

**SHIRE OF WAROONA**  
**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**

The Shire of Waroona will create a sense of place and identity, embracing creativity, our natural environment and a strong and diverse economy.

**SHIRE OF WAROONA**  
**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
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a)	5,389,248	5,134,120	5,130,352
Operating grants, subsidies and contributions	10	1,091,672	2,015,069	2,415,297
Fees and charges	14	1,643,818	1,525,791	1,505,267
Service charges	2(d)	0	0	0
Interest earnings	11(a)	113,750	16,889	21,900
Other revenue	11(b)	112,000	117,393	101,700
		8,350,488	8,809,262	9,174,516
<b>Expenses</b>				
Employee costs		(3,944,120)	(3,363,555)	(3,213,126)
Materials and contracts		(4,054,656)	(3,486,340)	(4,027,660)
Utility charges		(418,336)	(395,646)	(421,435)
Depreciation on non-current assets	6	(3,449,419)	(3,545,989)	(3,451,314)
Interest expenses	11(d)	(64,662)	(24,604)	(22,720)
Insurance expenses		(261,307)	(215,104)	(241,373)
Other expenditure		(217,237)	(215,550)	(306,906)
		(12,409,737)	(11,246,788)	(11,684,534)
		(4,059,249)	(2,437,526)	(2,510,018)
Non-operating grants, subsidies and contributions	10	7,060,905	3,185,338	4,932,073
Profit on asset disposals	5(b)	52,182	1,435	38,470
Loss on asset disposals	5(b)	(26,040)	(48,179)	(957)
		7,087,047	3,138,594	4,969,586
<b>Net result for the period</b>		<b>3,027,798</b>	<b>701,068</b>	<b>2,459,568</b>
<b>Total comprehensive income for the period</b>		<b>3,027,798</b>	<b>701,068</b>	<b>2,459,568</b>

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

**SHIRE OF WAROONA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

		<b>2022/23</b>	<b>2021/22</b>	<b>2021/22</b>
	<b>NOTE</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		5,534,003	5,259,743	5,155,352
Operating grants, subsidies and contributions		724,010	2,282,618	2,490,297
Fees and charges		1,643,818	1,525,791	1,505,267
Service charges		0	0	0
Interest received		113,750	16,889	21,900
Goods and services tax received		1,861	(655)	5,176
Other revenue		112,000	117,393	93,100
		<b>8,129,442</b>	<b>9,201,779</b>	<b>9,271,092</b>
<b>Payments</b>				
Employee costs		(3,906,418)	(3,438,344)	(3,154,526)
Materials and contracts		(4,456,108)	(3,254,339)	(3,951,560)
Utility charges		(418,336)	(395,646)	(421,435)
Interest expenses		(64,662)	(162,283)	(24,220)
Insurance paid		(261,307)	(215,104)	(241,373)
Goods and services tax paid		0	0	0
Other expenditure		(221,804)	(215,550)	(306,906)
		<b>(9,328,635)</b>	<b>(7,681,266)</b>	<b>(8,100,020)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>4</b>	<b>(1,199,193)</b>	<b>1,520,513</b>	<b>1,171,072</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	5(a)	(1,456,343)	(1,348,294)	(1,283,775)
Payments for construction of infrastructure	5(a)	(8,041,063)	(2,941,297)	(6,604,372)
Non-operating grants, subsidies and contributions		7,060,905	3,185,338	4,932,073
Proceeds from sale of property, plant and equipment	5(b)	250,000	181,497	208,950
<b>Net cash provided by (used in) investing activities</b>		<b>(2,186,501)</b>	<b>(922,756)</b>	<b>(2,747,124)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	7(a)	(128,791)	(95,208)	(104,809)
Proceeds from new borrowings	7(a)	100,000	1,000,000	450,000
<b>Net cash provided by (used in) financing activities</b>		<b>(28,791)</b>	<b>904,793</b>	<b>345,191</b>
<b>Net increase (decrease) in cash held</b>		<b>(3,414,485)</b>	<b>1,502,550</b>	<b>(1,230,861)</b>
Cash at beginning of year		6,312,310	4,809,760	3,878,053
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>2,897,825</b>	<b>6,312,310</b>	<b>2,647,192</b>

