

Shire of Kellerberrin



2022 / 2023 ANNUAL FINANCIAL BUDGET

Life as rich as the landscape

Adpoted 19th July 2022
MIN109/22



SHIRE OF KELLERBERRIN
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Cash Flows	3
Rate Setting Statement	4
Index of Notes to the Budget	5

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 BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	2,470,286	2,360,010	2,367,008
Operating grants, subsidies and contributions	11	1,368,973	3,301,429	1,350,085
Fees and charges	15	678,966	767,406	757,909
Interest earnings	12(a)	27,700	21,788	34,600
Other revenue	12(b)	846,263	738,192	377,356
		5,392,188	7,188,825	4,886,958
Expenses				
Employee costs		(2,314,739)	(2,165,349)	(2,344,657)
Materials and contracts		(1,462,153)	(1,432,237)	(1,260,768)
Utility charges		(359,935)	(398,425)	(258,487)
Depreciation on non-current assets	6	(2,768,872)	(2,774,241)	(2,775,302)
Interest expenses	12(d)	(77,182)	(94,906)	(83,221)
Insurance expenses		(192,443)	(219,857)	(178,999)
Other expenditure		(144,680)	(115,592)	(116,230)
		(7,320,004)	(7,200,607)	(7,017,664)
		(1,927,816)	(11,782)	(2,130,706)
Non-operating grants, subsidies and contributions	11	2,002,752	2,180,880	3,151,260
Profit on asset disposals	5(b)	83,525	42,536	39,410
Loss on asset disposals	5(b)	(11,500)	0	(4,000)
		2,074,777	2,223,416	3,186,670
Net result for the period		146,961	2,211,634	1,055,964
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	0
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		146,961	2,211,634	1,055,964

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 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,470,286	2,381,569	2,417,008
Operating grants, subsidies and contributions		756,068	3,812,284	1,162,840
Fees and charges		678,966	767,406	757,909
Interest received		27,700	21,788	34,600
Goods and services tax received		0	77,667	419,067
Other revenue		846,263	738,192	377,356
		4,779,283	7,798,906	5,168,780
Payments				
Employee costs		(2,314,739)	(2,121,909)	(2,344,657)
Materials and contracts		(1,432,153)	(2,238,005)	(1,470,768)
Utility charges		(359,935)	(398,425)	(258,487)
Interest expenses		(77,182)	(95,373)	(83,221)
Insurance paid		(192,443)	(219,857)	(178,999)
Goods and services tax paid		0	0	(419,067)
Other expenditure		(144,680)	(115,592)	(116,230)
		(4,521,132)	(5,189,161)	(4,871,429)
Net cash provided by (used in) operating activities	4	258,151	2,609,745	297,351
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(420,000)	(2,125,099)	(1,745,915)
Payments for construction of infrastructure	5(a)	(6,287,709)	(2,284,817)	(3,322,434)
Non-operating grants, subsidies and contributions		2,002,752	2,180,880	3,151,260
Proceeds from sale of land held for resale	5(b)	0	0	10,000
Proceeds from sale of property, plant and equipment	5(b)	495,500	221,612	284,945
Net cash provided by (used in) investing activities		(4,209,457)	(2,007,424)	(1,622,144)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(184,748)	(176,785)	(176,785)
Principal elements of lease payments	8	(9,078)	(10,279)	(10,279)
Proceeds from new borrowings	7(a)	750,000	0	0
Net cash provided by (used in) financing activities		556,174	(187,064)	(187,064)
Net increase (decrease) in cash held		(3,395,132)	415,257	(1,511,857)
Cash at beginning of year		4,180,507	3,765,250	3,765,250
Cash and cash equivalents at the end of the year	4	785,375	4,180,507	2,253,393

