

SHIRE OF KULIN

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A healthy, harmonious and progressive community where all people are willing to contribute and enjoy opportunities to be successful.

SHIRE OF KULIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	2,076,206	2,035,400	2,028,931
Operating grants, subsidies and contributions	9(a)	1,534,180	3,468,808	2,561,435
Fees and charges	8	1,322,391	1,526,555	1,344,079
Interest earnings	12(a)	14,642	19,723	33,420
Other revenue	12(b)	131,361	217,632	93,450
		5,078,780	7,268,118	6,061,315
Expenses				
Employee costs		(2,165,558)	(2,181,264)	(2,004,042)
Materials and contracts		(1,549,219)	(1,808,922)	(1,526,701)
Utility charges		(332,958)	(318,537)	(337,088)
Depreciation on non-current assets	5	(2,973,728)	(2,701,875)	(3,175,584)
Interest expenses	12(d)	(39,464)	(42,895)	(42,895)
Insurance expenses		(285,126)	(235,054)	(273,806)
		(7,346,053)	(7,288,547)	(7,360,116)
Subtotal		(2,267,273)	(20,429)	(1,298,801)
Non-operating grants, subsidies and contributions	9(b)	5,883,701	1,391,369	1,504,000
Profit on asset disposals	4(b)	88,376	34,049	44,746
Loss on asset disposals	4(b)	(88,924)	(67,666)	(1,000)
		5,883,153	1,357,752	1,547,746
Net result		3,615,880	1,337,323	248,945
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		3,615,880	1,337,323	248,945

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

SHIRE OF KULIN

FOR THE YEAR ENDED 30 JUNE 2022

BASIS OF PREPARATION

The 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 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.

THE LOCAL GOVERNMENT REPORTING ENTITY

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

2020/21 ACTUAL BALANCES

Balances shown in this budget as 2020/21 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

CHANGE IN ACCOUNTING POLICIES

On the 1 July 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

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. Exclude 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.

REVENUES (CONTINUED)

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.

SHIRE OF KULIN
STATEMENT OF COMPREHENSIVE INCOME
BY REPORTING PROGRAM
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,8,9(a),12(a),12(b)	\$	\$	\$
Governance		43,961	58,280	16,970
General purpose funding		3,053,447	4,985,370	3,745,951
Law, order, public safety		40,400	33,928	33,400
Health		0	19,070	0
Education and welfare		240,500	222,062	270,440
Housing		110,298	100,819	108,282
Community amenities		101,224	103,432	101,224
Recreation and culture		219,999	255,559	214,449
Transport		403,180	236,610	213,935
Economic services		744,440	1,083,212	1,235,800
Other property and services		121,330	169,764	120,866
		5,078,779	7,268,106	6,061,317
Expenses excluding finance costs	4(a),5,12(c)(e)(f)			
Governance		(212,839)	(199,760)	(176,182)
General purpose funding		(107,884)	(179,895)	(96,808)
Law, order, public safety		(152,521)	(157,085)	(151,392)
Health		(122,525)	(90,339)	(120,039)
Education and welfare		(321,635)	(319,274)	(323,674)
Housing		(232,703)	(115,105)	(263,405)
Community amenities		(367,345)	(360,127)	(377,752)
Recreation and culture		(1,318,671)	(1,205,955)	(1,231,740)
Transport		(3,287,908)	(3,489,461)	(3,382,226)
Economic services		(1,104,365)	(1,161,396)	(1,100,998)
Other property and services		(78,192)	32,757	(93,007)
		(7,306,588)	(7,245,640)	(7,317,223)
Finance costs	7,6(a),12(d)			
Governance		(39,464)	(42,895)	(42,895)
		(39,464)	(42,895)	(42,895)
Subtotal		(2,267,273)	(20,429)	(1,298,801)
Non-operating grants, subsidies and contributions	9(b)	5,883,701	1,391,369	1,504,000
Profit on disposal of assets	4(b)	88,376	34,049	44,746
(Loss) on disposal of assets	4(b)	(88,924)	(67,666)	(1,000)
		5,883,153	1,357,752	1,547,746
Net result		3,615,880	1,337,323	248,945
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		3,615,880	1,337,323	248,945