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

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

		<b>2022/23</b>	<b>2021/22</b>	<b>2021/22</b>
	<b>NOTE</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	3	2,324,519	1,187,251	1,363,300
		2,324,519	1,187,251	1,363,300
<b>Revenue from operating activities (excluding rates)</b>				
Operating grants, subsidies and contributions	10	1,091,672	2,015,069	2,422,927
Fees and charges	14	1,643,818	1,525,791	1,505,267
Interest earnings	11(a)	113,750	16,889	21,900
Other revenue	11(b)	112,000	117,393	101,700
Profit on asset disposals	5(b)	52,182	1,435	38,470
		3,013,422	3,676,577	4,090,264
<b>Expenditure from operating activities</b>				
Employee costs		(3,944,120)	(3,363,555)	(3,213,126)
Materials and contracts		(4,054,656)	(3,486,340)	(4,027,660)
Utility charges		(418,336)	(395,646)	(421,435)
Depreciation on non-current assets	6	(3,449,419)	(3,545,989)	(3,451,314)
Interest expenses	11(d)	(64,662)	(24,604)	(22,720)
Insurance expenses		(261,307)	(215,104)	(241,373)
Other expenditure		(217,237)	(215,550)	(314,537)
Loss on asset disposals	5(b)	(26,040)	(48,179)	(957)
		(12,435,777)	(11,294,967)	(11,693,122)
Non-cash amounts excluded from operating activities	3(b)	3,456,412	3,587,433	3,466,074
<b>Amount attributable to operating activities</b>		(3,641,424)	(2,843,706)	(2,773,484)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	10	7,060,905	3,185,338	4,932,073
Payments for property, plant and equipment	5(a)	(1,456,343)	(1,348,294)	(1,283,775)
Payments for construction of infrastructure	5(a)	(8,041,063)	(2,941,297)	(6,604,372)
Proceeds from disposal of assets	5(b)	250,000	181,497	208,950
<b>Amount attributable to investing activities</b>		(2,186,501)	(922,756)	(2,747,124)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	7(a)	(128,791)	(95,208)	(104,809)
Proceeds from new borrowings	7(b)	100,000	1,000,000	450,000
Transfers to cash backed reserves (restricted assets)	8(a)	(159,395)	(162,431)	(145,260)
Transfers from cash backed reserves (restricted assets)	8(a)	626,863	214,500	190,325
<b>Amount attributable to financing activities</b>		438,677	956,861	390,256
<b>Budgeted deficiency before general rates</b>		(5,389,248)	(2,809,601)	(5,130,352)
<b>Estimated amount to be raised from general rates</b>	2(a)	5,389,248	5,134,120	5,130,352
<b>Net current assets at end of financial year - surplus/(deficit)</b>	3	<b>0</b>	<b>2,324,519</b>	<b>0</b>

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	11
Note 4	Reconciliation of cash	13
Note 5	Fixed Assets	14
Note 6	Asset Depreciation	16
Note 7	Borrowings	17
Note 8	Reserves	19
Note 9	Revenue Recognition	20
Note 10	Program Information	21
Note 11	Other Information	22
Note 12	Elected Members Remuneration	23
Note 13	Trust	24
Note 14	Fees and Charges	25

**SHIRE OF WAROONA**  
**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 Waroona controls resources to carry on its functions have been included in the financial statements forming part of this annual budget.

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

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

**2021/22 actual balances**

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

**Budget comparative figures**

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

**Comparative figures**

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

**Initial application of accounting standards**

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

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

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

**New accounting standards for application in future years**

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

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

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

**Judgements, estimates and assumptions**

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

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

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

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

**Rounding off figures**

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

**SHIRE OF WAROONA**  
**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

### ACTIVITIES

#### Governance

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

Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.

#### General purpose funding

Rates and general purpose Government Grants.

Rates and general purpose Government Grants. Expenses relating to these items.

#### Law, order, public safety

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

Fire prevention and animal control by the supervision of various by-laws, public security and civil emergency services.

#### Health

To provide an operational framework for environmental and community health.