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

SHIRE OF KELLERBERRIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	3	1,875,361	625,223	556,938
		1,875,361	625,223	556,938
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	2(a)(ii)	30,100	28,845	28,800
Operating grants, subsidies and contributions	11	1,368,973	3,301,429	1,350,085
Fees and charges	15	678,966	767,406	757,909
Interest earnings	12(a)	27,700	21,788	34,600
Other revenue	12(b)	846,263	738,192	377,356
Profit on asset disposals	5(b)	83,525	42,536	39,410
		3,035,527	4,900,196	2,588,160
Expenditure from operating activities				
Employee costs		(2,314,739)	(2,165,349)	(2,344,657)
Materials and contracts		(1,462,153)	(1,432,237)	(1,260,768)
Utility charges		(359,935)	(398,425)	(258,487)
Depreciation on non-current assets	6	(2,768,872)	(2,774,241)	(2,775,302)
Interest expenses	12(d)	(77,182)	(94,906)	(83,221)
Insurance expenses		(192,443)	(219,857)	(178,999)
Other expenditure		(144,680)	(115,592)	(116,230)
Loss on asset disposals	5(b)	(11,500)	0	(4,000)
		(7,331,504)	(7,200,607)	(7,021,664)
Non-cash amounts excluded from operating activities	3(b)	2,696,847	2,728,675	2,739,892
Amount attributable to operating activities		276,231	1,053,487	(1,136,674)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	11	2,002,752	2,180,880	3,151,260
Payments for property, plant and equipment	5(a)	(420,000)	(2,125,099)	(1,745,915)
Payments for construction of infrastructure	5(a)	(6,287,709)	(2,284,817)	(3,322,434)
Proceeds from disposal of assets	5(b)	495,500	221,612	294,945
Amount attributable to investing activities		(4,209,457)	(2,007,424)	(1,622,144)
Amount attributable to investing activities		(4,209,457)	(2,007,424)	(1,622,144)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(184,748)	(176,785)	(176,785)
Principal elements of finance lease payments	8	(9,078)	(10,279)	(10,279)
Proceeds from new borrowings	7(b)	750,000	0	0
Transfers to cash backed reserves (restricted assets)	9(a)	(5,000)	(31,600)	(6,000)
Transfers from cash backed reserves (restricted assets)	9(a)	941,866	716,797	613,674
Amount attributable to financing activities		1,493,040	498,133	420,610
Budgeted deficiency before general rates		(2,440,186)	(455,804)	(2,338,208)
Estimated amount to be raised from general rates	2(a)	2,440,186	2,331,165	2,338,208
Net current assets at end of financial year - surplus/(deficit)	3	0	1,875,361	0

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

INDEX OF NOTES TO THE BUDGET

Note 1	Basis of Preparation	6
Note 2	Rates	9
Note 3	Net Current Assets	13
Note 4	Reconciliation of cash	15
Note 5	Fixed Assets	16
Note 6	Asset Depreciation	18
Note 7	Borrowings	19
Note 8	Leases	21
Note 9	Reserves	22
Note 10	Revenue Recognition	23
Note 11	Program Information	24
Note 12	Other Information	25
Note 13	Elected Members Remuneration	26
Note 14	Trust	27
Note 15	Fees and Charges	28

SHIRE OF KELLERBERRIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (a) BASIS OF PREPARATION

The annual budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

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

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to the annual budget.

2021/22 actual balances

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

Budget comparative figures

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

Comparative figures

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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

Judgements, estimates and assumptions

The preparation of the annual budget in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

Rounding off figures

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

SHIRE OF KELLERBERRIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

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

REVENUES

RATES

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

FEES AND CHARGES

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

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

Governance

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

General purpose funding

To collect revenue to allow for the provision of services.

Law, order, public safety

To provide services to help ensure a safer community.

Health

To provide an operational framework for good community health.

Education and welfare

To meet the needs of the community in these areas.

Housing

To provide and maintain housing for staff and the community.

Community amenities

To provide services required by the community.

Recreation and culture

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

Transport

To provide effective and efficient transport services to the community.

Economic services

To help promote the Shire and improve its economic wellbeing.

Other property and services

To monitor and control council's overheads operating accounts.

ACTIVITIES

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.

Rates, general purpose government grants and interest revenue.

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

Food quality and pest control, immunisation services.

Provision of Pre-School facilities.

Provision and maintenance of housing for staff and the community.

