

# SHIRE OF CUBALLING

BUDGET  
FOR THE YEAR ENDED  
30 JUNE 2023

Adopted by Council 20<sup>th</sup> of July 2022



**SHIRE OF CUBALLING**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2023**

LOCAL GOVERNMENT ACT 1995

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**SHIRE'S VISION**

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

modern

**SHIRE OF CUBALLING**  
**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)	1,378,840	1,294,246	1,241,412
Operating grants, subsidies and contributions	11	441,431	1,376,719	702,067
Fees and charges	15	149,696	171,649	143,279
Interest earnings	12(a)	11,300	8,409	10,575
Other revenue	12(b)	42,930	48,259	45,750
		2,024,197	2,899,282	2,143,083
<b>Expenses</b>				
Employee costs		(1,103,795)	(975,843)	(1,027,922)
Materials and contracts		(1,006,927)	(927,148)	(865,829)
Utility charges		(62,635)	(71,315)	(62,565)
Depreciation on non-current assets	6	(2,035,605)	(2,047,840)	(2,060,628)
Interest expenses	12(d)	(47,954)	(3,240)	(23,708)
Insurance expenses		(161,952)	(143,575)	(159,902)
Other expenditure		(61,810)	(46,696)	(59,245)
		(4,480,678)	(4,215,657)	(4,259,799)
		(2,456,481)	(1,316,375)	(2,116,716)
Non-operating grants, subsidies and contributions	11	3,801,877	1,175,096	2,360,758
Profit on asset disposals	5(b)	0	14,272	0
Loss on asset disposals	5(b)	(145,513)	(12,633)	(42,073)
		3,656,364	1,176,735	2,318,685
<b>Net result for the period</b>		<b>1,199,883</b>	<b>1,489,265</b>	<b>201,969</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	0
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>1,199,883</b>	<b>1,489,265</b>	<b>201,969</b>

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

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

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,378,840	1,152,412	1,299,412
Operating grants, subsidies and contributions		441,431	1,252,232	752,067
Fees and charges		149,696	171,649	143,279
Interest received		11,300	8,409	10,575
Goods and services tax received		0	(30,624)	
Other revenue		42,930	48,259	45,750
		2,024,197	2,602,337	2,251,083
<b>Payments</b>				
Employee costs		(1,103,795)	(715,077)	(1,027,922)
Materials and contracts		(1,006,927)	(914,901)	(865,829)
Utility charges		(62,635)	(71,315)	(62,565)
Interest expenses		(47,954)	(3,240)	(23,708)
Insurance paid		(161,952)	(143,575)	(159,902)
Goods and services tax paid		0	0	0
Other expenditure		(61,810)	(46,696)	(59,245)
		(2,445,073)	(1,894,804)	(2,199,171)
<b>Net cash provided by (used in) operating activities</b>	4	(420,876)	707,533	51,912
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	5(a)	(2,881,472)	(1,385,461)	(3,107,847)
Payments for construction of infrastructure	5(a)	(3,675,451)	(1,175,317)	(2,245,878)
Non-operating grants, subsidies and contributions		3,801,877	1,247,520	2,360,758
Proceeds from sale of property, plant and equipment	5(b)	250,000	119,303	115,000
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	0	0	0
<b>Net cash provided by (used in) investing activities</b>		(2,505,046)	(1,193,955)	(2,877,967)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	7(a)	(124,980)	(44,358)	(77,812)
Principal elements of lease payments	8	1,500	(1,500)	(1,500)
Proceeds from new borrowings	7(a)	440,000	850,000	850,000
<b>Net cash provided by (used in) financing activities</b>		316,520	804,142	770,688
<b>Net increase (decrease) in cash held</b>		(2,609,402)	317,720	(2,055,367)
Cash at beginning of year		3,077,832	0	2,534,476
<b>Cash and cash equivalents at the end of the year</b>	4	<b>468,430</b>	<b>317,720</b>	<b>479,109</b>

