



SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT



2022-23 **ANNUAL BUDGET**

SHIRE OF MERREDIN

ANNUAL BUDGET

FOR THE YEAR ENDING 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

Merredin is the commercial and cultural heart of the eastern Wheatbelt region.
A place people are proud to call home and where visitors are always welcome.

SHIRE OF MERREDIN
STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDING 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	4,851,200	4,671,042	4,627,400
Operating grants, subsidies and contributions	10	1,026,200	4,103,417	1,935,264
Fees and charges	14	906,300	846,800	972,875
Interest earnings	11(a)	109,000	56,933	121,700
Other revenue	11(b)	252,700	341,182	317,100
		7,145,400	10,019,374	7,974,339
Expenses				
Employee costs		(3,867,020)	(3,901,302)	(3,348,584)
Materials and contracts		(3,689,090)	(3,199,082)	(3,569,835)
Utility charges		(345,960)	(293,967)	(254,950)
Depreciation on non-current assets	6	(3,607,000)	0	(3,606,900)
Interest expenses	11(d)	(52,100)	(18,439)	(25,760)
Insurance expenses		(157,770)	(205,427)	(130,207)
Other expenditure		(229,900)	(312,235)	(210,180)
		(11,948,840)	(7,930,452)	(11,146,416)
		(4,803,440)	2,088,922	(3,172,077)
Non-operating grants, subsidies and contributions	10	7,205,800	1,516,442	5,885,313
Profit on asset disposals	5(b)	157,200	169,910	16,100
Loss on asset disposals	5(b)	(231,600)	0	(36,000)
		7,131,400	1,686,352	5,865,413
Net result for the period		2,327,960	3,775,274	2,693,336
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	0
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		2,327,960	3,775,274	2,693,336

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF MERREDIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,151,200	4,546,895	4,927,400
Operating grants, subsidies and contributions		1,026,200	4,057,583	2,005,264
Fees and charges		906,300	846,800	972,875
Interest received		109,000	56,933	121,700
Goods and services tax received		0	152,479	0
Other revenue		252,700	341,182	317,100
		7,445,400	10,001,872	8,344,339
Payments				
Employee costs		(3,867,020)	(4,004,403)	(3,348,584)
Materials and contracts		(3,689,090)	(3,842,775)	(3,269,835)
Utility charges		(345,960)	(293,967)	(254,950)
Interest expenses		(52,100)	(28,019)	(25,760)
Insurance paid		(157,770)	(205,427)	(130,207)
Other expenditure		(229,900)	(312,235)	(210,180)
		(8,341,840)	(8,686,826)	(7,239,516)
Net cash provided by (used in) operating activities	4	(896,440)	1,315,046	1,104,823
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(2,252,100)	(644,951)	(3,230,900)
Payments for construction of infrastructure	5(a)	(9,136,800)	(3,051,937)	(10,201,466)
Non-operating grants, subsidies and contributions		6,205,800	2,406,877	5,885,313
Proceeds from sale of property, plant and equipment	5(b)	461,000	169,910	312,500
Proceeds on financial assets at amortised cost - self supporting loans		(33,410)	0	33,410
Net cash provided by (used in) investing activities		(4,755,510)	(1,120,100)	(7,201,143)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(147,700)	(92,241)	(92,240)
Proceeds from new borrowings	7(a)	1,300,000	0	3,039,300
Net cash provided by (used in) financing activities		1,152,300	(92,241)	2,947,060
Net increase (decrease) in cash held		(4,499,650)	102,705	(3,149,260)
Cash at beginning of year		11,138,533	10,830,776	10,846,770
Cash and cash equivalents at the end of the year	4	6,638,883	10,933,481	7,697,510