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

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

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

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

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 2023

2. RATES AND SERVICE CHARGES

(a) Rating Information

(a) Rating Information					2022/23	2022/23	2022/23	2022/23	2021/22	2021/22	
			Number	Rateable	Budgeted	Budgeted	Budgeted	Budgeted	Actual	Budget	
Rate Description	Basis of valuation	Rate in	of	value	rate	interim	back	total	total	total	
		\$	properties		revenue	rates	rates	revenue	revenue	revenue	
					\$	\$	\$	\$	\$	\$	
(i) Differential general rates or general rates											
Kellerberrin Residential	GRV	0.149500	338	3,016,207	450,923	0	0	450,923	429,820	434,820	
Other Residential	GRV	0.149500	3	19,240	2,876	0	0	2,876	2,688	2,688	
Kellerberrin Commercial	GRV	0.169750	28	643,635	109,257	0	0	109,257	103,303	105,011	
Other Commercial	GRV	0.169750	3	27,976	4,749	0	0	4,749	4,490	4,490	
Mining Tenements	UV	0.016525	0	0	0	0	0	0	0	0	
Rural	UV	0.016525	261	103,031,036	1,702,587	0	0	1,702,587	1,625,466	1,628,738	
Sub-Total			633	106,738,094	2,270,392	0	0	2,270,392	2,165,767	2,175,747	
		Minimum									
		\$									
Kellerberrin Residential	GRV	855	56	34,789	47,880	0	0	47,880	50,716	50,716	
Other Residential	GRV	855	26	38,084	22,230	0	0	22,230	21,268	21,268	
Kellerberrin Commercial	GRV	937	25	71,744	23,425	0	0	23,425	22,425	22,425	
Other Commercial	GRV	937	2	170	1,874	0	0	1,874	1,794	1,794	
Mining Tenements	UV	855	11	72,034	9,405	0	0	9,405	7,845	4,908	
Rural	UV	855	76	1,733,364	64,980	0	0	64,980	61,350	61,350	
Sub-Total			196	1,950,185	169,794	0	0	169,794	165,398	162,461	
					829	108,688,279	2,440,186	0	2,440,186	2,331,165	2,338,208
Total amount raised from general rates								2,440,186	2,331,165	2,338,208	
(ii) Specified area and ex gratia rates											
Ex-gratia rates											
CBH	Ex Gratia		1	N/A	30,100	0	0	30,100	28,845	28,800	
Total specified area and ex gratia rates								30,100	28,845	28,800	
Total rates								2,470,286	2,360,010	2,367,008	

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

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

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	26/08/2022	N/A	N/A	7.0%
Option two				
First instalment	26/08/2022	N/A	N/A	7.0%
Second instalment	6/01/2023	5	5.0%	7.0%
Option three				
First instalment	26/08/2022	N/A	N/A	7.0%
Second instalment	28/10/2022	5	5.0%	7.0%
Third instalment	6/01/2023	5	5.0%	7.0%
Fourth instalment	10/03/2023	5	5.0%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	2,000	1,720	2,000
Instalment plan interest earned	6,500	5,554	6,500
Unpaid rates and service charge interest earned	15,400	9,588	20,100
	23,900	16,862	28,600

SHIRE OF KELLERBERRIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

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 Industrial	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 insturial properties to reflect the additional costs of servicing commercial and industrial activities including parking, waste control, landscaping and other infrastructure.

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

(f) Service Charges

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

(g) Waivers or concessions

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

SHIRE OF KELLERBERRIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents - unrestricted
Cash and cash equivalents - restricted
Receivables
Inventories

Less: current liabilities

Trade and other payables
Contract liabilities
Lease liabilities
Long term borrowings
Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
	\$	\$	\$
4	123,638	1,968,999	577,267
4	661,737	2,211,508	1,676,126
	187,067	187,067	262,123
	1,632	1,632	4,016
	974,074	4,369,206	2,519,532
	(312,337)	(282,337)	(851,381)
	0	(612,905)	0
8	(9,620)	0	0
7	(288,649)	(184,749)	0
	(308,110)	(308,110)	(291,443)
	(918,716)	(1,388,101)	(1,142,824)
	55,358	2,981,105	1,376,708
3.(c)	(55,358)	(1,105,744)	(1,376,708)
	0	1,875,361	0

3. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

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

(b) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Less: Profit on asset disposals
Add: Loss on disposal of assets
Add: Depreciation on assets
Movement in non-current pensioner deferred rates

Non cash amounts excluded from operating activities

Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
	\$	\$	\$
5(b)	(83,525)	(42,536)	(39,410)
5(b)	11,500	0	4,000
6	2,768,872	2,774,241	2,775,302
	0	(3,030)	
	2,696,847	2,728,675	2,739,892

(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: Current assets not expected to be received at end of year
- Land held for resale
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
- Current portion of lease liabilities
- Current portion of employee benefit provisions held in reserve

