

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

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

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

SHIRE'S VISION

The Shire of Perenjori will endeavour to provide community services and facilities to meet the needs of members of the community and enable them to enjoy a pleasant and healthy way of life.

SHIRE OF PERENJORI
STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	3,105,644	2,994,519	2,988,225
Operating grants, subsidies and contributions	10	1,195,327	4,405,980	1,967,514
Fees and charges	16	721,510	937,679	574,000
Interest earnings	11(a)	17,100	22,067	14,620
Other revenue	11(b)	178,000	450,021	184,706
		5,217,581	8,810,266	5,729,065
Expenses				
Employee costs		(3,252,669)	(2,800,186)	(2,939,661)
Materials and contracts		(2,062,361)	(1,065,105)	(1,226,582)
Utility charges		(285,220)	(277,654)	(279,595)
Depreciation on non-current assets	6	(3,242,861)	(2,917,677)	(3,211,087)
Interest expenses	11(d)	(41,868)	(18,029)	(26,076)
Insurance expenses		(169,859)	(420,555)	(163,494)
Other expenditure		(270,717)	(397,891)	(278,718)
		(9,325,555)	(7,897,097)	(8,125,213)
		(4,107,974)	913,169	(2,396,148)
Non-operating grants, subsidies and contributions	10	4,620,119	1,449,510	1,242,607
Profit on asset disposals	5(b)	52,609	27,105	73,310
Loss on asset disposals	5(b)	0	0	(31,026)
		4,672,728	1,476,615	1,284,891
Net result for the period		564,754	2,389,784	(1,111,257)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	0
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		564,754	2,389,784	(1,111,257)

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

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

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,105,644	2,997,749	2,988,225
Operating grants, subsidies and contributions		787,208	4,325,575	1,967,514
Fees and charges		721,510	937,679	574,000
Interest received		17,100	22,067	14,620
Goods and services tax received		0	(2,161)	0
Other revenue		178,000	449,952	184,706
		4,809,462	8,730,861	5,729,065
Payments				
Employee costs		(3,252,669)	(2,754,241)	(2,939,661)
Materials and contracts		(2,062,361)	(1,285,022)	(1,226,582)
Utility charges		(285,220)	(277,654)	(279,595)
Interest expenses		(41,868)	(20,078)	(26,076)
Insurance paid		(169,859)	(420,555)	(163,494)
Other expenditure		(270,717)	(397,891)	(278,718)
		(6,082,694)	(5,155,441)	(4,914,126)
Net cash provided by (used in) operating activities	4	(1,273,232)	3,575,420	814,939
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(3,382,700)	(1,237,646)	(3,307,756)
Payments for construction of infrastructure	5(a)	(5,261,552)	(2,180,323)	(2,855,359)
Non-operating grants, subsidies and contributions		4,620,119	1,449,510	1,242,607
Proceeds from sale of property, plant and equipment	5(b)	167,000	120,911	189,000
Net cash provided by (used in) investing activities		(3,857,133)	(1,847,549)	(4,731,508)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(49,997)	(138,621)	(185,833)
Proceeds from new borrowings	7(a)	800,000	0	500,000
Net cash provided by (used in) financing activities		750,003	(138,621)	314,167
Net increase (decrease) in cash held		(4,380,362)	1,589,251	(3,602,402)
Cash at beginning of year		8,326,537	6,737,286	6,737,285
Cash and cash equivalents at the end of the year	4	3,946,175	8,326,537	3,134,883

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

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

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
	3	4,640,253	2,825,918	3,022,228
		4,640,253	2,825,918	3,022,228
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	2(a)(ii)	0	16,920	13,000
Operating grants, subsidies and contributions	10	1,195,327	4,405,980	1,967,514
Fees and charges	16	721,510	937,679	574,000
Interest earnings	11(a)	17,100	22,067	14,620
Other revenue	11(b)	178,000	450,021	184,706
Profit on asset disposals	5(b)	52,609	27,105	73,310
		2,164,546	5,859,772	2,827,150
Expenditure from operating activities				
Employee costs		(3,252,669)	(2,800,186)	(2,939,661)
Materials and contracts		(2,062,361)	(1,065,105)	(1,226,582)
Utility charges		(285,220)	(277,654)	(279,595)
Depreciation on non-current assets	6	(3,242,861)	(2,917,677)	(3,211,087)
Interest expenses	11(d)	(41,868)	(18,029)	(26,076)
Insurance expenses		(169,859)	(420,555)	(163,494)
Other expenditure		(270,717)	(397,891)	(278,718)
Loss on asset disposals	5(b)	0	0	(31,026)
		(9,325,555)	(7,897,097)	(8,156,239)
Non-cash amounts excluded from operating activities	3(b)	3,190,252	2,890,572	3,253,371
Amount attributable to operating activities		669,496	3,679,165	946,510
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10	4,620,119	1,449,510	1,242,607
Payments for property, plant and equipment	5(a)	(3,382,700)	(1,237,646)	(3,307,756)
Payments for construction of infrastructure	5(a)	(5,261,552)	(2,180,323)	(2,855,359)
Proceeds from disposal of assets	5(b)	167,000	120,911	189,000
Amount attributable to investing activities		(3,857,133)	(1,847,549)	(4,731,508)
Non-cash amounts excluded from investing activities	3(c)	(84,303)	0	0
Amount attributable to investing activities		(3,941,436)	(1,847,549)	(4,731,508)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(49,997)	(138,621)	(185,833)
Proceeds from new borrowings	7(b)	800,000	0	500,000
Transfers to cash backed reserves (restricted assets)	8(a)	(969,229)	(30,342)	(429,394)
Transfers from cash backed reserves (restricted assets)	8(a)	385,522	0	925,000
Amount attributable to financing activities		166,296	(168,963)	809,773
Budgeted deficiency before general rates		(3,105,644)	1,662,654	(2,975,225)
Estimated amount to be raised from general rates	2(a)	3,105,644	2,977,599	2,975,225
Net current assets at end of financial year - surplus/(deficit)	3	0	4,640,253	0