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF MERREDIN
RATE SETTING STATEMENT
FOR THE YEAR ENDING 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	3	2,254,300	3,435,700	2,744,000
		2,254,300	3,435,700	2,744,000
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	2(a)(ii)	65,700	63,201	59,709
Operating grants, subsidies and contributions	10	1,026,200	4,103,417	1,935,264
Fees and charges	14	906,300	846,800	972,875
Interest earnings	11(a)	109,000	56,933	121,700
Other revenue	11(b)	252,700	341,182	317,100
Profit on asset disposals	5(b)	157,200	0	16,100
		2,517,100	5,411,533	3,422,748
Expenditure from operating activities				
Employee costs		(3,867,020)	(3,901,302)	(3,348,584)
Materials and contracts		(3,689,090)	(3,199,082)	(3,569,835)
Utility charges		(345,960)	(293,967)	(254,950)
Depreciation on non-current assets	6	(3,607,000)	0	(3,606,900)
Interest expenses	11(d)	(52,100)	(18,439)	(25,760)
Insurance expenses		(157,770)	(205,427)	(130,207)
Other expenditure		(229,900)	(312,235)	(210,180)
Loss on asset disposals	5(b)	(231,600)	0	(36,000)
		(12,180,440)	(7,930,452)	(11,182,416)
Non-cash amounts excluded from operating activities	3(b)	3,681,400	0	3,626,800
Amount attributable to operating activities		(3,727,640)	916,781	(1,388,868)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10	7,205,800	1,516,442	5,885,313
Payments for property, plant and equipment	5(a)	(2,252,100)	(644,951)	(3,230,900)
Payments for construction of infrastructure	5(a)	(9,136,800)	(3,051,937)	(10,201,466)
Proceeds from disposal of assets	5(b)	461,000	169,910	312,500
Proceeds from financial assets at amortised cost - self supporting loans		33,410	33,409	33,410
Amount attributable to investing activities		(3,688,690)	(1,977,126)	(7,201,143)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(147,700)	(92,241)	(92,240)
Proceeds from new borrowings	7(b)	1,300,000	0	3,039,300
Transfers to cash backed reserves (restricted assets)	8(a)	(46,000)	(1,500,955)	(351,010)
Transfers from cash backed reserves (restricted assets)	8(a)	1,652,300	300,000	1,426,270
Amount attributable to financing activities		2,758,600	(1,293,196)	4,022,320
Budgeted deficiency before general rates		(4,657,730)	(2,353,541)	(4,567,691)
Estimated amount to be raised from general rates	2(a)	4,785,500	4,607,841	4,567,691
Net current assets at end of financial year - surplus/(deficit)	3	127,770	2,254,300	0

This statement is to be read in conjunction with the accompanying notes.

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SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

1 (a) BASIS OF PREPARATION

The annual budget 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.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is 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 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget 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.

Financial reporting disclosures in relation to assets and liabilities required by the Australian Accounting Standards have not been made unless considered important for the understanding of the budget or required by legislation.

The local government reporting entity

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

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 13 to the annual budget.

2021/22 actual balances

Balances shown in this budget as 2021/22 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in the budget relate to the original budget estimate for the relevant item of disclosure.

Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Initial application of accounting standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

It is not expected these standards will have an impact on the annual budget.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

It is not expected these standards will have an impact on the annual budget.

Judgements, estimates and assumptions

The preparation of the annual budget 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 that are 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.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets

Rounding off figures

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

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

1 (b) KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

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.

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. 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.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer 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 non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

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 dividends, discounts and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

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, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision and for each of its broad activities/programs.

OBJECTIVE

Governance

To provide a decision making process for the efficient allocation of resources.

General purpose funding

To collect revenue to allow for the provision of services.

Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community.

Health

To provide an operational framework for environmental and community health.

Education and welfare

To provide services to disadvantaged persons, the elderly, children and youth.

Housing

To provide and maintain elderly residents housing.

Community amenities

To provide services required by the community.

Recreation and culture

To establish and effectively manage infrastructure and resource which will help the social well-being of the community.

Transport

To provide safe, effective and efficient transport services to the community.

Economic services

To help promote the Shire and its economic well being.