Food control, operation of Child Health Clinic and general health services. Operation of Waroona Community Health and Resource Centre.

#### Education and welfare

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

Operation of Pre-School facilities and Senior Citizens Centre & Community Development Officer.

#### Housing

To provide and maintain residential housing.

Rental of Council owned house at 1 Eastcott Street Waroona.

#### Community amenities

To provide services required by the community.

Rubbish and recycling collection service, maintenance and improvement of stormwater drainage, upkeep of cemeteries, litter control, town planning control and public conveniences.

#### Recreation and culture

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

Maintenance of halls and pavilions, ovals, parks and gardens, public Library and Waroona Indoor Recreation and Aquatic Centre.

#### Transport

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

Construction and maintenance of roads. drainage, footpaths, parking facilities, traffic signs, street cleaning and vehicle licensing function.

#### Economic services

To help promote the Shire and its economic wellbeing.

Tourism, pest control services, implementation of building controls, operation of Landcare premises and regional development.

#### Other property and services

To monitor and control Council's overhead operating accounts.

Private works, public work overheads (ie - engineering, leave, public holidays), plant operation (ie - repairs, wages, insurance), stock and materials.



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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
<b>(i) Differential general rates or general rates</b>										
Waroona GRV	Gross Rental Valuation	0.10096	1,495	26,320,917	2,657,465			2,657,465	2,402,670	2,403,699
Unimproved Valuations	Unimproved Valuation	0.00769	572	246,890,000	1,897,843			1,897,843	1,816,126	1,811,328
<b>Sub-Total</b>			2,067	273,210,917	4,555,308	0	0	4,555,308	4,218,795	4,215,027
		<b>Minimum</b>								
<b>Minimum payment</b>										
		\$								
Waroona GRV	Gross Rental Valuation	1,230	569	3,973,431	699,870			699,870	791,950	791,950
Unimproved Valuations	Unimproved Valuation	1,230	109	10,426,258	134,070			134,070	123,375	123,375
<b>Sub-Total</b>			678	14,399,689	833,940	0	0	833,940	915,325	915,325
			2,745	287,610,606	5,389,248	0	0	5,389,248	5,134,120	5,130,352
<b>Total rates</b>								5,389,248	5,134,120	5,130,352

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

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
		\$	%	%
<b>Option one</b>				
Single full payment	23/09/2022	0	0.0%	0.0%
<b>Option two</b>				
First instalment	23/09/2022	0	0.0%	0.0%
Second instalment	23/11/2022	10	5.5%	7.0%
<b>Option three</b>				
First instalment	23/09/2022	0	0.0%	0.0%
Second instalment	23/11/2022	10	5.5%	7.0%
Third instalment	23/01/2023	10	5.5%	7.0%
Fourth instalment	23/03/2023	10	5.5%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	15,500	15,560	18,200
Instalment plan interest earned	14,000	14,032	14,200
Unpaid rates and service charge interest earned	22,000	25,269	21,400
	51,500	54,861	53,800

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

3. NET CURRENT ASSETS

	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
Note	\$	\$	\$
<b>(a) Composition of estimated net current assets</b>			
<b>Current assets</b>			
Cash and cash equivalents - unrestricted	4	377,003	2,759,699
Cash and cash equivalents - restricted	4	2,520,822	3,552,611
Receivables		551,195	894,470
Inventories		7,417	8,949
		<u>3,456,437</u>	<u>7,215,729</u>
			2,932,648
<b>Less: current liabilities</b>			
Trade and other payables		(935,615)	(1,338,599)
Contract liabilities		(583,798)	(1,148,119)
		<u>(1,519,413)</u>	<u>(2,486,718)</u>
			(521,152)
		1,937,024	4,729,011
			2,411,496
<b>Net current assets</b>			
		1,937,024	4,729,011
			2,411,496
<b>Less: Total adjustments to net current assets</b>			
	3.(c)	(1,937,024)	(2,404,492)
<b>Net current assets used in the Rate Setting Statement</b>			
		<u>0</u>	<u>2,324,519</u>
			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*.