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

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

	NOTE	2022/23 Budget \$	2021/22 Actual \$	2021/22 Budget \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	3	2,204,687	1,934,871	1,904,205
		2,204,687	1,934,871	1,904,205
<b>Revenue from operating activities (excluding rates)</b>				
Specified area and ex gratia rates	2(a)(ii)	0	0	0
Operating grants, subsidies and contributions	11	441,431	1,376,719	702,067
Fees and charges	15	149,696	171,649	143,279
Service charges	2(d)	0	0	0
Interest earnings	12(a)	11,300	8,409	10,575
Other revenue	12(b)	42,930	48,259	45,750
Profit on asset disposals	5(b)	0	14,272	0
		645,357	1,619,308	901,671
<b>Expenditure from operating activities</b>				
Employee costs		(1,103,795)	(975,843)	(1,027,922)
Materials and contracts		(1,006,927)	(927,148)	(864,300)
Utility charges		(62,635)	(71,315)	(62,565)
Depreciation on non-current assets	6	(2,035,605)	(2,047,840)	(2,060,628)
Interest expenses	12(d)	(47,954)	(3,240)	(23,708)
Insurance expenses		(161,952)	(143,575)	(159,902)
Other expenditure		(61,810)	(46,696)	(59,245)
Loss on asset disposals	5(b)	(145,513)	(12,633)	(42,073)
Loss on revaluation of non current assets		0	0	0
Reversal of prior year loss on revaluation of assets		0	0	0
		(4,626,191)	(4,228,290)	(4,300,372)
Non-cash amounts excluded from operating activities	3(b)	2,181,118	2,046,201	2,102,701
<b>Amount attributable to operating activities</b>		404,971	1,372,090	608,205
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	11	3,801,877	1,175,096	2,360,758
Payments for property, plant and equipment	5(a)	(2,881,472)	(1,385,461)	(3,107,847)
Payments for construction of infrastructure	5(a)	(3,675,451)	(1,175,317)	(2,245,879)
Proceeds from disposal of assets	5(b)	250,000	119,303	115,000
<b>Amount attributable to investing activities</b>		(2,505,046)	(1,266,379)	(2,877,967)
Non-cash amounts excluded from investing activities	3(c)	0	0	0
<b>Amount attributable to investing activities</b>		(2,505,046)	(1,266,379)	(2,877,967)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	7(a)	(124,980)	(44,358)	(77,812)
Principal elements of finance lease payments	8	0	0	(1,500)
Proceeds from new borrowings	7(b)	440,000	850,000	850,000
Transfers to cash backed reserves (restricted assets)	9(a)	(14,245)	(84,051)	(93,911)
Transfers from cash backed reserves (restricted assets)	9(a)	444,887	83,139	353,507
<b>Amount attributable to financing activities</b>		745,662	804,730	1,030,284
<b>Budgeted deficiency before general rates</b>		(1,354,413)	910,441	(1,239,478)
<b>Estimated amount to be raised from general rates</b>	2(a)	1,378,840	1,294,246	1,241,412
<b>Net current assets at end of financial year - surplus/(deficit)</b>	3	24,427	2,204,687	1,934

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

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

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

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

**2021/22 actual balances**

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

**Budget comparative figures**

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

**Comparative figures**

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

**Initial application of accounting standards**

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

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

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

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

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

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

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

**Judgements, estimates and assumptions**

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

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

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

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

**Rounding off figures**

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



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

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

**REVENUES**

**RATES**

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

**SERVICE CHARGES**

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

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

**PROFIT ON ASSET DISPOSAL**

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

**OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**FEES AND CHARGES**

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

**INTEREST EARNINGS**

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

**OTHER REVENUE / INCOME**

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

**EXPENSES**

**EMPLOYEE COSTS**

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

**MATERIALS AND CONTRACTS**

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

**UTILITIES (GAS, ELECTRICITY, WATER, ETC.)**

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

**INSURANCE**

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

**LOSS ON ASSET DISPOSAL**

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

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation and amortisation expense raised on all classes of assets.

**INTEREST EXPENSES**

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

**OTHER EXPENDITURE**

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

**1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

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

**OBJECTIVE**

**Governance**

'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.

**ACTIVITIES**

Complete Council Meetings  
 Represent the Shire of Cuballing on regional boards and organisations  
 Complete administration activities including insurance, finance and compliance reporting  
 Complete local community strategic planning  
 Lobby other levels of government in support of the Shire of Cuballing

**General purpose funding**

Rates, general purpose government grants and interest revenue

Manage Rates issue and collection

Maintain property data

**Law, order, public safety**

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

Provide a visiting ranger service  
 Support Cuballing Popanyinning Volunteer Bush Fire Brigade  
 Complete fire prevention activities  
 Provide bushfire response activities  
 Oversee local emergency management planning

**Health**

Inspections of septic systems and food control.

