

SHIRE OF MERREDIN
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income	2
Statement of Cash Flows	3
Statement of Financial Activity	4
Index of Notes to the Budget	5
Fees and Charges Schedule	27

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
FOR THE YEAR ENDED 30 JUNE 2024

		2023/24	2022/23	2022/23
	NOTE	Budget	Estimated	Budget
		\$	Actuals	\$
Revenue				
Rates	2(a)	5,292,900	4,850,488	4,851,200
Grants, subsidies and contributions	10	770,400	4,787,502	1,026,200
Fees and charges	14	877,100	953,485	906,300
Service charges	2(f)	0	0	0
Interest revenue	11(a)	213,700	217,759	109,000
Other revenue	11(b)	255,200	319,579	252,700
		7,409,300	11,128,813	7,145,400
Expenses				
Employee costs		(4,549,430)	(3,864,948)	(3,867,020)
Materials and contracts		(3,872,367)	(3,081,216)	(3,689,090)
Utility charges		(504,200)	(433,591)	(345,960)
Depreciation	6	(5,876,500)	(5,389,374)	(3,607,000)
Finance costs	11(d)	(52,100)	(22,219)	(52,100)
Insurance		(258,700)	(233,996)	(157,770)
Other expenditure		(248,100)	(340,034)	(229,900)
		(15,361,397)	(13,365,378)	(11,948,840)
		(7,952,097)	(2,236,565)	(4,803,440)
Capital grants, subsidies and contributions	10	8,672,800	1,921,257	7,205,800
Profit on asset disposals	5	113,800	166,999	157,200
Loss on asset disposals		(11,700)	(118,525)	(231,600)
		8,774,900	1,969,731	7,131,400
Net result for the period		822,803	(266,834)	2,327,960
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		822,803	(266,834)	2,327,960

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

SHIRE OF MERREDIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

		2023/24	2022/23	2022/23
	NOTE	Budget	Estimated Actuals	Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		\$ 5,642,900	\$ 4,837,217	\$ 5,151,200
Grants, subsidies and contributions		870,400	4,719,241	1,026,200
Fees and charges		877,100	953,485	906,300
Interest revenue		213,700	217,759	109,000
Other revenue		255,200	319,579	252,700
		7,859,300	11,047,281	7,445,400
Payments				
Employee costs		(4,549,430)	(3,621,702)	(3,867,020)
Materials and contracts		(3,872,367)	(3,383,396)	(3,689,090)
Utility charges		(504,200)	(433,591)	(345,960)
Finance costs		(52,100)	(22,219)	(52,100)
Insurance		(258,700)	(233,996)	(157,770)
Goods and services tax paid		0	(81,349)	0
Other expenditure		(248,100)	(340,034)	(229,900)
		(9,484,897)	(8,116,287)	(8,341,840)
Net cash provided by (used in) operating activities	4	(1,625,597)	2,930,994	(896,440)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(862,700)	(1,431,767)	(2,252,100)
Payments for construction of infrastructure	5(b)	(11,972,300)	(2,869,040)	(9,136,800)
Capital grants, subsidies and contributions		7,672,800	1,990,826	6,205,800
Proceeds from sale of property, plant and equipment	5(a)	205,900	394,523	461,000
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	36,800	35,080	(33,410)
Net cash provided by (used in) investing activities		(4,919,500)	(1,880,378)	(4,755,510)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(154,900)	(95,779)	(147,700)
Proceeds from new borrowings	7(a)	1,480,000	0	1,300,000
Net cash provided by (used in) financing activities		1,325,100	(95,779)	1,152,300
Net increase (decrease) in cash held		(5,219,997)	954,837	(4,499,650)
Cash at beginning of year		12,080,513	11,125,676	11,138,533
Cash and cash equivalents at the end of the year	4	6,860,516	12,080,513	6,638,883