	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
Note	\$	\$	\$
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	5(b)	(52,182)	(1,435)
Less: Reversal of prior year loss on revaluation of non-current assets		0	0
Add: Loss on disposal of assets	5(b)	26,040	48,179
Add: Loss on revaluation of non current assets		0	0
Add: Depreciation on assets	6	3,449,419	3,545,989
Movement in non-current pensioner deferred rates		0	9,176
Movement in non-current employee provisions		33,135	(14,476)
		<u>3,456,412</u>	<u>3,587,433</u>
			3,466,074

(c) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Cash - restricted reserves	8	(1,937,024)	(2,404,492)
<b>Total adjustments to net current assets</b>		<u>(1,937,024)</u>	<u>(2,411,496)</u>
			(2,411,496)

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 Waroona 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 Waroona contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Waroona 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	843,331	3,907,816	235,696
Term deposits	2,054,494	2,404,494	2,411,496
<b>Total cash and cash equivalents</b>	<b>2,897,825</b>	<b>6,312,310</b>	<b>2,647,192</b>
Held as			
- Unrestricted cash and cash equivalents	3(a) 377,003	2,759,699	235,696
- Restricted cash and cash equivalents	3(a) 2,520,822	3,552,611	2,411,496
	<b>2,897,825</b>	<b>6,312,310</b>	<b>2,647,192</b>
<b>Restrictions</b>			
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	2,520,822	3,552,611	2,411,496
	<b>2,520,822</b>	<b>3,552,611</b>	<b>2,411,496</b>
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Financially backed reserves	8 1,937,024	2,404,492	2,411,496
Contract liabilities	583,798	1,148,119	
	<b>2,520,822</b>	<b>3,552,611</b>	<b>2,411,496</b>
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	<b>3,027,798</b>	<b>701,068</b>	<b>2,459,568</b>
Depreciation	6 3,449,419	3,545,989	3,451,314
(Profit)/loss on sale of asset	5(b) (26,142)	46,744	(37,513)
(Increase)/decrease in receivables	343,275	(381,233)	105,176
(Increase)/decrease in inventories	1,082	(2,107)	(2,500)
Increase/(decrease) in payables	(402,534)	96,429	77,100
Increase/(decrease) in contract liabilities	(564,321)	773,750	
Increase/(decrease) in employee provisions	33,135	(74,789)	50,000
Non-operating grants, subsidies and contributions	(7,060,905)	(3,185,338)	(4,932,073)
<b>Net cash from operating activities</b>	<b>(1,199,193)</b>	<b>1,520,513</b>	<b>1,171,072</b>

#### SIGNIFICANT ACCOUNTING POLICES

##### CASH AND CASH EQUIVALENTS

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

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

##### FINANCIAL ASSETS AT AMORTISED COST

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

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

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

**5. FIXED ASSETS**

**(a) Acquisition of Assets**

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

Asset class	Reporting program										2022/23 Budget total	2021/22 Actual total	2021/22 Budget total	
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services				Other property and services
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b><i>Property, Plant and Equipment</i></b>														
Land												0	338,000	0
Building	167,670		183,173		16,000		53,700	57,700		12,500		490,743	505,889	690,075
Furniture and equipment	48,600											48,600	18,545	18,900
Plant and equipment	39,000		70,000			400,000			408,000			917,000	485,860	574,800
	255,270	0	253,173	0	16,000	0	453,700	57,700	408,000	12,500	0	1,456,343	1,348,294	1,283,775
<b><i>Infrastructure</i></b>														
Infrastructure - roads									2,869,603			2,869,603	2,378,617	2,380,756
Infrastructure - Other						175,000	923,894	65,000	4,007,566			5,171,460	562,680	4,223,616
	0	0	0	0	0	0	175,000	923,894	2,934,603	4,007,566	0	8,041,063	2,941,297	6,604,372
<b>Total acquisitions</b>	<b>255,270</b>	<b>0</b>	<b>253,173</b>	<b>0</b>	<b>16,000</b>	<b>0</b>	<b>628,700</b>	<b>981,594</b>	<b>3,342,603</b>	<b>4,020,066</b>	<b>0</b>	<b>9,497,406</b>	<b>4,289,591</b>	<b>7,888,147</b>