Inspect food premises  
 Licence sewerage systems

**Education and welfare**

Support of school activities.

Provide activities for local youth  
 Support local schools

**Housing**

Provision and maintenance of staff housing.

Provide staff housing for CEO

**Community amenities**

Operation of refuse sites, noise control and administration of Town Planning Scheme.

Operate Cuballing Transfer Station  
 Operate Popanyinning Transfer Station  
 Provide kerbside waste & recycling services  
 Provide town planning approvals  
 Complete town planning enforcement  
 Complete town planning amendments and reviews  
 Provide Cuballing cemetery  
 Provide Popanyinning cemetery

**Recreation and culture**

Maintenance of halls, recreation centre and various reserves. Support library services in Narrogin.

Maintain Halls and Civic buildings  
 Maintain parks & gardens  
 Maintain Cuballing Recreation Centre and oval  
 Manage lease of Dryandra Equestrian Centre  
 Support Narrogin Library

**Transport**

Construction and maintenance of streets, roads, bridges, footpaths, drainage works, traffic signs, bus shelters and depot maintenance.

Maintain and protect local environmentally significant areas  
 Maintain Council roads and footpaths  
 Construct new roads and footpaths

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

**Economic services**

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

Provide vehicle licencing agency services

Control noxious weeds on Council property  
 Support Dryandra Country Visitors Centre

Provide DrumMuster Service  
 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  
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 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>										
Gross rental valuations										
GRV Cuballing		0.07985	200	2,878,304	229,838	0	0	229,838	198,973	198,973
Unimproved valuations										
UV Cuballing		0.00656	183	154,436,000	1,012,791	0	0	1,012,791	920,746	920,746
<b>Sub-Total</b>		<b>Minimum</b>	<b>383</b>	<b>157,314,304</b>	<b>1,242,629</b>	<b>0</b>	<b>0</b>	<b>1,242,629</b>	<b>1,119,719</b>	<b>1,119,719</b>
<b>Minimum payment</b>										
Gross rental valuations										
GRV Cuballing		834	129	551,760	107,586	0	0	107,586	107,778	107,778
Unimproved valuations										
UV Cuballing		1,125	155	16,320,000	174,375	0	0	174,375	158,565	158,565
Interim Rates						250		250	10	250
<b>Sub-Total</b>			<b>284</b>	<b>16,871,760</b>	<b>281,961</b>	<b>250</b>	<b>0</b>	<b>282,211</b>	<b>266,353</b>	<b>266,593</b>
Less rates written off								(50,000)	(346)	(58,900)
Discounts on general rates (Refer note 2(e))								1,474,840	1,385,726	1,327,412
Less Covid Rates Subsidy								(95,000)	(90,799)	(85,000)
<b>Total amount raised from general rates</b>								<b>1,378,840</b>	<b>1,294,246</b>	<b>1,241,412</b>
<b>(ii) Specified area and ex gratia rates</b>										
Ex gratia rates								0	0	0
<b>Total ex-gratia rates</b>								<b>0</b>	<b>0</b>	<b>0</b>
Discounts on specified area and ex gratia rates (Refer note 2(e))								0	0	0
Concessions on specified area and ex gratia rates (Refer note 2(f))								0	0	0
<b>Total specified area and ex gratia rates</b>								<b>0</b>	<b>0</b>	<b>0</b>
<b>Total rates</b>								<b>1,378,840</b>	<b>1,294,246</b>	<b>1,241,412</b>

The Shire did not raise specified area rates for the year ended 30th June 2023.

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

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.