Other property and services

To monitor and control council's overheads operating accounts.

ACTIVITIES

To include the activities of members of council and the administration support available to the council for the provision of governance of the district. Other costs relate to assisting elected members and ratepayers on matters which do not concern specific council services.

Rates, general purpose government grants and interest revenue.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

Inspection of food outlets and their control, provisions.

Maintenance of child-minding centre, playgroup centre, senior citizens centre and aged-care centre. Provision and maintenance of home and community care programs and youth services.

Provision and maintenance of elderly residents housing.

Rubbish collection services, operation of refuse disposal sites construction and maintenance urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public convenience.

Maintenance of public halls, civic centres, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

Tourist and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

Private works operations, plant repairs and operating cost and engineering operation costs.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) Differential general rates or general rates										
Gross rental valuations					0			0		
Gross rental value		0.11260	1,269	18,750,302	2,111,322			2,111,322	1,997,728	1,956,328
Unimproved valuations					0			0		
UV 1 Rural		0.01752	319	113,415,500	1,987,380			1,987,380	1,905,254	1,902,198
UV 2 Urban Rural		0.03328	407	3,825,000	127,277			127,277	117,666	119,874
UV 3 Mining		0.03220	426	159,795	5,146			5,146	5,319	5,318
UV 4 Power Generation		0.03220	439	5,116,500	164,762			164,762	157,636	157,620
UV 5 Airstrips		0.03220	442	219,000	7,052			7,052	6,288	6,288
Sub-Total			3,302	141,486,097	4,402,939	0	0	4,402,939	4,189,891	4,147,626
Minimum payment		\$								
Gross rental valuations					0			0		
Gross rental value		910	217	661,052	197,470			197,470	227,500	230,230
Unimproved valuations					0			0		
UV 1 Rural		1,130	123	3,367,300	138,990			138,990	141,250	141,250
UV 2 Urban Rural		1,130	35	595,650	39,550			39,550	42,940	42,940
UV 3 Mining		200	16	35,616	3,200			3,200	2,870	2,255
UV 4 Power Generation		1,130	3	20,500	3,390			3,390	3,390	3,390
UV 5 Airstrips		1,130	0	0	0			0	0	0
Sub-Total			394	4,680,118	382,600	0	0	382,600	417,950	420,065
Total amount raised from general rates			3,696	146,166,215	4,785,539	0	0	4,785,500	4,607,841	4,567,691
(ii) Specified area and ex-gratia rates										
Ex gratia rates										
Ex Gratia Rates					65,700			65,700	63,201	59,709
Total specified area and ex gratia rates								65,700	63,201	59,709
Total rates								4,851,200	4,671,042	4,627,400

All land (other than exempt land) in the Shire of Merredin is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Merredin.

The general rates detailed for the 2022/23 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

2. RATES AND SERVICE CHARGES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	23/09/2022			6.0%
First instalment				
Second instalment				
Option three				
First instalment	23/09/2022	13	5.5%	6.0%
Second instalment	25/11/2022	13	5.5%	6.0%
Third instalment	27/01/2022	13	5.5%	6.0%
Fourth instalment	31/03/2022	13	5.5%	6.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	18,000	16,796	22,000
Instalment plan interest earned	17,000	17,647	21,000
Unpaid rates and service charge interest earned	36,000	39,286	35,700
	<u>71,000</u>	<u>73,729</u>	<u>78,700</u>

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2023.