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

INDEX OF NOTES TO THE BUDGET

Note 1	Basis of Preparation	6
Note 2	Rates	9
Note 3	Net Current Assets	12
Note 4	Reconciliation of cash	15
Note 5	Fixed Assets	16
Note 6	Asset Depreciation	19
Note 7	Borrowings	20
Note 8	Reserves	22
Note 9	Revenue Recognition	23
Note 10	Program Information	24
Note 11	Other Information	25
Note 12	Elected Members Remuneration	26
Note 13	Trading Undertakings and Major Trading Undertakings	27
Note 14	Investment in Associates	28
Note 15	Trust	29
Note 16	Fees and Charges	30

SHIRE OF PERENJORI
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 Perenjori 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 15 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 PERENJORI
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

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

REVENUES

RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

ACTIVITIES

Governance

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

Expenses associated with provision of services to members of Council and elections. Also included are costs associated with computer operations, corporate accounting, records and asset management. Costs reported as administrative expenses are redistributed in accordance with the principal of activity based costing (ABC).

General purpose funding

To collect revenue to allow for the provision of services.

Rates and associated revenues, general purpose Government grants, interest revenue and other miscellaneous revenues such as commission on Police licensing. The costs associated with raising the above mentioned revenue, eg: valuation expenses, debt collection and overheads.

Law, order, public safety

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

Enforcement of local laws, fire prevention, animal control and provision of Ranger services.

Health

To provide an operational framework for environmental and community health.

Health inspection services, food quality and mosquito control and contributions towards the provision of medical health services.

Education and welfare

Health inspection services, food quality and mosquito control and contributions towards the provision of medical health services.

Housing

The provision of housing to staff.

Provision of maintenance of staff and non staff housing.

Community amenities

The provision of services required by the community.

Rubbish collection services, operation and maintenance of refuse sites, cemetery maintenance and improvements, flood mitigation, public convenience maintenance.

Recreation and culture

To establish and effectively manage infrastructure and resources that help to maintain the social well being of the community.

Maintenance of halls, swimming pool, recreational centres, parks and gardens, ovals and various reserves, operation of library services.

Transport

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

Maintenance of roads and drainage, footpaths, parking facilities, traffic control, street cleaning, maintenance of airstrip.

Economic services

To help promote the Shire and its economic wellbeing.

Tourism, community development, pest control, building services, caravan park and private works.

Other property and services

To monitor and control Council's overheads operating account.

Plant works and overheads and stock of materials.

SHIRE OF PERENJORI
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 value	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) Differential general rates or general rates										
Townsite	GRV	0.088584	107	1,167,143	103,390	0	0	103,390	97,691	97,691
Mining	GRV	0.088584	1	3,144,000	278,508	0	0	278,508	265,247	265,247
Rural	UV	0.016972	256	126,448,000	2,146,075	0	0	2,146,075	2,063,823	2,051,671
Mining	UV	0.323509	39	2,379,797	769,886	0	0	769,886	732,884	732,884
Exploration	UV	0.248501	33	215,788	53,624	0	0	53,624	53,168	53,168
Sub-Total			436	133,354,728	3,351,483	0	0	3,351,483	3,212,813	3,200,661
		Minimum								
		\$								
Minimum payment										
Townsite	GRV	374.00000	30	28,321	11,220	0	0	11,220	11,392	11,392
Mining	GRV	374.00000	1	1,718	374	0	0	374	356	356
Rural	UV	374.00000	11	83,900	4,114	0	0	4,114	3,916	3,916
Mining	UV	374.00000	6	1,718	2,244	0	0	2,244	2,492	2,492
Exploration	UV	374.00000	24		8,976	0	0	8,976	6,408	6,408
Sub-Total			72	115,657	26,928	0	0	26,928	24,564	24,564
			508	133,470,385	3,378,411	0	0	3,378,411	3,237,377	3,225,225
Discounts on general rates (Refer note 2(e))					(272,767)			(272,767)	(259,778)	(250,000)
Concessions on general rates (Refer note 2(f))					0			0	0	0
Total amount raised from general rates					3,105,644			3,105,644	2,977,599	2,975,225
(ii) Specified area and ex gratia rates										
Ex-gratia rates										
					0	0	0	0	16,920	13,000
Total specified area and ex gratia rates								0	16,920	13,000
Total rates								3,105,644	2,994,519	2,988,225

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

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

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Discount on General Rates	11/10/2022	0	0.0%	7.0%
Option two				
Single full payment	11/10/2022	0	0.0%	7.0%
Option three				
First instalment	11/10/2022	0	0.0%	0.0%
Second instalment	13/12/2022	10	5.5%	7.0%
Third instalment	14/02/2023	10	5.5%	7.0%
Fourth instalment	19/04/2023	10	5.5%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	0	2,754	0
Instalment plan interest earned	0	1,730	0
Unpaid rates and service charge interest earned	0	4,036	0
	0	8,520	0