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

**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.

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

5. FIXED ASSETS

(b) Disposals of Assets

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

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Governance	27,676	30,000	2,324	0	116,487	88,769	0	(27,718)	24,946	28,000	3,054	0
General Purpose Funding		0	0	0		0	0	0		0	0	0
Law, order, public safety	39,910	47,000	7,821	(731)		0	0	0		0	0	0
Health		0	0	0		0	0	0		0	0	0
Education and welfare		0	0	0		0	0	0	29,595	34,000	4,405	0
Housing		0	0	0		0	0	0		0	0	0
Community amenities		0	0	0		0	0	0		0	0	0
Recreation and culture		0	0	0	24,250	25,455	1,205	0	24,570	25,450	880	0
Transport	156,272	173,000	42,037	(25,309)	87,504	67,273	230	(20,461)	92,326	121,500	30,131	(957)
Economic services		0	0	0		0	0	0		0	0	0
Other property and services		0	0	0		0	0	0		0	0	0
	223,858	250,000	52,182	(26,040)	228,241	181,497	1,435	(48,179)	171,437	208,950	38,470	(957)
<b>By Class</b>												
<u>Property, Plant and Equipment</u>												
Plant and equipment	223,858	250,000	52,182	(26,040)	111,754	92,728	1,435	(20,461)	171,437	208,950	38,470	(957)
Other Property		0			116,487	88,769	0	(27,718)		0		
	223,858	250,000	52,182	(26,040)	228,241	181,497	1,435	(48,179)	171,437	208,950	38,470	(957)

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

- Plant replacement program

**SIGNIFICANT ACCOUNTING POLICIES**

**GAINS AND LOSSES ON DISPOSAL**

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

## 6. ASSET DEPRECIATION

### By Program

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

### By Class

Buildings
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - Other

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
98,813	195,383	103,150
148,664	148,665	148,193
51,927	51,928	51,927
39,068	39,068	39,011
320,602	320,602	321,873
840,157	840,156	835,912
1,879,632	1,879,632	1,875,946
52,159	52,158	51,952
18,397	18,397	23,350
<b>3,449,419</b>	<b>3,545,989</b>	<b>3,451,314</b>
803,470	803,470	806,933
45,508	45,508	45,650
216,786	313,355	223,904
1,684,241	1,684,241	1,675,277
699,414	699,414	699,550
<b>3,449,419</b>	<b>3,545,988</b>	<b>3,451,314</b>

## 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	40 - 60 Years
Furniture and equipment	3 - 20 Years
Plant and equipment	5 - 10 Years
Seats & Benches	15 - 25 Years
Water supply piping	20 - 40 Years
Roads	
Formation	Not Depreciated
Construction	45 - 55 Years
Bituminous Seals	15 - 25 Years
Asphalt Seals	25 - 30 Years
Unsealed Roads	
Formed	10 - 15 Years
Gravel	12 - 15 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 WAROONA**  
**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	Loan Number	Institution	Interest Rate	Budget	2022/23	2022/23	Budget	2022/23	Actual Principal 1 July 2021	2021/22	2021/22	Actual	2021/22	Budget Principal 1 July 2021	2021/22	2021/22	Budget	2021/22	Budget Principal outstanding 30 June 2022	2021/22	
				Principal 1 July 2022	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2023	Budget Interest Repayments		Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2022	Actual Interest Repayments		Budget New Loans	Budget Principal Repayments	Actual Interest Repayments	Budget Principal Repayments			
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Recreation and culture</b>																					
Basketball Stadium	117	WATC		35,965		(17,400)	18,565	(2,053)	52,274			(16,309)	35,965	(3,027)	52,274			(16,310)	35,964	(3,326)	
Rec Centre Upgrade	120	WATC		46,422		(22,762)	23,660	(1,595)	68,319			(21,897)	46,422	(2,443)	68,319			(21,897)	46,422	(2,648)	
Memorial Hall Upgrade	121	WATC		90,788		(29,375)	61,413	(2,480)	119,310			(28,522)	90,788	(3,164)	119,310			(28,522)	90,788	(3,333)	
<b>Economic services</b>																					
Town Precinct Land	122	WATC		617,450		(28,936)	588,514	(9,744)	645,929			(28,479)	617,450	(10,131)	645,929			(28,480)	617,449	(9,933)	
Town Precinct Development	123	WATC		450,000		(13,643)	436,357	(21,955)		450,000			450,000	(424)		450,000		(9,600)	440,400	(3,480)	
Fouracre Land Purchase	124	WATC		550,000		(16,675)	533,325	(26,834)		550,000			550,000	(519)					0		
<b>Other property and services</b>																					
Preston Beach Land	125	WATC		0	100,000	0	100,000	0					0						0		
				1,790,625	100,000	(128,791)	1,761,833	(64,662)	885,832	1,000,000	(95,208)	1,790,625	(19,708)	885,832	450,000	(104,809)	1,231,023	(22,720)			

