



**SHIRE OF DENMARK**  
**MONTHLY FINANCIAL REPORT**  
**For the period ending 31 March 2026**

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28 April 2026 - Attachment 9.2.1a

**SHIRE OF DENMARK**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**(Statutory Reporting by Nature & Type)**  
**For the period ending 31 March 2026**

Note	Adopted Annual Budget	Amended Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)
<b>Operating Revenues</b>	\$	\$	\$	\$	\$	%
Rates	9,160,749	9,160,749	9,153,749	<b>9,138,670</b>	<b>(15,079)</b>	<b>(0.16%)</b>
Operating grants & contributions	1,813,865	1,942,827	1,455,205	<b>1,469,821</b>	14,616	1.00%
Fees and charges	4,054,972	4,240,972	3,935,127	<b>4,041,588</b>	106,461	2.71%
Interest Earnings	467,201	499,895	393,909	<b>409,304</b>	15,395	3.91%
Other Revenue	51,810	51,810	48,966	<b>49,738</b>	772	1.58%
Total Operating Revenue	<b>15,548,597</b>	<b>15,896,253</b>	<b>14,986,956</b>	<b>15,109,121</b>	<b>122,165</b>	<b>0.82%</b>
<b>Operating Expense</b>						
Employee Costs	<b>(8,574,555)</b>	<b>(8,829,555)</b>	<b>(6,413,433)</b>	<b>(6,315,589)</b>	97,844	1.53%
Materials and Contracts	<b>(4,672,819)</b>	<b>(4,806,640)</b>	<b>(3,290,475)</b>	<b>(3,042,971)</b>	247,504	7.52%
Utility Charges	<b>(262,873)</b>	<b>(262,873)</b>	<b>(209,319)</b>	<b>(193,973)</b>	15,346	7.33%
Depreciation	<b>(5,717,994)</b>	<b>(5,967,994)</b>	<b>(4,478,392)</b>	<b>(4,486,912)</b>	<b>(8,520)</b>	<b>(0.19%)</b>
Finance Costs	<b>(143,497)</b>	<b>(117,429)</b>	<b>(69,579)</b>	<b>(69,552)</b>	27	0.04%
Insurance	<b>(366,893)</b>	<b>(366,893)</b>	<b>(366,867)</b>	<b>(363,834)</b>	3,033	0.83%
Other Expenditure	<b>(522,384)</b>	<b>(525,883)</b>	<b>(388,635)</b>	<b>(383,996)</b>	4,639	1.19%
Total Operating Expenditure	<b>(20,261,015)</b>	<b>(20,877,267)</b>	<b>(15,216,700)</b>	<b>(14,856,828)</b>	<b>359,872</b>	<b>2.36%</b>
<b>Sub Total</b>	<b>(4,712,418)</b>	<b>(4,981,014)</b>	<b>(229,744)</b>	<b>252,293</b>		
Capital grants & contributions	7,065,882	7,250,605	4,155,957	4,157,518	1,561	0.04%
Profit/(Loss) on Asset Disposal	68,100	68,100	<b>(30,000)</b>	<b>(23,843)</b>	6,157	20.52%
	7,133,982	7,318,705	4,125,957	4,133,675	7,718	
<b>Net Result</b>	<b>2,421,565</b>	<b>2,337,692</b>	<b>3,896,213</b>	<b>4,385,968</b>	<b>489,755</b>	<b>12.57%</b>
<b>Funding Balance Adjustments</b>						
Add back Depreciation	5,717,994	5,967,994	4,478,392	4,486,912	8,520	0.19%
Adjust (Profit)/Loss on Asset Disposal	<b>(68,100)</b>	<b>(68,100)</b>	30,000	23,843	<b>(6,157)</b>	<b>(20.52%)</b>
Adjust Provisions and Accruals	0	0	0	<b>(17,571)</b>	<b>(17,571)</b>	
Net Cash from Operations	<b>8,071,459</b>	<b>8,237,586</b>	<b>8,404,605</b>	<b>8,879,152</b>	<b>474,547</b>	<b>5.65%</b>
<b>Capital Expenses</b>						
Repayment of Debentures	7 <b>(402,910)</b>	<b>(365,186)</b>	<b>(216,772)</b>	<b>(216,772)</b>	<b>(0)</b>	<b>(0.00%)</b>
Principal elements of finance leases	0	0	0	0	0	
Transfer to Reserves	6 <b>(1,468,513)</b>	<b>(1,757,013)</b>	<b>(125,000)</b>	<b>(127,996)</b>	<b>(2,996)</b>	<b>(2.40%)</b>
Land and Buildings	5 <b>(2,175,000)</b>	<b>(1,275,000)</b>	<b>(1,215,000)</b>	<b>(1,121,669)</b>	93,331	7.68%
Roads Infrastructure	5 <b>(3,571,500)</b>	<b>(3,637,500)</b>	<b>(2,769,214)</b>	<b>(1,540,477)</b>	1,228,737	44.37%
Other Infrastructure	5 <b>(3,543,582)</b>	<b>(3,508,582)</b>	<b>(2,093,673)</b>	<b>(1,068,347)</b>	1,025,326	48.97%
Plant and Equipment	5 <b>(1,361,000)</b>	<b>(1,361,000)</b>	<b>(172,000)</b>	<b>(130,759)</b>	41,241	23.98%
Furniture and Equipment	5 <b>(110,000)</b>	<b>(110,000)</b>	<b>(70,000)</b>	<b>(69,581)</b>	419	0.60%
Total Capital Expenditure	<b>(12,632,505)</b>	<b>(12,014,281)</b>	<b>(6,661,659)</b>	<b>(4,275,602)</b>	<b>2,386,057</b>	<b>35.82%</b>
Net Cash from Capital Activities	<b>(4,561,047)</b>	<b>(3,776,696)</b>	<b>1,742,946</b>	<b>4,603,550</b>	<b>2,860,604</b>	<b>164.12%</b>
<b>Capital Revenues</b>						
Proceeds from New Debentures	1,000,000	0	0	0	0	
Proceeds from Disposal of Assets	523,000	523,000	295,000	<b>300,454</b>	5,454	1.85%
Self-Supporting Loan Principal	21,756	21,756	10,790	<b>10,790</b>	<b>(0)</b>	<b>(0.00%)</b>
Transfer from Reserves	6 2,352,582	2,572,582	0	0	0	
Net Cash from Financing Activities	<b>3,897,338</b>	<b>3,117,338</b>	<b>305,790</b>	<b>311,244</b>	<b>5,454</b>	<b>1.78%</b>
Total Net Operating + Capital	<b>(663,707)</b>	<b>(659,358)</b>	<b>2,048,736</b>	<b>4,914,794</b>	<b>2,866,058</b>	<b>139.89%</b>
<b>Opening Funding Restricted Grants</b>	0	0	0	0	0	
<b>Opening Funding Surplus</b>	<b>663,707</b>	<b>659,358</b>	<b>659,358</b>	<b>659,358</b>	<b>0</b>	<b>0.00%</b>
<b>Closing Funding Surplus(Deficit)</b>	<b>0</b>	<b>0</b>	<b>2,708,094</b>	<b>5,574,152</b>	<b>2,866,058</b>	<b>105.83%</b>

\*This statement is to be read in conjunction with the accompanying Financial Statements and notes.