SHIRE OF PERENJORI
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 a specified area rate 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
Discount for prompt payment		10.0%		\$ 272,767	\$ 259,778	\$ 250,000	When full payment is made prior to the due date
				272,767	259,778	250,000	

(f) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th 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
		\$	\$	\$
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents - unrestricted	4	132,424	5,096,493	430,900
Cash and cash equivalents - restricted	4	3,813,751	3,230,044	2,703,983
Receivables		587,640	787,711	110,856
Inventories		7,500	7,500	12,021
		4,541,315	9,121,748	3,257,760
Less: current liabilities				
Trade and other payables		(417,521)	(417,592)	(294,177)
Contract liabilities		0	(608,119)	0
Long term borrowings	7	(620,655)	(40,958)	(211,321)
Employee provisions		(310,153)	(310,153)	(259,600)
		(1,348,329)	(1,376,822)	(765,098)
Net current assets		3,192,986	7,744,926	2,492,662
Less: Total adjustments to net current assets	3.(d)	(3,192,986)	(3,104,673)	(2,492,662)
Net current assets used in the Rate Setting Statement		0	4,640,253	0

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

(b) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities				
Less: Profit on asset disposals	5(b)	(52,609)	(27,105)	73,310
Add: Loss on disposal of assets	5(b)	0	0	(31,026)
Add: Depreciation on assets	6	3,242,861	2,917,677	3,211,087
Non cash amounts excluded from operating activities		3,190,252	2,890,572	3,253,371

3. NET CURRENT ASSETS (CONTINUED)

(c) Non-cash amounts excluded from investing activities

Adjustments to investing activities

Movement in current other provision associated with restricted cash

Non cash amounts excluded from investing activities

(d) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - restricted reserves 8

Add: Current liabilities not expected to be cleared at end of year

- Current portion of borrowings

- Current portion of other provisions held in reserve

Total adjustments to net current assets

Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
	\$	\$	\$
	(84,303)		
	(84,303)	0	0
	(3,813,641)	(3,229,934)	(2,703,983)
	620,655	40,958	211,321
	0	84,303	0
	(3,192,986)	(3,104,673)	(2,492,662)

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

3 (e) 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 Perenjori 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 Perenjori contributes to a number of superannuation funds on behalf of employees.

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

LAND HELD FOR RESALE

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

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

GOODS AND SERVICES TAX (GST)

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

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

CONTRACT LIABILITIES

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

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.

SHIRE OF PERENJORI
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	132,424	5,096,493	2,434,883
Term deposits	3,813,751	3,230,044	700,000
Total cash and cash equivalents	3,946,175	8,326,537	3,134,883
Held as			
- Unrestricted cash and cash equivalents	3(a) 132,534	4,488,484	430,900
- Restricted cash and cash equivalents	3(a) 3,813,641	3,838,053	2,703,983
	3,946,175	8,326,537	3,134,883
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	3,813,641	3,838,053	2,703,983
	3,813,641	3,838,053	2,703,983
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Financially backed reserves	8 3,813,641	3,229,934	2,703,983
Contract liabilities	0	608,119	
	3,813,641	3,838,053	2,703,983
Reconciliation of net cash provided by operating activities to net result			
Net result	564,754	2,389,784	(1,111,257)
Depreciation	6 3,242,861	2,917,677	3,211,087
(Profit)/loss on sale of asset equity method	5(b) (52,609)	(27,105)	(42,284)
	0	0	0
(Increase)/decrease in receivables	200,000	(687,455)	
(Increase)/decrease in inventories	0	4,521	
Increase/(decrease) in payables	0	(180,611)	0
Increase/(decrease) in contract liabilities	(608,119)	608,119	
Non-operating grants, subsidies and contributions	(4,620,119)	(1,449,510)	(1,242,607)
Net cash from operating activities	(1,273,232)	3,575,420	814,939

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

5. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program											2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation & culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Property, Plant and Equipment														
Land	0	0	0	0	0	0	20,000	0	0	0	0	20,000	0	0
Buildings - non-specialised	500,000	0	0	0	0	900,000	83,000	363,600	0	375,000	55,000	2,276,600	730,587	2,290,303
Plant & Equipment	40,000	0	0	0	0	0	0	0	900,600	0	15,000	955,600	507,059	867,453
Furniture & Equipment	100,000	0	0	0	0	0	0	18,000	0	12,500	0	130,500	0	150,000
	640,000	0	0	0	0	900,000	103,000	381,600	900,600	387,500	70,000	3,382,700	1,237,646	3,307,756
Infrastructure														
Infrastructure - Roads	0	0	0	0	0	0	0	0	4,139,040	0	0	4,139,040	1,769,212	2,455,289
Infrastructure - Footpaths	0	0	0	0	0	0	0	0	360,000	0	0	360,000	0	250,070
Infrastructure - Airfield	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Assets - Parks & Oval	0	0	0	0	0	0	15,000	150,000	55,512	0	0	220,512	158,693	0
Infrastructure - Other	0	0	0	0	0	0	0	8,000	24,000	510,000	0	542,000	252,418	150,000
	0	0	0	0	0	0	15,000	158,000	4,578,552	510,000	0	5,261,552	2,180,323	2,855,359
Total acquisitions	640,000	0	0	0	0	900,000	118,000	539,600	5,479,152	897,500	70,000	8,644,252	3,417,970	6,163,115

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.

