

SHIRE OF CUBALLING

**BUDGET
FOR THE YEAR ENDED
30 JUNE 2022**

Adopted by Council 21st of July 2021

SHIRE OF CUBALLING

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A progressive, diverse and caring community, with access to modern services and infrastructure, in a unique part of the world.

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

	NOTE	2021/22 Budget \$	2020/21 Actual \$	2020/21 Budget \$
Revenue				
Rates	1(a)	1,241,412	1,172,623	1,171,584
Operating grants, subsidies and contributions	10(a)	702,067	1,231,483	615,168
Fees and charges	9	143,279	267,755	166,672
Interest earnings	12(a)	10,575	15,572	20,800
Other revenue	12(b)	45,750	68,050	64,665
		2,143,083	2,755,483	2,038,888
Expenses				
Employee costs		(1,027,922)	(801,029)	(996,469)
Materials and contracts		(865,829)	(790,206)	(835,793)
Utility charges		(62,565)	(84,086)	(67,601)
Depreciation on non-current assets	5	(2,060,628)	(2,048,915)	(1,962,282)
Interest expenses	12(d)	(23,708)	(5,383)	(5,383)
Insurance expenses		(159,902)	(146,251)	(147,848)
Other expenditure		(59,245)	(47,697)	(58,105)
		(4,259,799)	(3,923,567)	(4,073,481)
Subtotal		(2,116,716)	(1,168,084)	(2,034,593)
Non-operating grants, subsidies and contributions	10(b)	2,360,758	1,956,658	1,702,022
Profit on asset disposals	4(b)	0	874	0
Loss on asset disposals	4(b)	(42,073)	(122,235)	(155,513)
		2,318,685	1,835,297	1,546,509
Net result		201,969	667,213	(488,084)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		201,969	667,213	(488,084)

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

SHIRE OF CUBALLING

FOR THE YEAR ENDED 30 JUNE 2022

BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 16 to the budget.

2020/21 ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

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

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,9,10(a),12(a),12(b)	\$	\$	\$
Governance		44,950	35,613	1,780
General purpose funding		1,539,977	1,803,919	1,484,292
Law, order, public safety		133,112	209,304	35,444
Health		800	1,173	800
Education and welfare		2,500	0	1,000
Housing		0	3,960	4,680
Community amenities		75,516	125,045	71,830
Recreation and culture		12,773	26,402	25,151
Transport		249,755	447,029	283,262
Economic services		38,700	55,985	38,650
Other property and services		45,000	48,800	92,000
		2,143,083	2,757,230	2,038,889
Expenses excluding finance costs	4(a),5,12(c)(e)(f)(g)			
Governance		(138,957)	(151,904)	(131,679)
General purpose funding		(88,500)	(102,595)	(78,415)
Law, order, public safety		(298,263)	(276,153)	(182,585)
Health		(45,907)	(44,748)	(45,440)
Education and welfare		(22,485)	(17,140)	(18,650)
Housing		(40,711)	(30,655)	(37,745)
Community amenities		(353,068)	(365,725)	(337,403)
Recreation and culture		(378,844)	(363,867)	(411,274)
Transport		(2,672,489)	(2,231,335)	(2,613,168)
Economic services		(162,367)	(183,571)	(152,740)
Other property and services		(34,500)	(152,238)	(59,000)
		(4,236,091)	(3,919,931)	(4,068,099)
Finance costs	7,6(a),12(d)			
Education and welfare		(23,223)	(3,078)	(3,078)
Transport		(485)	(2,305)	(2,305)
		(23,708)	(5,383)	(5,383)
Subtotal		(2,116,716)	(1,168,084)	(2,034,593)
Non-operating grants, subsidies and contributions	10(b)	2,360,758	1,956,658	1,702,022
Profit on disposal of assets	4(b)	0	874	0
(Loss) on disposal of assets	4(b)	(42,073)	(122,235)	(155,513)
		2,318,685	1,835,297	1,546,509
Net result		201,969	667,213	(488,084)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		201,969	667,213	(488,084)