**SHIRE OF DENMARK**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the period ending 31 March 2026**

**Note 1: EXPLANATION OF MATERIAL VARIANCES**

In line with Regulation 34(5) of the Local Government (Financial Management) Regulations 1996 and AASB 101 - Presentation of Financial Statements, Council has set a materiality threshold for the 2025/2026 financial year. Any difference between budgeted and actual figures that is 10% or more, or \$50,000 or more, must be explained in the Statement of Financial Activity.

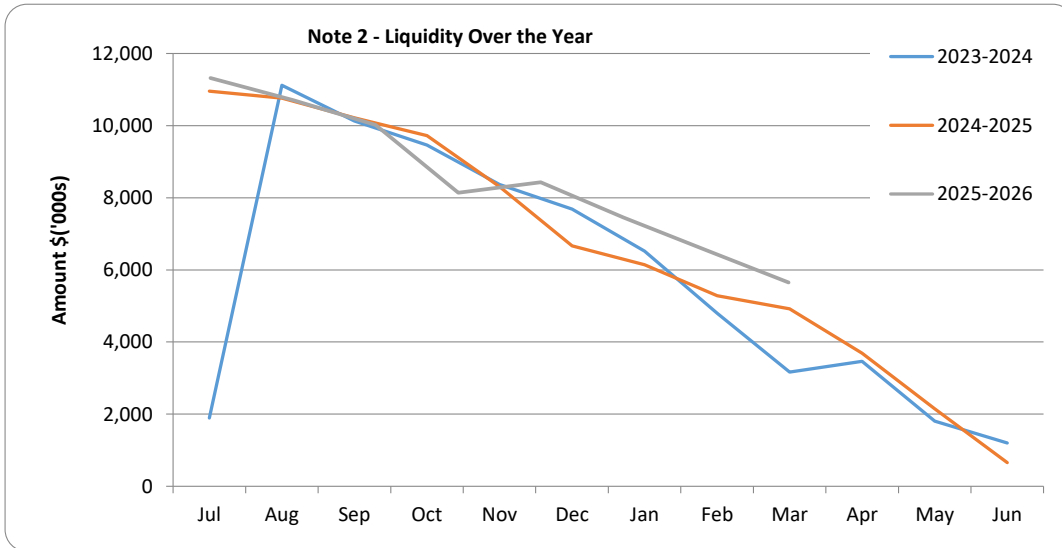
Noting that as Council adopts an annualised Budget, the Executive Manager of Corporate Services may vary the month end Budget estimates from time to time to take into consideration the variances with respect to project timing and scheduling to allow for more realistic and relevant comparisons to be made, subject to the total of the Council adopted Budget not being altered.

	Amended Annual Budget	YTD Budget	YTD Actual	Var. \$	Var. %
<b><u>Operating Revenue</u></b>					
<b>Fees and Charges</b> Year to date income is above budget, mainly due to higher than forecast revenue from the Recreation Centre gym and increased Planning Fee income. Additional favourable variances have also been supported by stronger Building Licence Fees, higher Standpipe Water Fee income, and increased revenue from Local Law enforcement activities.	4,240,972	3,935,127	4,041,588	106,461	2.71%
<b><u>Operating Expenses</u></b>					
<b>Employee Costs</b> Employee Costs tracking lower than revised budget - timing of maintenance v's capital works.	(8,829,555)	(6,413,433)	(6,315,589)	97,844	1.53%
<b>Materials and Contracts</b> The underspend is primarily driven by delayed invoicing for recycling services, along with the timing of scheduled road maintenance, which has shifted the expenditure later than anticipated.	(4,806,640)	(3,290,475)	(3,042,971)	247,504	7.52%
<b><u>Capital Expenditure</u></b>					
<b>Land and Buildings</b> This variance is primarily due to the timing of energy efficiency upgrades for Shire buildings and internal improvements for the Civic Centre.	(2,175,000)	(1,215,000)	(1,121,669)	93,331	(7.68%)
<b>Road Infrastructure</b> The variance is primarily driven by the timing of upgrade works for Mount Shadforth, Hazelvale Road, Walter Road and Redman Road, which are progressing later than budgeted.	(3,571,500)	(2,769,214)	(1,540,477)	1,228,737	(44.37%)
<b>Other Infrastructure</b> The variance is primarily due to the timing of works on the Hardy Street sewerage, drainage and remediation project, as well as the Berridge Park upgrade. These works are progressing later than originally budgeted.	(3,543,582)	(2,093,673)	(1,068,347)	1,025,326	(48.97%)
<b>Plant &amp; Equipment</b> This variance is due to lower than budgeted acquisition costs for new plant items purchased year to date.	(1,361,000)	(172,000)	(130,759)	41,241	(23.98%)

**SHIRE OF DENMARK**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the period ending 31 March 2026**

**Note 2: NET CURRENT FUNDING POSITION**

Positive=Surplus (Negative=Deficit)			
Note	This Period	Last Period	Same Period Last Year
	\$	\$	\$
<b>Current Assets</b>			
Cash Unrestricted	7,723,380	8,260,374	5,625,350
Cash Restricted	6,248,182	6,185,797	5,413,844
<b>Total Cash</b>	<b>13,971,563</b>	<b>14,446,171</b>	<b>11,039,194</b>
Receivables - Rates	730,998	1,267,180	586,481
Receivables - Other	362,199	351,593	355,644
Receivables - Sundry Debtors	126,783	116,877	212,995
Inventories	11,770	7,176	94,224
	<b>15,203,313</b>	<b>16,188,998</b>	<b>12,288,537</b>
<b>Less: Current Liabilities</b>			
Payables	(4,781,621)	(5,056,014)	(3,298,990)
Add Back Self Supporting Loan Adjustment	(10,966)	(10,966)	(10,616)
Add Back Current Leave Provisions	1,263,194	1,263,194	1,227,181
Add Back Current Principal Elements of Finance Leases	0	0	2,665
Add Back Current Loan Liability	148,414	172,836	122,358
	<b>(3,380,979)</b>	<b>(3,630,950)</b>	<b>(1,957,402)</b>
Less: Cash Reserves	(6,206,198)	(6,143,813)	(4,727,089)
Less: Other Restricted Cash (N/C Liab Receipts)	(41,985)	(41,985)	(686,755)
<b>Net Current Funding Position</b>	<b>5,574,152</b>	<b>6,372,250</b>	<b>4,917,291</b>