SUPPORTING SCHEDULE 3 - PROPOSED CAPITAL EXPENDITURE

Job - Account	Job/Account Description	Asset Class	Program	Project Description	Proposed Budget	Proposed Funding						Reserve Fund / Comment
						Reserves	Non-Operating Grant Funding	Other Non-Operating Contributions	Proceeds on Sale	Loan Funding	Own Sources	
BC01	Pererjoni Pavilion Upgrade	Buildings - non-specialised	Recreation & culture	New flooring	\$17,000						\$17,000	
BC18	Latham Community Centre Table and Chair Upgrade	Furniture and equipment	Recreation & culture	Upgrade tables and chairs	\$13,000						\$13,000	
BC19	Upgrade Chalets and New Flooring	Buildings - non-specialised	Economic services	Upgrade Chalets and new flooring	\$23,000						\$23,000	
BC02	Caravan Park Chalet Building	Buildings - non-specialised	Economic services	Roof replacement, Chalets 3 and 4	\$25,000						\$25,000	
CC25	Fowler Street	Infrastructure - Roads	Transport	Road Construction Expense Council	72,000						\$72,000	
CC33	Caron Road	Infrastructure - Roads	Transport	Road Construction Expense Council	58,000						\$58,000	
CF26	England Cr Reseal	Infrastructure - Roads	Transport	Road Construction Expense Council	20,000						\$20,000	
CF29	Footpath and kerbing North side Fowler Street	Infrastructure - Footpaths	Transport	Road Construction Expense Council	250,000						\$250,000	
CF31	Aubrey Street- Reseal 180m x 8m	Infrastructure - Roads	Transport	Road Construction Expense Council	8,500						\$8,500	
CC29	Wärnedar/Copper Mine - Seal Widen	Infrastructure - Roads	Transport	Road Construction Expense RRG	450,000		\$300,000				\$150,000	Budgeted total RRG funding 635,667
CC90	Carnamah Pererjoni Rd	Infrastructure - Roads	Transport	Road Construction Expense RRG	153,040		\$41,333				\$111,707	
CC98	Syson Road	Infrastructure - Roads	Transport	Road Construction Expense RRG	340,000		\$226,667				\$113,333	
RC24	Wärnedar Coppermine Road	Infrastructure - Roads	Transport	Road Construction Expense RRG	101,500		\$67,667				\$33,833	
CF23	Settlement Road Gravel	Infrastructure - Roads	Transport	Road Construction R2R	100,000		\$89,940				\$10,060	Budgeted total R2R funding 534,930
CF24	Forté Road Gravel	Infrastructure - Roads	Transport	Road Construction R2R	115,000		\$115,000				\$0	
CF25	Loading Street- reconstruct and Asphalt	Infrastructure - Roads	Transport	Road Construction R2R	330,000		\$330,000				\$0	
BC03	Refurbishment of Pererjoni Oval public toilets	Buildings - non-specialised	Recreation & culture	Refurbishment of Pererjoni Oval public toilets	\$12,300						\$12,300	LCRI phase 2 program finalisation
BC04	Refurbishment of Pererjoni Sports Club male toilets	Buildings - non-specialised	Recreation & culture	Refurbishment of Pererjoni Sports Club male toilets	\$14,300						\$14,300	LCRI phase 2 program finalisation
BC05	Refurbishment of Pererjoni Oval public toilets	Buildings - non-specialised	Recreation & culture	Refurbishment of Pererjoni Oval public toilets	\$20,500						\$20,500	LCRI phase 2 program finalisation
BC06	Refurbishment of Fowler St toilets	Buildings - non-specialised	Recreation & culture	Refurbishment of Fowler St toilets	21,300						\$21,300	LCRI phase 2 program finalisation
BC07	Refurbishment of ablutions at Caravan Park	Buildings - non-specialised	Recreation & culture	Refurbishment of ablutions at Caravan Park	\$40,000						\$40,000	LCRI phase 2 program finalisation
BC08	Refurbishment of Latham Hall	Buildings - non-specialised	Recreation & culture	Refurbishment of Latham Hall	\$80,200						\$80,200	LCRI phase 2 program finalisation
BC09	Dump Point at RV Parking near Pavilion	Infrastructure - Other	Recreation & culture	Dump Point at RV Parking near Pavilion	\$8,000		\$8,000				\$0	LCRI phase 3 program
CF27	Seal Cemetery Car Park	Infrastructure - Roads	Transport	Seal Cemetery Car Park	85,000		\$85,000				\$0	LCRI phase 3 program
CF28	Seal standpipe area opposite roadhouse	Infrastructure - Roads	Transport	Seal standpipe area opposite roadhouse	70,000		\$70,000				\$0	LCRI phase 3 program
BC10	Pavilion Coolroom	Buildings - non-specialised	Recreation & culture	Pavilion Coolroom	\$40,000		\$40,000				\$0	LCRI phase 3 program
BC11	Replacement of Town Hall roof	Buildings - non-specialised	Governance	Replacement of Town Hall roof	\$500,000		\$500,000				\$0	LCRI phase 3 program
BC14	Airconditioning in Town Hall	Plant and equipment	Governance	Airconditioning in Town Hall	\$40,000		\$40,000				\$0	LCRI phase 3 program
HC27	Installation of solar panels on Council properties	Buildings - non-specialised	Housing	Installation of solar panels on Council properties	\$100,000		\$100,000				\$0	LCRI phase 3 program
BC12	Construction of shelter at Cemetery	Buildings - non-specialised	Community amenities	Construction of shelter at Cemetery	\$14,000		\$14,000				\$0	LCRI phase 3 program
BC13	Installation of toilet at Pererjoni Rothsay Rd junction	Buildings - non-specialised	Community amenities	Installation of toilet at Pererjoni Rothsay Rd junction	\$45,000		\$45,000				\$0	LCRI phase 3 program
BC15	Installation of solar lights at Latham Community Centre	Buildings - non-specialised	Recreation & culture	Installation of solar lights at Latham Community Centre	\$28,000		\$28,000				\$0	LCRI phase 3 program
CF30	Footpaths- Hirshauer, Hesford,John & Downer streets	Infrastructure - Footpaths	Transport	Footpaths- Hirshauer, Hesford,John & Downer streets	\$110,000		\$110,000				\$0	LCRI phase 3 program