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 WAROONA  
 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
Loan 125	WATC	Debenture	3 years	3.1%	\$ 100,000	\$ 5,499	\$ 100,000	\$ 0
					100,000	5,499	100,000	0

(c) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit	500,000	500,000	500,000
Bank overdraft at balance date	0	0	0
Credit card limit	52,000	52,000	37,000
Credit card balance at balance date	0	0	0
<b>Total amount of credit unused</b>	<b>552,000</b>	<b>552,000</b>	<b>537,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	1,761,833	1,790,625	1,231,023
Unused loan facilities at balance date	450,000		

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 WAROONA**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**8. 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Sporting Reserve	78,257		(15,000)	63,257	77,953	304		78,257	77,953			77,953
(b) Council Building Maintenance Reserve	98,483			98,483	98,101	382		98,483	98,101			98,101
(c) Rec Centre Building Maintenance Reserve	70,239			70,239	124,753	486	(55,000)	70,239	124,753		(55,000)	69,753
(d) Preston Beach Volunteer Ranger Reserve	60,335	24,060	(25,000)	59,395	43,027	19,308	(2,000)	60,335	43,027	11,510	(10,900)	43,637
(e) Emergency Assistance Reserve	106,370			106,370	105,957	413		106,370	105,957			105,957
(f) Works Depot Redevelopment Reserve	80,575			80,575	80,262	313		80,575	80,262			80,262
(g) Council Building Construction Reserve	170,136		(4,425)	165,711	169,474	662		170,136	169,474		(4,425)	165,049
(h) Information Technology Reserve	144,046		(48,600)	95,446	143,487	559		144,046	143,487			143,487
(i) Footpath Construction Reserve	31,982			31,982	31,858	124		31,982	31,858			31,858
(j) Plant Replacement Reserve	262,557		(33,800)	228,757	381,066	1,491	(120,000)	262,557	381,066		(120,000)	261,066
(k) Staff Leave Reserve	91,934		(80,000)	11,934	128,932	502	(37,500)	91,934	128,931			128,931
(l) Strategic Planning Reserve	20,038		(20,038)	0	19,960	78		20,038	19,961			19,961
(m) Waste Management Reserve	1,097,401	134,635	(400,000)	832,036	960,658	136,743		1,097,401	960,658	133,000		1,093,658
(n) History Book Reprint Reserve	10,077	700		10,777	9,327	750		10,077	9,327	750		10,077
(o) Risk & Insurance Reserve	9,251			9,251	9,215	36		9,251	9,215			9,215
(p) Drakesbrook Cemetery Reserve	72,811			72,811	72,531	280		72,811	72,531			72,531
	2,404,492	159,395	(626,863)	1,937,024	2,456,561	162,431	(214,500)	2,404,492	2,456,561	145,260	(190,325)	2,411,496