**Comments - Net Current Funding Position**

The Net Current Funding Position (NCFP) for March (FY25/26) is \$656,861 higher than the same period in FY24/25

**SHIRE OF DENMARK**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the period ending 31 March 2026**

**Note 3: BUDGET AMENDMENTS**

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

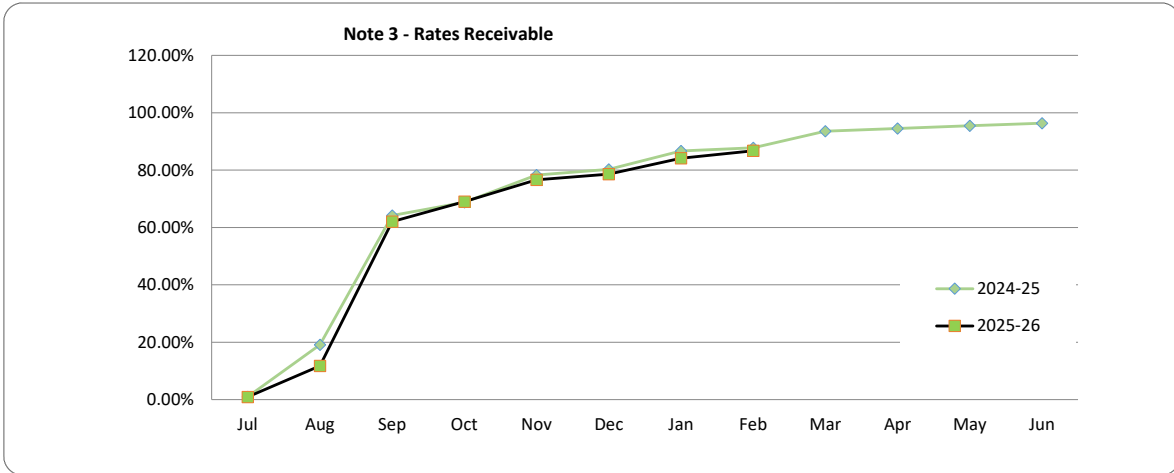
GL Account Code	Description	Council Resolution		Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Back Funded from Reserves	Current Budget Running Balance
			Classification					
	<b>Budget Adoption</b>		Closing Surplus	\$	\$	\$	\$	\$
	<b>Permanent Changes</b>							
1220174	Increase Purchase Roads Infrastructure Capital Expense - (Job 50395 - Mt Shadforth Road Upgrades)	121025	Capital Expenses	0		(326,000)		(326,000)
1228103	Increase Capital Grant Income - Roads Infrastructure Construction	121025	Capital Revenue	0	326,000			0
1220412	Increase provision for Infrastructure Concept Planning & Design Fees expense (Job 16000)	180126	Operating Expense	0		(280,000)		(280,000)
9502019	Increase Transfer from Infrastructure Reserve calculation	180126	Capital Revenue	0			280,000	0
Various	Budget Review for 2025/2026	090326		30,000	2,590,054	(2,521,554)	(68,500)	0

**SHIRE OF DENMARK**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the period ending 31 March 2026**

**Note 4: RECEIVABLES**

**Receivables - Rates Receivable**

	31 March 2026	30 June 2025
	\$	\$
Opening Arrears Previous Years	332,690	344,988
Levied this year	9,220,015	8,766,028
Less Collections to date	(8,821,706)	(8,778,326)
Equals Current Outstanding	<b>730,998</b>	<b>332,690</b>
<b>Net Rates Collectable</b>	<b>730,998</b>	<b>332,690</b>
% Collected	92.35%	96.35%

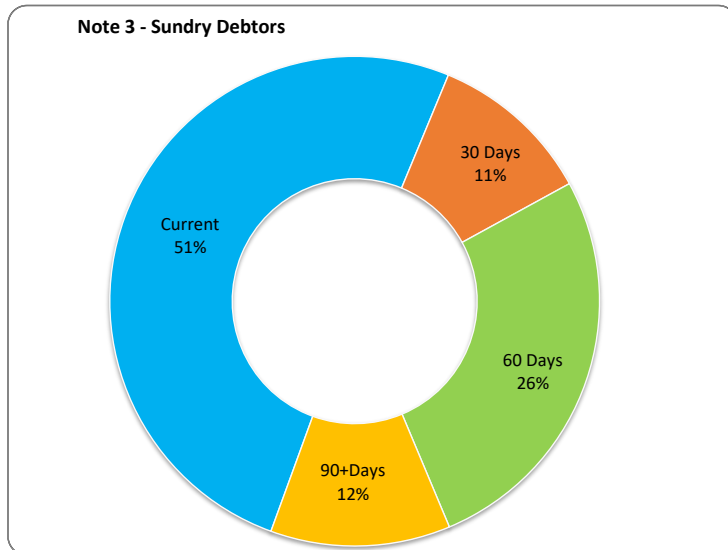


**Comments/Notes - Receivables Rates**

**Receivables - Sundry Debtors**

	Current	30 Days	60 Days	90+Days
	\$	\$	\$	\$
Sundry Debtors - General	64,276	13,662	33,788	15,057
<b>Total Receivables - Sundry Debtors</b>				<b>126,783</b>

\*Amounts shown above include GST (where applicable)



**Comments/Notes - Receivables General**

As at 31 March 2026, outstanding sundry debtors totalled \$126,783 compared to \$212,995 at the same time last year.