BC16	Solar lights at Cemetery	Buildings - non-specialised	Community amenities	Solar lights at Cemetery	\$24,000		\$24,000				\$0	LCRI phase 3 program
BC17	Solar street lighting of North Rd from Downer St to Crossing St	Infrastructure - Other	Transport	Solar street lighting of North Rd from Downer St to Crossing St	\$24,000		\$24,000				\$0	LCRI phase 3 program
RC11	Landscaping along Fowler St	Infrastructure Assets - Parks & Ovals	Transport	Landscaping along Fowler St	\$55,512		\$55,512				\$0	LCRI phase 3 program
RC12	Hill Rd, Boundary Rd to Morawa South Road resheet form & seal	Infrastructure - Roads	Transport	Hill Rd, Boundary Rd to Morawa South Road resheet form & seal	\$82,000		\$82,000				\$0	Mid West Secondary Grain Freight Network
RC13	Morawa South Road, Hill Rd to Shire boundary widen formatio	Infrastructure - Roads	Transport	Morawa South Road, Hill Rd to Shire boundary widen formatio	\$74,000		\$74,000				\$0	Mid West Secondary Grain Freight Network
RC14	Morawa South Road, Hill Rd to Shire boundary widen shoulder	Infrastructure - Roads	Transport	Morawa South Road, Hill Rd to Shire boundary widen shoulder	\$490,000		\$490,000				\$0	Mid West Secondary Grain Freight Network
RC15	Boundary Rd, Pererjoni Three Springs Rd to Hill Rd widen and	Infrastructure - Roads	Transport	Boundary Rd, Pererjoni Three Springs Rd to Hill Rd widen and	\$574,000		\$574,000				\$0	Mid West Secondary Grain Freight Network
RC16	Boundary Rd, Pererjoni Three Springs Rd to Hill Rd widen and	Infrastructure - Roads	Transport	Boundary Rd, Pererjoni Three Springs Rd to Hill Rd widen and	\$156,000		\$156,000				\$0	Mid West Secondary Grain Freight Network
RC17	Boundary Rd, Pererjoni Three Springs Rd to Hill Rd widen and	Infrastructure - Roads	Transport	Boundary Rd, Pererjoni Three Springs Rd to Hill Rd widen and	\$830,000		\$830,000				\$0	Mid West Secondary Grain Freight Network
FE03	Capital - IT Vision Software.	Furniture and equipment	Governance	Capital - IT Vision Software.	75,000						\$75,000	
FE02	Capital - Furniture & Equipment.	Furniture and equipment	Governance	Capital - Furniture & Equipment.	25,000						\$25,000	
FE01	Capital - Gym Equipment	Furniture and equipment	Recreation & culture	Capital - Gym Equipment	5,000						\$5,000	
P001	Capital - Road Equipment	Plant and equipment	Transport	Capital - Road Equipment	15,000						\$15,000	
CP10	Caravan Park - Septic Upgrade.	Infrastructure - Other	Economic services	Caravan Park - Septic Upgrade.	10,000						\$10,000	
CP11	Furniture & Equipment	Furniture and equipment	Economic services	Furniture & Equipment	12,500						\$12,500	
CP05	Caravan park office Capital.	Buildings - non-specialised	Economic services	Caravan park office Capital.	3,000						\$3,000	
BC20	Business Incubator	Buildings - non-specialised	Other property and services	Business Incubator	55,000						\$55,000	
P002	Capital - Workshop Equipment	Plant and equipment	Other property and services	Capital - Workshop Equipment	15,000						\$15,000	
LA01	Purchase of Industrial Land.	Land	Community amenities	Purchase of Industrial Land.	20,000						\$20,000	
HC28	Additional Housing	Buildings - non-specialised	Housing	Additional Housing	\$800,000					\$800,000	\$0	
BC21	Caron Dam Re-Roofing	Buildings - non-specialised	Economic services	Caron Dam Re-Roofing	\$324,000		\$100,000				\$224,000	
BC22	Latham Cemetery Fencing	Infrastructure Assets - Parks & Ovals	Community amenities	Latham Cemetery Fencing	\$15,000						\$15,000	
I001	Pererjoni Oval Water Project	Infrastructure Assets - Parks & Ovals	Recreation & culture	Pererjoni Oval Water Project	\$150,000						\$150,000	
RC18	Carnamah Pererjoni line marking	Infrastructure - Roads	Transport	Carnamah Pererjoni line marking	\$30,000						\$30,000	
I002	Community hub project	Infrastructure - Other	Economic services	Community hub project	\$500,000						\$500,000	
BC23	Pavillion evacuation centre upgrade	Buildings - non-specialised	Recreation & culture	Pavillion evacuation centre upgrade	\$90,000						\$90,000	
12283	MCCS Vehicle - 04 PJ	Plant and equipment	Transport	Plant replacement as per Council approval on 16 June	\$42,000				\$22,000		\$20,000	
12283	MIS Vehicle - 1500 PJ	Plant and equipment	Transport	Plant replacement as per Council approval on 16 June	\$48,000				\$20,000		\$28,000	
12283	COO Vehicle - 02 PJ	Plant and equipment	Transport	Plant replacement as per Council approval on 16 June	\$38,000				\$18,000		\$20,000	
12286	Volvo Grader - PJ 1524	Plant and equipment	Transport	Plant replacement as per Council approval on 16 June	\$395,000				\$80,000		\$315,000	
12286	New Prime Mover	Plant and equipment	Transport	Plant replacement as per Council approval on 16 June	260,000				\$0		\$260,000	
12283	Mitsubishi Triton - PJ 1562	Plant and equipment	Transport	Plant replacement as per Council approval on 16 June	29,000				\$9,000		\$20,000	
12283	Mitsubishi Triton - PJ 1570	Plant and equipment	Transport	Plant replacement as per Council approval on 16 June	29,000				\$9,000		\$20,000	
12283	Mitsubishi Triton - PJ 1572	Plant and equipment	Transport	Plant replacement as per Council approval on 16 June	27,000				\$9,000		\$18,000	
12283	Electric 2-Seater Utility	Plant and equipment	Transport	Plant replacement as per Council approval on 16 June	17,600				\$0		\$17,600	
					\$8,644,252	\$0	\$4,620,119	\$0	\$167,000	\$800,000	\$3,057,133	