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

SHIRE OF MERREDIN
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024

		2023/24	2022/23	2022/23
	NOTE	Budget	Estimated Actuals	Budget
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	2(a)	\$ 5,215,600	\$ 4,784,738	\$ 4,785,500
Rates excluding general rates	2(a)	77,300	65,750	65,700
Grants, subsidies and contributions	10	770,400	4,787,502	1,026,200
Fees and charges	14	877,100	953,485	906,300
Interest revenue	11(a)	213,700	217,759	109,000
Other revenue	11(b)	255,200	319,579	252,700
Profit on asset disposals	5	113,800	166,999	157,200
		7,523,100	11,295,812	7,302,600
Expenditure from operating activities				
Employee costs		(4,549,430)	(3,864,948)	(3,867,020)
Materials and contracts		(3,872,367)	(3,081,216)	(3,689,090)
Utility charges		(504,200)	(433,591)	(345,960)
Depreciation	6	(5,876,500)	(5,389,374)	(3,607,000)
Finance costs	11(d)	(52,100)	(22,219)	(52,100)
Insurance		(258,700)	(233,996)	(157,770)
Other expenditure		(248,100)	(340,034)	(229,900)
Loss on asset disposals	5	(11,700)	(118,525)	(231,600)
		(15,373,097)	(13,483,903)	(12,180,440)
Non-cash amounts excluded from operating activities	3(b)	5,774,400	5,340,900	3,681,400
Amount attributable to operating activities		(2,075,597)	3,152,809	(1,196,440)
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	10	8,672,800	1,921,257	7,205,800
Proceeds from disposal of assets	5	205,900	394,523	461,000
Proceeds from financial assets at amortised cost - self supporting loans	7(a)	36,800	35,080	33,410
		8,915,500	2,350,860	7,700,210
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(862,700)	(1,431,767)	(2,252,100)
Payments for construction of infrastructure	5(b)	(11,972,300)	(2,869,040)	(9,136,800)
		(12,835,000)	(4,300,807)	(11,388,900)
Amount attributable to investing activities		(3,919,500)	(1,949,947)	(3,688,690)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	7(a)	1,480,000	0	1,300,000
Transfers from reserve accounts	8(a)	1,182,100	687,194	1,652,300
		2,662,100	687,194	2,952,300
Outflows from financing activities				
Repayment of borrowings	7(a)	(154,900)	(95,779)	(147,700)
Transfers to reserve accounts	8(a)	(110,000)	(553,137)	(46,000)
		(264,900)	(648,916)	(193,700)
Amount attributable to financing activities		2,397,200	38,278	2,758,600
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	3	3,597,897	2,356,757	2,254,300
Amount attributable to operating activities		(2,075,597)	3,152,809	(1,196,440)
Amount attributable to investing activities		(3,919,500)	(1,949,947)	(3,688,690)
Amount attributable to financing activities		2,397,200	38,278	2,758,600
Surplus or deficit at the end of the financial year	3	0	3,597,897	127,770

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

SHIRE OF MERREDIN
FOR THE YEAR ENDED 30 JUNE 2024
INDEX OF NOTES TO THE BUDGET

Note 1	Basis of Preparation	6
Note 2	Rates and Service Charges	8
Note 3	Net Current Assets	15
Note 4	Reconciliation of cash	18
Note 5	Fixed Assets	19
Note 6	Depreciation	20
Note 7	Borrowings	21
Note 8	Lease Liabilities	24
Note 9	Reserve Accounts	25
Note 10	Revenue Recognition	26
Note 11	Program Information	32
Note 12	Other Information	33
Note 13	Elected Members Remuneration	34
Note 14	Major Land Transactions	35
Note 15	Trading Undertakings and Major Trading Undertakings	36
Note 16	Investment in Associates	37
Note 17	Trust Funds	38
Note 18	Fees and Charges	39

1(a) **BASIS OF PREPARATION**

The annual budget is a forward looking document and has been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements

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

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

The local government reporting entity

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

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.

2022/23 actual balances

Balances shown in this budget as 2022/23 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.

Rounding off figures

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

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 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
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

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 2014-10 Amendments to Australian Accounting Standards
 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards
 - Classification of Liabilities as Current or Non-current
- AASB 2021-7c Amendments to Australian Accounting Standards
 - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards
 - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards
 - Non-current Liabilities with Covenants
- AASB 2022-10 Amendments to Australian Accounting Standards
 - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

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

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

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.

Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS

All amounts received as grants, subsidies and contributions that are not capital grants.

CAPITAL 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.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, 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.

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 the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.

Exclude rubbish removal charges which should not be classified as a service charge. 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.

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 cannot be classified under the above headings, includes dividends, discounts, rebates etc.

PROFIT ON ASSET DISPOSAL

Gain on the disposal of assets including gains on the disposal of long-term investments.

