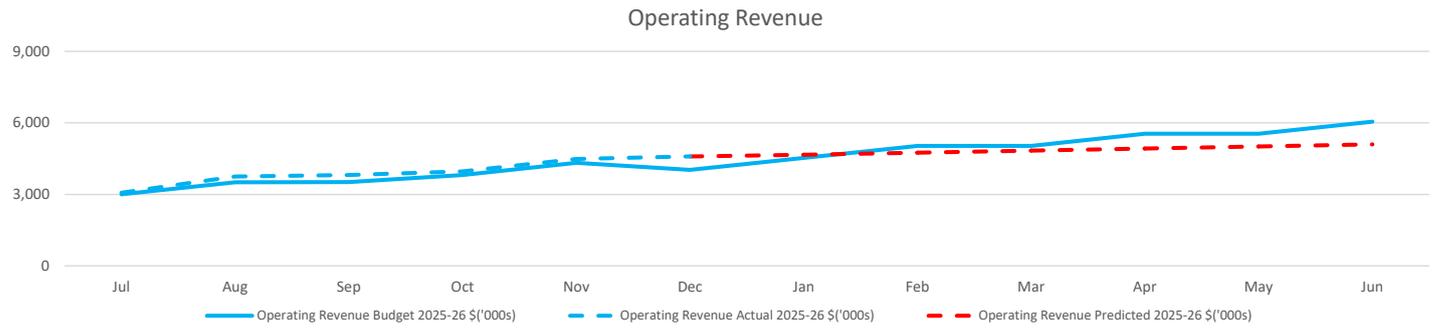
The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current financial year:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimation of fair values of provisions

MATERIAL ACCOUNTING POLICIES

Material accounting policies utilised in the preparation of these statements are as described within the 2025-26 Annual Budget. Please refer to the adopted budget document for details of these policies.

2. SUMMARY GRAPHS - BUDGET REVIEW



This information is to be read in conjunction with the accompanying financial statements and notes.

3 NET CURRENT FUNDING POSITION
EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

	Audited Actual 30 June 2025	Adopted Budget 30 June 2026	Year to Date Actual 31 January 2026	Estimated Amount at Year End 30 June 2026
	\$	\$	\$	\$
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents	5,093,884	2,686,769	4,152,070	2,409,808
Trade and other receivables	91,717	(130,364)	215,758	(130,364)
	5,185,601	2,556,405	4,367,828	2,279,444
Less: current liabilities				
Trade and other payables	(350,006)	(203,881)	(114,311)	(253,881)
Contract liabilities	(461,896)	(364,627)	(461,896)	(364,627)
Borrowings	(67,406)	0	(34,138)	(67,406)
Employee related provisions	(341,644)	(243,604)	(341,644)	(341,644)
	(1,220,952)	(812,112)	(951,989)	(1,027,558)
Net current assets	3,964,649	1,744,293	3,415,839	1,251,886
Less: Total adjustments to net current assets	(1,914,635)	(1,743,729)	(1,978,872)	(1,251,322)
Closing funding surplus / (deficit)	2,050,014	564	1,436,967	564

(b) Current assets and liabilities excluded from budgeted deficiency

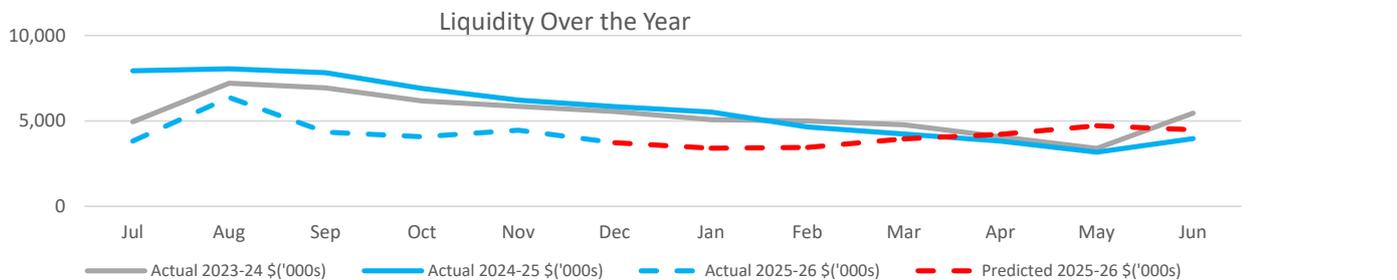
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

