

Shire of Kellerberrin



2023 / 2024 ANNUAL FINANCIAL BUDGET

Life as rich as the landscape

Adopted 16th July
2023 MIN 074/23



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

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

To welcome diversity, culture and industry; promote a safe a prosperous community with a rich, vibrant and sustainable lifestyle for all to enjoy.

SHIRE OF KELLERBERRIN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

| | NOTE | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|---|-------|--------------------|-------------------|-------------------|
| Revenue | | \$ | \$ | \$ |
| Rates | 2(a) | 2,544,611 | 2,471,984 | 2,470,286 |
| Grants, subsidies and contributions | 11 | 258,124 | 3,394,939 | 1,368,973 |
| Fees and charges | 15 | 1,101,345 | 976,751 | 678,966 |
| Interest revenue | 12(a) | 92,700 | 79,675 | 27,700 |
| Other revenue | 12(b) | 1,133,933 | 1,601,493 | 846,263 |
| | | 5,130,713 | 8,524,842 | 5,392,188 |
| Expenses | | | | |
| Employee costs | | (2,967,891) | (2,529,856) | (2,314,739) |
| Materials and contracts | | (2,051,994) | (2,106,178) | (1,462,153) |
| Utility charges | | (373,165) | (330,629) | (359,935) |
| Depreciation | 6 | (2,888,771) | (2,879,826) | (2,768,872) |
| Finance costs | 12(c) | (97,323) | (108,989) | (77,182) |
| Insurance | | (216,274) | (201,738) | (192,443) |
| Other expenditure | | (330,320) | (282,011) | (144,680) |
| | | (8,925,738) | (8,439,227) | (7,320,004) |
| | | (3,795,025) | 85,615 | (1,927,816) |
| Capital grants, subsidies and contributions | 11 | 1,893,281 | 2,638,901 | 2,002,752 |
| Profit on asset disposals | 5 | 88,051 | 93,180 | 83,525 |
| Loss on asset disposals | | 0 | (31,356) | (11,500) |
| | | 1,981,332 | 2,700,725 | 2,074,777 |
| Net result for the period | | (1,813,693) | 2,786,340 | 146,961 |
| 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 | | (1,813,693) | 2,786,340 | 146,961 |

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

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

| | NOTE | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|--|------|-------------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Rates | | \$ 2,579,611 | \$ 2,437,826 | \$ 2,470,286 |
| Grants, subsidies and contributions | | 358,124 | 2,722,671 | 756,068 |
| Fees and charges | | 1,101,345 | 976,751 | 678,966 |
| Service charges | | 0 | 0 | 27,700 |
| Interest revenue | | 92,700 | 79,675 | 0 |
| Goods and services tax received | | 706,408 | 828,438 | 0 |
| Other revenue | | 1,133,933 | 1,601,493 | 846,263 |
| | | 5,972,121 | 8,646,854 | 4,779,283 |
| Payments | | | | |
| Employee costs | | (3,042,891) | (2,447,254) | (2,314,739) |
| Materials and contracts | | (2,218,834) | (1,908,106) | (1,432,153) |
| Utility charges | | (373,165) | (330,629) | (359,935) |
| Finance costs | | (97,323) | (105,070) | (77,182) |
| Insurance | | (216,274) | (201,738) | (192,443) |
| Goods and services tax paid | | (676,408) | (881,869) | 0 |
| Other expenditure | | (330,320) | (282,011) | (144,680) |
| | | (6,955,215) | (6,156,677) | (4,521,132) |
| Net cash provided by (used in) operating activities | 4 | (983,094) | 2,490,177 | 258,151 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for purchase of property, plant & equipment | 5(a) | (1,120,722) | (1,982,209) | (420,000) |
| Payments for construction of infrastructure | 5(b) | (3,044,770) | (4,528,568) | (6,287,709) |
| Capital grants, subsidies and contributions | | 1,893,281 | 2,638,901 | 2,002,752 |
| Proceeds from sale of land held for resale | 5(d) | 0 | 129,510 | 0 |
| Proceeds from sale of property, plant and equipment | 5(a) | 299,500 | 392,636 | 495,500 |
| Net cash provided by (used in) investing activities | | (1,972,711) | (3,349,730) | (4,209,457) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of borrowings | 7(a) | (286,860) | (231,117) | (184,748) |
| Payments for principal portion of lease liabilities | 8 | (9,620) | (9,078) | (9,078) |
| Proceeds from new borrowings | 7(a) | 0 | 750,000 | 750,000 |
| Net cash provided by (used in) financing activities | | (296,480) | 509,805 | 556,174 |
| Net increase (decrease) in cash held | | (3,252,285) | (349,748) | (3,395,132) |
| Cash at beginning of year | | 3,830,760 | 4,180,508 | 4,180,507 |
| Cash and cash equivalents at the end of the year | 4 | 578,475 | 3,830,760 | 785,375 |