**SHIRE OF DENMARK**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the period ending 31 March 2026

**Note 5: CAPITAL ACQUISITIONS**

Assets		Current Annual Adopted Budget	Current Annual Amended Budget	Current YTD Budget	YTD Actual	Purchase Orders Outstanding	Total YTD Committed	Variance (Over) Under
<b>Land and Buildings</b>								
Shire Buildings - Energy Efficiency Upgrades	50214	85,000	85,000	85,000	31,690	0	31,690	53,310
Civic Centre - Internal Improvements	50216	30,000	30,000	30,000	0	0	0	30,000
Denmark Surf Club Precinct Development	52100	1,060,000	1,060,000	1,060,000	1,050,119	11,809	1,061,929	9,881
Depot Redevelopment	52502	1,000,000	100,000	40,000	39,859	0	39,859	141
<b>Total Land and Buildings</b>		<b>2,175,000</b>	<b>1,275,000</b>	<b>1,215,000</b>	<b>1,121,669</b>	<b>11,809</b>	<b>1,133,478</b>	<b>93,331</b>
<b>Plant and Equipment</b>								
Plant Replacement - Governance & Administration	1421254	70,000	70,000	70,000	52,614	0	52,614	17,386
Plant - Bushfire Command Vehicle	1511054	90,000	90,000	0	0	0	0	0
Plant - Rangers Vehicle	1531054	80,000	80,000	0	0	43,000	43,000	0
Purchase Plant - BFB	1541054	494,000	494,000	0	0	0	0	0
Purchase Plant - Recreation	1131054	37,000	37,000	37,000	19,344	14,423	33,767	17,656
Purchase of Road Plant	1231054	590,000	590,000	65,000	58,801	139,983	198,784	6,199
<b>Total Plant and Equipment</b>		<b>1,361,000</b>	<b>1,361,000</b>	<b>172,000</b>	<b>130,759</b>	<b>197,406</b>	<b>328,165</b>	<b>41,241</b>
<b>Furniture and Equipment</b>								
Install Equipment - Various Fire Sheds & Upgrade Fire Danger Rating Signs	1541104	95,000	95,000	65,000	64,081	0	64,081	919
Purchase Gym Equipment - Recreation Centre	1161104	15,000	15,000	5,000	5,500	0	5,500	(500)
<b>Total Furniture and Equipment</b>		<b>110,000</b>	<b>110,000</b>	<b>70,000</b>	<b>69,581</b>	<b>0</b>	<b>69,581</b>	<b>419</b>
<b>Roads Infrastructure</b>								
Drainage Renewal Works	50030	100,000	100,000	71,976	36,024	5,628	41,653	35,952
Drainage Upgrade Works - Flood Mitigation	50802	57,500	57,500	57,500	25,157	0	25,157	32,343
Council Construction - CBD Carparks Upgrades	50080	30,000	30,000	0	0	20,016	20,016	0
Bike Trail Construction - Turner Road	54000	210,000	250,000	88,200	17,437	0	17,437	70,763
MRWA Project - Walter Road (SLK 0.10 - 2.15)	50384	335,000	335,000	334,995	214,099	0	214,099	120,896
MRWA Project - Hazelvale Road (SLK 0.00 - 3.63)	50385	369,000	369,000	368,995	12,115	165,231	177,346	356,880
MRWA Project - Ocean Beach Road - Design, Geotech & Survey Only	50386	90,000	90,000	25,000	23,515	67,757	91,272	1,485
MRWA Project - Turner Road - Design, Geotech & Survey Only	50387	90,000	90,000	90,000	50,058	59,459	109,516	39,942
MRWA Project - Walter Road - Design, Geotech & Survey Only	50388	90,000	90,000	90,000	39,784	43,250	83,034	50,216
MRWA Project - Hollings Road - Design, Geotech & Survey Only	50389	60,000	60,000	0	24,420	58,161	82,581	(24,420)
MRWA Project - Mount Shadforth Road (SLK 0.50 - 0.80)	50395	690,000	1,016,000	690,000	305,424	667,012	972,437	384,576
Comm Route - Glenrowan Road (SLK 0.01 - 2.46)	50330	288,000	288,000	120,958	235,246	4,120	239,366	(114,288)
Comm Route - Kernutts Road (SLK 1.85 - 2.85)	50331	469,000	469,000	468,996	389,935	15,524	405,460	79,061
Comm Route - Redman Road (SLK 2.50 - 4.79)	50332	263,000	263,000	262,994	141,721	0	141,721	121,273
SLRIP - Timber Bridge Replacement	50519	300,000	0	0	0	0	0	0
Pathway - Pedestrian Bridge Renewal	51005	50,000	50,000	50,000	2,131	0	2,131	47,869
Footpath Renewal Works	50020	80,000	80,000	49,600	23,410	0	23,410	26,190
<b>Total Roads Infrastructure</b>		<b>3,571,500</b>	<b>3,637,500</b>	<b>2,769,214</b>	<b>1,540,477</b>	<b>1,106,159</b>	<b>2,646,636</b>	<b>1,228,737</b>
<b>Other Infrastructure</b>								
Hardy Street Sewerage, Drainage & Remediation Works	1076154	1,071,582	1,071,582	642,948	22,836	0	22,836	620,112
Parks Infrastructure Upgrade - Berridge Park	52190	1,500,000	1,500,000	528,750	209,992	1,142,130	1,352,122	318,758
Denmark Surf Club Precinct Development - Public Realm	52150	680,000	680,000	680,000	740,147	0	740,147	(60,147)
Install BBQ Facilities at Rivermouth	52160	42,000	42,000	42,000	28,453	4,973	33,426	13,547
Hopson Park Upgrades	52185	65,000	30,000	14,975	0	14,000	14,000	14,975
Recreation Facility Fencing & Delineation Upgrades	52180	30,000	30,000	30,000	617	7,273	7,890	29,383
Peaceful Bay Outdoor Gym Equipment	52195	34,000	34,000	34,000	0	32,339	32,339	34,000
Upgrade Community Infrastructure - EV's (Project 1)	50132	16,000	16,000	16,000	5,190	0	5,190	10,810
Upgrade Community Infrastructure - EV's (Project 2)	50135	105,000	105,000	105,000	61,111	19,067	80,178	24,822
<b>Total Other Infrastructure</b>		<b>3,543,582</b>	<b>3,508,582</b>	<b>2,093,673</b>	<b>1,068,347</b>	<b>1,219,781</b>	<b>2,288,128</b>	<b>1,006,259</b>
<b>Summary of Capital Acquisitions</b>								
<b>Land and Buildings</b>		<b>2,175,000</b>	<b>1,275,000</b>	<b>1,215,000</b>	<b>1,121,669</b>	<b>11,809</b>	<b>1,133,478</b>	<b>93,331</b>
<b>Plant and Equipment</b>		<b>1,361,000</b>	<b>1,361,000</b>	<b>172,000</b>	<b>130,759</b>	<b>197,406</b>	<b>328,165</b>	<b>41,241</b>
<b>Furniture and Equipment</b>		<b>110,000</b>	<b>110,000</b>	<b>70,000</b>	<b>69,581</b>	<b>0</b>	<b>69,581</b>	<b>419</b>
<b>Roads Infrastructure (including Bridges)</b>		<b>3,571,500</b>	<b>3,637,500</b>	<b>2,769,214</b>	<b>1,540,477</b>	<b>1,106,159</b>	<b>2,646,636</b>	<b>1,228,737</b>
<b>Other Infrastructure</b>		<b>3,543,582</b>	<b>3,508,582</b>	<b>2,093,673</b>	<b>1,068,347</b>	<b>1,219,781</b>	<b>2,288,128</b>	<b>1,006,259</b>
<b>Capital Expenditure Total</b>		<b>10,761,082</b>	<b>9,892,082</b>	<b>6,319,887</b>	<b>3,930,833</b>	<b>2,535,155</b>	<b>6,465,988</b>	<b>2,369,987</b>
						% Completed		
						36.53%	Actual	60.09%
							Committed	