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

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
<p>GOVERNANCE</p> <p>Administration and operation of facilities and services to members of council, other costs that relate to the tasks of elected members and ratepayers on matters which do not concern specific council activities.</p>	<p>Complete Council Meetings</p> <p>Represent the Shire of Cuballing on regional boards and organisations</p> <p>Complete administration activities including insurance, finance and compliance reporting</p> <p>Complete local community strategic planning</p> <p>Lobby other levels of government in support of the Shire of Cuballing</p>
<p>GENERAL PURPOSE FUNDING</p> <p>Rates, general purpose government grants and interest revenue</p>	<p>Manage Rates issue and collection</p> <p>Maintain property data</p>
<p>LAW, ORDER, PUBLIC SAFETY</p> <p>Supervision of various local laws, fire provention, emergency services and animal control.</p>	<p>Provide a visiting ranger service</p> <p>Support Cuballing Popanyinning Volunteer Bush Fire Brigade</p> <p>Complete fire prevention activities</p> <p>Provide bushfire response activities</p> <p>Oversee local emergency management planning</p>
<p>HEALTH</p> <p>Inspections of septics and food control.</p>	<p>Inspect food premises</p> <p>Licence sewerage systems</p>
<p>EDUCATION AND WELFARE</p> <p>Support of school activities.</p>	<p>Provide activities for local youth</p> <p>Support local schools</p>
<p>HOUSING</p> <p>Provision and maintenance of staff housing.</p>	<p>Provide staff housing for CEO</p>
<p>COMMUNITY AMENITIES</p> <p>Operation of refuse sites, noise control and administration of Town Planning Scheme.</p>	<p>Operate Cuballing Transfer Station</p> <p>Operate Popanyinning Transfer Station</p> <p>Provide kerbside waste & recycling services</p> <p>Provide town planning approvals</p> <p>Complete town planning enforcement</p> <p>Complete town planning amendments and reviews</p> <p>Provide Cuballing cemetery</p> <p>Provide Popanyinning cemetery</p>
<p>RECREATION AND CULTURE</p> <p>Maintenance of halls, recreation centre and various reserves. Support library services in Narrogin.</p>	<p>Maintain Halls and Civic buildings</p> <p>Maintain parks & gardens</p> <p>Maintain Cuballing Recreation Centre and oval</p> <p>Manage lease of Dryandra Equestrian Centre</p> <p>Support Narrogin Library</p>
<p>TRANSPORT</p> <p>Construction and maintenance of streets, roads, bridges, footpaths, drainage works, traffic signs, bus shelters and depot maintenance.</p>	<p>Maintain and protect local environmentally significant areas</p> <p>Maintain Council roads and footpaths</p> <p>Construct new roads and footpaths</p> <p>Provide vehicle licencing agency services</p>
<p>ECONOMIC SERVICES</p> <p>The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and standpipes.</p>	<p>Control noxious weeds on Council property</p> <p>Support Dryandra Country Visitors Centre</p> <p>Provide DrumMuster Service</p>

SHIRE OF CUBALLING
FOR THE YEAR ENDED 30 JUNE 2022

	Promote the Shire of Cuballing Provide Building registration services to Shire of Cuballing Provide potable water sales Inspect swimming pools
OTHER PROPERTY AND SERVICES	
Private works operation, plant repairs and operation costs.	Complete private civil construction works Provide Building Surveying services

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,299,412	1,151,444	1,171,584
Operating grants, subsidies and contributions		752,067	1,252,195	615,168
Fees and charges		143,279	267,755	166,672
Interest received		10,575	15,572	20,800
Other revenue		45,750	68,050	64,665
		2,251,083	2,755,016	2,038,889
Payments				
Employee costs		(1,027,922)	(792,793)	(996,469)
Materials and contracts		(865,829)	(763,061)	(1,252,005)
Utility charges		(62,565)	(84,086)	(67,601)
Interest expenses		(23,708)	(5,383)	(5,383)
Insurance paid		(159,902)	(146,251)	(147,848)
Other expenditure		(59,245)	(47,697)	(58,105)
		(2,199,171)	(1,839,271)	(2,527,411)
Net cash provided by (used in) operating activities	3	51,912	915,745	(488,522)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(3,107,847)	(705,648)	(2,132,770)
Payments for construction of infrastructure	4(a)	(2,245,878)	(1,649,266)	(1,366,232)
Non-operating grants, subsidies and contributions	10(b)	2,360,758	1,542,921	1,702,022
Proceeds from sale of plant and equipment	4(b)	115,000	163,204	138,000
Net cash provided by (used in) investing activities		(2,877,967)	(648,789)	(1,658,980)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(77,812)	(57,073)	(57,073)
Principal elements of lease payments	7	(1,500)	0	0
Proceeds from new borrowings	6(a)	850,000	0	310,000
Net cash provided by (used in) financing activities		770,688	(57,073)	252,927
Net increase (decrease) in cash held		(2,055,367)	209,883	(1,894,575)
Cash at beginning of year		2,534,476	2,324,593	2,399,322
Cash and cash equivalents at the end of the year	3	479,109	2,534,476	504,748