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.

Note *AASB 119 Employee Benefits* provides a definition of employee benefits which should be considered.

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 (such as telephone and internet charges), 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 and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water.

Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

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 levies including DFES levy and State taxes. Donations and subsidies made to community groups.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2023/24 Budgeted rate revenue	2023/24 Budgeted interim rates	2023/24 Budgeted back rates	2023/24 Budgeted total revenue	2022/23 Actual total revenue	2022/23 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) General rates										
Gross rental value		0.125774	1,299	18,669,457	2,348,126			2,348,126	2,111,198	2,111,283
UV 1 Rural		0.015758	321	138,361,000	2,180,293			2,180,293	1,987,627	1,987,380
UV 2 Urban Rural		0.031480	43	4,279,000	134,703			134,703	127,296	127,277
UV 3 Mining		0.023000	10	206,694	4,754			4,754	6,474	5,146
UV 4 Power Generation		0.028900	13	6,211,000	179,498			179,498	162,491	164,762
UV 5 Airstrips		0.028900	1	267,000	7,716			7,716	7,052	7,052
Total general rates			1,687	167,994,151	4,855,090	0	0	4,855,090	4,402,138	4,402,900
	Minimum									
(ii) Minimum payment		\$								
Gross rental value		910	186	412,160	169,260			169,260	197,470	197,470
UV 1 Rural		1,130	124	4,126,500	140,120			140,120	138,990	138,990
UV 2 Urban Rural		1,130	38	710,400	42,940			42,940	39,550	39,550
UV 3 Mining		200	24	71,982	4,800			4,800	3,200	3,200
UV 4 Power Generation		1,130	3	25,000	3,390			3,390	3,390	3,390
UV 5 Airstrips		1,130	0	0	0			0	0	0
Total minimum payments			375	5,346,042	360,510	0	0	360,510	382,600	382,600
Total general rates and minimum payments			2,062	173,340,193	5,215,600	0	0	5,215,600	4,784,738	4,785,500
(iv) Ex-gratia rates										
Ex Gratia Rates					77,300			77,300	65,750	65,700
Total ex-gratia rates			0	0	77,300	0	0	77,300	65,750	65,700
Total rates					5,292,900	0	0	5,292,900	4,850,488	4,851,200

The Shire did not raise specified area rates for the year ended 30th June 2024.

All rateable properties within the district used predominately for non-rural purposes are rated according to their Gross Rental Valuation (GRV), all other properties are rated according to their Unimproved Valuation (UV).

The general rates detailed for the 2023/24 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general 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.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

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.

Option 1 (Full Payment)

Full amount of rates and charges including arrears, to be paid on or before 15th September 2023 or 35 days after the date of issue appearing on the rates notice whichever is the later.

Option 2 (Four Instalments)

First instalment to be made on or before 15th September 2023 or 35 days after the date of issue on the rates notice, whichever is later including all arrears and a quarter of the current rates and service charges;

Second instalment to be made on or before 17th November 2023, or 2 months after the due date of the first instalment, whichever is later;

Third instalment to be made on or before 19th January 2024, or 2 months after the due date on the second instalment, whichever is later; and

Fourth instalment to be made on or before 22nd March 2024, or 2 months after the due date of the third instalment, whichever is later.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	15/09/2023			6.00%
Option two				
First instalment	15/09/2023	13	5.50%	6.00%
Second instalment	17/11/2023	13	5.50%	6.00%
Third instalment	19/01/2024	13	5.50%	6.00%
Fourth instalment	22/03/2024	13	5.50%	6.00%

	2023/24 Budget revenue	2022/23 Actual revenue	2022/23 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	13,300	17,836	18,000
Instalment plan interest earned	21,700	17,669	17,000
Unpaid rates and service charge interest earned	32,000	40,125	36,000
	67,000	75,630	71,000

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects	Reasons
UV1 - Rural	Properties listed as Rural Uses under the LPS6 Zoning Table.	This rate is to contribute to service desired by the community.	This is considered the base rate above which all other UV rated properties are assessed.
UV2 - Urban Rural	Properties listed as Rural Residential Users as listed under the LPS6 Zoning Table.	This rate is to contribute to service desired by the community.	The objective is to raise adequate rates to service outlying townsites with populations of less than 50 people which do not attract additional consideration from the grants commission for FAGS allocations.
UV3 - Mining	Properties listed as Mining Tenements and is not related to the LPS6 Zoning Table.	The objective is to raise additional revenue to contribute towards higher costs associated with mining.	The objective to raise additional rates to offset the impact of vehicle traffic associated with mining activity.
UV4 - Power Generation & Special Use Airstrip	Properties listed as Special Wind Farms, Merredin Power and Special Use Airstrips under the LPS6 Zoning Table.	This rate is to contribute to service desired by the community.	The objective is to raise additional revenue to recognise the services and road use associated with these properties.