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2023.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

3. NET CURRENT ASSETS

		2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
	Note	\$	\$	\$
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents - unrestricted	4	584,774	2,478,124	1,368,980
Cash and cash equivalents - restricted	4	6,054,109	8,660,409	6,322,310
Financial assets - unrestricted		33,410	0	35,080
Receivables		640,498	907,069	402,815
Inventories		32,541	32,560	511,269
		<u>7,345,332</u>	<u>12,078,162</u>	<u>8,640,454</u>
Less: current liabilities				
Trade and other payables		(611,033)	(611,033)	(1,811,643)
Unspent non-operating grants, subsidies and contributions liability		(646,625)	(1,646,625)	(563,284)
Long term borrowings	7	(147,700)	0	(96,480)
Employee provisions		(552,420)	(552,420)	(506,501)
		<u>(1,957,778)</u>	<u>(2,810,078)</u>	<u>(2,977,908)</u>
Net current assets		5,387,554	9,268,084	5,662,546
Less: Total adjustments to net current assets	3.(c)	(5,259,784)	(7,013,784)	(5,662,546)
Net current assets used in the Rate Setting Statement		<u>127,770</u>	<u>2,254,300</u>	<u>0</u>

3. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995*, the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(b) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

		2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
	Note	\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	5(b)	(157,200)	(169,910)	(16,100)
Add: Loss on disposal of assets	5(b)	231,600	0	36,000
Add: Depreciation on assets	6	3,607,000	0	3,606,900
Non cash amounts excluded from operating activities		<u>3,681,400</u>	<u>(169,910)</u>	<u>3,626,800</u>

(c) 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 Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Cash - restricted reserves	8	(5,407,484)	(7,013,784)	(5,759,026)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		147,700	0	96,480
Total adjustments to net current assets		<u>(5,259,784)</u>	<u>(7,013,784)</u>	<u>(5,662,546)</u>

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

3 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of Merredin becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

INVENTORIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Superannuation

The Shire of Merredin contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Merredin contributes are defined contribution plans.

LAND HELD FOR RESALE

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

PROVISIONS

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

CONTRACT LIABILITIES

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

SHIRE OF MERREDIN
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4. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents and net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	Note	2022/23 Budget	2021/22 Actual	2021/22 Budget
Cash at bank and on hand		\$ 1,231,399	\$ 4,124,749	\$ 1,614,537
Term deposits		5,407,484	7,013,784	6,076,753
Total cash and cash equivalents		6,638,883	11,138,533	7,691,290
Held as				
- Unrestricted cash and cash equivalents	3(a)	584,774	2,478,124	1,368,980
- Restricted cash and cash equivalents	3(a)	6,054,109	8,660,409	6,322,310
		6,638,883	11,138,533	7,691,290
Restrictions				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		6,054,109	8,660,409	6,322,310
		6,054,109	8,660,409	6,322,310
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Financially backed reserves	8	5,407,484	7,013,784	5,759,026
Unspent non-operating grants, subsidies and contribution liabilities		646,625	1,646,625	563,284
		6,054,109	8,660,409	6,322,310
Reconciliation of net cash provided by operating activities to net result				
Net result		2,327,960	3,775,274	2,693,336
Depreciation	6	3,607,000	0	3,606,900
(Profit)/loss on sale of asset	5(b)	74,400	(169,910)	19,900
Share of profit or (loss) of associates accounted for using the equity method		0	0	0
(Increase)/decrease in receivables		300,000	(17,502)	370,000
(Increase)/decrease in inventories		0	(21,950)	
Increase/(decrease) in payables		0	(734,424)	300,000
Increase/(decrease) in contract liabilities		0	0	(150,000)
Increase/(decrease) in unspent non-operating grants		(1,000,000)	890,435	
Non-operating grants, subsidies and contributions		(6,205,800)	(2,406,877)	(5,735,313)
Net cash from operating activities		(896,440)	1,315,046	1,104,823

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
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5. FIXED ASSETS

(a) Acquisition of Assets

The following assets are budgeted to be acquired during the year.