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2(a)	1,904,205	1,106,989	945,522
		1,904,205	1,106,989	945,522
Revenue from operating activities (excluding rates)				
Governance		44,950	35,613	1,780
General purpose funding		298,565	631,296	312,708
Law, order, public safety		133,112	209,304	35,444
Health		800	1,173	800
Education and welfare		2,500	0	1,000
Housing		0	3,960	4,680
Community amenities		75,516	125,045	71,830
Recreation and culture		12,773	26,402	25,151
Transport		249,755	447,903	283,262
Economic services		38,700	55,985	38,650
Other property and services		45,000	48,800	92,000
		901,671	1,585,481	867,305
Expenditure from operating activities				
Governance		(138,957)	(151,904)	(131,679)
General purpose funding		(88,500)	(102,595)	(78,415)
Law, order, public safety		(298,263)	(276,153)	(182,585)
Health		(45,907)	(44,748)	(45,440)
Education and welfare		(45,708)	(20,218)	(21,728)
Housing		(40,711)	(30,655)	(37,745)
Community amenities		(351,568)	(365,725)	(337,403)
Recreation and culture		(378,844)	(363,867)	(411,274)
Transport		(2,715,047)	(2,355,875)	(2,770,986)
Economic services		(162,367)	(183,571)	(152,740)
Other property and services		(34,500)	(152,238)	(59,000)
		(4,300,372)	(4,047,549)	(4,228,995)
Non-cash amounts excluded from operating activities	2(b)	2,102,701	2,170,276	2,117,795
Amount attributable to operating activities		608,205	815,197	(298,373)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,360,758	1,956,658	1,702,022
Payments for property, plant and equipment	4(a)	(3,107,847)	(705,648)	(2,132,770)
Payments for construction of infrastructure	4(a)	(2,245,878)	(1,649,266)	(1,366,232)
Proceeds from disposal of assets	4(b)	115,000	163,204	138,000
		(2,877,967)	(235,052)	(1,658,980)
Non-cash amounts excluded from investing activities	2(c)	0	0	0
Amount attributable to investing activities		(2,877,967)	(235,052)	(1,658,980)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(77,812)	(57,073)	(57,073)
Principal elements of finance lease payments	7	(1,500)	0	0
Proceeds from new borrowings	6(a)	850,000	0	310,000
Transfers to cash backed reserves (restricted assets)	8(a)	(93,911)	(14,671)	(17,545)
Transfers from cash backed reserves (restricted assets)	8(a)	353,507	254,180	551,774
Amount attributable to financing activities		1,030,284	182,436	787,156
Budgeted deficiency before imposition of general rates		(1,239,478)	762,581	(1,170,197)
Estimated amount to be raised from general rates	1	1,241,412	1,172,624	1,171,584
Net current assets at end of financial year - surplus/(deficit)	2(a)	1,934	1,935,205	1,387