**Comments/Notes - Capital Expenditure**

\$3,930,833 of capital expenditure has been incurred to the end of March 2026. This represents 36.53% of the annual amended budgeted capital works. Total YTD committed expenditure of \$6,465,988 has been incurred, which represents 60.09% of the total annual capital expenditure budget.

SHIRE OF DENMARK  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the period ending 31 March 2026

**Note 6: RESERVES**

Name	Adopted Budget Opening Balance	Actual Opening Balance	Adopted Budget Interest Earned	Amended Budget Interest Earned	Actual Interest Earned	Adopted Budget Transfers In (+)	Amended Budget Transfers In (+)	Actual Transfers In (+)	Adopted Budget Transfers Out (-)	Amended Budget Transfers Out (-)	Actual Transfers Out (-)	Transfer out Reference	Adopted Budget Closing Balance	Amended Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$	\$
Lime Quarry Rehabilitation Reserve	324,865	324,865	13,319	14,388	6,841	0	0	0	0	0	0		338,184	339,253	331,706
Parry Inlet Reserve	213,516	213,516	8,754	9,457	4,496	10,000	10,000	0	0	0	0		232,270	232,973	218,012
Employee Leave Entitlements Reserve	488,500	488,500	20,028	21,635	10,287	0	0	0	(20,000)	(20,000)	0		488,528	490,135	498,787
Infrastructure Reserve	2,310,929	2,310,929	94,748	102,352	48,664	514,308	782,808	0	(1,788,582)	(2,008,582)	0		1,131,403	1,187,507	2,359,593
Plant Replacement Reserve	570,563	570,563	23,393	25,270	12,015	400,000	400,000	0	(469,000)	(469,000)	0		524,956	526,833	582,578
Waste Services Reserve	1,156,656	1,156,656	47,423	51,229	24,357	170,000	170,000	0	0	0	0		1,374,079	1,377,885	1,181,013
Aquatic Facility Development Reserve	125,365	125,365	5,140	5,553	2,640	10,000	10,000	0	0	0	0		140,505	140,918	128,005
Peaceful Bay Reserve	377,643	377,643	15,483	16,726	7,953	35,000	35,000	0	0	0	0		428,126	429,369	385,596
Rivermouth Caravan Park Reserve	137,140	137,140	5,623	6,074	2,888	0	0	0	0	0	0		142,763	143,214	140,028
Peaceful Bay Caravan Park Reserve	93,738	93,738	3,843	4,151	1,974	0	0	0	0	0	0		97,581	97,889	95,712
Recreation Centre Reserve	36,303	36,303	1,488	1,607	764	50,000	50,000	0	(15,000)	(15,000)	0		72,791	72,910	37,067
Strategic Reserve	135,753	135,753	5,566	6,013	2,859	5,000	5,000	0	0	0	0		146,319	146,766	138,612
ICT Reserve	64,338	64,338	2,638	2,850	1,355	15,000	15,000	0	(60,000)	(60,000)	0		21,976	22,188	65,693
Legal Contingency Reserve	42,892	42,892	1,759	1,900	903	10,000	10,000	0	0	0	0		54,651	54,792	43,796
	<b>6,078,201</b>	<b>6,078,201</b>	<b>249,205</b>	<b>269,205</b>	<b>127,996</b>	<b>1,219,308</b>	<b>1,487,808</b>	<b>0</b>	<b>(2,352,582)</b>	<b>(2,572,582)</b>	<b>0</b>		<b>5,194,132</b>	<b>5,262,632</b>	<b>6,206,198</b>

**Comments/Notes - Reserves**

The movement in cash backed reserve funds represents interest earned on reserve funds and transfers to and from reserves as adopted in the budget. The more significant transfers are normally performed towards the end of the financial year to coincide with the completion of the capital works program to which most transfers relate.

SHIRE OF DENMARK  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the period ending 31 March 2026

**Note 7: INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-25	New Loans (Adopted Budget)	New Loans (Amended Budget)	New Loans (YTD Actual)	Principal Repayments			Principal Outstanding		Interest Repayments			Interest Rate	Maturity Date
					YTD Actual	YTD Budget	Adopted Budget	YTD Actual	Adopted Budget	YTD Actual	YTD Budget	Adopted Budget		
					\$	\$	\$	\$	\$	\$	\$	\$		
142 Lionsville	212,351				20,531	20,531	41,768	191,820	170,583	6,133	6,133	15,064	6.88%	12-Nov-29
147 Recreation - Football Clubrooms	84,818				7,336	7,336	14,906	77,482	69,912	3,028	3,028	5,790	6.37%	30-Jun-30
152 Purchase Reserve 27101	181,236				12,756	12,756	25,897	168,480	155,339	6,150	6,150	11,865	6.04%	30-Jun-31
157 Riverside Club S/Supporting	282,930				10,790	10,790	21,756	272,140	261,174	4,306	4,306	10,896	3.80%	12-May-36
159 Riverside Club Stage 1	318,408				23,424	23,424	23,424	294,984	294,984	6,984	6,984	11,565	3.11%	13-Aug-36
158 Purchase Lot 228, Reserve 18587	55,122				27,376	27,376	55,122	27,746	0	800	800	1,255	2.70%	01-Jun-26
160 Purchase Waste Services Truck	267,200				42,117	42,117	85,173	225,083	182,027	6,894	6,894	12,688	4.45%	30-Jun-28
161 Energy Efficiency Upgrades	387,724				37,644	37,643	50,469	350,080	337,255	13,733	13,742	18,822	4.40%	31-Mar-32
162 Surf Club Precinct Redevelopment	563,670				34,799	34,799	46,674	528,871	516,996	21,524	21,542	29,484	4.72%	31-Mar-35
163 - Depot Upgrade		1,000,000	0	0	0	0	37,723	0	962,277	0	0	26,068	Not applicable	Not applicable
	2,353,458	1,000,000	0	0	216,772	216,772	402,910	2,136,686	2,950,546	69,552	69,579	143,497		

