



Shire of
Cranbrook
Great Southern's Finest

2022/2023 ANNUAL BUDGET



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

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

That the Shire of Cranbrook is a proactive, sustainable, safe, friendly and prosperous place to be.

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

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	2,853,161	2,657,981	2,611,478
Operating grants, subsidies and contributions	12	636,360	2,747,742	1,129,132
Fees and charges	14	408,593	394,346	393,020
Interest earnings	12(a)	23,457	17,905	30,200
Other revenue	12(b)	146,811	143,261	138,106
		4,068,382	5,961,235	4,301,936
Expenses				
Employee costs		(2,011,390)	(1,934,127)	(1,643,434)
Materials and contracts		(1,612,462)	(1,431,492)	(1,932,744)
Utility charges		(99,350)	(178,692)	(163,700)
Depreciation on non-current assets	6	(2,370,975)	(2,367,907)	(2,252,454)
Interest expenses	12(d)	(3,818)	(5,474)	(7,710)
Insurance expenses		(224,330)	(195,677)	(214,090)
Other expenditure		(175,731)	(69,070)	(81,101)
		(6,498,056)	(6,182,439)	(6,295,233)
		(2,429,674)	(221,204)	(1,993,297)
Non-operating grants, subsidies and contributions	12	5,078,608	1,693,878	5,837,785
Profit on asset disposals	5(b)	76,000	52,292	28,500
Loss on asset disposals	5(b)	(9,500)	(6,199)	(53,980)
		5,145,108	1,739,971	5,812,305
Net result for the period		2,715,434	1,518,767	3,819,008
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		2,715,434	1,518,767	3,819,008

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

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

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,853,161	2,667,889	2,611,478
Operating grants, subsidies and contributions		686,360	2,931,770	1,129,132
Fees and charges		408,593	394,346	815,864
Interest received		23,457	17,905	30,200
Goods and services tax received		0	3,308	0
Other revenue		146,811	143,261	138,106
		4,118,382	6,158,479	4,724,780
Payments				
Employee costs		(2,011,390)	(1,764,843)	(1,643,434)
Materials and contracts		(1,612,462)	(1,909,583)	(1,783,448)
Utility charges		(99,350)	(178,692)	(163,700)
Interest expenses		(3,818)	(5,607)	(7,710)
Insurance paid		(224,330)	(195,677)	(214,090)
Goods and services tax paid		0	(91,828)	0
Other expenditure		(175,731)	(69,070)	(81,101)
		(4,127,081)	(4,215,300)	(3,893,483)
Net cash provided by (used in) operating activities	4	(8,699)	1,943,179	831,297
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(5,032,198)	(947,948)	(5,379,471)
Payments for construction of infrastructure	5(a)	(3,093,417)	(2,351,935)	(2,937,530)
Non-operating grants, subsidies and contributions		5,078,608	2,145,347	5,837,785
Proceeds from sale of property, plant and equipment	5(b)	460,500	612,027	607,500
Proceeds on other loans and receivables [describe]		0	1,000	
Net cash provided by (used in) investing activities		(2,586,507)	(541,508)	(1,871,716)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(34,516)	(33,091)	(33,091)
Principal elements of lease payments	8	(18,809)	(18,508)	(18,508)
Proceeds from new borrowings	7(a)	700,170	0	0
Net cash provided by (used in) financing activities		646,846	(51,599)	(51,599)
Net increase (decrease) in cash held		(1,948,360)	1,350,072	(1,092,018)
Cash at beginning of year		4,972,182	3,622,109	3,622,109
Cash and cash equivalents at the end of the year	4	3,023,822	4,972,181	2,530,091

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

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

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
	3	1,865,512	838,508	1,002,405
		1,865,512	838,508	1,002,405
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	2(a)(ii)	45,446	44,123	0
Operating grants, subsidies and contributions	12	636,360	2,747,742	1,129,132
Fees and charges	14	408,593	394,346	393,020
Interest earnings	12(a)	23,457	17,905	30,200
Other revenue	12(b)	146,811	143,261	138,106
Profit on asset disposals	5(b)	76,000	52,292	28,500
		1,336,667	3,399,669	1,718,958
Expenditure from operating activities				
Employee costs		(2,011,390)	(1,934,127)	(1,643,434)
Materials and contracts		(1,612,461)	(1,431,492)	(1,932,745)
Utility charges		(99,350)	(178,692)	(163,700)
Depreciation on non-current assets	6	(2,370,975)	(2,367,907)	(2,252,454)
Interest expenses	12(d)	(3,818)	(5,474)	(7,710)
Insurance expenses		(224,330)	(195,677)	(214,090)
Other expenditure		(175,731)	(69,070)	(81,101)
Loss on asset disposals	5(b)	(9,500)	(6,199)	(53,980)
		(6,507,555)	(6,188,638)	(6,349,214)
Non-cash amounts excluded from operating activities	3(b)	2,334,763	2,257,825	2,277,934
Amount attributable to operating activities		(970,613)	307,364	(1,349,917)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	12	5,078,608	1,693,878	5,837,785
Payments for property, plant and equipment	5(a)	(5,032,198)	(947,948)	(5,379,471)
Payments for construction of infrastructure	5(a)	(3,093,417)	(2,351,935)	(2,937,530)
Payments to community association for loans		(50,170)	0	(15,000)
Proceeds from disposal of assets	5(b)	460,500	612,027	607,500
Proceeds from community association loans		11,034	1,000	2,500
Amount attributable to investing activities		(2,625,643)	(992,977)	(1,884,216)
Amount attributable to investing activities		(2,625,643)	(992,977)	(1,884,216)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(34,516)	(33,091)	(33,091)
Principal elements of finance lease payments	8	(18,809)	(18,508)	0
Proceeds from new borrowings	7(b)	700,170	0	0
Transfers to cash backed reserves (restricted assets)	9(a)	(716,936)	(736,648)	(688,404)
Transfers from cash backed reserves (restricted assets)	9(a)	858,632	725,508	1,344,150
Amount attributable to financing activities		788,541	(62,739)	622,655
Budgeted deficiency before general rates		(2,807,715)	(748,352)	(2,611,478)
Estimated amount to be raised from general rates	2(a)	2,807,715	2,613,858	2,611,478
Net current assets at end of financial year - surplus/(deficit)	3	0	1,865,506	0