Summary of Proposed Capital Expenditure (by Asset Class)

Land	\$20,000	0%
Buildings - non-specialised	\$2,276,600	26%
Plant and equipment	\$955,600	11%
Furniture and equipment	\$130,500	2%
Infrastructure - Roads	\$4,139,040	48%
Infrastructure - Footpaths	\$360,000	4%
Infrastructure - Airfield	\$0	0%
Infrastructure Assets - Parks & Ovals	\$220,512	3%
Infrastructure - Other	\$542,000	6%
	\$8,644,252	

Summary of Proposed Capital Expenditure (by Asset Type)

Purchase property, plant and equipment	\$3,382,700	39%
Purchase and construction of infrastructure	\$5,261,552	61%
	\$8,644,252	

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

5. FIXED ASSETS

(b) Disposals of Assets

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

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance		0	0	0	14,931	30,911	15,980	0		0	0	0
Transport	114,391	167,000	52,609	0	78,875	90,000	11,125	0	146,716	189,000	73,310	(31,026)
	114,391	167,000	52,609	0	93,806	120,911	27,105	0	146,716	189,000	73,310	(31,026)
By Class												
<i>Property, Plant and Equipment</i>												
Plant and equipment	114,391	167,000	52,609	0	93,806	120,911	27,105		146,716	189,000	73,310	(31,026)
	114,391	167,000	52,609	0	93,806	120,911	27,105	0	146,716	189,000	73,310	(31,026)

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

6. ASSET DEPRECIATION

By Program

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

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - Roads
Infrastructure - Footpaths
Infrastructure - Parks & Ovals
Infrastructure - Other
Infrastructure - Airfield

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
140,090	124,676	110,258
177,057	157,574	189,560
10,959	9,753	8,881
102,411	91,143	115,820
148,971	132,580	121,806
39,301	34,977	47,800
386,938	375,996	337,717
1,793,135	1,595,833	1,670,581
137,723	122,569	114,404
306,276	272,576	494,260
3,242,861	2,917,677	3,211,087
584,125	525,551	578,402
2,020	1,817	2,000
830,453	747,177	822,315
1,544,111	1,389,273	1,528,982
16,349	14,710	16,189
193,279	173,897	191,385
45,453	40,895	45,008
27,071	24,357	26,806
3,242,861	2,917,677	3,211,087

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Major depreciation periods used for each class of depreciable asset are:

Buildings - non-specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - Roads	20 to 80 years
Infrastructure - Footpaths	20 years
Infrastructure - Parks & Ovals	30 to 75 Years
Infrastructure - Other	10 - 60 years
Infrastructure - Airfield	80 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 PERENJORI
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2022/23	2022/23	Budget	2022/23	Actual Principal	2021/22	2021/22	Actual Principal outstanding	2021/22	Budget Principal	2021/22	Budget Principal outstanding	2021/22	
				Principal 1 July 2022	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2023	Budget Interest Repayments		Actual Principal 1 July 2021	Actual New Loans		Actual Principal Repayments		Actual Interest Repayments		Actual Interest Repayments	Actual Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Housing																		
CHA Housing	96	WATC	6.5%	33,369		(16,146)	17,223	(1,893)	48,509		(15,140)	33,369	(2,472)	48,509		(15,185)	33,324	(2,883)
Flat Pack Housing	97	WATC	4.7%	0		0	0	0	26,853		(26,853)	0	(765)	26,853		(26,853)	0	(946)
Duplex Construction	101	WATC							30,514		(30,514)	0	(870)	30,514		(30,514)	0	(1,075)
New Loan Housing		WATC	7.0%	0	800,000	(9,039)	790,961	(28,000)	0		0	0	0	0			0	0
Community amenities																		
John Street Subdivision	98	WATC	7.0%	178,821		(24,812)	154,009	(11,975)	201,990		(23,169)	178,821	(12,830)	201,990		(23,053)	178,937	(13,684)
Recreation and culture																		
Perenjori Aquatic Centre	100	WATC	4.8%	0		0	0	0	42,946		(42,946)	0	(1,093)	42,946		(42,946)	0	(1,555)
Economic services																		
Caravan Park Unit	103	WATC		0		0	0	0	0		0	0	0		500,000	(47,282)	452,718	(5,932)
				212,191	800,000	(49,997)	962,193	(41,868)	350,812	0	(138,621)	212,191	(18,029)	350,812	500,000	(185,833)	664,979	(26,076)
				212,191	800,000	(49,997)	962,193	(41,868)	350,812	0	(138,621)	212,191	(18,029)	350,812	500,000	(185,833)	664,979	(26,076)