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

SHIRE OF KULIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,076,206	2,047,124	2,033,930
Operating grants, subsidies and contributions		1,366,014	3,580,174	2,711,435
Fees and charges		1,322,391	1,526,555	1,344,079
Interest received		14,642	19,723	33,420
Goods and services tax received		0	(21,403)	0
Other revenue		131,361	217,632	92,051
		4,910,614	7,369,805	6,214,915
Payments				
Employee costs		(2,165,558)	(2,108,462)	(2,006,728)
Materials and contracts		(1,549,219)	(1,659,641)	(1,517,972)
Utility charges		(332,958)	(318,537)	(337,088)
Interest expenses		(39,464)	(42,895)	(45,038)
Insurance paid		(285,126)	(235,054)	(273,806)
		(4,372,325)	(4,364,589)	(4,180,632)
Net cash provided by (used in) operating activities	3	538,289	3,005,216	2,034,283
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(3,384,748)	(1,174,172)	(889,036)
Payments for construction of infrastructure	4(a)	(5,333,339)	(2,741,812)	(4,102,304)
Non-operating grants, subsidies and contributions	9(b)	5,883,701	1,391,369	1,504,000
Proceeds from sale of plant and equipment	4(b)	324,000	214,385	171,000
Net cash provided by (used in) investing activities		(2,510,386)	(2,310,230)	(3,316,340)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(93,302)	(90,511)	(90,511)
Net cash provided by (used in) financing activities		187,298	(342,735)	(188,447)
Net increase (decrease) in cash held		(1,784,799)	352,251	(1,470,504)
Cash at beginning of year		2,335,912	1,983,661	2,138,758
Cash and cash equivalents at the end of the year	3	551,113	2,335,912	668,254

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

SHIRE OF KULIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2(a)	1,667,682	1,657,227	1,655,128
		1,667,682	1,657,227	1,655,128
Revenue from operating activities (excluding rates)				
Governance		43,961	63,804	17,970
General purpose funding		977,241	2,949,970	1,717,020
Law, order, public safety		40,400	33,928	33,400
Health		0	19,070	0
Education and welfare		240,500	222,062	270,440
Housing		110,298	100,819	108,282
Community amenities		101,224	103,432	101,224
Recreation and culture		219,999	255,559	214,449
Transport		491,556	265,135	257,681
Economic services		744,440	1,083,212	1,235,800
Other property and services		121,330	169,764	120,866
		3,090,949	5,266,755	4,077,132
Expenditure from operating activities				
Governance		(252,303)	(242,655)	(219,077)
General purpose funding		(107,884)	(179,895)	(96,808)
Law, order, public safety		(152,521)	(157,085)	(151,392)
Health		(122,525)	(90,339)	(120,039)
Education and welfare		(321,635)	(319,274)	(323,674)
Housing		(232,703)	(174,103)	(263,405)
Community amenities		(367,345)	(360,127)	(377,752)
Recreation and culture		(1,318,671)	(1,205,955)	(1,231,740)
Transport		(3,376,832)	(3,498,129)	(3,383,226)
Economic services		(1,104,365)	(1,161,396)	(1,100,998)
Other property and services		(78,192)	32,757	(93,007)
		(7,434,976)	(7,356,201)	(7,361,118)
Non-cash amounts excluded from operating activities	2(b)	2,974,276	2,717,467	3,131,838
Amount attributable to operating activities		297,931	2,285,248	1,502,980
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		5,883,701	1,391,369	1,504,000
Payments for property, plant and equipment	4(a)	(3,384,748)	(1,174,172)	(889,036)
Payments for construction of infrastructure	4(a)	(5,333,339)	(2,741,812)	(4,102,304)
Proceeds from disposal of assets	4(b)	324,000	214,385	171,000
		(2,510,386)	(2,310,230)	(3,316,340)
Amount attributable to investing activities		(2,510,386)	(2,310,230)	(3,316,340)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(93,302)	(90,511)	(90,511)
Transfers to cash backed reserves (restricted assets)	7(a)	(279,400)	(310,948)	(316,263)
Transfers from cash backed reserves (restricted assets)	7(a)	560,000	58,723	218,327
Amount attributable to financing activities		187,298	(342,736)	(188,447)
Budgeted deficiency before imposition of general rates		(2,025,157)	(367,718)	(2,001,807)
Estimated amount to be raised from general rates	1	2,076,206	2,035,400	2,028,931
Net current assets at end of financial year - surplus/(deficit)	2(a)	51,049	1,667,682	27,124