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

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

OPERATING ACTIVITIES

Revenue from operating activities

| | NOTE | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|-------------------------------------|-------|-------------------|-------------------|-------------------|
| General rates | 2(a) | \$ 2,513,608 | \$ 2,441,841 | \$ 2,440,186 |
| Rates excluding general rates | 2(a) | 31,003 | 30,143 | 30,100 |
| Grants, subsidies and contributions | 11 | 258,124 | 3,394,939 | 1,368,973 |
| Fees and charges | 15 | 1,101,345 | 976,751 | 678,966 |
| Interest revenue | 12(a) | 92,700 | 79,675 | 27,700 |
| Other revenue | 12(b) | 1,133,933 | 1,601,493 | 846,263 |
| Profit on asset disposals | 5 | 88,051 | 93,180 | 83,525 |
| | | 5,218,764 | 8,618,022 | 5,475,713 |

Expenditure from operating activities

| | | | | |
|-------------------------|-------|--------------------|--------------------|--------------------|
| Employee costs | | (2,967,891) | (2,529,856) | (2,314,739) |
| Materials and contracts | | (2,051,994) | (2,106,178) | (1,462,153) |
| Utility charges | | (373,165) | (330,629) | (359,935) |
| Depreciation | 6 | (2,888,771) | (2,879,826) | (2,768,872) |
| Finance costs | 12(c) | (97,323) | (108,989) | (77,182) |
| Insurance | | (216,274) | (201,738) | (192,443) |
| Other expenditure | | (330,320) | (282,011) | (144,680) |
| Loss on asset disposals | 5 | 0 | (31,356) | (11,500) |
| | | (8,925,738) | (8,470,583) | (7,331,504) |

Non-cash amounts excluded from operating activities

| | | | | |
|--|------|-----------|-----------|-----------|
| | 3(b) | 2,800,720 | 2,826,817 | 2,696,847 |
|--|------|-----------|-----------|-----------|

Amount attributable to operating activities

(906,254) 2,974,256 841,056

INVESTING ACTIVITIES

Inflows from investing activities

| | | | | |
|---|----|------------------|------------------|------------------|
| Capital grants, subsidies and contributions | 11 | 1,893,281 | 2,638,901 | 2,002,752 |
| Proceeds from disposal of assets | 5 | 299,500 | 522,146 | 495,500 |
| | | 2,192,781 | 3,161,047 | 2,498,252 |

Outflows from investing activities

| | | | | |
|---|------|--------------------|--------------------|--------------------|
| Payments for property, plant and equipment | 5(a) | (1,120,722) | (1,982,209) | (420,000) |
| Payments for construction of infrastructure | 5(b) | (3,044,770) | (4,528,568) | (6,287,709) |
| | | (4,165,492) | (6,510,777) | (6,707,709) |

Amount attributable to investing activities

(1,972,711) (3,349,730) (4,209,457)

FINANCING ACTIVITIES

Inflows from financing activities

| | | | | |
|---------------------------------|------|----------------|------------------|------------------|
| Proceeds from new borrowings | 7(a) | 0 | 750,000 | 750,000 |
| Transfers from reserve accounts | 9(a) | 704,000 | 942,000 | 941,866 |
| | | 704,000 | 1,692,000 | 1,691,866 |

Outflows from financing activities

| | | | | |
|---|------|------------------|------------------|------------------|
| Repayment of borrowings | 7(a) | (286,860) | (231,117) | (184,748) |
| Payments for principal portion of lease liabilities | 8 | (9,620) | (9,078) | (9,078) |
| Transfers to reserve accounts | 9(a) | (122,601) | (308,607) | (5,000) |
| | | (419,081) | (548,802) | (198,826) |

Amount attributable to financing activities

284,919 1,143,198 1,493,040

MOVEMENT IN SURPLUS OR DEFICIT

Surplus or deficit at the start of the financial year

| | | | | |
|---|---|-------------|-------------|-------------|
| | 3 | 2,594,046 | 1,826,322 | 1,875,361 |
| Amount attributable to operating activities | | (906,254) | 2,974,256 | 841,056 |
| Amount attributable to investing activities | | (1,972,711) | (3,349,730) | (4,209,457) |
| Amount attributable to financing activities | | 284,919 | 1,143,198 | 1,493,040 |

Surplus or deficit at the end of the financial year

3 0 2,594,046 0

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

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

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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 14 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