(e) Variation in Adopted Differential Rates to Local Public Notice

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

Differential general rate or general rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the difference
UV1 - Rural	0.019180	0.015758	The advertised rate in the dollars were altered on adoption of the rate in the dollar and the 2023/2024 budget as the result of the UV Revaluation, to remain compliant with legislative requirements and achieve Council's rates objectives.
UV2 - Urban Rural	0.037120	0.031480	
UV3 - Mining	0.036540	0.023000	
UV4 - Power Gen. & Special Use Airstrip	0.035130	0.028900	

**SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

2. RATES AND SERVICE CHARGES (CONTINUED)

(f) Service Charges

The Shire did not raise service charges for the year ended 30th June 2024.

(g) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2024.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

		2023/24 Budget 30 June 2024	2022/23 Estimated Actuals 30 June 2023	2022/23 Budget 30 June 2023
Note		\$	\$	\$
	Cash and cash equivalents	6,860,516	12,080,513	6,638,883
	Financial assets	0	0	33,410
	Receivables	551,889	1,001,889	640,498
	Contract assets	0	0	
	Inventories	67,989	67,989	32,541
	Other assets	72,467	72,467	
		7,552,861	13,222,858	7,345,332

Less: current liabilities

	Trade and other payables	(464,808)	(464,808)	(611,033)
	Contract liabilities	0	0	
	Capital grant/contribution liability	(729,138)	(1,729,138)	(646,625)
	Service concession liabilities	0	0	
	Lease liabilities	0	0	
7	Short term borrowings	0	0	
	Long term borrowings	(1,420,879)	(95,779)	(147,700)
7	Employee provisions	(551,288)	(551,288)	(552,420)
	Other provisions	0	0	
		(3,166,113)	(2,841,013)	(1,957,778)

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

		4,386,748	10,381,845	5,387,554
3(c)		(4,386,748)	(6,783,948)	(5,259,784)
		0	3,597,897	127,770

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 Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

		2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
Note		\$	\$	\$
	Less: Profit on asset disposals	(113,800)	(166,999)	(157,200)
	Add: Loss on asset disposals	11,700	118,525	231,600
	Add: Loss on revaluation of non current assets	0	0	0
	Add: Depreciation	5,876,500	5,389,374	3,607,000
6		5,774,400	5,340,900	3,681,400

Non cash amounts excluded from operating activities

Adjustments to net current assets

	Less: Cash - reserve accounts	(5,807,627)	(6,879,727)	(5,407,484)
	Add: Current liabilities not expected to be cleared at end of year			
	- Current portion of borrowings	1,420,879	95,779	147,700
	Total adjustments to net current assets	(4,386,748)	(6,783,948)	(5,259,784)

3(d) NET CURRENT ASSETS (CONTINUED)

MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

The 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 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. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

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 recognised 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 contributes to a number of superannuation funds on behalf of employees. All funds to which the Shire 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.

Land held for resale is classified as current except where it is held as non-current based on the Shire's intentions to release for sale.

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.

CONTRACT LIABILITIES

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Trade receivables are held with the objective to collect the contractual cashflows and therefore the Shire 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 determination of the net current asset position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