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

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

	NOTE	2021/22 Budget \$	2020/21 Actual \$	2020/21 Budget \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	1,904,205	1,106,989	945,522
		1,904,205	1,106,989	945,522
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	1(c)	0	0	0
Operating grants, subsidies and contributions	10(a)	702,067	1,231,483	615,168
Fees and charges	9	143,279	267,755	166,672
Interest earnings	12(a)	10,575	15,572	20,800
Other revenue	12(b)	45,750	68,050	64,665
Profit on asset disposals	4(b)	0	874	0
		901,671	1,583,734	867,304
Expenditure from operating activities				
Employee costs		(1,027,922)	(801,029)	(996,469)
Materials and contracts		(864,329)	(790,206)	(835,793)
Utility charges		(62,565)	(84,086)	(67,601)
Depreciation on non-current assets	5	(2,060,628)	(2,048,915)	(1,962,282)
Interest expenses	12(d)	(23,708)	(5,383)	(5,383)
Insurance expenses		(159,902)	(146,251)	(147,848)
Other expenditure		(59,245)	(47,697)	(58,105)
Loss on asset disposals	4(b)	(42,073)	(122,235)	(155,513)
		(4,300,372)	(4,045,802)	(4,228,994)
Non-cash amounts excluded from operating activities	2(b)	2,102,701	2,170,276	2,117,795
Amount attributable to operating activities		608,205	815,197	(298,373)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10(b)	2,360,758	1,956,658	1,702,022
Payments for property, plant and equipment	4(a)	(3,107,847)	(705,648)	(2,132,770)
Payments for construction of infrastructure	4(a)	(2,245,878)	(1,649,266)	(1,366,232)
Proceeds from disposal of assets	4(b)	115,000	163,204	138,000
Amount attributable to investing activities		(2,877,967)	(235,052)	(1,658,980)
Amount attributable to investing activities		(2,877,967)	(235,052)	(1,658,980)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(77,812)	(57,073)	(57,073)
Principal elements of finance lease payments	6	(1,500)	0	0
Proceeds from new borrowings	6(b)	850,000	0	310,000
Transfers to cash backed reserves (restricted assets)	8(a)	(93,911)	(14,671)	(17,545)
Transfers from cash backed reserves (restricted assets)	8(a)	353,507	254,180	551,774
Amount attributable to financing activities		1,030,284	182,436	787,156
Budgeted deficiency before general rates		(1,239,478)	762,581	(1,170,197)
Estimated amount to be raised from general rates	1(a)	1,241,412	1,172,624	1,171,584
Net current assets at end of financial year - surplus/(deficit)	2	1,934	1,935,205	1,387

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

SHIRE OF CUBALLING
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FOR THE YEAR ENDED 30 JUNE 2022

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SHIRE OF CUBALLING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	Budgeted rate revenue \$	Budgeted interim rates \$	Budgeted back rates \$	2021/22 Budgeted total revenue \$	2020/21 Actual total revenue \$	2020/21 Budget total revenue \$
Differential general rate or general rate									
Gross rental valuations									
GRV Cuballing	0.08397	188	2,369,718	198,973	0	0	198,973	180,888	180,888
Unimproved valuations									
UV Cuballing	0.00685	182	134,494,000	920,746			920,746	835,232	835,231
Sub-Totals		370	136,863,718	1,119,719	0	0	1,119,719	1,016,120	1,016,119
Minimum payment									
Gross rental valuations									
GRV Cuballing	759	142	613,332	107,778			107,778	97,980	97,980
Unimproved valuations									
UV Cuballing	1,023	155	13,769,600	158,565			158,565	146,010	146,010
Interim Rates					250		250	469	250
Sub-Totals		297	14,382,932	266,343	250	0	266,593	244,459	244,240
Less Rates Written Off							(58,900)	(160)	(7,000)
Discounts (Refer note 1(e))									
Less Covid Rates Subsidy									
Total amount raised from general rates		667	151,246,650	1,386,062	250	0	1,327,412	1,260,419	1,253,359
Specified area rates (Refer note 1(c))							(85,000)	(84,700)	(76,775)
Ex gratia rates							(1,000)	(3,095)	(5,000)
Total rates							1,241,412	1,172,624	1,171,584
							1,241,412	1,172,624	1,171,584

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

The general rates detailed for the 2021/22 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

1. 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				
Discount	9/09/2021			0.0%
Option two				
Pay in full	9/09/2021			0.0%
Option three				
First instalment	9/09/2021	30		5.0%
Second instalment	9/11/2021		1.0%	5.0%
Third instalment	10/01/2022		1.0%	5.0%
Fourth instalment	10/03/2022		1.0%	5.0%
Instalment plan admin charge revenue				
Instalment plan interest earned				
Unpaid rates and service charge interest earned				

2021/22 Budget revenue \$	2020/21 Actual revenue \$	2020/21 Budget revenue \$
1,500	1,400	1,500
75	412	800
5,000	9,697	5,000
6,575	11,509	7,300

SHIRE OF CUBALLING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30th June 2022.

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2022.

(e) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which discount is granted
Option One Only	8.0%		\$ 85,000	\$ 84,700	\$ 76,775	A discount of 8% of the current rates levied will be offered to ratepayers whose payment of the full amount owing including arrears, is received on or before 35 days after the date of service appearing on the rates notice.
			85,000	84,700	76,775	

(f) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2022.