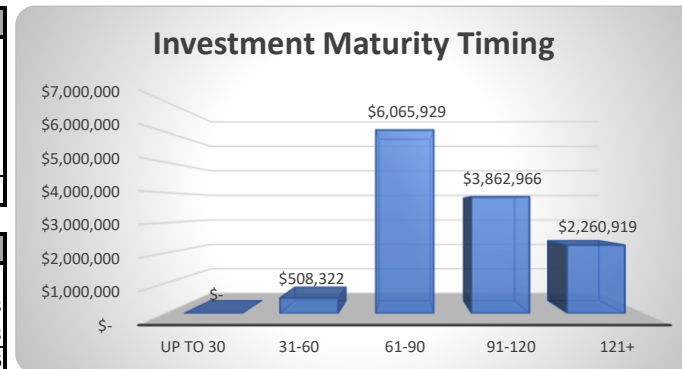
**SHIRE OF DENMARK  
INVESTMENT REGISTER  
For the period ending 31 March 2026**

INVESTMENT REGISTER									
INVESTMENT NO.	TYPE	ACC NO.	DATE INVESTED	MATURITY DATE	FUND	AMOUNT INVESTED	INTEREST RATE	DAYS INVESTED	INSTITUTION
3R	TD	74-949-5332	26-Sep-25	26-May-26	Restricted	\$ 1,503,234	4.25%	242	NAB
4R	TD	4906930	26-Mar-26	30-Jun-26	Restricted	\$ 1,137,256	4.80%	96	BENDIGO
5R	TD	38218207.161	02-Mar-26	04-May-26	Restricted	\$ 1,735,532	4.35%	63	CBA
6R	TD	30-866-6423	27-Jan-26	28-Apr-26	Restricted	\$ 815,723	4.20%	91	NAB
7R	TD	90-089-3246	26-Sep-25	26-May-26	Restricted	\$ 757,685	4.25%	242	NAB
8R	TD	38218207.162	02-Mar-26	04-May-26	Restricted	\$ 256,768	4.35%	63	CBA
9M	TD	38218207.163	03-Mar-26	04-May-26	Unrestricted	\$ 1,020,496	4.35%	62	CBA
10M	TD	95-800-5125	17-Feb-26	18-May-26	Unrestricted	\$ 503,134	4.40%	90	NAB
11M	TD	5247418	18-Mar-26	18-Jun-26	Unrestricted	\$ 509,986	4.60%	92	BENDIGO
12M	TD	38218207.164	27-Jan-26	27-Apr-26	Unrestricted	\$ 750,000	4.28%	90	CBA
14M	TD	70-120-7581	06-Jan-26	07-Apr-26	Unrestricted	\$ 1,000,000	4.15%	91	NAB
15M	TD	5256645	27-Feb-26	28-Apr-26	Unrestricted	\$ 508,322	3.95%	60	BENDIGO
16M	TD	38218208.165	31-Mar-26	30-Jun-26	Unrestricted	\$ 400,000	4.85%	91	NAB
17M	TD	38218207.166	17-Feb-26	20-Apr-26	Unrestricted	\$ 1,800,000	4.32%	62	CBA
<b>TOTAL FUNDS INVESTED</b>						<b>\$ 12,698,136</b>			

PORTFOLIO ANALYSIS					INTEREST EARNED				
Institution	Amount	No.	%	S&P STR @ May 2022	Policy - S&P STR Institution Investment Max %	Month Actual	Month Actual	YTD Actual	YTD Budget
NAB	\$ 4,979,776	6	39.22%	A-1+	50%	Interest on Investments	86,984	328,938	317,664
CBA	\$ 5,562,795	5	43.81%	A-1+	50%	Accrued Interest	95,100		
Bendigo Bank	\$ 2,155,564	3	16.98%	A-2	25%				
<b>Total Funds Invested</b>	<b>\$ 12,698,136</b>	<b>14</b>	<b>100.00%</b>			<b>Total Interest Earned</b>	<b>182,085</b>	<b>328,938</b>	<b>317,664</b>

	Amount
Opening Balance for Month	12,720,340
Add: Funds Invested	-
Less: Funds Redeemed	109,188
Add: Interest Earned on Investments for Month	86,984
<b>Closing Balance for the Month</b>	<b>12,698,136</b>

BREAKDOWN OF INVESTED FUNDS	
	Amount
Municipal	6,491,938
Reserves	6,206,198
<b>Total Funds Invested</b>	<b>12,698,136</b>



**SHIRE OF DENMARK**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the period ending 31 March 2026

**SUMMARY: CASH AND INVESTMENTS**

	Interest Rate	Unrestricted \$	Restricted \$	Trust \$	Total Amount \$	Institution	Maturity Date
<b>(a) Cash Deposits</b>							
Municipal Bank Account	Variable	1,266,536			1,266,536	NAB	At Call
Trust Bank Account	0.00%			55,850	55,850	NAB	At Call
Other Cash On Hand	Nil	2,520			2,520	N/A	On Hand
Other Cash - Bond	Nil	4,372			4,372	N/A	On Hand
<b>Sub Total Cash Deposits</b>		<b>1,273,428</b>	<b>0</b>	<b>55,850</b>	<b>1,329,278</b>		
<b>(b) Term Deposits</b>							
3R	4.25%		1,503,234		1,503,234	NAB	26-May-26
4R	4.80%		1,137,256		1,137,256	BENDIGO	30-Jun-26
5R	4.35%		1,735,532		1,735,532	CBA	04-May-26
6R	4.20%		815,723		815,723	NAB	28-Apr-26
7R	4.25%		757,685		757,685	NAB	26-May-26
8R	4.35%		256,768		256,768	CBA	04-May-26
9M	4.35%	1,020,496			1,020,496	CBA	04-May-26
10M	4.40%	503,134			503,134	NAB	18-May-26
11M	4.60%	509,986			509,986	BENDIGO	18-Jun-26
12M	4.28%	750,000			750,000	CBA	27-Apr-26
14M	4.15%	1,000,000			1,000,000	NAB	07-Apr-26
15M	3.95%	508,322			508,322	BENDIGO	28-Apr-26
16M	4.85%	400,000			400,000	NAB	30-Jun-26
17M	4.32%	1,800,000			1,800,000	CBA	20-Apr-26
<b>Sub Total Term Deposits</b>		<b>6,491,938</b>	<b>6,206,198</b>	<b>0</b>	<b>12,698,136</b>		
<b>Total Cash &amp; Investments</b>		<b>7,765,365</b>	<b>6,206,198</b>	<b>55,850</b>	<b>14,027,413</b>		