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

SHIRE OF PERENJORI
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
Additional Housing	WATC		20	7.0%	\$ 800,000	\$ (28,000)	\$ 800,000	\$ 0
					800,000	(28,000)	800,000	0

(c) Unspent borrowings

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

(d) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
Loan facilities			
Loan facilities in use at balance date	962,193	212,191	664,979

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

8. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	84,718	333	0	85,051	84,303	415	0	84,718	84,303	337	0	84,640
(b) Plant reserve	573,156	400,000	(385,522)	587,634	570,348	2,808	0	573,156	570,348	2,281	(100,000)	472,629
(c) Refuse reserve	205,147	20,805	0	225,952	204,141	1,006	0	205,147	204,141	817	0	204,958
(d) Swimming Pool reserve	108,639	20,348	0	128,987	88,204	20,432	0	108,639	88,204	20,353	0	108,557
(e) Road & Rehabilitation reserve	33,691	132	0	33,823	33,526	165	0	33,691	33,526	134	0	33,660
(f) Housing reserve	440,214	1,728	0	441,942	438,057	2,157	0	440,214	438,057	1,752	0	439,809
(g) Mt Gibson Infrastructure reserve	1,352,233	205,328	0	1,557,561	1,350,992	1,241	0	1,352,233	1,350,992	2,000	(725,000)	627,992
(h) Toursim Accommodation reserve	65,047	25,255	0	90,302	64,728	319	0	65,047	64,728	259	0	64,987
(i) Water reserve	164,903	25,647	0	190,550	164,095	808	0	164,903	164,095	656	0	164,751
(j) IT Communication reserve	202,186	794	0	202,980	201,195	991	0	202,186	201,195	805	(100,000)	102,000
(k) Cyclone Seroja Recovery reserve	0	268,859	0	268,859	0	0	0	0	0	400,000	0	400,000
	3,229,934	969,229	(385,522)	3,813,641	3,199,589	30,342	0	3,229,934	3,199,589	429,394	(925,000)	2,703,983

(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) Leave reserve	Ongoing	To be used to -: fund long service leave requirements.
(b) Plant reserve	Ongoing	To be used for -: purchase of major plant.
(c) Refuse reserve	Ongoing	To be used for -: future landfill sites.
(d) Swimming Pool reserve	Ongoing	To be used for -: refurbishment and upgrade swimming pool facilities.
(e) Road & Rehabilitation reserve	Ongoing	To be used for -: roads, gravel and airport infrastructure.
(f) Housing reserve	Ongoing	To be used for -: maintenance, upgrade and additional housing requirements.
(g) Mt Gibson Infrastructure reserve	Ongoing	To be used for -: supporting the acquisition, restoration, extension or improvement of infrastructure assets limited to public buildings, recreational facilities, parks and gardens, power supply, water supply, land drainage or roads as per agreement.
(h) Toursim Accommodation reserve	Ongoing	To be used for -: costs associated with the caravan park.
(i) Water reserve	Ongoing	To be used for -: increasing and maintaining all aspects of water capacity within the Shire.
(j) IT Communication reserve	Ongoing	To be used for -: IT costs associated with future requirements.
(k) Cyclone Seroja Recovery reserve	Ongoing	To be used for -: costs related to the making good of buildings and infrastructure damaged by Cyclone Seroja.

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

9. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

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

10. PROGRAM INFORMATION

Income and expenses	2022/23 Budget	2021/22 Actual	2021/22 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	27,100	156,263	28,396
General purpose funding	3,110,444	3,009,200	2,993,749
Law, order, public safety	136,600	171,383	120,256
Health	2,500	7,541	2,500
Education and welfare	1,000	102,498	80,000
Housing	122,000	180,921	140,000
Community amenities	37,510	50,483	36,000
Recreation and culture	6,000	8,139	5,050
Transport	57,709	18,051	78,910
Economic services	525,500	558,792	282,000
Other property and services	48,500	168,120	68,000
	4,074,863	4,431,391	3,834,861
Operating grants, subsidies and contributions			
General purpose funding	708,206	3,923,374	1,697,271
Law, order, public safety	35,000	25,652	33,500
Community amenities	0	20,135	0
Recreation and culture	200,000	200,000	0
Transport	252,121	236,817	236,743
	1,195,327	4,405,978	1,967,514
Non-operating grants, subsidies and contributions			
General purpose funding	1,143,512	0	0
Law, order, public safety	0	99,987	0
Housing	0	138,249	0
Transport	3,376,607	1,201,274	1,242,607
Economic services	100,000	10,000	0
	4,620,119	1,449,510	1,242,607
Total Income	9,890,309	10,286,879	7,044,982
Expenses			
Governance	(311,061)	(405,746)	(309,856)
General purpose funding	(205,661)	(166,832)	(199,827)
Law, order, public safety	(570,139)	(472,089)	(523,809)
Health	(201,876)	(154,825)	(151,918)
Education and welfare	(305,739)	(448,343)	(552,703)
Housing	(530,785)	(399,323)	(183,110)
Community amenities	(764,215)	(525,875)	(717,520)
Recreation and culture	(1,503,930)	(1,499,170)	(1,557,167)
Transport	(3,702,842)	(2,641,487)	(2,930,943)
Economic services	(1,158,558)	(995,908)	(952,005)
Other property and services	(70,749)	(187,497)	(77,381)
Total expenses	(9,325,555)	(7,897,095)	(8,156,239)
Net result for the period	564,754	2,389,784	(1,111,257)

11. OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	4,500	4,415	5,000
- Other funds	12,600	10,674	9,420
Late payment of fees and charges *	0	6,979	200
	17,100	22,067	14,620
* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 7%.			
(b) Other revenue			
Reimbursements and recoveries	174,000	414,735	178,706
Other	4,000	35,286	6,000
	178,000	450,021	184,706
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	55,000	58,610	50,000
	55,000	58,610	50,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	41,868	18,029	26,076
	41,868	18,029	26,076
(e) Write offs			
General rate	0	426	0
Fees and charges	0	2,055	0
	0	2,481	0

12. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Elected member C King			
President's annual allowance	20,565	20,063	20,063
Meeting attendance fees	6,977	7,497	4,335
Travel and accommodation expenses	1,214	235	1,214
	28,756	27,795	25,612
Elected member J Sutherland			
Deputy President's annual allowance	5,141	5,016	5,016
Meeting attendance fees	6,977	4,317	4,334
Travel and accommodation expenses	1,214	957	1,214
	13,332	10,290	10,564
Elected member D Bradford			
Meeting attendance fees	6,977	3,877	4,334
Travel and accommodation expenses	1,214	832	1,214
	8,191	4,709	5,548
Elected member B Baxter			
Meeting attendance fees	0	779	4,334
Travel and accommodation expenses	0	135	1,214
	0	914	5,548
Elected member C Bryant			
Meeting attendance fees	6,977	4,216	4,334
Travel and accommodation expenses	1,214	2,599	1,214
	8,191	6,815	5,548
Elected member L Hepworth			
Meeting attendance fees	6,977	3,419	4,334
Travel and accommodation expenses	1,215	1,243	1,215
	8,192	4,662	5,549
Elected member P Logue			
Meeting attendance fees	0	1,219	4,334
Travel and accommodation expenses	0	561	1,215
	0	1,780	5,549
Elected member A Fraser			
Meeting attendance fees	6,977	2,658	0
Travel and accommodation expenses	1,215	422	0
	8,192	3,080	0
Elected member D Sparkman			
Meeting attendance fees	6,978	2,658	0
Travel and accommodation expenses	1,215	0	0
	8,193	2,658	0
	83,047	62,703	63,918
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	20,565	20,063	20,063
Deputy President's allowance	5,141	5,016	5,016
Meeting attendance fees	48,841	30,640	30,339
Travel and accommodation expenses	8,500	7,308	8,500
	83,047	63,027	63,918

13. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

John/Hirshauer Street Residential Subdivision

Shire of Perenjori.

It is proposed to review the market value on an annual basis for the Lots and develop a marketing plan based on the outcome of the annual market value in order to determine the viability of disposing of the Lots not required by the Shire.

No major land transactions occurred for the financial year ended 30th June 2022.

(b) Statement of Comprehensive Income

	2021/22 Actual	2022/23 Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Sales	0	0	50,000	50,000	50,000	50,000	50,000
	0	0	50,000	50,000	50,000	50,000	50,000
Expenditure							
Development costs	0	0	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
	0	0	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
NET RESULT	0	0	25,000	25,000	25,000	25,000	25,000
TOTAL COMPREHENSIVE INCOME	0	0	25,000	25,000	25,000	25,000	25,000

14. INVESTMENT IN JOINT ARRANGEMENTS

- (i) The Shire of Perenjori has a joint arrangement with the Department of Housing for the provision of four (4) family houses and two (2) aged care units. The assets reflect capital works carried out by Council. All revenue and expenditure, as well as the Shire's share of assets of the joint arrangement are recognised in the Shire's financial statements.

The Shire of Perenjori's share in Buildings is included in the financial statements as follows:-

	2022/23 Budget	2021/22 Actual	2021/22 Budget
Non-current assets	\$	\$	\$
Buildings	128,484	128,484	108,392
Less Accumulated Depreciation	(26,266)	(21,126)	(4,100)
	102,218	107,358	104,292
Share of joint ownership			
Shire of Perenjori Ownership			
79 Russell Street		21.00%	
Lot 58 Hesford Street		14.85%	
Lot 28 Livingstone Street		21.00%	

15. 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
	\$	\$	\$	\$
	0	150,000	(150,000)	0
	0	150,000	(150,000)	0

16. FEES AND CHARGES

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
By Program:			
Governance	500	500	0
General purpose funding	300	3,067	300
Law, order, public safety	1,600	5,066	1,150
Health	2,500	3,531	2,500
Education and welfare	1,000	85,858	80,000
Housing	120,000	180,921	136,000
Community amenities	37,510	43,638	35,000
Recreation and culture	4,000	4,819	4,450
Transport	5,100	6,926	5,600
Economic services	525,500	558,792	282,000
Other property and services	23,500	44,561	27,000
	721,510	937,679	574,000

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