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

**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>																																				
Discount	8/09/2022			0.0%																																
<b>Option two</b>																																				
Pay in Full	8/09/2022			0.0%																																
<b>Option three</b>																																				
First instalment	8/09/2022	30	5.0%	5.0%																																
Second instalment	8/11/2022		5.0%	5.0%																																
Third instalment	9/01/2023		5.0%	5.0%																																
Fourth instalment	9/03/2023		5.0%	5.0%																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 10%; text-align: center;">2022/23</th> <th style="width: 10%; text-align: center;">2021/22</th> <th style="width: 10%; text-align: center;">2021/22</th> </tr> <tr> <th></th> <th style="text-align: center;">Budget</th> <th style="text-align: center;">Actual</th> <th style="text-align: center;">Budget</th> </tr> <tr> <th></th> <th style="text-align: center;">revenue</th> <th style="text-align: center;">revenue</th> <th style="text-align: center;">revenue</th> </tr> <tr> <th></th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> <th style="text-align: center;">\$</th> </tr> </thead> <tbody> <tr> <td>Instalment plan admin charge revenue</td> <td style="text-align: right;">1,500</td> <td style="text-align: right;">1,950</td> <td style="text-align: right;">1,500</td> </tr> <tr> <td>Instalment plan interest earned</td> <td style="text-align: right;">800</td> <td style="text-align: right;">309</td> <td style="text-align: right;">75</td> </tr> <tr> <td>Unpaid rates and service charge interest earned</td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">6,277</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td></td> <td style="text-align: right;">7,300</td> <td style="text-align: right;">8,536</td> <td style="text-align: right;">6,575</td> </tr> </tbody> </table>						2022/23	2021/22	2021/22		Budget	Actual	Budget		revenue	revenue	revenue		\$	\$	\$	Instalment plan admin charge revenue	1,500	1,950	1,500	Instalment plan interest earned	800	309	75	Unpaid rates and service charge interest earned	5,000	6,277	5,000		7,300	8,536	6,575
	2022/23	2021/22	2021/22																																	
	Budget	Actual	Budget																																	
	revenue	revenue	revenue																																	
	\$	\$	\$																																	
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	7,300	8,536	6,575																																	

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

**2. RATES AND SERVICE CHARGES (CONTINUED)**

(c) Specified Area Rate  
The Shire did not raise specified area rates for the year ended 30th June 2023

(d) Service Charges  
The Shire did not raise service charges for the year ended 30th June 2023

**2. RATES AND SERVICE CHARGES (CONTINUED)**

(e) Early payment discounts

Rate, fee or charge to which discount is granted	Note	Discount %	Discount (\$)	2022/23 Budget	2021/22 Actual	2021/22 Budget	Circumstances in which discount is granted
Option One Only		8.0%		\$ 95,000	\$ 90,799	\$ 85,000	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.
				\$ 95,000	\$ 90,799	\$ 85,000	

(f) Waivers or concessions

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

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

3. NET CURRENT ASSETS

	Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
		\$	\$	\$
<b>(a) Composition of estimated net current assets</b>				
<b>Current assets</b>				
Cash and cash equivalents - unrestricted	4	(178,734)	1,150,025	35,267
Cash and cash equivalents - restricted	4	647,164	1,927,807	817,299
Receivables		296,945	296,945	106,662
Inventories		5,000	5,000	5,613
		770,375	3,379,777	964,841
<b>Less: current liabilities</b>				
Trade and other payables		(17,247)	(17,247)	(139,946)
Lease liabilities	8	(1,500)	0	1,500
Long term borrowings	7	(1,280,592)	(965,572)	(1,622,188)
Employee provisions		(260,766)	(260,766)	(262,236)
Other provisions		(72,424)	(72,424)	
		(1,632,529)	(1,316,009)	(2,022,870)
<b>Net current assets</b>		(862,154)	2,063,768	(1,058,029)
<b>Less: Total adjustments to net current assets</b>	3.(c)	921,000	(676,163)	1,090,961
<b>Net current assets used in the Rate Setting Statement</b>		24,426	2,204,687	1,932

3. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

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

(b) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

	Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
		\$	\$	\$
Less: Profit on asset disposals	5(b)	0	(14,272)	0
Add: Loss on disposal of assets	5(b)	145,513	12,633	42,073
Add: Depreciation on assets	6	2,035,605	2,047,840	2,060,628
<b>Non cash amounts excluded from operating activities</b>		2,181,118	2,046,201	2,102,701

(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: Unspent borrowings	7(c)	0	(850,000)	
Less: Cash - restricted reserves	9	(647,164)	(1,077,807)	(817,299)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		1,280,592	965,572	1,622,188
- Current portion of lease liabilities		1,500	0	0
- Current portion of employee benefit provisions held in reserve		286,072	286,072	286,072
<b>Total adjustments to net current assets</b>		921,000	(676,163)	1,090,961

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 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 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 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.