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

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 KELLERBERRIN
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 | | | | | | | | | | |
| Kellerberrin Residential | GRV | 0.159100 | 336 | 2,913,976 | 463,614 | 0 | 0 | 463,614 | 451,117 | 450,923 |
| Other Residential | GRV | 0.159100 | 4 | 24,856 | 3,955 | 0 | 0 | 3,955 | 2,876 | 2,876 |
| Kellerberrin Commercial | GRV | 0.175050 | 28 | 643,635 | 112,668 | 0 | 0 | 112,668 | 109,257 | 109,257 |
| Other Commercial | GRV | 0.175050 | 3 | 27,976 | 4,897 | 0 | 0 | 4,897 | 4,749 | 4,749 |
| Mining Tenements | UV | 0.013710 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rural | UV | 0.013710 | 261 | 127,785,500 | 1,751,939 | 0 | 0 | 1,751,939 | 1,702,587 | 1,702,587 |
| Total general rates | | | 632 | 131,395,943 | 2,337,073 | 0 | 0 | 2,337,073 | 2,270,586 | 2,270,392 |
| (ii) Minimum payment | | | | | | | | | | |
| | | \$ | | | | | | | | |
| Kellerberrin Residential | GRV | 880 | 56 | 34,788 | 49,280 | 0 | 0 | 49,280 | 47,880 | 47,880 |
| Other Residential | GRV | 880 | 25 | 32,468 | 22,000 | 0 | 0 | 22,000 | 22,230 | 22,230 |
| Kellerberrin Commercial | GRV | 965 | 25 | 71,744 | 24,125 | 0 | 0 | 24,125 | 23,425 | 23,425 |
| Other Commercial | GRV | 965 | 2 | 170 | 1,930 | 0 | 0 | 1,930 | 1,874 | 1,874 |
| Mining Tenements | UV | 880 | 14 | 149,599 | 12,320 | 0 | 0 | 12,320 | 10,866 | 9,405 |
| Rural | UV | 880 | 76 | 2,151,900 | 66,880 | 0 | 0 | 66,880 | 64,980 | 64,980 |
| Total minimum payments | | | 198 | 2,440,669 | 176,535 | 0 | 0 | 176,535 | 171,255 | 169,794 |
| Total general rates and minimum payments | | | 830 | 133,836,612 | 2,513,608 | 0 | 0 | 2,513,608 | 2,441,841 | 2,440,186 |
| (iv) Ex-gratia rates | | | | | | | | | | |
| CBH | Ex Gratia | | 1 | N/A | 31,003 | 0 | 0 | 31,003 | 30,143 | 30,100 |
| Total ex-gratia rates | | | 1 | 0 | 31,003 | 0 | 0 | 31,003 | 30,143 | 30,100 |
| Total rates | | | | | 2,544,611 | 0 | 0 | 2,544,611 | 2,471,984 | 2,470,286 |
| Total rates | | | | | 2,544,611 | 0 | 0 | 2,544,611 | 2,471,984 | 2,470,286 |

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 KELLERBERRIN
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)

Single full payment

Option 2 (Two Instalments)

First instalment

Second instalment

Option 3 (Four Instalments)

First instalment

Second instalment

Third instalment

Fourth instalment

| Instalment options | Date due | Instalment plan admin charge | Instalment plan interest rate | Unpaid rates interest rates |
|---------------------------|-----------------|-------------------------------------|--------------------------------------|------------------------------------|
| | | \$ | % | % |
| Option one | | | | |
| Single full payment | 1/09/2023 | N/A | N/A | 7.00% |
| Option two | | | | |
| First instalment | 1/09/2023 | N/A | N/A | 7.00% |
| Second instalment | 12/01/2024 | 5 | 5.50% | 7.00% |
| Option three | | | | |
| First instalment | 1/09/2023 | N/A | N/A | 7.00% |
| Second instalment | 3/11/2023 | 5 | 5.50% | 7.00% |
| Third instalment | 12/01/2024 | 5 | 5.50% | 7.00% |
| Fourth instalment | 15/03/2024 | 5 | 5.50% | 7.00% |

| | 2023/24 Budget revenue | 2022/23 Actual revenue | 2022/23 Budget revenue |
|---|-------------------------------|-------------------------------|-------------------------------|
| | \$ | \$ | \$ |
| Instalment plan admin charge revenue | 2,000 | 1,690 | 2,000 |
| Instalment plan interest earned | 6,500 | 5,764 | 6,500 |
| Unpaid rates and service charge interest earned | 11,200 | 10,236 | 15,400 |
| | 19,700 | 17,690 | 23,900 |

SHIRE OF KELLERBERRIN
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 |
|--------------------|---|--|--|
| GRV Residential | Land predominantly used for Residential or other Non-rural purposes | The objective is to raise revenue to contribute to services desired by the community. | This is considered to be the base rate on which all other GRV rate levels are assessed. |
| GRV Commercial | Land predominately used for Commercial and Industrial purposes | The objective is to raise additional revenue at a higher level than similarly valued residential and non-rural land. | A higher rate is applied to this land use category to achieve a greater contribution to reflect the additional costs of servicing commercial and industrial activities including parking, waste control, landscaping and other infrastructure. |

(d) Differential Minimum Payment

| | | | |
|---------------------|---|---|--|
| GRV Residential | Land predominant used for residential or other non-rural purposes | This payment level is considered the minimum contribution for basic services and infrastructure provided to residential and other non-rural land. | The Council believes a minimum payment level should be applied to all rateable land regardless of the value of the property to contribute to basic public services and infrastructure. |
| GRV Commercial Indu | Land predominately used for Commercial and Industrial purposes | This payment level is considered the minimum contribution for basic services and infrastructure provided to commercial and industrial land. | The Council believes a minimum payment level should be applied to all rateable land regardless of the value of the property to contribute to basic public services and infrastructure. A higher minimum payment level is applied to all commercial and industrial properties to reflect the additional costs of servicing commercial and industrial activities including parking, waste control, landscaping and other infrastructure. |