	Audited Actual 30 June 2025	Adopted Budget 30 June 2026	Year to Date Actual 31 January 2026	Estimated Year at End Amount 30 June 2026
	\$	\$	\$	\$
Adjustments to net current assets				
Less: Reserve accounts	(2,185,728)	(1,743,729)	(2,216,697)	(1,318,728)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	67,406	0	34,138	67,406
- Employee benefit provisions	203,687	0	203,687	0
Total adjustments to net current assets	(1,914,635)	(1,743,729)	(1,978,872)	(1,251,322)

(c) Non-cash amounts 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*.

	Audited Actual 30 June 2025	Adopted Budget 30 June 2026	Year to Date Actual 31 January 2026	Estimated Year at End Amount 30 June 2026
	\$	\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	(1)	(95,000)	(20,834)	(21,000)
Less: Movement in liabilities associated with restricted cash	9,349	0	0	
Less: Fair value adjustments to financial assets at fair value through profit or loss	3,551	0	0	
Add: Depreciation on assets	3,496,643	3,454,305	2,118,131	3,513,435
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates	219	0	0	
Employee benefit provisions	211	(203,687)	0	
Non-cash amounts excluded from operating activities	3,509,972	3,155,618	2,097,297	3,502,435



SHIRE OF CUNDERDIN
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 31 JANUARY 2026

4 PREDICTED VARIANCES

		Variance
		\$
Revenue from operating activities		
4.1	Grants, subsidies and contributions Funding for road projects were included in operating revenue and have been reallocated to capital grants	(941,970) ▼
4.2	Fees and charges Increase in the budget amounts for the Diesel Fuel Rebate and revenue from Town Planning fees	72,300 ▲
4.3	Interest revenue The Shire does not have an investment for the Municipal Fund and will not receive the interest amount anticipated in the original budget.	(30,000) ▼
4.4	Other revenue Additional revenue from the Paid Parental Leave scheme which is onpaid to an employee	20,900 ▲
4.5	Profit on asset disposals Decrease in the estimated profit on asset disposals for plant and equipment, this is a non-cash adjustment when processing the disposal in the asset register.	(74,000) ▼
Expenditure from operating activities		
4.6	Employee costs Minor increase in overall employee costs.	(16,115) ▼
4.7	Materials and contracts Expenditure for some infrastructure projects was previously included under this heading and has been reallocated to the relevant capital program.	633,987 ▲
4.8	Utility charges Minor decrease in utility charges	9,672 ▲
4.9	Depreciation Increase in the allocation of depreciation on assets	(59,130) ▼
4.10	Finance costs Adjustment to allow for payment of the Government Guarantee fee payable on loans with the WA Treasury Corporation	(6,000) ▼
4.11	Insurance Increase in insurance costs based on the actual expense incurred for the year.	(10,047) ▼
4.12	Other expenditure Reduction in expense as the provision for Election Expense has been reduced to \$0 as no election was held in 2025.	10,870 ▲
4.13	Loss on asset disposals Allocation for the expected loss on disposal of plant and equipment realised when trading vehicles, this is a non-cash adjustment when processing the disposal in the asset register.	(10,000) ▼
4.14	Non-cash amounts excluded from operating activities Total of the adjustment in allocation of depreciation and profit/loss on asset disposals.	346,817 ▲
Inflows from investing activities		
4.15	Capital grants, subsidies and contributions Allocations have been included for grant funding on projects carried over from 2024/25.	466,619 ▲
4.16	Proceeds from disposal of assets Provision for disposal of a number of plant and equipment items surplus to requirements.	200,000 ▲
Outflows from investing activities		
4.17	Purchase of land and buildings Increase in expenditure for completion of the Mitchell Street and Yilgarn Street houses.	(286,400) ▼
4.18	Purchase of plant and equipment Increase to allow for purchase of the heavy duty trailer which is a carry over from 2024/25.	(139,800) ▼