Asset class	Reporting program											2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Property, Plant and Equipment</u>														
Land - freehold land											12,500	12,500		
Buildings - non-specialised						54,000						54,000	345	
Buildings - specialised					15,000		10,000	474,600				499,600	69,317	787,000
Furniture and equipment								15,000				15,000		927,500
Plant and equipment								14,000	1,657,000			1,671,000	575,289	1,516,400
	0	0	0	0	15,000	54,000	10,000	503,600	1,657,000	0	12,500	2,252,100	644,951	3,230,900
<u>Infrastructure</u>														
Infrastructure - roads									3,304,900			3,304,900	1,918,011	3,864,166
Infrastructure - footpaths									50,000			50,000	109,568	200,000
Infrastructure - drainage									20,000			20,000	0	60,000
Infrastructure - water supply									160,000			160,000	0	
Infrastructure - parks and ovals							14,000	5,587,900				5,601,900	1,024,358	6,077,300
	0	0	0	0	0	0	14,000	5,587,900	3,534,900	0	0	9,136,800	3,051,937	10,201,466
Total acquisitions	0	0	0	0	15,000	54,000	24,000	6,091,500	5,191,900	0	12,500	11,388,900	3,696,887	13,432,366

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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.

SHIRE OF MERREDIN
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 FOR THE YEAR ENDING 30 JUNE 2023

5. FIXED ASSETS

(b) Disposals of Assets

The following assets are budgeted to be disposed of during the year.

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Transport	535,400	461,000	157,200	(231,600)	169,910	169,910	0	0	332,400	312,500	16,100	(36,000)
	535,400	461,000	157,200	(231,600)	169,910	169,910	0	0	332,400	312,500	16,100	(36,000)
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	535,400	461,000	157,200	(231,600)	169,910	169,910			332,400	312,500	16,100	(36,000)
	535,400	461,000	157,200	(231,600)	169,910	169,910	0	0	332,400	312,500	16,100	(36,000)

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

- Plant replacement program

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

6. ASSET DEPRECIATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
By Program			
Law, order, public safety	147,200	0	147,100
Health	6,300	0	6,300
Education and welfare	79,700	0	79,700
Housing	56,900	0	56,900
Community amenities	7,600	0	7,600
Recreation and culture	535,100	0	535,100
Transport	2,360,400	0	2,360,400
Economic services	26,400	0	26,400
Other property and services	387,400	0	387,400
	3,607,000	0	3,606,900
By Class			
Buildings - non-specialised	76,100	0	76,050
Buildings - specialised	536,600	0	536,566
Furniture and equipment	15,200	0	15,237
Plant and equipment	341,200	0	341,151
Infrastructure - roads	1,930,000	0	1,930,134
Infrastructure - footpaths	217,100	0	217,053
Infrastructure - drainage	88,600	0	88,594
Infrastructure - water supply	386,200	0	386,160
Infrastructure - parks and ovals	16,000	0	15,955
	3,607,000	0	3,606,900

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Major depreciation periods used for each class of depreciable asset are:

Buildings - non-specialised	30 to 50 years
Buildings - specialised	50 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	20 to 80 years
Infrastructure - footpaths	20 years
Infrastructure - drainage	80 years
Infrastructure - water supply	30 to 75 years
Infrastructure - parks and ovals	10 to 60 Years

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Loan Number	Institution	Interest Rate	Budget	2022/23	2022/23	Budget	2022/23	Actual	2021/22	2021/22	Actual	2021/22	Budget	2021/22	2021/22	Budget	2021/22
				Principal 1 July 2022	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2023	Budget Interest Repayments	Principal 1 July 2021	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2022	Actual Interest Repayments	Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2022	Budget Principal Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Education and welfare																		
CEACA Contributions	217	WATC	3.2%	323,393		(60,700)	262,693	(9,700)	382,225		(58,832)	323,393	(9,202)	382,225		(58,830)	323,395	(11,580)
Housing																		
Housing	218	WATC	2.3%	0			0					0		900,000			900,000	
Recreation and culture																		
CBD Redevelopment	219	WATC	2.3%	0			0					0		2,139,300			2,139,300	
CBD Redevelopment	219	WATC	4.6%	0	1,300,000	(51,900)	1,248,100	(29,900)				0					0	
				323,393	1,300,000	(112,600)	1,510,793	(39,600)	382,225	0	(58,832)	323,393	(9,202)	382,225	3,039,300	(58,830)	3,362,695	(11,580)
Self Supporting Loans																		
Education and welfare																		
Merretville	215	WATC	0.0494	271,506	0	(35,100)	236,406	(12,500)	295,246	0	(33,409)	271,506	(9,237)	295,246	0	(33,410)	261,836	(14,180)
				271,506	0	(35,100)	236,406	(12,500)	295,246	0	(33,409)	271,506	(9,237)	295,246	0	(33,410)	261,836	(14,180)
				594,899	1,300,000	(147,700)	1,747,199	(52,100)	677,471	0	(92,241)	594,899	(18,439)	677,471	3,039,300	(92,240)	3,624,531	(25,760)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