SHIRE OF CUBALLING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
2. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents- unrestricted
Cash and cash equivalents - restricted
Financial assets - unrestricted
Financial assets - restricted
Receivables
Rates Recievable
Inventories

Less: current liabilities

Trade and other payables
Contract liabilities
Unspent non-operating grant, subsidies and contributions liability
Lease liabilities
Short term borrowings
Long term borrowings
Employee provisions
Capital expenditure provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
3	35,267	1,831,038	(2,135)
3	817,299	1,076,895	782,175
	0	0	
3	0	0	
	106,662	214,662	35,000
	0	0	65,000
	5,613	5,613	8,500
	964,841	3,128,208	888,540
	(139,946)	(139,946)	(104,977)
	0	0	0
	0	0	
7	1,500	0	
	0	0	
6	(1,622,188)	(850,000)	(57,073)
	(262,236)	(262,236)	(209,084)
	0	0	
	(2,022,870)	(1,252,182)	(371,134)
	(1,058,029)	1,876,026	517,406
2.(c)	1,090,961	59,177	(516,019)
	1,932	1,935,205	1,387

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 Cuballing becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

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

All funds to which the Shire of Cuballing 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.

CONTRACT ASSETS

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

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.

3. RECONCILIATION OF CASH

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

	Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Cash at bank and on hand		(597,786)	1,457,581	(277,427)
Term deposits		1,076,895	1,076,895	782,175
Total cash and cash equivalents		479,109	2,534,476	504,748
Held as				
- Unrestricted cash and cash equivalents		(338,190)	1,457,581	(277,427)
- Restricted cash and cash equivalents		817,299	1,076,895	782,175
		479,109	2,534,476	504,748
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		817,299	1,076,895	782,175
		817,299	1,076,895	782,175
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Reserves - cash/financial asset backed	8	817,299	1,076,895	782,175
		817,299	1,076,895	782,175
Reconciliation of net cash provided by operating activities to net result				
Net result		201,970	667,213	(488,084)
Depreciation	5	2,060,628	2,048,915	1,962,282
(Profit)/loss on sale of asset	4(b)	42,073	121,361	155,513
(Increase)/decrease in receivables		108,000	(467)	(20,000)
(Increase)/decrease in inventories		0	412	(2,475)
Increase/(decrease) in payables		0	34,969	22,845
Increase/(decrease) in unspent non-operating grants		0	(413,737)	(413,737)
Increase/(decrease) in employee provisions		0	0	(2,845)
Non-operating grants, subsidies and contributions		(2,360,758)	(1,542,921)	(1,702,022)
Net cash from operating activities		51,913	915,745	(488,523)

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

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

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

SHIRE OF CUBALLING NOTES TO AND FORM FOR THE YEAR ENDED 4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program														
	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	2021/22		2020/21	
												Budget total	Actual total	Budget total	Actual total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Property, Plant and Equipment</u>															
Buildings	136,044				1,587,188		9,960	888,655				2,621,847	258,779		1,630,846
Furniture and equipment												0			
Plant and equipment	136,044	0	0	0	1,587,188	0	9,960	888,655	486,000	486,000	0	486,000	446,869		501,924
												3,107,847	705,648		2,132,770
<u>Infrastructure</u>															
Infrastructure - roads															
Bridges									2,190,878			2,190,878	1,555,885		1,336,232
Parks Ovals & Playgrounds									30,000			30,000	15,720		30,000
Recreation												0	44,245		
Other Infrastructure									25,000			0	33,416		
	0	0	0	0	0	0	0	0	2,245,878	0	0	25,000	1,649,266		1,366,232
<u>Total acquisitions</u>	136,044	0	0	0	1,587,188	0	9,960	888,655	2,731,878	0	0	5,353,725	2,354,914		3,499,002

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

-Budget Workbook - Operating & Capital

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A* (5). These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

SHIRE OF CUBALLING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
4. FIXED ASSETS