4. RECONCILIATION OF CASH

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

	Note	2023/24 Budget	2022/23 Actual	2022/23 Budget
		\$	\$	\$
Cash at bank and on hand		1,481,188	5,200,785	1,231,399
Term deposits		5,379,328	6,879,728	5,407,484
Total cash and cash equivalents		6,860,516	12,080,513	6,638,883
Held as				
- Unrestricted cash and cash equivalents	3(a)	323,751	3,471,648	584,774
- Restricted cash and cash equivalents	3(a)	6,536,765	8,608,865	6,054,109
		6,860,516	12,080,513	6,638,883
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		6,536,765	8,608,865	6,054,109
		6,536,765	8,608,865	6,054,109
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserves	8	5,807,627	6,879,727	5,407,484
Unspent capital grants, subsidies and contribution liabilities		729,138	1,729,138	646,625
		6,536,765	8,608,865	6,054,109
Reconciliation of net cash provided by operating activities to net result				
Net result		822,803	(266,834)	2,327,960
Depreciation	6	5,876,500	5,389,374	3,607,000
(Profit)/loss on sale of asset	5	(102,100)	(48,474)	74,400
(Increase)/decrease in receivables		450,000	(162,881)	300,000
(Increase)/decrease in inventories		0	2,109	0
Increase/(decrease) in payables		0	(61,043)	0
Increase/(decrease) in unspent capital grants		(1,000,000)	69,569	(1,000,000)
Capital grants, subsidies and contributions		(7,672,800)	(1,990,826)	(6,205,800)
Net cash from operating activities		(1,625,597)	2,930,994	(896,440)

MATERIAL 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
FOR THE YEAR ENDED 30 JUNE 2024

5. FIXED ASSETS

The following assets are budgeted to be acquired and/or disposed of during the year.

	2023/24 Budget Additions	2023/24 Budget Disposals - Net Book Value	2023/24 Budget Disposals - Sale Proceeds	2023/24 Budget Disposals - Profit or Loss	2022/23 Actual Additions	2022/23 Disposals - Net Book Value	2022/23 Actual Disposals - Sale Proceeds	2022/23 Actual Disposals - Profit or Loss	2022/23 Budget Additions	2022/23 Budget Disposals - Net Book Value	2022/23 Budget Disposals - Sale Proceeds	2022/23 Budget Disposals - Profit or Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Property, Plant and Equipment												
Land - freehold land	0	0	0	0	0	0	0	0	12,500	0	0	0
Land - vested in and under the control of council	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	38,800	0	0	0	59,743	0	0	0	54,000	0	0	0
Buildings - specialised	159,000	0	0	0	98,682	106,322	0	(106,322)	499,600	0	0	0
Furniture and equipment	0	0	0	0	0	0	0	0	15,000	0	0	0
Plant and equipment	664,900	103,800	205,900	102,100	1,273,342	239,727	394,523	154,796	1,671,000	535,400	461,000	(74,400)
Total	862,700	103,800	205,900	102,100	1,431,767	346,049	394,523	48,474	2,252,100	535,400	461,000	(74,400)
(b) Infrastructure												
Infrastructure - roads	5,404,300	0	0	0	1,633,892	0	0	0	3,304,900	0	0	0
Other infrastructure - footpaths	160,800	0	0	0	0	0	0	0	50,000	0	0	0
Other infrastructure - drainage	70,000	0	0	0	0	0	0	0	20,000	0	0	0
Other infrastructure - water supply	280,000	0	0	0	0	0	0	0	160,000	0	0	0
Other infrastructure parks and ovals	5,937,700	0	0	0	1,175,265	0	0	0	5,601,900	0	0	0
Other infrastructure [describe]	119,500	0	0	0	59,883	0	0	0	0	0	0	0
Total	11,972,300	0	0	0	2,869,040	0	0	0	9,136,800	0	0	0
Total	12,835,000	103,800	205,900	102,100	4,300,807	346,049	394,523	48,474	11,388,900	535,400	461,000	(74,400)

MATERIAL 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.

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.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

6. DEPRECIATION

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Other infrastructure - footpaths
Other infrastructure - drainage
Other infrastructure - water supply
Other infrastructure parks and ovals

By Program

Law, order, public safety
Health
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

2023/24 Budget	2022/23 Actual	2022/23 Budget
\$	\$	\$
165,300	151,991	76,100
1,121,000	1,027,914	536,600
27,700	25,426	15,200
417,700	383,169	341,200
2,701,000	2,476,168	1,930,000
292,000	268,162	217,100
118,000	108,170	88,600
513,800	471,490	386,200
520,000	476,884	16,000
5,876,500	5,389,374	3,607,000
19,700	17,937	147,200
0	0	6,300
35,900	34,849	79,700
165,800	151,990	56,900
121,100	111,125	7,600
1,369,100	1,254,841	535,100
3,649,100	3,344,962	2,360,400
40,000	36,633	26,400
475,800	437,037	387,400
5,876,500	5,389,374	3,607,000