SHIRE OF MERREDIN
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FOR THE YEAR ENDING 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(b) New borrowings - 2022/23

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
CBD Redevelopment	WATC	P&I	10	4.6%	1,300,000	29,900	1,300,000	0
					1,300,000	29,900	1,300,000	0

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2022 nor is it expected to have unspent borrowing funds as at 30th June 2023.

(d) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	0		
Bank overdraft at balance date	0		
Credit card limit	15,000	15,000	15,000
Credit card balance at balance date	0		0
Total amount of credit unused	15,000	15,000	15,000
Loan facilities			
Loan facilities in use at balance date	1,747,199	594,899	3,624,531

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2023

8. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Employe Entitlements Reserve	370,718	2,900	0	373,618	370,718			370,718	371,819	2,910		374,729
(b) Plant Replacement Reserve	1,171,986	5,000	(650,000)	526,986	916,986	555,000	(300,000)	1,171,986	1,169,705	310,040	(831,800)	647,945
(c) Buildings Reserve	1,034,508	8,100	(450,000)	592,608	934,508	100,000		1,034,508	1,037,279	8,130	(158,170)	887,239
(d) Land & Development Reserve	1,573,763	12,400	0	1,586,163	1,288,763	285,000		1,573,763	1,577,583	12,360		1,589,943
(e) Apex Park Redevelopment Reserve	402,393	900	(286,300)	116,993	302,393	100,000		402,393	403,136	920	(286,300)	117,756
(f) ICT Reserve	316,632	2,500	0	319,132	316,632			316,632	317,530	2,490		320,020
(g) Disaster Relief Reserve	247,284	1,900	0	249,184	247,284			247,284	248,018	1,940		249,958
(h) Cummins Street Units Reserve	61,255	500	0	61,755	61,255			61,255	61,436	480		61,916
(i) Recreation Facilities Reserve	911,064	7,200	0	918,264	911,064			911,064	913,356	7,160		920,516
(j) Waste Management Reserve	374,651	2,900	(120,000)	257,551	374,651			374,651	375,587	2,940		378,527
(k) Unspent Capital Works Reserve	368,575	1,600	0	370,175	88,575	280,000		368,575	358,837	1,640	(150,000)	210,477
(l) Merredin-Narambeen Road	180,955	100	(146,000)	35,055	0	180,955		180,955				0
	7,013,784	46,000	(1,652,300)	5,407,484	5,812,829	1,500,955	(300,000)	7,013,784	6,834,286	351,010	(1,426,270)	5,759,026
	7,013,784	46,000	(1,652,300)	5,407,484	5,812,829	1,500,955	(300,000)	7,013,784	6,834,286	351,010	(1,426,270)	5,759,026