Total adjustments to net current assets

9	(661,737)	(1,598,603)	(1,676,126)
	0	0	7,975
	288,649	184,749	0
	9,620	0	0
	308,110	308,110	291,443
	(55,358)	(1,105,744)	(1,376,708)

3 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

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

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

LAND HELD FOR RESALE

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

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

GOODS AND SERVICES TAX (GST)

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

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

CONTRACT LIABILITIES

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

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	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Cash at bank and on hand		123,638	2,550,790	2,253,393
Term deposits		661,737	1,629,717	0
Total cash and cash equivalents		785,375	4,180,507	2,253,393
Held as				
- Unrestricted cash and cash equivalents	3(a)	123,638	1,968,999	577,267
- Restricted cash and cash equivalents	3(a)	661,737	2,211,508	1,676,126
		785,375	4,180,507	2,253,393
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		661,737	2,211,508	1,676,126
		661,737	2,211,508	1,676,126
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Financially backed reserves	9	661,737	1,598,603	1,676,126
Contract liabilities		0	612,905	0
		661,737	2,211,508	1,676,126
Reconciliation of net cash provided by operating activities to net result				
Net result		146,961	2,211,634	1,055,964
Depreciation	6	2,768,872	2,774,241	2,775,302
(Profit)/loss on sale of asset	5(b)	(72,025)	(42,536)	(35,410)
Share of profit or (loss) of associates accounted for using the equity method		0	0	0
(Increase)/decrease in receivables		0	151,616	50,000
(Increase)/decrease in other assets		0	2,959	0
(Increase)/decrease in inventories		0	0	(10,000)
Increase/(decrease) in payables		30,000	(765,754)	(200,000)
Increase/(decrease) in contract liabilities		(612,905)	458,465	(187,245)
Non-operating grants, subsidies and contributions		(2,002,752)	(2,180,880)	(3,151,260)
Net cash from operating activities		258,151	2,609,745	297,351

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

FINANCIAL ASSETS AT AMORTISED COST

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

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

5. FIXED ASSETS

(a) Acquisition of Assets

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

Reporting program

Asset class	Governance	Law, order, public safety	Recreation and culture	Transport	2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>							
Land - freehold land	0	0	0	0	0	0	40,000
Buildings - specialised	0	0	0	0	0	1,868,423	1,265,674
Plant and equipment	250,000	50,000	0	120,000	420,000	256,676	440,241
	250,000	50,000	0	120,000	420,000	2,125,099	1,745,915
<i>Infrastructure</i>							
Infrastructure - roads	0	0	0	2,472,559	2,472,559	1,921,900	2,165,434
Infrastructure - public facilities	0	0	3,815,150	0	3,815,150	362,917	1,157,000
	0	0	3,815,150	2,472,559	6,287,709	2,284,817	3,322,434
<i>Right of use assets</i>							
Right of use - plant and equipment	0	0	39,741	0	39,741	0	0
	0	0	39,741	0	39,741	0	0
Total acquisitions	250,000	50,000	3,854,891	2,592,559	6,747,450	4,409,916	5,068,349

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.

5. FIXED ASSETS

(b) Disposals of Assets

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

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance	225,000	235,000	10,000	0	89,888	118,181	28,293	0	148,974	172,583	23,609	0
Health	21,500	10,000	0	(11,500)	0	0	0	0	0	0	0	0
Transport	99,000	110,000	11,000	0	0	0	0	0	102,586	112,362	13,776	(4,000)
Other property and services	77,975	140,500	62,525	0	89,188	103,431	14,243	0	7,975	10,000	2,025	0
	423,475	495,500	83,525	(11,500)	179,076	221,612	42,536	0	259,535	294,945	39,410	(4,000)
By Class												
<u>Property, Plant and Equipment</u>												
Buildings - non-specialised	77,975	140,500	62,525	0	0	0	0	0	0	0	0	0
Plant and equipment	345,500	355,000	21,000	(11,500)	179,076	221,612	42,536	0	251,560	284,945	37,385	(4,000)
<u>Land Held for Resale</u>												
Land held for resale	0	0	0	0	0	0	0	0	7,975	10,000	2,025	0
	423,475	495,500	83,525	(11,500)	179,076	221,612	42,536	0	259,535	294,945	39,410	(4,000)