MATERIAL 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
Other infrastructure - footpaths	20 years
Other infrastructure - drainage	80 years
Other infrastructure - water supply	30 to 75 years
Other infrastructure parks and ovals	10 to 60 years

SHIRE OF MERREDIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2024

7. 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	2023/24	2023/24	Budget	2023/24	Actual	2022/23	2022/23	Actual	2022/23	Budget	2022/23	2022/23	Budget	2022/23
				Principal	Budget	Budget	Principal	Principal	Actual	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Budget	Budget
				1 July 2023	New Loans	Repayments	Principal outstanding 30 June 2024	Interest Repayments	Principal 1 July 2022	New Loans	Repayments	Principal outstanding 30 June 2023	Interest Repayments	Principal 1 July 2022	New Loans	Repayments	Principal outstanding 30 June 2023	Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CEACA Housing	217	WATC	3.20%	262,693	0	(62,300)	200,393	(7,800)	323,393	0	(60,700)	262,693	(9,713)	323,393	0	(60,700)	262,693	(9,700)
CBD Development	219	WATC	4.60%	0	0	0	0	0	0	0	0	0	0	0	1,300,000	(51,900)	1,248,100	(29,900)
CBD Development**	219	WATC	4.55%	0	1,480,000	(55,800)	1,424,200	(33,600)	0	0	0	0	0	0	0	0	0	0
				262,693	1,480,000	(118,100)	1,624,593	(41,400)	323,393	0	(60,700)	262,693	(9,713)	323,393	1,300,000	(112,600)	1,510,793	(39,600)
Self Supporting Loans																		
Merrittville	215	WATC	4.9%	226,758	0	(36,800)	189,958	(10,700)	261,837	0	(35,079)	226,758	(12,506)	271,506	0	(35,100)	236,406	(12,500)
				226,758	0	(36,800)	189,958	(10,700)	261,837	0	(35,079)	226,758	(12,506)	271,506	0	(35,100)	236,406	(12,500)
				489,451	1,480,000	(154,900)	1,814,551	(52,100)	585,230	0	(95,779)	489,451	(22,219)	594,899	1,300,000	(147,700)	1,747,199	(52,100)

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.

* Only one repayment has been budgeted for loan 219 in the 2023/2024 budget, moving forward two repayments will be required.
 * Two lines for loan 219 due to the loan not being drawn down in 2022/2023 due to construction delays and a change in the interest rate.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

7. BORROWINGS

(b) New borrowings - 2023/24

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	4.55%	\$ 1,480,000	\$ 33,600	\$ 1,480,000	\$ 0
					1,480,000	33,600	1,480,000	0

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2023/24 Budget	New loans unspent at 30 June 2024	Amount as at 30 June 2024
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The Shire had no unspent borrowing funds as at 30th June 2023 nor is it expected to have unspent borrowing funds as at 30th June 2024.

(d) Credit Facilities

	2023/24 Budget	2022/23 Actual	2022/23 Budget
Undrawn borrowing facilities credit standby arrangements	\$	\$	\$
Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit	10,000	10,000	15,000
Credit card balance at balance date		(5,232)	
Total amount of credit unused	10,000	4,768	15,000
Loan facilities			
Loan facilities in use at balance date	1,814,551	489,451	1,747,199