(b) Financially Backed Reserves - 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) Employe Entitlements Reserve	Ongoing	To be utilised to fund staff leave as required
(b) Plant Replacement Reserve	Ongoing	To be utilised to fund future capital plant purchases
(c) Buildings Reserve	Ongoing	To be utilised to fund future building construction and major maintenance within the Shire of Merredin
(d) Land & Development Reserve	Ongoing	To be utilised to fund major land development/purchases within the Shire of Merredin
(e) Apex Park Redevelopment Reserve	Ongoing	To be utilised to fund the redevelopment of works at Apex Park
(f) ICT Reserve	Ongoing	To be utilised to fund future information and communications technology (ICT) within the Shire of Merredin
(g) Disaster Relief Reserve	Ongoing	To be utilised to contribute to liabilities arising from a declared natural disaster that meets Disaster Recovery Funding Arrangements WA (DRF)
(h) Cummins Street Units Reserve	Ongoing	To be utilised to full maintenance and capital costs associated with Council owned units in Cummings Street Merredin.
(i) Recreation Facilities Reserve	Ongoing	To be utilised to fund future development and major renewals in relation to Recreation.
(j) Waste Management Reserve	Ongoing	To be utilised for the collection, transport, storage, treatment, processing, sorting, recycling or disposal of waste; or the provision of receptacle
(k) Unspent Capital Works Reserve	Ongoing	To be utilised for the quaranting of Grant Monies awaiting completion of Works.
(l) Merredin-Narambeen Road	Ongoing	To be utilised for the maintenance, renewal and upgrade of the Merredin-Narambeen Road

SHIRE OF MERREDIN
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9. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

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FOR THE YEAR ENDING 30 JUNE 2023

10. PROGRAM INFORMATION

Income and expenses	2022/23 Budget	2021/22 Actual	2021/22 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	30,000	72,038	26,000
General purpose funding	5,007,900	4,757,300	4,819,800
Law, order, public safety	18,400	18,535	24,500
Health	13,000	13,597	12,000
Housing	112,800	29,828	114,800
Community amenities	635,700	628,487	626,500
Recreation and culture	92,500	158,687	193,750
Transport	229,200	258,919	85,100
Economic services	59,900	77,683	76,725
Other property and services	77,000	70,793	76,000
	6,276,400	6,085,867	6,055,175
Operating grants, subsidies and contributions			
General purpose funding	490,000	3,305,782	1,256,000
Law, order, public safety	85,900	66,079	112,845
Education and welfare	40,500	12,260	54,541
Housing	0	68,824	0
Community amenities	0	0	15,562
Recreation and culture	80,200	73,256	175,852
Transport	254,300	523,581	238,664
Economic services	75,200	28,205	79,300
Other property and services	100	25,430	2,500
	1,026,200	4,103,417	1,935,264
Non-operating grants, subsidies and contributions			
Law, order, public safety	0	22,102	0
Community amenities	0	0	2,139,300
Recreation and culture	3,978,000	0	1,370,500
Transport	3,227,800	1,251,747	1,833,513
Other property and services	0	242,593	542,000
	7,205,800	1,516,442	5,885,313
Total Income	14,508,400	11,705,726	13,875,752
Expenses			
Governance	(798,700)	(174,857)	(655,600)
General purpose funding	(158,100)	(559,692)	(147,800)
Law, order, public safety	(614,000)	(380,538)	(587,489)
Health	(245,600)	(214,535)	(232,900)
Education and welfare	(199,480)	(78,238)	(175,001)
Housing	(354,800)	(196,012)	(339,785)
Community amenities	(1,397,700)	(1,023,812)	(1,242,790)
Recreation and culture	(3,160,760)	(2,200,899)	(2,982,811)
Transport	(4,125,900)	(1,317,058)	(3,861,800)
Economic services	(889,900)	(706,146)	(829,940)
Other property and services	(235,500)	(1,078,665)	(126,500)
Total expenses	(12,180,440)	(7,930,452)	(11,182,416)
Net result for the period	2,327,960	3,775,274	2,693,336