**NAB** National Australia Bank  
**CBA** Commonwealth Bank of Australia  
**BENDIGO** Bendigo Bank

**9.3 GOVERNANCE**

**9.3.1 SPORTS SURFACE REPLACEMENT**

<b>File Ref:</b>	A3088, LEA.5, ORG.124 A5601, A3069, LEA.36, ORG.78
<b>Applicant / Proponent:</b>	Denmark Country Club (Tennis) Denmark Riverside Club
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	12 February 2025
<b>Author:</b>	David King, Chief Executive Officer
<b>Authorising Officer:</b>	David King, Chief Executive Officer
<b>Attachments:</b>	9.3.1a – Property Management Policy 9.3.1b – Denmark Country Club Correspondence

**IN BRIEF**

- The Shire of Denmark Property Management Policy, adopted in August 2024, identifies that clubs should fund the replacement of specialist surfaces. This relates to the Tennis Courts at the Denmark Country Club and the bowling greens at the Riverside Club.
- This report recommends providing financial support above the Policy due to extenuating circumstances.

**VOTING REQUIREMENTS**

1. Simple majority.

<b>COUNCIL RESOLUTION</b>	ITEM 9.3.1
MOVED: CR LEWIS	SECONDED: CR PHILLIPS
That Council:	
<ol style="list-style-type: none"> <li>1. SUPPORT the Denmark Country Club and Denmark Riverside Club applications to the Department of Local Government, Sport and Cultural Industries’ Community Sporting and Recreation Facilities Fund and agree in principle to provide 1/6th of funding through a self-supporting loan to assist their asset renewal projects; and</li> <li>2. DETERMINE that no Council Policy changes are required and encourage the clubs to adjust their sinking fund schemes to align with State and Council Policy changes.</li> </ol>	
LOST: 7/2	Res: 050225
TOTAL VOTES FOR: 2 Cr Lewis and Cr Phillips.	
TOTAL VOTES AGAINST: 7 Cr Campbell, Cr Wiggins, Cr Youel, Cr Gibson, Cr Devenport, Cr Ormsby and Cr Carman.	

<b>COUNCIL RESOLUTION &amp; OFFICER RECOMMENDATION</b>	ITEM 9.3.1
MOVED: CR ORMSBY	SECONDED: CR YOUEL
That Council:	
<ol style="list-style-type: none"> <li>1. SUPPORT the Denmark Country Club and Denmark Riverside Club applications to the Department of Local Government, Sport and Cultural Industries’ Community Sporting and Recreation Facilities Fund and agree in principle to provide 1/6<sup>th</sup> of funding as a financial contribution to their asset renewal projects; and</li> <li>2. DETERMINE that no Council Policy changes are required and encourage the clubs to adjust their sinking fund schemes to align with State and Council Policy changes.</li> </ol>	
CARRIED: 9/0	Res: 060225
TOTAL VOTES FOR: 9	
Cr Campbell, Cr Wiggins, Cr Youel, Cr Gibson, Cr Devenport, Cr Ormsby, Cr Carman, Cr Lewis and Cr Phillips.	
TOTAL VOTES AGAINST: 0	

**LOCATION**

2. Not applicable.

**BACKGROUND**

3. The Denmark Country Club and the Denmark Riverside Club have specialised sports surfaces within their lease agreements, specifically the tennis courts and bowling greens. These types of surfaces typically have a lifespan of 10-15 years. The tennis courts were last replaced approximately 17 years ago, and the bowling greens around 13 years ago. These surfaces have reached the end of their useful life and require replacement.
4. Historically, the funding structure for replacing these surfaces was divided equally among three parties: the club, the State (through the Department of Sport and Recreation), and the Local Government. This funding model was typical across local governments at the time of the last replacement.

**DISCUSSION / OFFICER COMMENTS**

**State Government Funding Changes**

5. The State government recently changed their guidelines on funding sports surface replacement.
6. The State Government’s Community Sport and Recreation Facilities Fund (CSRFF) has established funding guidelines requiring the creation of sinking funds to ensure the future replacement of assets, such as synthetic sporting surfaces. These guidelines mandate that applicants can demonstrate that they have set aside revenue annually, calculated based on the expected cost of replacement (including inflation) divided by the asset’s expected lifespan. For instance, a club may allocate \$15,000 annually over ten years to replace a \$150,000 synthetic surface.

7. Funding applicants must demonstrate their ability to maintain facilities by developing a sinking fund for asset replacement.
8. This guideline represents a significant shift from previous practices, where full replacement funding was not required. Additionally, the new policy stipulates that resurfacing projects, mainly those previously funded through CSRFF, are now considered low priority and may receive reduced funding of 16.66%. This indicates a phase-out of financing for asset renewal from the State Government.

### **Shire of Denmark Policy**

9. Officers are unaware of any written policy relating to the Shire's contributions to playing surfaces. However, anecdotally, clubs have always been of the assumption that the Shire would fund 1/3<sup>rd</sup> of the costs.
10. In August 2024, Council adopted a Property Management Policy, which stipulates that community groups are responsible for replacing sports surfaces. This policy change impacts clubs with existing surfaces.

### **Tennis Courts – Denmark Country Club**

11. The Denmark Country Club Tennis Section Management Committee (Denmark Tennis Club) seeks financial support from the Shire to resurface its eight synthetic grass tennis courts, now 17 years old and beyond their guaranteed lifespan. The club's current financial structure makes it challenging to fund the resurfacing without external support. The total cost for the project is estimated at \$314,600, including disposal fees. The club has raised over \$200,000 through various means but requires additional funding. They seek contributions from the Shire of Denmark and CSRFF, each asked to contribute 1/6 of the total cost.
12. The club emphasises the tennis courts' importance as a valuable community asset, contributing to the Shire's Strategic Community Plan objectives and serving a wide range of community members and visitors. Without the necessary funding, the club will be unable to proceed with the resurfacing project, potentially leading to the facility's closure.
13. The club requests that the Shire reconsider its position on financial support, allocate funding in the 2025/26 budget, and ensure the inclusion of suitable tennis courts in the upcoming Sports and Recreational Masterplan. Additionally, they seek a written commitment to support their grant application for the upcoming CSRFF round.