**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.



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

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		(609,377)	2,000,025	(597,786)
Term deposits		1,077,807	1,077,807	1,076,895
<b>Total cash and cash equivalents</b>		468,430	3,077,832	479,109
Held as				
- Unrestricted cash and cash equivalents	3(a)	(178,734)	1,150,025	(338,190)
- Restricted cash and cash equivalents	3(a)	647,164	1,927,807	817,299
		468,430	3,077,832	479,109
<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		647,164	1,927,807	817,299
		647,164	1,927,807	817,299
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Financially backed reserves	9	647,164	1,077,807	817,299
Unspent borrowings	7(c)	0	850,000	
		647,164	1,927,807	817,299
<b>Reconciliation of net cash provided by operating activities to net result</b>				
<b>Net result</b>		1,199,883	1,489,265	201,969
Depreciation	6	2,035,605	2,047,840	2,060,628
(Profit)/loss on sale of asset	5(b)	145,513	(1,639)	42,073
(Increase)/decrease in receivables		0	(296,945)	108,000
(Increase)/decrease in inventories		0	(5,000)	
Increase/(decrease) in payables		0	17,247	
Increase/(decrease) in other provision		0	72,424	
Increase/(decrease) in employee provisions		0	260,766	
Non-operating grants, subsidies and contributions		(3,801,877)	(1,247,520)	(2,360,758)
<b>Net cash from operating activities</b>		(420,876)	2,336,438	51,912

**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 CUBBALLING  
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.

Reporting program

Asset class	Reporting program										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			
<u>Property, Plant and Equipment</u>																
Buildings	713,304		30,000		1,149,064		99,887	15,000							886,265	2,621,847
Plant and equipment	713,304	0	30,000	0	1,149,064	0	99,887	15,000	874,217	0	0	0	0	0	499,196	486,000
<u>Infrastructure</u>																
Infrastructure - roads																
Infrastructure - bridges									3,580,451						1,080,221	2,190,878
Infrastructure - parks and ovals									55,000						23,587	30,000
Other infrastructure	0	0	0	0	0	0	0	0	40,000	0	0	0	0	0	71,509	0
									3,675,451						1,175,317	2,245,878
<b>Total acquisitions</b>	<b>713,304</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>1,149,064</b>	<b>0</b>	<b>99,887</b>	<b>15,000</b>	<b>4,549,668</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,560,779</b>	<b>5,353,725</b>

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

Capital Income & Expenditure

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 2023

5. FIXED ASSETS

(b) Disposals of Assets

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

	2022/23		2022/23		2022/23		2021/22		2021/22		2021/22		2021/22		2021/22		2021/22	
	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		
<b>By Program</b>																		
Transport	395,513	250,000	0	(145,513)	117,664	119,303	14,272	(12,633)	157,073	115,000	0	(42,073)	157,073	115,000	0	(42,073)		
<b>By Class</b>																		
<u>Property, Plant and Equipment</u>																		
Plant and equipment	395,513	250,000		(145,513)	117,664	119,303	14,272	(12,633)	157,073	115,000		(42,073)	157,073	115,000		(42,073)		
	395,513	250,000	0	(145,513)	117,664	119,303	14,272	(12,633)	157,073	115,000	0	(42,073)	157,073	115,000	0	(42,073)		

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

### By Class

Buildings
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure -bridges
Infrastructure - parks and ovals
Recreation
Other infrastructure
Right of use assets

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
18,161	18,973	18,161
110,990	121,906	120,990
59,700	66,268	61,700
0	0	0
0	0	0
7,800	8,125	8,100
14,240	17,401	9,286
109,430	118,819	125,400
1,515,664	1,480,452	1,517,371
3,620	3,372	3,620
196,000	212,524	196,000
2,035,605	2,047,840	2,060,628
104,482	79,627	97,488
5,861	1,744	5,861
257,800	281,546	259,800
1,490,055	1,464,822	1,491,762
8,160	7,820	8,160
110,990	121,906	120,990
13,000	15,837	13,000
32,070	37,201	32,070
13,187	18,146	11,367
	19,191	20,130
2,035,605	2,047,840	2,060,628