(b) Disposals of Assets

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

By Program	2021/22			2021/22			2021/21			2020/21			2020/21			2020/21			2020/21		
	Budget Net Book Value	Budget Sale Proceeds	\$	Budget Profit	Budget Loss	\$	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	\$	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	\$	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	\$
Transport	157,073	115,000		0	(42,073)		284,565	163,204	874	(122,235)		293,513	138,000	0	(155,513)		293,513	138,000	0	(155,513)	
	157,073	115,000		0	(42,073)		284,565	163,204	874	(122,235)		293,513	138,000	0	(155,513)		293,513	138,000	0	(155,513)	
Plant and equipment	157,073	115,000		0	(42,073)		284,565	163,204	874	(122,235)		293,513	138,000		(155,513)		293,513	138,000		(155,513)	
	157,073	115,000		0	(42,073)		284,565	163,204	874	(122,235)		293,513	138,000	0	(155,513)		293,513	138,000	0	(155,513)	

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

-Budget Workbook - Operating & Capital

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.

SHIRE OF CUBALLING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
5. ASSET DEPRECIATION

By Program

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

By Class

Buildings - non-specialised
Buildings
Furniture and equipment
Plant and equipment
Infrastructure - roads
Footpaths
Bridges
Parks Ovals & Playgrounds
Recreation
Infrastructure - Other
Right of use - land

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
18,161	17,487	18,660
120,990	121,592	121,090
61,700	62,244	59,700
8,100	8,125	8,100
9,286	9,279	9,390
125,400	109,945	101,880
1,517,371	1,515,473	1,465,192
3,620	3,239	10,270
196,000	201,531	168,000
2,060,628	2,048,915	1,962,282
97,488	77,921	94,302
5,861	3,182	5,460
259,800	265,681	236,200
1,491,762	1,490,227	1,440,000
8,160	7,819	8,160
120,990	121,592	121,090
13,000	14,687	13,000
32,070	32,467	30,770
11,367	15,210	13,300
20,130	20,129	0
2,060,628	2,048,915	1,962,282

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	30 to 50 years
Furniture and equipment	3 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	50 years
Footpaths	20 years
Bridges	40 years
Parks Ovals & Playgrounds	50 years
Recreation	50 years
Right of use - land	50 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 CUBALLING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2021	2021/22 Budget New Loans	2021/22 Budget Principal Repayments	2021/22 Budget Principal outstanding 30 June 2022	2021/22 Budget Interest Repayments	Actual Principal 1 July 2020	2020/21 Actual New Loans	2020/21 Actual Principal Repayments	Actual Principal outstanding 30 June 2021	2020/21 Actual Interest Repayments	Budget Principal 1 July 2020	2020/21 Budget New Loans	2020/21 Budget Principal Repayments	Budget Principal outstanding 30 June 2021	2020/21 Budget Interest Repayments
Governance																		
Education and welfare																		
Loan 65 - Aged Persons Housing				0	850,000	(33,454)	816,546	(20,468)	0	0	0	0	0	0	0	0	310,000	0
Community amenities																		
Transport				29,228	0	(29,228)	0	(485)	71,494	0	(42,266)	29,228	(2,305)	71,505	0	(42,266)	29,239	(2,305)
Loan 63 - Grader																		
Economic services				130,702	0	(15,130)	115,572	(2,755)	145,509	0	(14,807)	130,702	(3,078)	145,509	0	(14,807)	130,702	(3,078)
Loan 64 - Property Loan				159,930	850,000	(77,812)	932,118	(23,708)	217,003	0	(57,073)	159,930	(5,383)	217,014	310,000	(57,073)	469,941	(5,383)
				159,930	850,000	(77,812)	932,118	(23,708)	217,003	0	(57,073)	159,930	(5,383)	217,014	310,000	(57,073)	469,941	(5,383)

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

SHIRE OF CUBALLING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
6. INFORMATION ON BORROWINGS

(b) New borrowings - 2021/22

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
Aged Persons Housing	WATC	Fixed Rate	10	2.4%	850,000	228,448	850,000	0
								0
					850,000	228,448	850,000	0

(c) Unspent borrowings

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

(d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	100,000	100,000	130,000
Bank overdraft at balance date	0	0	0
Credit card limit	30,000	30,000	30,000
Credit card balance at balance date	0	613	0
Total amount of credit unused	130,000	130,613	160,000
Loan facilities			
Loan facilities in use at balance date	932,118	159,930	469,941

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2021	2021/22 Budgeted Increase/ (Decrease)	Amount as at 30th June 2022
			\$	\$	\$
Natnional Australia Bank	To meet short term			0	
Overdraft	funding requirements	2020	0	(100,000)	100,000
			0	(100,000)	100,000