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

SHIRE OF KULIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	1,667,682	1,657,227	1,655,128
		1,667,682	1,657,227	1,655,128
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	9(a)	1,534,180	3,468,808	2,561,435
Fees and charges	8	1,322,391	1,526,555	1,344,079
Interest earnings	12(a)	14,642	19,723	33,420
Other revenue	12(b)	131,361	217,632	93,450
Profit on asset disposals	4(b)	88,376	34,049	44,746
		3,090,950	5,266,767	4,077,130
Expenditure from operating activities				
Employee costs		(2,165,558)	(2,181,264)	(2,004,042)
Materials and contracts		(1,549,219)	(1,808,922)	(1,526,701)
Utility charges		(332,958)	(318,537)	(337,088)
Depreciation on non-current assets	5	(2,973,728)	(2,701,875)	(3,175,584)
Interest expenses	12(d)	(39,464)	(42,895)	(42,895)
Insurance expenses		(285,126)	(235,054)	(273,806)
Loss on asset disposals	4(b)	(88,924)	(67,666)	(1,000)
		(7,434,977)	(7,356,213)	(7,361,116)
Non-cash amounts excluded from operating activities	2(b)	2,974,276	2,717,467	3,131,838
Amount attributable to operating activities		297,931	2,285,248	1,502,980
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	5,883,701	1,391,369	1,504,000
Payments for property, plant and equipment	4(a)	(3,384,748)	(1,174,172)	(889,036)
Payments for construction of infrastructure	4(a)	(5,333,339)	(2,741,812)	(4,102,304)
Proceeds from disposal of assets	4(b)	324,000	214,385	171,000
Amount attributable to investing activities		(2,510,386)	(2,310,230)	(3,316,340)
Amount attributable to investing activities		(2,510,386)	(2,310,230)	(3,316,340)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(93,302)	(90,511)	(90,511)
Transfers to cash backed reserves (restricted assets)	7(a)	(279,400)	(310,948)	(316,263)
Transfers from cash backed reserves (restricted assets)	7(a)	560,000	58,723	218,327
Amount attributable to financing activities		187,298	(342,736)	(188,447)
Budgeted deficiency before general rates		(2,025,157)	(367,718)	(2,001,807)
Estimated amount to be raised from general rates	1(a)	2,076,206	2,035,400	2,028,931
Net current assets at end of financial year - surplus/(deficit)	2	51,049	1,667,682	27,124