11. OTHER INFORMATION

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	46,000	0	46,000
- Other funds	10,000	0	19,000
Other interest revenue (refer note 1b)	53,000	56,933	56,700
	<u>109,000</u>	<u>56,933</u>	<u>121,700</u>
* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5%.			
(b) Other revenue			
Reimbursements and recoveries	252,700	341,182	317,100
	<u>252,700</u>	<u>341,182</u>	<u>317,100</u>
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	30,000	0	30,000
	<u>30,000</u>	<u>0</u>	<u>30,000</u>
(d) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	52,100	18,439	25,760
	<u>52,100</u>	<u>18,439</u>	<u>25,760</u>
(e) Write offs			
General rate	50,000	119,037	50,000
	<u>50,000</u>	<u>119,037</u>	<u>50,000</u>

12. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cr Mark McKenzie			
President's allowance	14,800	9,381	
Meeting attendance fees	8,888	9,500	8,657
	<u>23,688</u>	<u>18,880</u>	<u>8,657</u>
Cr Leah Boehme			
Deputy President's allowance	3,700	1,804	
Meeting attendance fees	8,889	7,244	8,657
President's allowance		2,164	
	<u>12,589</u>	<u>11,213</u>	<u>8,657</u>
Cr Ross Billing			
Meeting attendance fees	8,889	8,657	8,657
	<u>8,889</u>	<u>8,657</u>	<u>8,657</u>
Cr Donna Crook			
Meeting attendance fees	8,889	6,132	8,657
	<u>8,889</u>	<u>6,132</u>	<u>8,657</u>
Cr Julie Flockart			
Meeting attendance fees	8,889	8,538	8,657
President's allowance		5,736	14,433
	<u>8,889</u>	<u>14,274</u>	<u>23,090</u>
Cr Renee Manning			
Meeting attendance fees	8,889	8,657	8,657
	<u>8,889</u>	<u>8,657</u>	<u>8,657</u>
Cr Romolo Patroni			
Meeting attendance fees	8,889	8,657	8,657
	<u>8,889</u>	<u>8,657</u>	<u>8,657</u>
Cr Megan Simmonds			
Meeting attendance fees	8,889	6,132	0
	<u>8,889</u>	<u>6,132</u>	<u>0</u>
Cr Phil Van Der Merwe			
Meeting attendance fees	8,889	8,657	8,657
	<u>8,889</u>	<u>8,657</u>	<u>8,657</u>
Cr Malcolm Willis			
Meeting attendance fees		1,052	8,657
President's allowance		361	
Deputy President's allowance		3,572	3,608
	<u>0</u>	<u>4,985</u>	<u>12,265</u>
Cr Roy Butler			
Meeting attendance fees		2,525	
	<u>0</u>	<u>2,525</u>	<u>0</u>
Total Elected Member Remuneration	<u>98,500</u>	<u>98,769</u>	<u>95,954</u>
President's allowance	14,800	17,642	14,433
Deputy President's allowance	3,700	5,376	3,608
Meeting attendance fees	80,000	75,752	77,913
	<u>98,500</u>	<u>98,769</u>	<u>95,954</u>

13. TRUST FUNDS

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

Detail	Balance 30 June 2022	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2023
	\$	\$	\$	\$
BCITF Levy	499	1,600	(2,099)	0
BRB Levy		3,000	(3,000)	0
Community Bus Fund	1,312			1,312
SBS Transmitter	2,220			2,220
Youth Advisory	154			154
Retention Funds	8,974			8,974
CEACA	4,559			4,559
	17,718	4,600	(5,099)	17,219

14. FEES AND CHARGES

	2022/23	2021/22	2021/22
	Budget	Actual	Budget
	\$	\$	\$
By Program:			
Governance	0	14,746	0
General purpose funding	17,700	16,801	22,700
Law, order, public safety	10,200	8,648	16,300
Health	13,000	13,597	12,000
Housing	112,800	29,828	114,800
Community amenities	635,100	628,487	625,900
Recreation and culture	90,500	84,205	151,350
Economic services	22,000	49,080	25,825
Other property and services	5,000	1,409	4,000
	906,300	846,800	972,875

The subsequent pages detail the fees and charges proposed to be imposed by the local government.