### **Bowling Greens – Riverside Club**

14. The Denmark Riverside Club has two bowling greens. 'A' green and 'B' green. The Riverside Club recently engaged Berry Sports Surfaces to resurface 'A' Green at the contracted price of \$218,000. It is estimated that the cost of resurfacing 'B' Green will be \$225,000 based on recent quotes from two suppliers. Resurfacing 'B' Green is required within the next 12 to 18 months, as ridges have started to develop on warmer days, and referencing experiences with 'A' Green, this issue will likely rapidly worsen.
15. Riverside Club has replenished their reserve fund to \$90,000 after paying for 'A' Green. However, this amount cannot be fully allocated to resurfacing 'B' Green due to other commitments. Nevertheless, this reserve allows them to meet the 1/3 contribution

required by CSRFF grants. They are well advanced in preparing a CSRFF small grants application, seeking \$75,000 from CSRFF and requesting that the Council contribute a similar amount.

16. As noted, the Department of Sport and Recreation has advised that while guidance indicates they will contribute 1/3 towards greens resurfacing where they didn't contribute to the initial installation, these grants are a low priority and may be capped at a 1/6 contribution. Therefore, the Riverside Club must plan for a contingency to find an additional \$37,500. Based on this, they request that the Council commit to providing a 1/3 contribution of \$75,000 in their CSRFF application.
17. Riverside Club representatives ask for special consideration on the grounds that the Club has been following guidelines that were in place for 13 of the 15 years of the greens' life and cannot be expected to meet the extra funding required by the Council's recent policy change.

### **CSRFF Applications**

18. Both the Denmark Country Club and the Denmark Riverside Club intend to apply for CSRFF funding in the next round. The funding round closes in March 2025, and the clubs have requested written support from the Shire of Denmark in contributing to the project costs. This is vital to the success of any application.

### **Self-Supporting Loans**

19. Self-supporting loans have been considered as an alternative to direct contributions to address funding shortfalls for clubs. However, offering a self-supporting loan may reduce the amount clubs can contribute to their sinking funds, which are essential for long-term maintenance, renewal and unforeseen expenses.
20. This reduction could jeopardise future financial stability. Additionally, the need to repay these loans could create a future financial burden for the clubs, potentially leading to a cycle of debt where current issues are continuously deferred without resolving the underlying financial instability.
21. If this option is preferred, the terms of the loan, including interest rates and repayment schedules, require careful consideration, as unfavorable terms could exacerbate financial strain rather than alleviate it.
22. While self-supporting loans offer a viable short-term solution, they come with significant long-term implications, and therefore, officers do not recommend this option.

### **Discussion**

23. The recent changes in State Government policy and the Shire of Denmark's Property Management Policy have significantly impacted the funding structure for sports surface replacements. These changes were implemented towards the end of the asset life for the Denmark Country Club's tennis courts and the Riverside Club's bowling greens, making it unreasonable to expect the clubs to financially adjust to the new policies within such a short timeframe. Historically, the funding for the replacement of these surfaces was divided equally among the Club, the State, and the Local Government. The new policies now require clubs to create sinking funds for future replacements, which was not a requirement at the time of the last replacements.

24. Both clubs have reached the end of the useful life of their sports surfaces and require immediate replacement to continue their operations. The Denmark Country Club has raised over \$200,000 but still requires additional funding to cover the total project cost of \$314,600. The Riverside Club has recently replaced 'A' Green at 100% of their own cost and needs support for the resurfacing of 'B' Green, estimated at \$225,000. To ensure fairness across both clubs, it is recommended to support a 1/6th funding contribution for the surface replacements. This approach acknowledges the clubs' efforts and the historical funding structure while adapting to the new policy requirements.
25. For the Denmark Country Club, it is recommended that the Shire support 1/6th of the total cost for resurfacing the tennis courts. For the Riverside Club, given their recent expenditure on 'A' Green, it is recommended that the Shire support 1/6th of the overall replacement costs for both greens, as detailed in the financial section of the report.
26. Officers are not aware of any other impacts this recommendation may have on other surfaces, as the Shire does not own any other assets falling into this category. By considering these extenuating circumstances, Council can provide necessary support to both clubs, ensuring the continued availability of valuable community assets.
27. Whilst it is recommended that Council step outside of Policy provisions in this instance, no changes to Policy are proposed. Therefore, the expectation of the policy regarding future replacement costs to be borne by the club is retained.

**CONSULTATION AND EXTERNAL ADVICE**

28. The Officer has considered the requirement for consultation and/or engagement with persons or organisations that may be unduly affected by the proposal and considered Council's Community Engagement Policy P040123 and the associated Framework and believes that no additional external/internal engagement or consultation is required.

**STATUTORY / LEGAL IMPLICATIONS**

29. Nil

**STRATEGIC / POLICY IMPLICATIONS**

**Property Management Policy**

30. Council's Property Management Policy adopted in August 2024 stipulates, under section 1.7, that community groups should be responsible for sports surface replacement.

**FINANCIAL IMPLICATIONS**

31. The following tables indicate the proposed contributions for surface replacement if the Council determine to support a 1/6 contribution.

<b>Tennis Courts</b>		
Denmark Country Club	\$210,000	66%
CSRFF	\$68,000	17%
Shire of Denmark	\$68,000	17%
<b>Total</b>	<b>\$346,000</b>	<b>100%</b>

<b>Bowling Greens</b>				
	<b>Green A</b>	<b>Green B</b>	<b>Total</b>	<b>%</b>
Riverside Club	\$218,000	\$76,167	\$294,167	66%
CSRFF	\$0	\$75,000	\$75,000	17%
Shire of Denmark	\$0	\$73,833	\$73,833	17%
<b>Total</b>	<b>\$218,000</b>	<b>\$225,000</b>	<b>\$443,000</b>	<b>100%</b>

32. The proposed contributions will not impact the 2024/25 budget, as the expenditure is anticipated in either 2025/26 or 2026/27, depending on the timing and success of the CSRFF funding.

33. Future financial commitments will be funded through asset renewal allocations outlined in the Long Term Financial Plan.

**OTHER IMPLICATIONS**

**Environmental**

34. There are no known significant environmental implications relating to the report or officer recommendation.

**Economic**

35. There are no known significant economic implications relating to the report or officer recommendation.

**Social**

36. There are no known significant social considerations relating to the report or officer recommendation.

**RISK MANAGEMENT**

37. Risk Table

<b>Risk</b>	<b>Risk based on history and with existing controls</b>			<b>Proposed Treatment/Control</b>
	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Rating</b>	
<b>Property:</b> The Shires assets fall into disrepair due to insufficient funding	Possible (3)	Major (4)	High (12)	Accept deviation from Policy in this instance. Ensure good communication on forward requirements for asset renewal.

**9.4 COMMUNITY SERVICES**

Nil