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

- Staff housing program
- Plant replacement program

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

6. ASSET DEPRECIATION

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
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Infrastructure - public facilities
Right of use - furniture and fittings

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
34,832	34,851	35,516
95,585	97,877	26,423
8,543	8,547	4,237
6,212	6,216	4,216
48,393	48,420	53,720
24,217	24,230	21,456
456,514	459,363	380,652
1,664,529	1,665,439	1,617,790
35,644	34,704	26,287
394,403	394,594	605,005
2,768,872	2,774,241	2,775,302
48,420	48,420	53,492
358,448	358,448	240,422
35,126	35,126	34,288
435,469	435,469	612,206
1,445,297	1,445,297	1,400,434
57,665	57,665	51,930
138,611	138,611	137,607
243,502	248,871	238,619
6,334	6,334	6,304
2,768,872	2,774,241	2,775,302

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	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

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 KELLERBERRIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose				2022/23	2022/23	Budget	2022/23				2021/22	2021/22	Actual	2021/22				2021/22	2021/22	Budget	2021/22
	Loan	Interest	Budget	Budget	Budget	Principal	Budget	Actual	Actual	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Budget	Principal	Principal	Budget
	Number	Institution	Rate	July 2022	New	Repayments	outstanding	Repayments	1 July 2021	New	Repayments	outstanding	Repayments	July 2021	New	Repayments	30 June 2022	Repayments	30 June 2022	Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Housing																					
Police Housing (Hammond St)	120	WATC	2.99%	461,591	0	(68,203)	393,388	(13,042)	527,793	0	(66,202)	461,591	(16,934)	527,793	0	(66,202)	461,591	(15,043)			
Recreation and culture																					
Recreation Centre Construction	118	WATC	6.37%	912,627	0	(77,714)	834,913	(56,302)	985,582	0	(72,955)	912,627	(69,618)	985,582	0	(72,955)	912,627	(61,062)			
Swimming Pool	121	WATC	3.75%	0	750,000	0	750,000	0	0	0	0	0	0	0	0	0	0	0	0		
Other property and services																					
14 CEACA Units	119	WATC	3.16%	195,833	0	(38,831)	157,002	(5,731)	233,461	0	(37,628)	195,833	(8,172)	233,461	0	(37,628)	195,833	(6,934)			
				1,570,051	750,000	(184,748)	2,135,303	(75,075)	1,746,836	0	(176,785)	1,570,051	(94,724)	1,746,836	0	(176,785)	1,570,051	(83,039)			

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 2023

7. INFORMATION ON BORROWINGS

(b) New borrowings - 2022/23

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
Swimming Pool Refurbishment	WATC	Fixed	7	3.75%	750,000	106,229	750,000	0
					750,000	106,229	750,000	0

(c) Unspent borrowings

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

(d) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	500,000	500,000	500,000
Bank overdraft at balance date	0	0	0
Credit card limit	25,000	15,000	15,000
Credit card balance at balance date	0	(1,053)	0
Total amount of credit unused	525,000	513,947	515,000
Loan facilities			
Loan facilities in use at balance date	2,135,303	1,570,051	1,570,051

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2022	2022/23 Budgeted Increase/ (Decrease)	Amount as at 30th June 2023
			\$	\$	\$
NAB	Assist with cash flow	2013	500,000	0	500,000
			500,000	0	500,000

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 KELLERBERRIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal July 2022	2022/23 Budget New Leases	2022/23 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2023	2022/23 Budget Lease Interest payments	Actual Principal 1 July 2021	2021/22 Actual New Leases	2021/22 Actual Lease Principal payments	Actual Lease Principal outstanding 30 June 2022	2021/22 Actual Lease Interest payments	Budget Principal 1 July 2021	2021/22 Budget New Leases	2021/22 Budget Lease Principal payments	Budget Lease Principal outstanding 30 June 2022	2021/22 Budget Lease Interest payments
						\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gym Equipment	1	MAIA	2.99%	4 years	0	0	0	0	0	10,279	0	(10,279)	0	(182)	10,279	0	(10,279)	0	(182)
Gym Equipment	E6N0163849	MAIA	6.09%	4 years	0	39,741	(9,078)	30,663	(2,107)	0	0	0	0	0	0	0	0	0	0
					0	39,741	(9,078)	30,663	(2,107)	10,279	0	(10,279)	0	(182)	10,279	0	(10,279)	0	(182)