SHIRE OF CUNDERDIN
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 31 JANUARY 2026

4 PREDICTED VARIANCES

		Variance
		<u>\$</u>
4.19	Purchase of furniture and equipment Decrease in expenditure as CCTV installation at the museum has been reported under operations and signage will carry over into the next budget.	40,000 ▲
4.20	Purchase and construction of infrastructure-roads Additional expense for works undertaken on Quairading Road which is a Wheatbelt Secondary Freight Network project.	(137,269) ▼
4.21	Purchase and construction of infrastructure-other Inclusion for completion of carry over projects that were commenced in 2024/25.	(321,800) ▼
Cash inflows from financing activities		
4.22	Transfers from reserve accounts Additional funds will be drawn from the Building Reserve and Asset Replacement Reserve to fund carry over projects.	425,000 ▲
4.25	Surplus or deficit at the start of the financial year After end of year adjustments and accruals, the surplus carried forward from the previous year was lower than expected.	(193,634) ▲

SHIRE OF CUNDERDIN
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 31 JANUARY 2026

5 RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2025/26 Adopted Budget				2025/26 YTD Actual				2025/26 Revised Budget			
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	203,687	7,454	0	211,141	203,688	2,886	0	206,574	203,688	7,454	0	211,142
(b) Plant Replacement	267,688	9,798	(150,000)	127,486	267,689	3,794	0	271,483	267,689	9,798	(150,000)	127,487
(c) Airfield	122,254	4,475	0	126,729	122,254	1,731	0	123,985	122,254	4,475	0	126,729
(d) Community Bus	4,527	10,166	0	14,693	4,527	65	0	4,592	4,527	10,166	0	14,693
(e) Asset Replacement	335,145	12,267	(200,000)	147,412	335,145	4,748	0	339,893	335,145	12,267	(300,000)	47,412
(f) Buildings	514,286	18,823	(200,000)	333,109	514,285	7,287	0	521,572	514,285	18,823	(525,000)	8,108
(g) Cunderdin Museum	69,774	17,554	(62,000)	25,328	69,774	988	0	70,762	69,774	17,554	(62,000)	25,328
(h) Sporting Surfaces Replacement	185,760	26,799	0	212,559	185,760	2,632	0	188,392	185,760	26,799	0	212,559
(i) Age Appropriate Accomodation	227,796	53,338	0	281,134	227,795	3,227	0	231,022	227,795	53,338	0	281,133
(j) Cunderdin Memorial Swimming Pool	254,811	9,326	0	264,137	254,811	3,611	0	258,422	254,811	9,326	0	264,137
	2,185,728	170,000	(612,000)	1,743,728	2,185,728	30,969	0	2,216,697	2,185,728	170,000	(1,037,000)	1,318,728

(b) Reserve Accounts - Purposes

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
(a) Leave reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant Replacement	Ongoing	To be used to fund acquisition, disposal and maintenance of plant and equipment.
(c) Airfield	Ongoing	To be used to fund acquisition, disposal and maintenance of property, buildings, plant and equipment associated with the Cunderdin airfield
(d) Community Bus	Ongoing	To be used to fund acquisition, disposal and maintenance of the community bus
(e) Asset Replacement	Ongoing	To provide the replacement of necessary equipment, furniture and infrastructure comprising of roads, drains, footpaths and recreation assets.
(f) Buildings	Ongoing	To be used to fund acquisition, disposal and maintenance of land and Buildings
(g) Cunderdin Museum	Ongoing	To be used to fund exhibitions and upgrades to the Cunderdin Museum.
(h) Sporting Surfaces Replacement	Ongoing	To be used to fund the replacement of the tennis and bowling surfaces in Cunderdin and Meckering.
(i) Age Appropriate Accomodation	Ongoing	To be used to fund the ongoing maintenance and upgrades of Sandalwood Village and other Aged Accomodation.
(j) Cunderdin Memorial Swimming Pool	Ongoing	To be used to fund the ongoing maintenance and upgrades of Cunderdin Memorial Swimming Pool