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

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

1. RATES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
Residential	0.10657	137	1,220,492	130,068	0	0	130,068	121,146	121,196
Industrial	0.10657	13	116,376	12,402	0	0	12,402	11,855	11,855
Commercial	0.10657	28	447,448	47,685	0	0	47,685	45,582	45,582
Rural	0.10657	11	88,608	9,443	0	0	9,443	9,026	9,026
Unimproved valuations									
Rural	0.00961	342	200,408,000	1,925,921	0	0	1,925,921	1,898,841	1,896,713
Mining	0.00961	1	56,767	546	0	0	546	0	0
Sub-Totals		532	202,337,691	2,126,065	0	0	2,126,065	2,086,450	2,084,372
Minimum									
Minimum payment									
\$									
Gross rental valuations									
Residential	466.08	8	3,955	3,729	0	0	3,729	4,439	4,439
Industrial	466.08	5	9,736	2,330	0	0	2,330	2,219	2,219
Commercial	466.08	4	8,600	1,864	0	0	1,864	1,776	1,776
Rural	466.08	7	12,795	3,263	0	0	3,263	3,107	3,107
Unimproved valuations									
Rural	466.08	14	439,800	6,525	0	0	6,525	3,995	3,995
Mining	466.08	26	255,008	12,118	0	0	12,118	9,322	9,322
Sub-Totals		64	729,894	29,829	0	0	29,829	24,858	24,858
		596	203,067,585	2,155,894	0	0	2,155,894	2,111,308	2,109,230
Discounts (Refer note 1(c))							(93,000)	(89,721)	(91,000)
Concessions (Refer note 1(d))							(11,100)	(9,888)	(13,000)
Total amount raised from general rates							2,051,794	2,011,699	2,005,230
Ex gratia rates							24,412	23,701	23,701
Total rates							2,076,206	2,035,400	2,028,931

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

The general rates detailed for the 2021/22 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.

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

1. RATES (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	24th September 2021	0	3.0%	7.0%
Option two				
First instalment	24th September 2021	0	3.0%	7.0%
Second instalment	21st January 2022	7	3.0%	7.0%
Option three				
First instalment	24th September 2021	0	3.0%	7.0%
Second instalment	26th November 2021	7	3.0%	7.0%
Third instalment	21st January 2022	7	3.0%	7.0%
Fourth instalment	25th March 2022	7	3.0%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	500	497	500
Instalment plan interest earned	742	734	750
Unpaid rates and service charge interest earned	3,500	3,707	4,002
	<u>4,742</u>	<u>4,938</u>	<u>5,252</u>

SHIRE OF KULIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022

1. RATES (CONTINUED)

(c) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which discount is granted
Early payment discount	5.0%	0	\$ 93,000	\$ 89,721	\$ 91,000	Pay before the due date
			93,000	89,721	91,000	

(d) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Kulin Masonic Hall	"Concession"	100.0%		\$ 500	\$ 0	\$ 0	On Application	
Kulin Retirement Homes	"Concession"	100.0%		10,000	9,853	13,000	On Application	
Small value write offs	"Concession"			600	35	0	During EOM procedures	
				11,100	9,888	13,000		

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

2. NET CURRENT ASSETS

	2021/22 Budget	2020/21 Actual	2020/21 Budget
Note	30 June 2022	30 June 2021	30 June 2021
	\$	\$	\$
(a) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents- unrestricted	3 551,113	2,077,746	668,254
Cash and cash equivalents - restricted	3 0	258,166	1,967,773
Financial assets - restricted	3 1,843,461	2,124,061	0
Receivables	445,836	445,836	240,865
Contract assets	0	90,000	
Inventories	60,711	60,711	41,876
	2,902,927	5,058,326	2,918,768
Less: current liabilities			
Trade and other payables	(558,772)	(558,772)	(536,624)
Contract liabilities	0	(258,166)	
Long term borrowings	6 (90,511)	(183,813)	
Employee provisions	(449,645)	(449,645)	(387,247)
	(1,098,928)	(1,450,396)	(923,871)
Net current assets	1,803,999	3,607,930	1,994,897
Less: Total adjustments to net current assets	2.(c) (1,752,950)	(1,940,248)	(1,967,773)
Net current assets used in the Rate Setting Statement	51,049	1,667,682	27,124

SHIRE OF KULIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022

2. 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) Operating activities excluded from budgeted deficiency

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*.

Adjustments to operating activities

Less: Profit on asset disposals

Add: Loss on disposal of assets

Add: Depreciation on assets

Movement in non-current employee provisions

Non cash amounts excluded from operating activities

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	(88,376)	(34,049)	(44,746)
4(b)	88,924	67,666	1,000
5	2,973,728	2,701,875	3,175,584
	0	(18,025)	0
	2,974,276	2,717,467	3,131,838

(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

Less: Financial assets - restricted

Add: Current liabilities not expected to be cleared at end of year
 - Current portion of borrowings

Total adjustments to net current assets

7	(1,843,461)	(2,124,061)	(1,967,773)
3	0	0	0
	0	0	0
	90,511	183,813	0
	(1,752,950)	(1,940,248)	(1,967,773)

2 (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 Kulin 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 City 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 Kulin contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Kulin 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.