**(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) Sporting Reserve	Ongoing	To provide funds for sporting facilities and equipment as determined by Council together with low interest loans applications
(b) Council Building Maintenance Reserve	Ongoing	To be used to fund works associated with significant maintenance for Council Buildings and work associated with emergency repairs
(c) Rec Centre Building Maintenance Reserve	Ongoing	To be used for future building asset maintenance items at the Recreation Centre, particularly plant
(d) Preston Beach Volunteer Ranger Reserve	Ongoing	To provide funds to assist in the operations of the volunteer ranger functions including replacement of equipment
(e) Emergency Assistance Reserve	Ongoing	To provide funds to assist in emergency situations e.g.: major fire
(f) Works Depot Redevelopment Reserve	Ongoing	To provide funds for the provision of vehicle storage bays at Works Depot
(g) Council Building Construction Reserve	Ongoing	To be used to fund works associated with significant maintenance for Council Buildings and work associated with emergency repairs
(h) Information Technology Reserve	Ongoing	To be used to ensure that the network computer system is maintained including external site connections
(i) Footpath Construction Reserve	Ongoing	To provide funds for future extension of Dual use path network
(j) Plant Replacement Reserve	Ongoing	To be used for the purchase and replacement of major plant
(k) Staff Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements
(l) Strategic Planning Reserve	Ongoing	To provide funds for the future requirements of Council's Strategic Planning
(m) Waste Management Reserve	Ongoing	To be used to maintain operations at Buller Road Refuse Site
(n) History Book Reprint Reserve	2027/2028	To be used to fund the update reprint of the 'Drakesbrook days and Waroona years' historical book
(o) Risk & Insurance Reserve	Ongoing	To be used for expenses associated with risk assessments and insurance adjustments or unforeseen expenses
(p) Drakesbrook Cemetery Reserve	Ongoing	To be used for expenses associated with the Drakesbrook Cemetery

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

**9. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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

<b>Revenue Category</b>	<b>Nature of goods and services</b>	<b>When obligations typically satisfied</b>	<b>Payment terms</b>	<b>Returns/Refunds/Warranties</b>	<b>Determination of transaction price</b>	<b>Allocating transaction price</b>	<b>Measuring obligations for returns</b>	<b>Revenue recognition</b>
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
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management entry fees	Waste 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	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

## 10. PROGRAM INFORMATION

Income and expenses	2022/23 Budget	2021/22 Actual	2021/22 Budget
<b>Income excluding grants, subsidies and contributions</b>	\$	\$	\$
Governance	41,524	44,971	41,134
General purpose funding	5,574,548	5,230,086	5,203,052
Law, order, public safety	41,321	33,117	39,250
Health	41,350	41,164	37,600
Education and welfare	310	311	4,815
Housing	32,680	13,563	14,300
Community amenities	1,187,432	1,072,417	1,116,041
Recreation and culture	166,850	171,194	159,120
Transport	128,187	85,504	103,781
Economic services	91,796	96,435	73,696
Other property and services	5,000	6,866	4,900
	7,310,998	6,795,628	6,797,689
<b>Operating grants, subsidies and contributions</b>			
Governance	10,050	27,844	11,850
General purpose funding	219,847	1,182,743	450,177
Law, order, public safety	79,653	92,489	78,988
Health	100	0	100
Education and welfare	49,355	51,323	50,968
Housing	0	2,955	0
Community amenities	205,385	180,868	192,200
Recreation and culture	411,707	294,241	1,052,365
Transport	43,900	152,865	0
Economic services	53,075	0	566,779
Other property and services	18,600	29,741	19,500
	1,091,672	2,015,069	2,422,927
<b>Non-operating grants, subsidies and contributions</b>			
General purpose funding	590,241	1,139,211	1,281,025
Law, order, public safety	208,271	62,909	62,909
Community amenities	0	0	10,000
Recreation and culture	748,394	119,606	68,000
Transport	2,260,050	1,638,723	1,760,139
Economic services	3,253,949	224,889	1,750,000
	7,060,905	3,185,338	4,932,073
<b>Total Income</b>	15,463,575	11,996,035	14,152,689
<b>Expenses</b>			
Governance	(1,607,987)	(1,564,385)	(1,508,539)
General purpose funding	(132,615)	(208,626)	(185,986)
Law, order, public safety	(698,517)	(712,240)	(675,135)
Health	(294,424)	(208,390)	(213,166)
Education and welfare	(423,748)	(398,691)	(490,530)
Housing	(18,208)	(33,133)	(10,344)
Community amenities	(2,069,825)	(1,719,087)	(1,875,746)
Recreation and culture	(3,178,760)	(2,888,677)	(3,163,356)
Transport	(3,072,625)	(2,855,735)	(2,902,377)
Economic services	(835,128)	(702,649)	(641,407)
Other property and services	(103,940)	(3,354)	(23,905)
<b>Total expenses</b>	(12,435,777)	(11,294,967)	(11,690,491)
<b>Net result for the period</b>	3,027,798	701,068	2,462,198