SIGNIFICANT ACCOUNTING POLICIES

<p>LEASES</p> <p>At the inception of a contract, the Shire assesses whether the contract is, or contains, a lease.</p> <p>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.</p> <p>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.</p>	<p>LEASE LIABILITIES</p> <p>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.</p>
---	--

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Plant Replacement Reserve	223,915	700	0	224,615	223,211	704	0	223,915	223,211	586	0	223,797
(b) Community Bus Reserve	67,971	213	0	68,184	67,757	214	0	67,971	67,757	178	0	67,935
(c) Housing Reserve	192,934	603	0	193,537	192,327	607	0	192,934	192,327	505	0	192,832
(d) Swimming Pool Reserve	942,053	2,946	(941,866)	3,133	1,612,658	4,395	(675,000)	942,053	1,612,658	4,237	(573,674)	1,043,221
(e) Sport And Recreation Reserve	35,498	111	0	35,609	15,117	25,437	(5,056)	35,498	15,117	40	0	15,157
(f) Leave Reserve	77,329	242	0	77,571	77,086	243	0	77,329	77,086	203	0	77,289
(g) Pathways Reserve	51,056	160	0	51,216	51,056	0	0	51,056	51,056	134	0	51,190
(h) Special Projects Reserve	7,847	25	0	7,872	44,588	0	(36,741)	7,847	44,588	117	(40,000)	4,705
	1,598,603	5,000	(941,866)	661,737	2,283,800	31,600	(716,797)	1,598,603	2,283,800	6,000	(613,674)	1,676,126

(b) Financially Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Plant Replacement Reserve	Ongoing	To be used for the future purchase of Plant and Machinery
(b) Community Bus Reserve	Ongoing	To subsidise the replacement of Community Bus
(c) Housing Reserve	Ongoing	To be used for the provision of Staff Housing
(d) Swimming Pool Reserve	Ongoing	To be used to improve the Swimming Pool Facilities
(e) Sport And Recreation Reserve	Ongoing	To provide Sporting and Recreation Amenities
(f) Leave Reserve	Ongoing	To be used to fund employees Long Service Leave
(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 2023

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

11. PROGRAM INFORMATION

Income and expenses

Income excluding grants, subsidies and contributions

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Governance	108,400	67,769	32,609
General purpose funding	2,540,586	2,429,718	2,509,312
Law, order, public safety	3,600	51,642	5,100
Health	14,994	15,622	13,444
Education and welfare	2,400	3,571	5,000
Housing	2,400	35,401	0
Community amenities	145,552	150,481	139,291
Recreation and culture	82,500	289,787	44,550
Transport	19,000	9,888	18,776
Economic services	551,039	550,180	566,256
Other property and services	636,269	325,873	241,945
	4,106,740	3,929,932	3,576,283

Operating grants, subsidies and contributions

Governance	1,505	5,780	0
General purpose funding	354,060	2,901,283	951,000
Law, order, public safety	57,000	196,907	181,138
Housing	0	1,214	0
Community amenities	0	1,656	0
Recreation and culture	786,267	12,535	49,950
Transport	170,141	158,638	157,997
Economic services	0	23,416	10,000
	1,368,973	3,301,429	1,350,085

Non-operating grants, subsidies and contributions

Law, order, public safety	0	775,500	775,500
Recreation and culture	953,674	450,508	1,402,978
Transport	1,049,078	950,372	972,782
Economic services	0	4,500	0
	2,002,752	2,180,880	3,151,260
Total Income	7,478,465	9,412,241.00	8,077,628

Expenses

Governance	(785,882)	(595,985)	(711,407)
General purpose funding	(164,016)	(148,142)	(272,059)
Law, order, public safety	(272,788)	(420,937)	(283,673)
Health	(130,104)	(108,157)	(182,897)
Education and welfare	(57,252)	(20,485)	(54,853)
Housing	(31,007)	(129,418)	(93,632)
Community amenities	(508,179)	(432,510)	(539,870)
Recreation and culture	(1,535,456)	(1,456,652)	(1,437,689)
Transport	(2,515,754)	(2,385,960)	(2,456,109)
Economic services	(773,504)	(819,928)	(689,936)
Other property and services	(557,562)	(682,433)	(299,539)
Total expenses	(7,331,504)	(7,200,607)	(7,021,664)