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

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.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

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.

3. 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	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Cash at bank and on hand	551,113	2,335,912	668,254
Term deposits	0	0	1,967,773
Total cash and cash equivalents	551,113	2,335,912	2,636,027
Held as			
- Unrestricted cash and cash equivalents	551,113	2,077,746	668,254
- Restricted cash and cash equivalents	0	258,166	1,967,773
	551,113	2,335,912	2,636,027
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	0	258,166	1,967,773
- Restricted financial assets at amortised cost - term deposits	1,843,461	2,124,061	0
	1,843,461	2,382,227	1,967,773
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	7	1,843,461	2,124,061
Bank overdraft		0	0
Unspent borrowings	6(c)	0	0
Contract liabilities		0	258,166
Unspent non-operating grants, subsidies and contribution liabilities		0	0
Other provisions		0	0
		1,843,461	2,382,227
			1,967,773
Reconciliation of net cash provided by operating activities to net result			
Net result		3,615,880	1,337,323
Depreciation	5	2,973,728	2,701,875
(Profit)/loss on sale of asset	4(b)	548	33,617
Loss on revaluation of non current assets		0	0
(Increase)/decrease in receivables		0	(66,479)
(Increase)/decrease in contract assets		90,000	(90,000)
(Increase)/decrease in inventories		0	(8,265)
Increase/(decrease) in payables		0	185,975
Increase/(decrease) in contract liabilities		(258,166)	258,166
Increase/(decrease) in unspent non-operating grants		0	0
Increase/(decrease) in other provision		0	0
Increase/(decrease) in employee provisions		0	44,373
Non-operating grants, subsidies and contributions		(5,883,701)	(1,391,369)
Net cash from operating activities		538,289	3,005,216
			2,034,283

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 2 - 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 KULIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program											2021/22 Budget total	2020/21 Actual total	2020/21 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			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>														
Buildings - non-specialised					15,000	512,687		565,000		258,898		1,351,585	404,763	96,206
Furniture and equipment	15,200											15,200	56,832	47,732
Plant and equipment							65,000	439,500	20,000			524,500	368,352	279,000
Construction other than Buildings			50,000				30,761		809,040			889,801	252,637	140,098
Motor Vehicles								603,662				603,662	91,588	326,000
	15,200	0	50,000	0	15,000	512,687	30,761	630,000	1,043,162	1,087,938	0	3,384,748	1,174,172	889,036
<i>Infrastructure</i>														
Infrastructure - roads									5,225,848			5,225,848	2,549,272	2,893,913
Infrastructure - footpaths									107,491			107,491	192,540	150,891
Infrastructure - recreation												0		122,500
Other infrastructure												0		935,000
	0	0	0	0	0	0	0	0	5,333,339	0	0	5,333,339	2,741,812	4,102,304
Total acquisitions	15,200	0	50,000	0	15,000	512,687	30,761	630,000	6,376,501	1,087,938	0	8,718,087	3,915,984	4,991,340

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 KULIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance		0	0	0	44,476	50,000	5,524	0	44,000	45,000	1,000	0
Housing		0	0	0	93,256	34,258	0	(58,998)		0	0	0
Transport	324,548	324,000	88,376	(88,924)	110,270	130,127	28,525	(8,668)	83,254	126,000	43,746	(1,000)
	324,548	324,000	88,376	(88,924)	248,002	214,385	34,049	(67,666)	127,254	171,000	44,746	(1,000)
By Class												
<i>Property, Plant and Equipment</i>												
Buildings - non-specialised		0			93,256	34,258		(58,998)		0		
Plant and equipment	140,813	93,000	3,688	(51,501)	68,269	81,945	22,344	(8,668)	21,254	66,000	44,746	
Motor Vehicles	183,735	231,000	84,688	(37,423)	86,477	98,182	11,705		106,000	105,000		(1,000)
	324,548	324,000	88,377	(88,924)	248,002	214,385	34,049	(67,666)	127,254	171,000	44,746	(1,000)

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 programme

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.