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Service Charges

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

(f) Waivers or concessions

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

SHIRE OF KELLERBERRIN
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

| | | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|---|------|-------------------|-------------------|-------------------|
| | Note | 30 June 2024 | 30 June 2023 | 30 June 2023 |
| | | \$ | \$ | \$ |
| Current assets | | | | |
| Cash and cash equivalents | 4 | 578,475 | 3,830,760 | 785,375 |
| Receivables | | 255,096 | 420,096 | 187,067 |
| Inventories | | 5,177 | 5,177 | 1,632 |
| | | 838,748 | 4,256,033 | 974,074 |
| Less: current liabilities | | | | |
| Trade and other payables | | (370,236) | (612,076) | (312,337) |
| Contract liabilities | | (84,701) | (84,701) | 0 |
| Lease liabilities | 8 | (10,210) | (9,620) | (9,620) |
| Long term borrowings | 7 | (301,088) | (286,860) | (288,649) |
| Employee provisions | | (332,284) | (332,284) | (308,110) |
| | | (1,098,519) | (1,325,541) | (918,716) |
| Net current assets | | (259,771) | 2,930,492 | 55,358 |
| Less: Total adjustments to net current assets | 3(c) | 259,771 | (336,446) | (55,358) |
| Net current assets used in the Statement of Financial Activity | | 0 | 2,594,046 | 0 |

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*.

| | | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|---|------|-------------------|-------------------|-------------------|
| | Note | 30 June 2024 | 30 June 2023 | 30 June 2023 |
| | | \$ | \$ | \$ |
| Adjustments to operating activities | | | | |
| Less: Profit on asset disposals | 5 | (88,051) | (93,180) | (83,525) |
| Add: Loss on asset disposals | 5 | 0 | 31,356 | 11,500 |
| Add: Depreciation | 6 | 2,888,771 | 2,879,826 | 2,768,872 |
| Movement in current employee provisions associated with restricted cash | | 0 | 11,920 | 0 |
| Non-cash movements in non-current assets and liabilities: | | | | |
| - Pensioner deferred rates | | 0 | (1,255) | |
| - Employee provisions | | 0 | (1,850) | |
| Non cash amounts excluded from operating activities | | 2,800,720 | 2,826,817 | 2,696,847 |

(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 Statement of Financial Activity 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 - reserve accounts | 9 | (383,811) | (965,210) | (661,737) |
| Add: Current liabilities not expected to be cleared at end of year | | | | |
| - Current portion of borrowings | | 301,088 | 286,860 | 288,649 |
| - Current portion of lease liabilities | | 10,210 | 9,620 | 9,620 |
| - Current portion of employee benefit provisions held in reserve | | 332,284 | 332,284 | 308,110 |
| Total adjustments to net current assets | | 259,771 | (336,446) | (55,358) |

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 received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

INVENTORIES

General

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

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

Superannuation

The Shire 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 KELLERBERRIN
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 | | 194,664 | 2,826,828 | 123,638 |
| Term deposits | | 383,811 | 1,003,932 | 661,737 |
| Total cash and cash equivalents | | 578,475 | 3,830,760 | 785,375 |
| Held as | | | | |
| - Unrestricted cash and cash equivalents | 3(a) | 194,664 | 2,865,550 | 123,638 |
| - Restricted cash and cash equivalents | 3(a) | 383,811 | 965,210 | 661,737 |
| | | 578,475 | 3,830,760 | 785,375 |
| 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 | | 383,811 | 965,210 | 661,737 |
| | | 383,811 | 965,210 | 661,737 |
| The assets are restricted as a result of the specified purposes associated with the liabilities below: | | | | |
| Financially backed reserves | 9 | 383,811 | 965,210 | 661,737 |
| | | 383,811 | 965,210 | 661,737 |
| Reconciliation of net cash provided by operating activities to net result | | | | |
| Net result | | (1,813,693) | 2,786,340 | 146,961 |
| Depreciation | 6 | 2,888,771 | 2,879,826 | 2,768,872 |
| (Profit)/loss on sale of asset | 5 | (88,051) | (61,824) | (72,025) |
| (Increase)/decrease in receivables | | 165,000 | (234,284) | 0 |
| (Increase)/decrease in other assets | | 0 | 2,680 | 0 |
| Increase/(decrease) in payables | | (241,840) | 271,843 | 30,000 |
| Increase/(decrease) in contract liabilities | | 0 | (525,573) | (612,905) |
| Increase/(decrease) in employee provisions | | 0 | 10,070 | 0 |
| Capital grants, subsidies and contributions | | (1,893,281) | (2,638,901) | (2,002,752) |
| Net cash from operating activities | | (983,094) | 2,490,177 | 258,151 |