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the unobservable inputs, including own credit risk.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2023/24 Budget Opening Balance	2023/24 Budget Transfer to	2023/24 Budget Transfer (from)	2023/24 Budget Closing Balance	2022/23 Actual Opening Balance	2022/23 Actual Transfer to	2022/23 Actual Transfer (from)	2022/23 Actual Closing Balance	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Employe Entitlements Reserve	376,174	5,400		381,574	370,718	5,456	0	376,174	370,718	2,900	0	373,618
(b) Plant Replacement Reserve	727,408	9,200	(188,200)	548,408	1,171,985	17,248	(461,825)	727,408	1,171,986	5,000	(650,000)	526,986
(c) Buildings Reserve	1,120,580	31,700	(450,000)	702,280	1,034,509	86,071		1,120,580	1,034,508	8,100	(450,000)	592,608
(d) Land & Development Reserve	1,596,923	22,900		1,619,823	1,573,763	23,160		1,596,923	1,573,763	12,400	0	1,586,163
(e) Apex Park Redevelopment Reserve	303,754	1,600	(253,000)	52,354	402,393	5,922	(104,561)	303,754	402,393	900	(286,300)	116,993
(f) ICT Reserve	293,137	4,700	(40,100)	257,737	316,632	4,660	(28,155)	293,137	316,632	2,500	0	319,132
(g) Disaster Relief Reserve	250,923	3,500		254,423	247,284	3,639	0	250,923	247,284	1,900	0	249,184
(h) Cummings Street Units Reserve	46,301	900		47,201	61,255	733	(15,687)	46,301	61,255	500	0	61,755
(i) Recreation Facilities Reserve	924,472	13,300		937,772	911,064	13,408	0	924,472	911,064	7,200	0	918,264
(j) Waste Management Reserve	380,165	5,400	(5,000)	380,565	374,651	5,514	0	380,165	374,651	2,900	(120,000)	257,551
(k) Unspent Capital Works Reserve	373,999	2,900		376,899	368,575	5,424	0	373,999	368,575	1,600	0	370,175
(l) Merredin-Narembeen Road	485,891	8,500	(245,800)	248,591	180,954	381,902	(76,966)	485,891	180,955	100	(146,000)	35,055
	6,879,727	110,000	(1,182,100)	5,807,627	7,013,784	553,137	(687,194)	6,879,727	7,013,784	46,000	(1,652,300)	5,407,484
	6,879,727	110,000	(1,182,100)	5,807,627	7,013,784	553,137	(687,194)	6,879,727	7,013,784	46,000	(1,652,300)	5,407,484

(b) Reserve Accounts - Purposes

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
(a) 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 (DRFAWA) eligibility minimum spend.
(h) Cummings 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 receptacles for the temporary deposit of waste; or the provision and management of waste facilities, machinery for the disposal of waste and processes for dealing with waste.
(k) Unspent Capital Works Reserve	Ongoing	To be utilised for the quaranting of Grant Monies awaiting completion of Works.
(l) Merredin-Narembeen Road	Ongoing	To be utilised for the maintenance, renewal and upgrade of the Merredin-Narembeen Road

9. REVENUE RECOGNITION

MATERIAL ACCOUNTING POLICIES

Recognition of revenue from contracts with customers 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	Timing of 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

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

10. PROGRAM INFORMATION

(a) 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

ACTIVITIES

Governance

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

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.

General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

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

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

Health

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provisions.

Education and welfare

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

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.

Housing

To provide and maintain elderly residents housing.

Provision and maintenance of elderly residents housing.

Community amenities

To provide services required by the community.

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.

Recreation and culture

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

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.

Transport

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

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.

Economic services

To help promote the Shire and its economic well being.

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.

Other property and services

To monitor and control council's overheads operating accounts.

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 ENDED 30 JUNE 2024

10 PROGRAM INFORMATION (Continued)

(b) Income and expenses

	2023/24	2022/23	2022/23
	Budget	Actual	Budget
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	14,000	14,959	30,000
General purpose funding	5,584,900	5,156,689	5,007,900
Law, order, public safety	15,200	16,963	18,400
Health	11,000	11,288	13,000
Education and welfare	0	11,606	0
Housing	45,000	35,256	112,800
Community amenities	664,600	692,260	635,700
Recreation and culture	93,900	159,131	92,500
Transport	189,800	243,624	229,200
Economic services	56,100	104,181	59,900
Other property and services	78,200	62,351	77,000
	6,752,700	6,508,308	6,276,400
Grants, subsidies and contributions			
General purpose funding	0	3,779,641	490,000
Law, order, public safety	83,200	78,916	85,900
Education and welfare	30,300	22,707	40,500
Housing	0	57,426	0
Recreation and culture	20,000	81,302	80,200
Transport	558,000	719,853	254,300
Economic services	78,800	19,971	75,200
Other property and services	100	27,687	100
	770,400	4,787,503	1,026,200
Capital grants, subsidies and contributions			
Community amenities	82,700	0	0
Recreation and culture	3,578,000	803,199	3,978,000
Transport	5,012,100	1,033,962	3,227,800
Other property and services	0	84,096	0
	8,672,800	1,921,257	7,205,800
Total Income	16,195,900	13,217,068	14,508,400
Expenses			
Governance	(245,997)	(621,293)	(798,700)
General purpose funding	(914,600)	(192,881)	(158,100)
Law, order, public safety	(571,300)	(481,467)	(614,000)
Health	(297,500)	(270,293)	(245,600)
Education and welfare	(165,600)	(247,462)	(199,480)
Housing	(451,200)	(392,449)	(354,800)
Community amenities	(1,745,100)	(1,415,823)	(1,397,700)
Recreation and culture	(4,435,800)	(3,719,332)	(3,160,760)
Transport	(5,411,900)	(4,775,170)	(4,125,900)
Economic services	(959,900)	(774,928)	(889,900)
Other property and services	(174,200)	(592,804)	(235,500)
Total expenses	(15,373,097)	(13,483,902)	(12,180,440)
Net result for the period	822,803	(266,834)	2,327,960