5. ASSET DEPRECIATION

By Program

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

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Construction other than Buildings
Motor Vehicles
Other infrastructure

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
23,141	25,214	48,636
71,237	71,148	62,000
0		500
80	87	0
32,071	32,031	42,331
15,149	16,506	20,276
273,121	272,921	405,856
1,931,501	1,889,901	1,916,204
103,101	112,348	102,500
524,326	281,720	577,281
2,973,728	2,701,875	3,175,584
416,854	381,485	461,285
8,830	8,084	9,942
270,940	224,648	366,115
4,944	4,565	15,205
129,883	118,327	72,100
2,142,278	1,964,768	2,250,937
2,973,728	2,701,875	3,175,584

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
Construction other than Buildings	
Motor Vehicles	
Infrastructure - footpaths	20 years
Infrastructure - recreation	80 years
Other infrastructure	30 to 75 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 KULIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

6. 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	2021/22	2021/22	Budget	2021/22	Actual	2020/21	2020/21	Actual	2020/21	Budget	2020/21	2020/21	Budget	2020/21	
				Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2022	Budget Interest Repayments		Principal 1 July 2020	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2021		Actual Interest Repayments	Principal 1 July 2020	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2021
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																			
Administration Building	1	WA Treasury Corporation	3.1%	1,073,183	0	(93,302)	979,881	(39,464)	1,163,694	0	(90,511)	1,073,183	(42,895)	1,164,768	0	(90,511)	1,074,257	(42,895)	
				1,073,183	0	(93,302)	979,881	(39,464)	1,163,694	0	(90,511)	1,073,183	(42,895)	1,164,768	0	(90,511)	1,074,257	(42,895)	

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2021/22

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2022

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2021 nor is it expected to have unspent borrowing funds as at 30th June 2022.

(d) Credit Facilities

Undrawn borrowing facilities

credit standby arrangements

Credit card limit

Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities in use at balance date

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Credit card limit	10,000	10,000	10,000
Credit card balance at balance date	1,000	5,598	1,000
Total amount of credit unused	11,000	15,598	11,000
Loan facilities			
Loan facilities in use at balance date	979,881	1,073,183	1,074,257

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 KULIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Leave reserve	388,570	1,164		389,734	361,521	27,049		388,570	361,521	28,150		389,671
(b) Reserves cash backed - Plant	550,346	1,650	(200,000)	351,996	397,979	152,367		550,346	397,979	53,600		451,579
(c) Reserves cash backed - Building	334,503	1,000	(200,000)	135,503	248,034	86,469		334,503	248,034	87,250		335,284
(d) Reserves cash backed - Admin Equipment	29,321	88		29,409	76,640	404	(47,723)	29,321	76,640	675	(47,732)	29,583
(e) Reserves cash backed - Natural Disaster	143,172	430	(20,000)	123,602	142,361	811		143,172	142,362	1,260	(20,000)	123,622
(f) Reserves cash backed - Joint Venture Housing	76,378	230		76,608	75,946	432		76,378	75,946	675	0	76,621
(g) Reserves cash backed - FRC Surface & Equipment	182,583	548	(140,000)	43,131	141,595	40,988		182,583	139,595	600	(139,595)	600
(h) Reserves cash backed - Medical Services	115,662	344		116,006	114,998	664		115,662	114,998	1,035	0	116,033
(i) Reserves cash backed - Fuel Facility	82,271	282		82,553	81,814	457		82,271	81,814	720	0	82,534
(j) Reserves cash backed - Sportsperson Scholarship	13,702	42		13,744	13,624	78		13,702	13,625	108	0	13,733
(k) Reserves cash backed - Freebairn Recreation	207,553	622		208,175	217,323	1,230	(11,000)	207,553	217,323	1,935	(11,000)	208,258
(l) Reserves cash backed - Short Stay Accommodation	0	273,000		273,000	0			0	140,255			140,255
	2,124,061	279,400	(560,000)	1,843,461	1,871,836	310,948	(58,723)	2,124,061	1,869,837	316,263	(218,327)	1,967,773