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 KELLERBERRIN
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 | 16,449 | 42,000 | 25,551 | 40,145 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Buildings - non-specialised | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 77,975 | 140,500 | 62,525 |
| Buildings - specialised | 342,722 | 0 | 0 | 0 | 1,671,140 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and equipment | 778,000 | 195,000 | 257,500 | 62,500 | 270,924 | 390,322 | 392,636 | 2,314 | 420,000 | 345,500 | 355,000 | 9,500 |
| Total | 1,120,722 | 211,449 | 299,500 | 88,051 | 1,982,209 | 390,322 | 392,636 | 2,314 | 420,000 | 423,475 | 495,500 | 72,025 |
| (b) Infrastructure | | | | | | | | | | | | |
| Infrastructure - roads | 2,312,774 | 0 | 0 | 0 | 2,111,341 | 0 | 0 | 0 | 2,472,559 | 0 | 0 | 0 |
| Infrastructure - footpaths | 51,996 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Infrastructure - drainage | 0 | 0 | 0 | 0 | 60,459 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Infrastructure - public facilities | 680,000 | 0 | 0 | 0 | 2,356,768 | 0 | 0 | 0 | 3,815,150 | 0 | 0 | 0 |
| Total | 3,044,770 | 0 | 0 | 0 | 4,528,568 | 0 | 0 | 0 | 6,287,709 | 0 | 0 | 0 |
| (c) Right of Use Assets | | | | | | | | | | | | |
| Right of use - furniture and fittings | 0 | 0 | 0 | 0 | 39,741 | 0 | 0 | 0 | 39,741 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 39,741 | 0 | 0 | 0 | 39,741 | 0 | 0 | 0 |
| (d) Land held for resale | | | | | | | | | | | | |
| Cost of acquisition | | | | 0 | 0 | 70,000 | 129,510 | 59,510 | | | | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 70,000 | 129,510 | 59,510 | 0 | 0 | 0 | 0 |
| Total | 4,165,492 | 211,449 | 299,500 | 88,051 | 6,550,518 | 460,322 | 522,146 | 61,824 | 6,747,450 | 423,475 | 495,500 | 72,025 |

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 KELLERBERRIN
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 |
| Infrastructure - footpaths |
| Infrastructure - drainage |
| Infrastructure - public facilities |
| Right of use - furniture and fittings |

By Program

| |
|-----------------------------|
| Governance |
| 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 |
|--|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ |
| | 48,420 | 48,420 | 48,420 |
| | 398,217 | 388,717 | 358,448 |
| | 30,711 | 30,711 | 35,126 |
| | 384,500 | 381,636 | 435,469 |
| | 1,425,367 | 1,488,786 | 1,445,297 |
| | 59,266 | 59,266 | 57,665 |
| | 139,697 | 139,697 | 138,611 |
| | 392,658 | 332,658 | 243,502 |
| | 9,935 | 9,935 | 6,334 |
| | 2,888,771 | 2,879,826 | 2,768,872 |
| | 35,431 | 58,383 | 34,832 |
| | 131,890 | 131,100 | 95,585 |
| | 12,534 | 12,794 | 8,543 |
| | 6,224 | 6,216 | 6,212 |
| | 48,481 | 48,420 | 48,393 |
| | 31,821 | 41,644 | 24,217 |
| | 522,213 | 518,115 | 456,514 |
| | 1,731,254 | 1,728,860 | 1,664,529 |
| | 37,906 | 37,363 | 35,644 |
| | 331,017 | 296,931 | 394,403 |
| | 2,888,771 | 2,879,826 | 2,768,872 |

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 | 50 to 80 years |
| Buildings - specialised | 50 to 80 years |
| Furniture and equipment | 4 to 10 years |
| Plant and equipment | 5 to 15 years |
| Infrastructure - roads | 12 to 50 years |
| Infrastructure - footpaths | 20 to 50 years |
| Infrastructure - drainage | 75 years |
| Infrastructure - public facilities | 5 to 100 years |
| Right of use - furniture and fittings | 5 years |

SHIRE OF KELLERBERRIN
 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 | Principal | Budget | | Budget | Principal | Principal | Principal |
| | | | | 1 July 2023 | New Loans | Repayments | outstanding 30 June 2024 | Repayments | 1 July 2022 | New Loans | Repayments | outstanding 30 June 2023 | Repayments | 1 July 2022 | New Loans | Repayments | outstanding 30 June 2023 | Repayments |
| | | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Police Housing (Hammon | 120 | WATC | 2.99% | 393,388 | 0 | (68,203) | 325,185 | (10,979) | 461,591 | 0 | (68,203) | 393,388 | (16,166) | 461,591 | 0 | (68,203) | 393,388 | (13,042) |
| Recreation Centre Constr | 118 | WATC | 6.37% | 834,914 | 0 | (82,784) | 752,130 | (51,233) | 912,628 | 0 | (77,714) | 834,914 | (62,521) | 912,627 | 0 | (77,714) | 834,913 | (56,302) |
| Swimming Pool | 121 | WATC | 3.75% | 703,631 | 0 | (95,801) | 607,830 | (29,056) | 0 | 750,000 | (46,369) | 703,631 | (21,230) | 0 | 750,000 | 0 | 750,000 | 0 |
| 14 CEACA Units | 119 | WATC | 3.16% | 157,002 | 0 | (40,072) | 116,930 | (4,490) | 195,833 | 0 | (38,831) | 157,002 | (6,965) | 195,833 | 0 | (38,831) | 157,002 | (5,731) |
| | | | | 2,088,935 | 0 | (286,860) | 1,802,075 | (95,758) | 1,570,052 | 750,000 | (231,117) | 2,088,935 | (106,882) | 1,570,051 | 750,000 | (184,748) | 2,135,303 | (75,075) |