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

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

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

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

2021/22 actual balances

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

Budget comparative figures

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

Comparative figures

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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

Judgements, estimates and assumptions

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

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

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

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

Rounding off figures

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

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

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

REVENUES

RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

Governance

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

General purpose funding

To collect revenue to allow for the provision of services.

Law, order, public safety

To provide services for a safer community.

Health

To provide services for environmental and community health.

Education and welfare

To provide services for the aged, disadvantaged, children and youth.

Housing

To provide and maintain staff and other housing.

Community amenities

To provide services required by the community.

Recreation and culture

To establish and manage recreational and cultural infrastructure and resources.

Transport

To provide safe and efficient transport services to the community.

Economic services

To assist in the promotion of the shire and its economic wellbeing.

Other property and services

To monitor and control council's overheads

ACTIVITIES

Administration and operation of facilities and services to members of Council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do no concern specific council services.

Rates, general purpose government grants and interest revenue.

Fire prevention, animal control and the administration of local-laws.

Food quality control, provide and maintain the Cranbrook and Frankland River doctor's surgeries.

Provide financial assistance to community groups and childcare.

Operating, maintenance and rental of Council's staff housing and other housing.

Rubbish and recycling collection services, maintenance of rubbish disposal sites, control and co-ordination of cemeteries, public conveniences and storm water drainage maintenance. The administration of the town planning scheme, community and environmental services.

Maintenance of halls, sporting complexes, reserves, community centres, Lake Poorrarecup and Lake Nunijup. Operation of the Cranbrook and Frankland River libraries.

Construction and maintenance of streets, roads, footpaths, parking facilities; cleaning and lighting of streets, traffic signage and depot maintenance.

The regulation and provision of tourism, area promotion, building control, noxious weeds and the operation of the Cranbrook and Frankland River caravan parks.

Private works operations, plant repairs and operations costs.

SHIRE OF CRANBROOK
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	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) General rates									
Gross rental value	0.12502	247	2,278,788	284,896			284,896	274,756	272,686
Unimproved rental value	0.00645	417	368,666,000	2,378,264	2,000		2,380,264	2,199,576	2,201,407
Sub-Total		664	370,944,788	2,663,160	2,000	0	2,665,160	2,474,332	2,474,093
Minimum									
Minimum payment									
	\$								
Gross rental value	665	147	229,392	97,755			97,755	95,460	95,460
Unimproved rental value	700	64	3,685,368	44,800			44,800	44,066	41,925
Sub-Total		211	3,914,760	142,555	0	0	142,555	139,526	137,385
		875	374,859,548	2,805,715	2,000	0	2,807,715	2,613,858	2,611,478
Total amount raised from general rates							2,807,715	2,613,858	2,611,478
(ii) Specified area and ex gratia rates									
Ex-gratia rates									
Ex-gratia rates						45,446	45,446	44,123	44,123
Total specified area and ex gratia rates							45,446	44,123	44,123
Total rates							2,853,161	2,657,981	2,655,601

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

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

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	16/09/2022	0	0.0%	7.0%
Option two				
First instalment	16/09/2022	0	0.0%	7.0%
Second instalment	16/01/2023	10	5.5%	7.0%
Option three				
First instalment	16/09/2022	0	0.0%	7.0%
Second instalment	16/11/2022	10	5.5%	7.0%
Third instalment	16/01/2023	10	5.5%	7.0%
Fourth instalment	16/03/2023	10	5.5%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	2,200	2,065	2,200
Instalment plan interest earned	10,500	10,152	9,500
Unpaid rates and service charge interest earned	6,500	3,722	6,500
	19,200	15,939	18,200

SHIRE OF CRANBROOK
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) Waivers or concessions