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

11. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Investments			
- Reserve accounts	110,000	104,665	46,000
- Other funds	50,000	55,300	10,000
Other interest revenue	53,700	57,794	53,000
	<u>213,700</u>	<u>217,759</u>	<u>109,000</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	255,200	319,579	252,700
	<u>255,200</u>	<u>319,579</u>	<u>252,700</u>

The net result includes as expenses

(c) Auditors remuneration

Audit services	30,000	66,000	30,000
Other services	10,000	7,650	
	<u>40,000</u>	<u>73,650</u>	<u>30,000</u>

(d) Interest expenses (finance costs)

Borrowings (refer Note 7(a))	52,100	22,219	52,100
	<u>52,100</u>	<u>22,219</u>	<u>52,100</u>

(e) Write offs

General rate	80,000	56,938	50,000
	<u>80,000</u>	<u>56,938</u>	<u>50,000</u>

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

12. ELECTED MEMBERS REMUNERATION

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Cr Mark McKenzie			
President's allowance	13,610	14,794	14,800
Meeting attendance fees	8,170	8,879	8,888
	21,780	23,673	23,688
Cr Leah Boehme*			
Deputy President's allowance	0	354	3,700
Meeting attendance fees	0	852	8,889
	0	1,206	12,589
Cr Ross Billing			
Meeting attendance fees	8,170	8,879	8,889
	8,170	8,879	8,889
Cr Donna Crook			
Deputy President's allowance	3,400	3,138	0
Meeting attendance fees	8,170	8,879	8,889
	11,570	12,017	8,889
Cr Julie Flockart			
Meeting attendance fees	8,170	8,879	8,889
	8,170	8,879	8,889
Cr Renee Manning			
Meeting attendance fees	8,170	8,879	8,889
	8,170	8,879	8,889
Cr Romolo Patroni			
Meeting attendance fees	8,170	8,879	8,889
	8,170	8,879	8,889
Cr Megan Simmonds			
Meeting attendance fees	8,170	8,879	8,889
	8,170	8,879	8,889
Cr Phil Van Der Merwe			
Meeting attendance fees	8,170	8,879	8,889
	8,170	8,879	8,889
Total Elected Member Remuneration	82,370	90,170	98,500
President's allowance	13,610	14,794	14,800
Deputy President's allowance	3,400	3,492	3,700
Meeting attendance fees	65,360	71,884	80,000
	82,370	90,170	98,500

* Cr Leah Boehme resigned on the 4th August 2020 and subsequently took a role in senior management at the Shire.

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

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 1 July 2023	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2024
	\$	\$	\$	\$
BCITF Levy	0			0
BRB Levy	0			0
Community Bus Fund	1,312		(1,312)	0
SBS Transmitter	2,220		(2,220)	0
Youth Advisory	154		(154)	0
Retention Funds	8,974		(8,974)	0
CEACA	4,559		(4,559)	0
	17,219	0	(17,219)	0

SHIRE OF MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

14. FEES AND CHARGES

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
By Program:			
Governance	0	14,959	0
General purpose funding	18,300	18,317	17,700
Law, order, public safety	8,700	10,466	10,200
Health	11,000	11,288	13,000
Education and welfare	0	0	0
Housing	45,000	35,256	112,800
Community amenities	664,600	692,260	635,100
Recreation and culture	90,900	103,479	90,500
Transport	0		0
Economic services	16,900	44,305	22,000
Other property and services	21,700	23,155	5,000
	877,100	953,485	906,300

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