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

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

7. BORROWINGS

(b) New borrowings - 2023/24

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2024

(c) Unspent borrowings

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 | 500,000 | 500,000 | 500,000 |
| Bank overdraft at balance date | 0 | 0 | 0 |
| Credit card limit | 35,000 | 35,000 | 25,000 |
| Credit card balance at balance date | 0 | (963) | 0 |
| Total amount of credit unused | 535,000 | 534,037 | 525,000 |
| Loan facilities | | | |
| Loan facilities in use at balance date | 1,802,075 | 2,088,935 | 2,135,303 |

| Overdraft details | Purpose overdraft was established | Year overdraft established | Amount b/fwd 1 July 2023 | 2023/24 | |
|-------------------|-----------------------------------|----------------------------|--------------------------|-------------------------------|-----------------------------|
| | | | | Budgeted Increase/ (Decrease) | Amount as at 30th June 2024 |
| | | | \$ | \$ | \$ |
| NAB | Assist with cash flow | 2013 | 500,000 | 0 | 500,000 |
| | | | 500,000 | 0 | 500,000 |

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

8. LEASE LIABILITIES

| Purpose | Lease Number | Institution | Lease Interest Rate | Lease Term | Budget | 2023/24 | 2023/24 | Budget | 2023/24 | Actual | 2022/23 | 2022/23 | Actual | 2022/23 | Budget | 2022/23 | 2022/23 | Budget | 2022/23 |
|---------------|--------------|-------------|---------------------|------------|-----------------------------|-------------------|-----------------------------------|--|----------------------------------|--------|------------------------------|-------------------|-----------------------------------|--|----------------------------------|-----------------------------|-------------------|-----------------------------------|--|
| | | | | | Lease Principal 1 July 2023 | Budget New Leases | Budget Lease Principal Repayments | Lease Principal outstanding 30 June 2024 | Budget Lease Interest Repayments | | Actual Principal 1 July 2022 | Actual New Leases | Actual Lease Principal repayments | Lease Principal outstanding 30 June 2023 | Actual Lease Interest repayments | Lease Principal 1 July 2022 | Budget New Leases | Budget Lease Principal repayments | Lease Principal outstanding 30 June 2023 |
| Gym Equipment | 6N016384 | MAIA | 6.09% | 4 years | \$ 30,663 | \$ 0 | \$ (9,620) | \$ 21,043 | \$ (1,565) | \$ 0 | \$ 39,741 | \$ (9,078) | \$ 30,663 | \$ (2,107) | \$ 0 | \$ 39,741 | \$ (9,078) | \$ 30,663 | \$ (2,107) |
| | | | | | 30,663 | 0 | (9,620) | 21,043 | (1,565) | 0 | 39,741 | (9,078) | 30,663 | (2,107) | 0 | 39,741 | (9,078) | 30,663 | (2,107) |

MATERIAL ACCOUNTING POLICIES

LEASES

At the inception of a contract, the Shire assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and a lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

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

9. 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) Leave reserve | 79,852 | 414 | (24,000) | 56,266 | 77,330 | 2,522 | 0 | 79,852 | 77,329 | 242 | 0 | 77,571 |
| (b) Plant Replacement Reserve | 502,298 | 120,203 | (425,000) | 197,501 | 223,915 | 278,383 | 0 | 502,298 | 223,915 | 700 | 0 | 224,615 |
| (c) Community Bus Reserve | 70,027 | 363 | (65,000) | 5,390 | 67,970 | 2,057 | 0 | 70,027 | 67,971 | 213 | 0 | 68,184 |
| (d) Housing Reserve | 198,772 | 1,030 | (190,000) | 9,802 | 192,934 | 5,838 | 0 | 198,772 | 192,934 | 603 | 0 | 193,537 |
| (e) Swimming Pool Reserve | 18,786 | 97 | 0 | 18,883 | 942,053 | 18,733 | (942,000) | 18,786 | 942,053 | 2,946 | (941,866) | 3,133 |
| (f) Sport And Recreation Reserve | 36,572 | 189 | 0 | 36,761 | 35,498 | 1,074 | 0 | 36,572 | 35,498 | 111 | 0 | 35,609 |
| (g) Pathways Reserve | 51,056 | 264 | 0 | 51,320 | 51,056 | 0 | 0 | 51,056 | 51,056 | 160 | 0 | 51,216 |
| (h) Special Projects Reserve | 7,847 | 41 | 0 | 7,888 | 7,847 | 0 | 0 | 7,847 | 7,847 | 25 | 0 | 7,872 |
| | 965,210 | 122,601 | (704,000) | 383,811 | 1,598,603 | 308,607 | (942,000) | 965,210 | 1,598,603 | 5,000 | (941,866) | 661,737 |

(b) Reserve Accounts - Purposes

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

| Reserve name | Anticipated date of use | Purpose of the reserve |
|----------------------------------|-------------------------|---|
| (a) Leave reserve | Ongoing | To be used to fund employees Long Service Leave |
| (b) Plant Replacement Reserve | Ongoing | To be used for the future purchase of Plant and Machinery |
| (c) Community Bus Reserve | Ongoing | To subsidise the replacement of Community Bus |
| (d) Housing Reserve | Ongoing | To be used for the provision of Staff Housing |
| (e) Swimming Pool Reserve | Ongoing | To be used to improve the Swimming Pool Facilities |
| (f) Sport And Recreation Reserve | Ongoing | To provide Sporting and Recreation Amenities |
| (g) Pathways Reserve | Ongoing | To be used for the construction of new Pathways |
| (h) Special Projects Reserve | Ongoing | To be used in the funding of Special Projects |

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

10 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 |
|---|--|---|--|---|---|---|---|--|
| 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 |
| 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 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 |
| 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 | Kiosk and visitor centre stock | Single point in time | Payment in full in advance | 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 KELLERBERRIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

11. 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 scarce resources.