## 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
Infrastructure - footpaths	20 years
Infrastructure -bridges	40 years
Infrastructure - parks and ovals	50 Years
Recreation	50 Years
Right of use assets	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 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	2022/23		2022/23		2022/23		2021/22		2021/22		2021/22		2021/22		2021/22	
				Budget New Loans	Budget Principal Repayments	Budget Interest Repayments	Actual New Loans	Actual Principal Repayments	Actual Interest Repayments	Actual New Loans	Actual Principal Repayments	Actual Interest Repayments	Budget New Loans	Budget Principal Repayments	Budget Interest Repayments	Budget Principal Repayments	Budget Interest Repayments	Budget Principal outstanding 30 June 2022	Budget Principal outstanding 30 June 2021
Education and welfare																			
Loan 65 - Aged Person Housing				0	(68,849)	(37,891)	0	850,000	0	850,000	0	0	0	0	850,000	816,546	0	0	(20,468)
Transport				0	0	0	29,228	0	0	(485)	0	29,228	0	0	0	0	0	0	(485)
Loan 63 - Grader				0	(40,671)	(7,639)	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 67 - Grader				440,000	(40,671)	(7,639)	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic services																			
Loan 64 - Property Loan				0	(15,460)	(2,424)	130,702	115,572	0	(2,755)	0	130,702	115,572	(15,130)	850,000	115,572	159,930	(2,755)	0
				440,000	(124,980)	(47,954)	159,930	965,572	0	(3,240)	0	159,930	965,572	(77,812)	850,000	932,118	159,930	(77,812)	0
				440,000	(124,980)	(47,954)	159,930	965,572	0	(3,240)	0	159,930	965,572	(77,812)	850,000	932,118	159,930	(77,812)	0

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 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
Grader	WATC	Fixed Rate	10	4.5%	\$ 440,000	\$ 12,724	\$ 440,000	\$ 0
					440,000	12,724	440,000	0

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2022/23 Budget	New loans unspent at 30 June 2023	Amount as at 30 June 2023
Aged Persons Housing		2022	\$ 850,000	\$ 850,000	\$ 0	\$ 0
			850,000	850,000	0	0

(d) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
<b>Undrawn borrowing facilities credit standby arrangements</b>	\$	\$	\$
Bank overdraft limit	100,000	100,000	100,000
Bank overdraft at balance date	0	0	0
Credit card limit	30,000	30,000	30,000
Credit card balance at balance date	0	1,247	0
<b>Total amount of credit unused</b>	<b>130,000</b>	<b>131,247</b>	<b>130,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	1,280,592	965,572	932,118
Unused loan facilities at balance date	850,000	0	0

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2022	2022/23 Budgeted Increase/ (Decrease)	Amount as at 30th June 2023
NAB	To meet short term 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 2023**

**8. LEASE LIABILITIES**

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2022		2022/23 Budget Lease New Leases	2022/23 Budget Lease Principal outstanding 30 June 2023		2022/23 Budget Lease Interest Repayments	2021/22 Actual Lease Principal outstanding 30 June 2022		2021/22 Actual Lease Interest Repayments	2021/22 Budget Lease Principal outstanding 30 June 2022		2021/22 Budget Lease Interest Repayments		
					\$	\$		\$	\$		\$	\$		\$	\$	\$	\$	
Recreation and culture		Linton Park Farms		6 years	0	0	1,500	1,500	0	0	1,500	0	0	1,500	0	(1,500)	0	0
Springhill Dam					0	0	1,500	1,500	0	0	1,500	0	0	1,500	0	(1,500)	0	0
					0	0	1,500	1,500	0	0	1,500	0	0	1,500	0	(1,500)	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 2023

9. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2022/23		2022/23		2022/23		2021/22		2021/22		2021/22		2021/22		2021/22	
	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance
<b>Restricted by legislation</b>																
<b>Restricted by council</b>																
(a) Employee Entitlements reserve	286,314	1,067		287,381	286,072	242	0	286,314	286,072	1,067	(20,000)	267,139	286,072	1,067	(20,000)	267,139
(b) Administration Building, It & Office Equipment	9,157	32		9,189	9,149	8		9,157	9,149	32	0	9,181	9,149	32	0	9,181
(c) Housing Reserve	98,291	367	(20,000)	78,658	98,208	83		98,291	98,208	367	(40,000)	58,575	98,208	367	(40,000)	58,575
(d) Recreation & Community Reserve	178,197	792	(84,887)	94,102	178,046	151		178,197	178,046	792	(85,368)	93,470	178,046	792	(85,368)	93,470
(e) Refuse Site Reserve	45,460	205		45,665	45,422	38		45,460	45,422	205	0	45,627	45,422	205	0	45,627
(f) Grain Freight Reserve	0	0		0	83,139	0	(83,139)	0	83,139	0	(83,139)	0	83,139	0	(83,139)	0
(g) Equestrian Centre Reserve	4,914	5,295		10,209	4,910	4		4,914	4,910	4,822	0	9,732	4,910	4,822	0	9,732
(h) Roads & Bridges Reserve	105,111	486		105,597	21,883	83,228		105,111	21,883	83,625	0	105,508	21,883	83,625	0	105,508
(i) Plant and Equipment Reserve	340,942	1,960	(340,000)	2,902	340,654	288		340,942	340,654	1,960	(121,000)	221,614	340,654	1,960	(121,000)	221,614
(j) Standpipe Reserve	4,099	20		4,119	4,096	3		4,099	4,096	21	0	4,117	4,096	21	0	4,117
(k) Community & Sporting Club Reserve	5,321	4,021		9,342	5,316	5		5,321	5,316	1,020	(4,000)	2,336	5,316	1,020	(4,000)	2,336
	1,077,807	14,245	(444,887)	647,164	1,076,895	84,051	(83,139)	1,077,807	1,076,895	93,911	(353,507)	817,299	1,076,895	93,911	(353,507)	817,299
	1,077,807	14,245	(444,887)	647,164	1,076,895	84,051	(83,139)	1,077,807	1,076,895	93,911	(353,507)	817,299	1,076,895	93,911	(353,507)	817,299

(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) Employee Entitlements reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Administration Building, It & Office Equipment	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) Recreation & 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	Ongoing	To be used to maintain the grain freight route through the district.
(g) Equestrian Centre Reserve	Ongoing	To be used to maintain and upkeep the equestrian centre.
(h) Roads & Bridges Reserve	Ongoing	To be used to maintain and fund road and bridge projects through the district.
(i) Plant and Equipment Reserve	Ongoing	To be used to maintain and fund plant replacement program.
(j) Standpipe Reserve	Ongoing	To be used to maintain and upkeep the standpipe network.
(k) Community & Sporting Club Reserve	Ongoing	To be used to fund Community and Sporting Club Small Grants (LEAP)



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

**10. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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

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

## 11. PROGRAM INFORMATION

### Income and expenses

#### Income excluding grants, subsidies and contributions

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Governance	2,450	31,097	1,450
General purpose funding	1,533,738	1,987,590	1,300,727
Law, order, public safety	82,747	108,408	3,750
Health	800	967	800
Education and welfare	2,500	0	0
Housing	4,680	0	0
Community amenities	81,461	80,990	75,516
Recreation and culture	25,245	13,720	7,773
Transport	206,952	600,326	2,000
Economic services	38,700	34,741	34,000
Other property and services	45,000	68,181	15,000
	2,024,273	2,926,020	1,441,016

#### Operating grants, subsidies and contributions

Governance	0	0	311,000
General purpose funding	131,532	663,893	129,362
Law, order, public safety	78,997	103,920	0
Education and welfare	2,500	0	2,500
Recreation and culture	17,000	4,177	5,000
Transport	196,702	569,575	239,505
Economic services	4,700	3,500	4,700
Other property and services	10,000	31,654	10,000
	441,431	1,376,719	702,067

#### Non-operating grants, subsidies and contributions

General purpose funding	0	0	601,607
Recreation and culture	0	15,156	15,156
Transport	3,058,573	1,097,398	1,743,995
Other property and services	743,304	62,542	0
	3,801,877	1,175,096	2,360,758

### Total Income

	6,267,581	5,477,835	4,503,841
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### Expenses

Governance	(162,310)	(221,793)	(138,957)
General purpose funding	(83,500)	(86,721)	(88,500)
Law, order, public safety	(214,196)	(293,058)	(298,263)
Health	(46,880)	(39,758)	(45,907)
Education and welfare	(44,492)	(16,341)	(45,708)
Housing	(40,860)	(40,259)	(40,711)
Community amenities	(360,182)	(335,974)	(351,568)
Recreation and culture	(432,264)	(348,284)	(380,344)
Transport	(3,172,256)	(2,510,865)	(2,715,047)
Economic services	(37,751)	(145,014)	(162,367)
Other property and services	(31,500)	49,497	(34,500)