## 11. OTHER INFORMATION

	<b>2022/23 Budget</b>	<b>2021/22 Actual</b>	<b>2021/22 Budget</b>
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	67,800	9,578	12,500
- Other funds	45,000	6,239	8,500
Other interest revenue (refer to Note 2(b))	950	1,072	900
	113,750	16,889	21,900
<b>(b) Other revenue</b>			
Reimbursements and recoveries	112,000	117,393	101,700
	112,000	117,393	101,700
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	27,300	26,000	26,000
Other services	12,000	1,800	2,500
	39,300	27,800	28,500
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 7(a))	64,662	19,708	22,720
	64,662	19,708	22,720

## 12. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
<b>Elected member 1</b>			
President's allowance	10,405	9,943	9,943
Meeting attendance fees	9,868	9,430	9,430
Annual allowance for ICT expenses	1,415	1,350	1,350
	21,688	20,723	20,723
<b>Elected member 2</b>			
Deputy President's allowance	2,601	2,486	2,486
Meeting attendance fees	9,868	9,430	9,430
Annual allowance for ICT expenses	1,415	1,350	1,350
	13,884	13,266	13,266
<b>Elected member 3</b>			
Meeting attendance fees	9,868	9,430	9,430
Annual allowance for ICT expenses	1,413	1,350	1,350
	11,281	10,780	10,780
<b>Elected member 4</b>			
Meeting attendance fees	9,868	9,430	9,430
Annual allowance for ICT expenses	1,413	1,350	1,350
	11,281	10,780	10,780
<b>Elected member 5</b>			
Meeting attendance fees	9,868	9,430	9,430
Annual allowance for ICT expenses	1,413	1,350	1,350
	11,281	10,780	10,780
<b>Elected member 6</b>			
Meeting attendance fees	9,868	9,430	9,430
Annual allowance for ICT expenses	1,413	1,350	1,350
	11,281	10,780	10,780
<b>Elected member 7</b>			
Meeting attendance fees	9,868	9,430	9,430
Annual allowance for ICT expenses	1,413	1,350	1,350
	11,281	10,780	10,780
<b>Elected member 8</b>			
Meeting attendance fees	0	1,947	9,430
Annual allowance for ICT expenses	0	279	1,350
	0	2,226	10,780
<b>Total Current Elected Member Remuneration</b>	91,977	90,115	98,669
President's allowance	10,405	9,943	9,943
Deputy President's allowance	2,601	2,486	2,486
Meeting attendance fees	69,076	67,957	75,440
Annual allowance for ICT expenses	9,895	9,729	10,800
	91,977	90,115	98,669

### 13. TRUST FUNDS

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

Detail	Balance 30 June 2022	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2023
	\$	\$	\$	\$
Public Open Spaces	130,489	0		130,489
Alcoa Waroona Sustainability Fund	2,434,722	275,000	(650,000)	2,059,722
Extractive Industries (Trust)	18,074	0	(15,000)	3,074
	2,583,285	275,000	(665,000)	2,193,285



## 14. FEES AND CHARGES

	<b>2022/23 Budget</b>	<b>2021/22 Actual</b>	<b>2021/22 Budget</b>
	\$	\$	\$
<b>By Program:</b>			
Governance	38,250	40,971	34,080
General purpose funding	54,500	64,839	36,600
Law, order, public safety	33,500	33,117	39,250
Health	41,350	41,164	37,600
Education and welfare	310	310	410
Housing	32,680	13,563	14,300
Community amenities	1,184,432	1,065,105	1,106,041
Recreation and culture	166,850	169,989	158,240
Transport	150	297	150
Economic services	91,796	96,436	73,696
Other property and services			4,900
	<b>1,643,818</b>	<b>1,525,791</b>	<b>1,505,267</b>

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