Administration and operation of facilities and services to members of Council. Other costs that relate to the task of 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 community.

Supervision of various by-laws, fire prevention, emergency services and animal control.

Health

To provide an operational framework for good community health.

Food quality and pest control, immunisation services.

Education and welfare

To meet the needs of the community in these areas.

Provision of Pre-School facilities.

Housing

To provide and maintain housing for staff and the community.

Provision and maintenance of housing for staff and the community.

Community amenities

To provide services required by the community.

Rubbish collection services, operation of tips, noise control, administration of town planning scheme, maintenance of cemetery and provision of Land Care services.

Recreation and culture

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

Maintenance of halls, aquatic centre, recreation centre, reserves and parks, library.

Transport

To provide effective and efficient transport services to the community.

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, depot maintenance, licensing services and airstrip maintenance.

Economic services

To help promote the Shire and improve its economic wellbeing.

The regulation and provision of tourism, area promotion, building control, sale yards, noxious weeds, vermin control and standpipes.

Other property and services

To monitor and control council's overheads operating accounts.

Private works operations, plant repairs and operations costs.

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

11 PROGRAM INFORMATION (Continued)

(b) Income and expenses

| | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|---|---------------------------|---------------------------|---------------------------|
| Income excluding grants, subsidies and contributions | \$ | \$ | \$ |
| Governance | 22,000 | 64,859 | 108,400 |
| General purpose funding | 2,669,911 | 2,580,130 | 2,540,586 |
| Law, order, public safety | 3,600 | 4,344 | 3,600 |
| Health | 16,290 | 17,429 | 14,994 |
| Education and welfare | 2,400 | 3,367 | 2,400 |
| Housing | 10,200 | 125,778 | 2,400 |
| Community amenities | 168,525 | 167,394 | 145,552 |
| Recreation and culture | 95,050 | 192,422 | 82,500 |
| Transport | 57,500 | 13,516 | 19,000 |
| Economic services | 689,054 | 753,768 | 551,039 |
| Other property and services | 1,226,110 | 1,300,076 | 636,269 |
| | 4,960,640 | 5,223,083 | 4,106,740 |
| Grants, subsidies and contributions | | | |
| Governance | 6,000 | 0 | 1,505 |
| General purpose funding | 0 | 3,206,566 | 354,060 |
| Law, order, public safety | 70,000 | 10,220 | 57,000 |
| Recreation and culture | 0 | 2,080 | 786,267 |
| Transport | 182,124 | 173,485 | 170,141 |
| Economic services | 0 | 2,588 | 0 |
| | 258,124 | 3,394,939 | 1,368,973 |
| Capital grants, subsidies and contributions | | | |
| Law, order, public safety | 0 | 65,512 | 0 |
| Recreation and culture | 482,204 | 1,556,865 | 953,674 |
| Transport | 1,411,077 | 994,124 | 1,049,078 |
| Economic services | 0 | 22,400 | 0 |
| | 1,893,281 | 2,638,901 | 2,002,752 |
| Total Income | 7,112,045 | 11,256,923 | 7,478,465 |
| Expenses | | | |
| Governance | (902,188) | (672,939) | (785,882) |
| General purpose funding | (171,554) | (129,881) | (164,016) |
| Law, order, public safety | (334,909) | (338,199) | (272,788) |
| Health | (134,721) | (97,249) | (130,104) |
| Education and welfare | (61,138) | (26,029) | (57,252) |
| Housing | (35,606) | (210,993) | (31,007) |
| Community amenities | (600,570) | (535,177) | (508,179) |
| Recreation and culture | (1,833,789) | (1,479,052) | (1,535,456) |
| Transport | (2,785,471) | (2,658,236) | (2,515,754) |
| Economic services | (948,526) | (849,676) | (773,504) |
| Other property and services | (1,117,266) | (1,473,152) | (557,562) |
| Total expenses | (8,925,738) | (8,470,583) | (7,331,504) |
| Net result for the period | (1,813,693) | 2,786,340 | 146,961 |

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

12. OTHER INFORMATION

| | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|--|---------------------------|---------------------------|---------------------------|
| The net result includes as revenues | \$ | \$ | \$ |
| (a) Interest earnings | | | |
| Investments | | | |
| - Reserve accounts | 65,000 | 51,255 | 5,000 |
| - Other funds | 10,000 | 12,420 | 800 |
| Other interest revenue | 17,700 | 16,000 | 21,900 |
| | <u>92,700</u> | <u>79,675</u> | <u>27,700</u> |
| (b) Other revenue | | | |
| Reimbursements and recoveries | 1,133,933 | 1,601,493 | 846,263 |
| | <u>1,133,933</u> | <u>1,601,493</u> | <u>846,263</u> |
| The net result includes as expenses | | | |
| (c) Interest expenses (finance costs) | | | |
| Borrowings (refer Note 7(a)) | 95,758 | 106,882 | 75,075 |
| Expense on lease liabilities (refer Note 8) | 1,565 | 2,107 | 2,107 |
| | <u>97,323</u> | <u>108,989</u> | <u>77,182</u> |