### Total expenses

	(4,626,191)	(3,988,570)	(4,301,872)
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### Net result for the period

	1,199,883	1,489,265	201,969
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## 12. OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	5,000	912	5,000
- Other funds	500	238	500
Other interest revenue (refer note 1b)	5,800	6,586	5,075
	11,300	7,736	10,575
<b>(b) Other revenue</b>			
Reimbursements and recoveries	42,930	48,259	45,750
Other			
	42,930	48,259	45,750
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	18,720	18,500	17,600
	18,720	18,500	17,600
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 7(a))	47,954	3,240	23,708
Interest expense on lease liabilities	0	0	0
	47,954	3,240	23,708
<b>(e) Write offs</b>			
General rate	50,000	345	58,900
	50,000	345	58,900

**13. ELECTED MEMBERS REMUNERATION**

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
<b>Elected member - Cr M Conley</b>			
President's allowance	0	2,333	8,000
Meeting attendance fees		630	2,730
Travel and accommodation expenses			0
	0	2,963	10,730
<b>Elected member - Cr E Dowling</b>			
Deputy President's allowance		666	2,000
President's allowance	8,200	5,333	0
Meeting attendance fees	2,860	2,335	2,015
Annual allowance for ICT expenses	500		
Travel and accommodation expenses	100		0
	11,660	8,334	4,015
<b>Elected member - Cr PS Ballantyne</b>			
Meeting attendance fees	0	465	2,015
Travel and accommodation expenses	0	0	0
	0	465	2,015
<b>Elected member - Cr D Bradford</b>			
Meeting attendance fees	2,080	1,860	3,255
Annual allowance for ICT expenses	500		
Travel and accommodation expenses	100		0
	2,680	1,860	3,255
<b>Elected member - Cr D Hopper</b>			
Meeting attendance fees	0	0	2,015
Travel and accommodation expenses	0	0	500
	0	0	2,515
<b>Elected member - Cr R Harris</b>			
Meeting attendance fees	2,080	1,240	2,015
Annual allowance for ICT expenses	500		
Deputy President's allowance	2,050	1,000	0
Travel and accommodation expenses	100		0
	4,730	2,240	2,015
<b>Elected member - Cr A Kowald</b>			
Meeting attendance fees	2,080	1,805	0
Annual allowance for ICT expenses	500		
Travel and accommodation expenses	100		0
	2,680	1,805	0
<b>Elected member - Cr P Dowdell</b>			
Meeting attendance fees	2,080	1,550	0
Annual allowance for ICT expenses	500		
Travel and accommodation expenses	100		0
	2,680	1,550	0
<b>Elected member - Cr J Christensen</b>			
Meeting attendance fees	2,080	465	0
Annual allowance for ICT expenses	500		
Travel and accommodation expenses	100		0
	2,680	465	0
<b>Total Elected Member Remuneration</b>	27,110	19,682	24,545
President's allowance	8,200	7,666	8,000
Deputy President's allowance	2,050	1,666	2,000
Meeting attendance fees	13,260	10,350	14,045
Annual allowance for ICT expenses	2,500	0	0
Travel and accommodation expenses	600	0	500
	27,110	19,682	24,545

**14. MAJOR LAND TRANSACTIONS**

It is not anticipated any land transactions or major land land transactions will occur in 2022/23

#### 14. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major undertakings will occur in 2022/23

## 14. TRUST FUNDS

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

Detail	Balance 30 June 2022	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2023
	\$	\$	\$	\$
Cuballing Cricket Club	200	0	0	200
Police Licensing	0	250,000	(250,000)	0
	200	250,000	(250,000)	200

**15. FEES AND CHARGES**

	<b>2022/23 Budget</b>	<b>2021/22 Actual</b>	<b>2021/22 Budget</b>
	\$	\$	\$
<b>By Program:</b>			
Governance	1,450	3,053	1,450
General purpose funding	2,990	19,092	2,990
Law, order, public safety	3,750	4,488	3,750
Health	800	967	800
Education and welfare	0	0	0
Housing	0	0	0
Community amenities	81,461	80,990	75,516
Recreation and culture	8,245	9,544	7,773
Transport	2,000	7,078	2,000
Economic services	34,000	31,412	34,000
Other property and services	15,000	15,025	15,000
	<b>149,696</b>	<b>171,649</b>	<b>143,279</b>

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