Net result for the period

	146,961	2,211,634	1,055,964
--	---------	-----------	-----------

12. OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	5,000	6,231	7,000
- Other funds	800	415	1,000
Other interest revenue (refer to Note 2(b))	21,900	15,142	26,600
	27,700	21,788	34,600
(b) Other revenue			
Reimbursements and recoveries	846,263	738,192	377,356
	846,263	738,192	377,356
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	50,000	42,500	43,800
	50,000	42,500	43,800
(d) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	75,075	94,724	83,039
Interest expense on lease liabilities	2,107	182	182
	77,182	94,906	83,221
(e) Write offs			
General rate	28,000	18,828	1,000
	28,000	18,828	1,000

13. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cr Scott O'Neill			
President's allowance	5,000	3,750	0
Deputy President's allowance	0	312	1,250
Meeting attendance fees	4,840	3,780	4,510
Annual allowance for ICT expenses	429	355	428
Travel and accommodation expenses	550	600	550
	10,819	8,797	6,738
Cr Emily Ryan			
Deputy President's allowance	1,250	938	0
Meeting attendance fees	3,630	3,720	2,530
Annual allowance for ICT expenses	429	355	428
Travel and accommodation expenses	550	600	550
	5,859	5,613	3,508
Cr Matthew Steber			
Meeting attendance fees	3,190	3,060	2,530
Annual allowance for ICT expenses	429	355	428
Travel and accommodation expenses	550	600	550
	4,169	4,015	3,508
Cr David Leake			
Meeting attendance fees	2,970	2,730	2,530
Annual allowance for ICT expenses	429	356	428
Travel and accommodation expenses	550	600	550
	3,949	3,686	3,508
Cr Monica Gardiner			
Meeting attendance fees	2,860	2,350	0
Annual allowance for ICT expenses	428	318	0
Travel and accommodation expenses	550	450	0
	3,838	3,118	0
Cr Dennis Reid			
Meeting attendance fees	2,530	2,730	2,530
Annual allowance for ICT expenses	428	354	428
Travel and accommodation expenses	550	600	550
	3,508	3,684	3,508
Cr Rodney Forsyth			
President's allowance	0	1,250	5,000
Meeting attendance fees	3,300	4,280	6,160
Annual allowance for ICT expenses	428	354	432
Travel and accommodation expenses	550	600	550
	4,278	6,484	12,142
Cr Wendy McNeil			
Meeting attendance fees	0	820	2,530
Annual allowance for ICT expenses	0	136	428
Travel and accommodation expenses	0	150	550
	0	1,106	3,508
Total Elected Member Remuneration	36,420	36,503	36,420
President's allowance	5,000	5,000	5,000
Deputy President's allowance	1,250	1,250	1,250
Meeting attendance fees	23,320	23,470	23,320
Annual allowance for ICT expenses	3,000	2,583	3,000
Travel and accommodation expenses	3,850	4,200	3,850
	36,420	36,503	36,420

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 30 June 2022	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2023
	\$	\$	\$	\$
Community Bus Bond	4,600	2,500	(2,500)	4,600
Bush Fire Brigade Funds	327	0	(327)	0
Hall Bond	2,890	5,000	(5,000)	2,890
Building Registration Levy	195	6,000	(6,195)	0
Cuolahan/Cottle Room Bond	5,550	0	(50)	5,500
Housing Bond	3,564	1,200	(1,200)	3,564
Key Bond	8,415	4,000	(4,000)	8,415
Equipment Hire Bond	200	1,000	(1,200)	0
Transport (CRC) Licencing	3,074	750,000	(753,074)	0
Rec Centre Bonds	1,300	0	0	1,300
	30,115	769,700	(773,546)	26,269

15. FEES AND CHARGES

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
By Program:			
Governance	4,000	4,016	4,000
General purpose funding	5,600	5,140	82,704
Law, order, public safety	3,600	3,536	5,100
Health	14,994	15,622	13,444
Education and welfare	2,400	3,500	5,000
Housing	147,320	146,165	161,720
Community amenities	145,552	150,481	139,291
Recreation and culture	20,500	33,623	24,550
Transport	8,000	9,887	5,000
Economic services	227,000	248,249	292,100
Other property and services	100,000	147,187	25,000
	678,966	767,406	757,909

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