(b) Cash 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) Reserves cash backed - Leave reserve	NA	to fund annual and long service leave requirements.
(b) Reserves cash backed - Plant	NA	to fund the purchase of plant
(c) Reserves cash backed - Building	NA	to fund the construction of staff housing
(d) Reserves cash backed - Admin Equipment	NA	to fund the purchase of administration equipment
(e) Reserves cash backed - Natural Disaster	NA	to assist in the funding of preparations following a natural disaster
(f) Reserves cash backed - Joint Venture Housing	NA	to fund the upkeep of JV housing with the Department of Housing
(g) Reserves cash backed - FRC Surface & Equipment	NA	to fund the replacement of equipment and court surface at the FRC
(h) Reserves cash backed - Medical Services	NA	to fund the recruitment of a local doctor
(i) Reserves cash backed - Fuel Facility	NA	to fund the replacement of the fuel facility
(j) Reserves cash backed - Sportsperson Scholarship	NA	to fund scholarships for local sportspersons
(k) Reserves cash backed - Freebairn Recreation	NA	to fund the ongoing asset management of the FRC
(l) Reserves cash backed - Short Stay Accommodation	30.06.2023	to fund the construction of short stay accommodation units at the caravan park

8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Governance	50	2,400	10,970
General purpose funding	2,100	11,455	2,100
Law, order, public safety	2,400	2,740	2,400
Health	0	590	0
Education and welfare	182,500	166,788	209,940
Housing	110,048	100,819	108,033
Community amenities	98,024	100,818	98,024
Recreation and culture	202,999	247,309	197,449
Economic services	643,440	770,980	634,800
Other property and services	80,830	122,655	80,364
	1,322,391	1,526,555	1,344,080

9. GRANT REVENUE

By Program:

(a) Operating grants, subsidies and contributions

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Governance			0
General purpose funding	950,000	2,877,057	1,671,000
Law, order, public safety	32,000	26,182	25,000
Education and welfare	50,000	50,000	52,500
Housing			0
Community amenities			0
Recreation and culture			0
Transport	202,180	206,610	212,935
Economic services	300,000	308,959	600,000
Other property and services			0
	1,534,180	3,468,808	2,561,435

(b) Non-operating grants, subsidies and contributions

General purpose funding	1,544,591	0	0
Recreation and culture	130,000	0	0
Transport	3,909,110	1,391,369	1,414,000
Economic services	300,000	0	90,000
	5,883,701	1,391,369	1,504,000
Total grants, subsidies and contributions	7,417,881	4,860,177	4,065,435

SHIRE OF KULIN
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10. 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
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
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
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
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
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

11. ELECTED MEMBERS REMUNERATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Elected members			
President's allowance	7,150	7,000	7,000
Deputy President's allowance	1,800	1,750	1,750
Meeting attendance fees	26,015	20,150	25,410
Travel and accommodation expenses	4,800	3,761	4,800
Total Elected Member Remuneration	39,765	32,661	38,960

12. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Investments			
- Reserve funds	6,400	10,974	16,668
- Other funds	4,000	4,308	12,000
Other interest revenue (refer note 1b)	4,242	4,441	4,752
	14,642	19,723	33,420

* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at .

(b) Other revenue

Reimbursements and recoveries	131,361	217,632	93,450
	131,361	217,632	93,450

The net result includes as expenses

(c) Auditors remuneration

Audit services	30,000	29,000	29,000
	30,000	29,000	29,000

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	39,464	42,895	42,895
	39,464	42,895	42,895

(e) Write offs

General rate	11,100	9,885	13,000
	11,100	9,885	13,000

13. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

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.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a 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.

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

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.