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 CUBALLING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2021		2021/22 Budget Lease Principal Repayments 30 June 2022		2021/22 Budget Lease Interest Repayments		2020/21 Actual Lease Principal outstanding 30 June 2021		2020/21 Actual Lease Interest Repayments		2020/21 Budget Lease Principal repayments 30 June 2021		2020/21 Budget Lease New Leases		2020/21 Budget Lease Principal 1 July 2020		2020/21 Actual Lease Interest Repayments		2020/21 Budget Lease Interest Repayments		2020/21 Budget Lease Principal repayments 30 June 2021		2020/21 Budget Lease Interest Repayments	
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture																												
Springhill Dam		Linton Park Farms		6 years	1,500	0	0	(1,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
					1,500	0	0	(1,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

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

LEASE LIABILITIES

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

SHIRE OF CUBALLING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to (from)	2020/21 Budget Closing Balance
(a) Employee Entitlements Reserve	\$ 286,072	\$ 1,067	\$ 287,139	\$ 284,971	\$ 1,101	\$ 0	\$ 284,971	\$ 2,598	\$ 287,569
(b) Administration Building, IT & Office Equipment Reserve	9,149	32	9,181	6,721	2,428	0	6,721	147	6,868
(c) Housing reserve	98,208	367	98,575	97,840	368	0	97,840	754	98,594
(d) Recreations and Community Reserve	178,046	792	178,838	191,187	801	(13,942)	191,187	2,596	188,794
(e) Refuse Site Reserve	45,422	205	45,627	45,216	206	0	45,216	841	46,057
(f) Grain Freight Reserve	83,139			82,825	314	0	82,825	672	83,497
(g) Equestrian Reserve	4,910	4,822	9,732	14,769	4,596	(14,455)	4,910	4,587	5,397
(h) Road and Bridges Reserve	21,883	83,625	105,508	43,361	176	(21,654)	43,361	603	44,564
(i) Plant and Equipment Reserve	340,654	1,960	342,614	538,714	2,069	(200,129)	538,714	4,728	543,443
(j) Standpipe Maintenance Reserve	4,096	21	4,117	4,075	21	0	4,075	16	4,091
(k) Community and Sporting Club Reserve	5,316	1,020	6,336	6,725	2,591	(4,000)	6,725	3	6,728
	1,076,895	93,911	1,170,806	1,316,404	14,671	(254,180)	1,076,895	17,545	1,094,440

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlements Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Administration Building, IT & Office Equipment Reserve	Ongoing	To be used to maintain the administration building and for the purchase of new and/or replacement of office equipment or furniture.
(c) Housing reserve	Ongoing	To be used to fund maintenance or construction of new housing.
(d) Recreations and Community Reserve	Ongoing	To be used to upgrade the oval and associated facilities.
(e) Refuse Site Reserve	Ongoing	To be used to fund the upgrade of the refuse sites
(f) Grain Freight Reserve	30/06/22	To be used to maintain the grain freight route through the district
(g) Equestrian Reserve	Ongoing	To be used to maintain and upkeep the equestrian centre.
(h) Road and Bridges Reserve	Ongoing	To be used to maintain and fund road and bridge projects throughout the district.
(i) Plant and Equipment Reserve	Ongoing	To be used to maintain and fund plant replacement program.
(j) Standpipe Maintenance Reserve	Ongoing	To be used to maintain and upkeep the standpipe network.
(k) Community and Sporting Club Reserve	Ongoing	To be used to fund Community and Sporting Club Small Grants (LEAP)

(c) Cash Backed Reserves - Change in Use

The Shire has resolved to make the following changes in the use of part of the money in a reserve account. This money is to be used or set aside for a purpose other than the purpose for which the account was established.