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

13. ELECTED MEMBERS REMUNERATION

| | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|--|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ |
| Cr Matthew Steber | | | |
| President's allowance | 5,000 | 4,166 | 0 |
| Meeting attendance fees | 5,280 | 4,560 | 3,190 |
| Annual allowance for ICT expenses | 429 | 251 | 429 |
| Travel and accommodation expenses | 550 | 600 | 550 |
| | 11,259 | 9,577 | 4,169 |
| Cr Emily Ryan | | | |
| President's allowance | 0 | 417 | 0 |
| Deputy President's allowance | 1,250 | 1,146 | 1,250 |
| Meeting attendance fees | 3,630 | 3,980 | 3,630 |
| Annual allowance for ICT expenses | 429 | 251 | 429 |
| Travel and accommodation expenses | 550 | 550 | 550 |
| | 5,859 | 6,344 | 5,859 |
| Cr David Leake | | | |
| Meeting attendance fees | 2,970 | 2,730 | 2,970 |
| Annual allowance for ICT expenses | 429 | 251 | 429 |
| Travel and accommodation expenses | 550 | 550 | 550 |
| | 3,949 | 3,531 | 3,949 |
| Cr Monica Gardiner | | | |
| Meeting attendance fees | 2,860 | 2,840 | 2,860 |
| Annual allowance for ICT expenses | 429 | 251 | 428 |
| Travel and accommodation expenses | 550 | 600 | 550 |
| | 3,839 | 3,691 | 3,838 |
| Cr Dennis Reid | | | |
| Meeting attendance fees | 2,530 | 2,730 | 2,530 |
| Annual allowance for ICT expenses | 428 | 251 | 428 |
| Travel and accommodation expenses | 550 | 600 | 550 |
| | 3,508 | 3,581 | 3,508 |
| Cr Rodney Forsyth | | | |
| Meeting attendance fees | 3,190 | 2,970 | 3,300 |
| Annual allowance for ICT expenses | 428 | 251 | 428 |
| Travel and accommodation expenses | 550 | 550 | 550 |
| | 4,168 | 3,771 | 4,278 |
| Cy Kelsey Pryer | | | |
| Meeting attendance fees | 2,860 | 2,110 | 0 |
| Annual allowance for ICT expenses | 428 | 197 | 0 |
| Travel and accommodation expenses | 550 | 450 | 0 |
| | 3,838 | 2,757 | 0 |
| Cr Scott O'Neill | | | |
| President's allowance | 0 | 417 | 5,000 |
| Meeting attendance fees | 0 | 460 | 4,840 |
| Annual allowance for ICT expenses | 0 | 55 | 429 |
| Travel and accommodation expenses | 0 | 50 | 550 |
| | 0 | 982 | 10,819 |
| Total Elected Member Remuneration | 36,420 | 34,234 | 36,420 |
| President's allowance | 5,000 | 5,000 | 5,000 |
| Deputy President's allowance | 1,250 | 1,146 | 1,250 |
| Meeting attendance fees | 23,320 | 22,380 | 23,320 |
| Annual allowance for ICT expenses | 3,000 | 1,758 | 3,000 |
| Travel and accommodation expenses | 3,850 | 3,950 | 3,850 |
| | 36,420 | 34,234 | 36,420 |

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

14. 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 |
|---------------------------------|--------------------------------|---|---------------------------------------|---|
| | \$ | \$ | \$ | \$ |
| Community Bus Bond | 5,600 | 1,200 | (1,400) | 5,400 |
| BCITF Levy | 0 | 9,000 | (9,000) | 0 |
| Bush Fire Brigade Funds - Trust | 327 | 0 | 0 | 327 |
| Hall Bond | 3,890 | 2,500 | (2,500) | 3,890 |
| Building Registration Levy | 133 | 6,000 | (6,133) | 0 |
| Cuolahan/Cottle Room Bond | 6,350 | 1,500 | (1,850) | 6,000 |
| Housing Bond | 3,564 | 1,800 | (1,800) | 3,564 |
| Key Bond | 10,215 | 5,000 | (5,215) | 10,000 |
| Equipment Hire Bond Trust | 700 | 2,000 | (1,800) | 900 |
| Transport (CRC) Licencing Trust | 6,142 | 750,000 | (756,142) | 0 |
| Rec Centre Bonds | 1,800 | 1,000 | (1,000) | 1,800 |
| | 38,721 | 780,000 | (786,840) | 31,881 |

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

15. FEES AND CHARGES

| | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|-----------------------------|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ |
| By Program: | | | |
| Governance | 4,000 | 4,183 | 4,000 |
| General purpose funding | 5,600 | 5,480 | 5,600 |
| Law, order, public safety | 3,600 | 4,344 | 3,600 |
| Health | 16,290 | 17,056 | 14,994 |
| Education and welfare | 2,400 | 3,366 | 2,400 |
| Housing | 158,600 | 143,915 | 147,320 |
| Community amenities | 168,525 | 167,212 | 145,552 |
| Recreation and culture | 24,050 | 41,771 | 20,500 |
| Transport | 13,000 | 13,153 | 8,000 |
| Economic services | 343,280 | 337,844 | 227,000 |
| Other property and services | 362,000 | 238,427 | 100,000 |
| | 1,101,345 | 976,751 | 678,966 |

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