Cash Backed Reserve	Proposed new purpose of the reserve	Objects of changing of the reserve	Reasons for changing the use of the reserve	2021/22 Budget amount to be used	2021/22 Budget amount to be used
Grain Freight Network Reserve	Roads and Bridges Reserve	The Grain Freight Network project is now completed, programs rather than specific roads that were a part of the Grain Freight Network.	To make the funds accessible to all roads	\$ 83,139	\$ 83,139
		full amount to the Roads		0	83,139

9. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Governance	1,450	4,294	1,150
General purpose funding	2,990	43,283	2,947
Law, order, public safety	3,750	5,277	3,251
Health	800	1,173	800
Community amenities	75,516	125,045	71,830
Recreation and culture	7,773	7,901	7,545
Transport	2,000	8,503	2,000
Economic services	34,000	52,015	32,150
Other property and services	15,000	20,264	45,000
	143,279	267,755	166,672

10. GRANT REVENUE

By Program:

(a) Operating grants, subsidies and contributions

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Governance		630	0
General purpose funding	311,000	571,079	279,962
Law, order, public safety	129,362	204,026	32,194
Education and welfare	2,500	0	1,000
Housing	0	3,960	0
Recreation and culture	5,000	18,501	7,250
Transport	239,505	426,611	273,262
Economic services	4,700	3,970	6,500
Other property and services	10,000	2,706	15,000
	702,067	1,231,483	615,168

(b) Non-operating grants, subsidies and contributions

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
General purpose funding	601,607	329,219	247,768
Law, order, public safety	0	27,671	0
Education and welfare	0	371,429	443,223
Recreation and culture	15,156	63,485	63,485
Transport	1,743,995	1,164,854	947,546
	2,360,758	1,956,658	1,702,022
Total grants, subsidies and contributions	3,062,825	3,188,141	2,317,190

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

11. 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	Accounting standard
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	AASB 15 AASB 1058
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	AASB 15 AASB 1058
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	AASB 15 AASB 1058
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	AASB 15
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	AASB 15
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	AASB 1058
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	AASB 1058
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle	AASB 1058
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs	AASB 1058
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	AASB 15 AASB 1058
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	AASB 1058
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	AASB 1058
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire	AASB 15
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right	AASB 15
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	AASB 1058
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	AASB 1058
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled	AASB 15
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed	AASB 15

12. OTHER INFORMATION

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12. ELECTED MEMBERS REMUNERATION

Elected member President - Cr M Conley

President's allowance

Meeting attendance fees

Travel and accommodation expenses

Elected member Deputy President - Cr E Dowling

Deputy President's allowance

Meeting attendance fees

Travel and accommodation expenses

Elected member - Cr S Ballantyne

Meeting attendance fees

Travel and accommodation expenses

Elected member - Cr D Bradford

Meeting attendance fees

Travel and accommodation expenses

Elected member - Cr D Hopper

Meeting attendance fees

Travel and accommodation expenses

Elected member - Cr R Harris

Meeting attendance fees

Travel and accommodation expenses

President's allowance

Deputy President's allowance

Meeting attendance fees

Travel and accommodation expenses

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
President's allowance	8,000	8,000	8,000
Meeting attendance fees	2,730	3,150	2,730
Travel and accommodation expenses	0		0
	10,730	11,150	10,730
Deputy President's allowance	2,000	2,000	2,000
Meeting attendance fees	2,015	1,860	2,015
Travel and accommodation expenses	0	0	0
	4,015	3,860	4,015
Meeting attendance fees	2,015	2,170	2,015
Travel and accommodation expenses	0	0	0
	2,015	2,170	2,015
Meeting attendance fees	3,255	1,085	2,015
Travel and accommodation expenses	0	0	0
	3,255	1,085	2,015
Meeting attendance fees	2,015	2,325	2,015
Travel and accommodation expenses	500	555	500
	2,515	2,880	2,515
Meeting attendance fees	2,015	2,325	2,015
Travel and accommodation expenses	0		0
	2,015	2,325	2,015
	24,545	23,470	23,305
President's allowance	8,000	8,000	8,000
Deputy President's allowance	2,000	2,000	2,000
Meeting attendance fees	14,045	12,915	12,805
Travel and accommodation expenses	500	555	500
	24,545	23,470	23,305

SHIRE OF CUBALLING
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
13. MAJOR LAND TRANSACTIONS

It is not anticipated any land transactions or major land transactions will occur in 2021/21

14. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major undertakings will occur in 2021/22

15. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture arrangements during 2021/22.

16. 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 2021	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2022
	\$	\$	\$	\$
Bonds - Buildings	90	0	(90)	0
Cuballing Cricket Club	200	0	0	200
Police Licensing	0	250,000	(250,000)	0
	290	250,000	(250,090)	200

17. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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