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

SHIRE OF CRANBROOK
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	
	\$	\$	\$	
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents - unrestricted	4	297,067	1,815,770	492,035
Cash and cash equivalents - restricted	4	3,014,717	3,156,412	2,038,059
Financial assets - unrestricted		12,034	1,000	0
Receivables		189,655	527,617	100,000
Inventories		40,438	40,438	20,000
		3,553,911	5,541,237	2,650,094
Less: current liabilities				
Trade and other payables		(265,763)	(265,763)	(463,836)
Contract liabilities		0	0	(148,199)
Unspent non-operating grants, subsidies and contributions liability		(451,469)	(451,469)	0
Lease liabilities	8	0	(18,809)	0
Long term borrowings	7	(700,171)	(34,516)	(33,091)
Employee provisions		(444,737)	(444,737)	0
		(1,862,140)	(1,215,294)	(645,126)
Net current assets		1,691,771	4,325,943	2,004,968
Less: Total adjustments to net current assets	3.(c)	(1,691,771)	(2,460,431)	(2,004,968)
Net current assets used in the Rate Setting Statement		0	1,865,512	0

3. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

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

(b) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

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)	(76,000)	(52,292)	(28,500)
Add: Loss on disposal of assets	5(b)	9,500	6,199	53,980
Add: Depreciation on assets	6	2,370,975	2,367,907	2,252,454
Movement in non-current employee provisions		0	908	
Movement in current employee provisions associated with restricted cash		30,288	(64,897)	
Non cash amounts excluded from operating activities		2,334,763	2,257,825	2,277,934

(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.

SHIRE OF CRANBROOK**NOTES TO AND FORMING PART OF THE BUDGET****FOR THE YEAR ENDED 30 JUNE 2023****Adjustments to net current assets**

Less: Cash - restricted reserves	9	(2,563,248)	(2,704,944)	(2,038,059)
Less: Current portion of financial assets at amortised cost - community association loans	4	0	(1,000)	0
Less: Current assets not expected to be received at end of year				
- Current portion of self supporting loans receivable		(51,170)		
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		700,171	34,516	33,091
- Current portion of lease liabilities		0	18,809	0
- Current portion of employee benefit provisions held in reserve		222,476	192,188	
Total adjustments to net current assets		(1,691,771)	(2,460,431)	(2,004,968)

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

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

All funds to which the Shire of Cranbrook 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.

SHIRE OF CRANBROOK
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	3,311,784	4,972,182	492,035
Term deposits	0	0	2,038,059
Total cash and cash equivalents	3,311,784	4,972,182	2,530,094
Held as			
- Unrestricted cash and cash equivalents	3(a) 297,067	1,815,770	492,035
- Restricted cash and cash equivalents	3(a) 3,014,717	3,156,412	2,038,059
	3,311,784	4,972,182	2,530,094
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	3,014,717	3,156,412	2,038,059
	3,014,717	3,156,412	2,038,059
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Financially backed reserves	9 2,563,248	2,704,943	2,038,059
Unspent non-operating grants, subsidies and contribution liabilities	451,469	451,469	
	3,014,717	3,156,412	2,038,059
Reconciliation of net cash provided by operating activities to net result			
Net result	2,715,436	1,518,767	3,819,008
Depreciation	6 2,370,975	2,367,907	2,252,454
(Profit)/loss on sale of asset	5(b) (66,500)	(46,093)	25,480
Share of profit or (loss) of associates accounted for using the equity method	0	0	0
(Increase)/decrease in receivables	50,000	253,615	422,844
(Increase)/decrease in inventories	0	(18,320)	2,118
(Increase)/decrease in other assets		(287,962)	0
Increase/(decrease) in payables	0	(27,327)	147,178
Increase/(decrease) in contract liabilities	0	(148,199)	
Increase/(decrease) in unspent non-operating grants	0	451,469	
Increase/(decrease) in employee provisions	0	24,669	
Non-operating grants, subsidies and contributions	(5,078,608)	(2,145,347)	(5,837,785)
Net cash from operating activities	(8,697)	1,943,179	831,297

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 CRANBROOK
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	Governance	Law, order, public safety	Recreation and culture	Transport	Economic services	2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>								
Buildings - non-specialised	0	0	0	0	0	0	0	25,000
Buildings - specialised	0	1,103,000	3,102,698	0	0	4,205,698	54,301	4,467,071
Furniture and equipment	0	0	0	0	0	0	6,000	0
Plant and equipment	107,000	110,000	0	609,500	0	826,500	887,647	887,400
Other property, plant and equipmen	0	0	0	0	0	0	0	0
Other property, plant and equipmen	0	0	0	0	0	0	0	0
Other property, plant and equipmen	0	0	0	0	0	0	0	0
Other property, plant and equipmen	0	0	0	0	0	0	0	0
Other property, plant and equipmen	0	0	0	0	0	0	0	0
	107,000	1,213,000	3,102,698	609,500	0	5,032,198	947,948	5,379,471
<i>Infrastructure</i>								
Infrastructure - roads	0	0	0	1,881,937	0	1,881,937	2,027,878.75	2,145,832
Infrastructure - footpaths	0	0	0	0	0	0	41,060.00	0
Infrastructure - drainage	0	0	0	0	0	0	89,748.23	0
Infrastructure - bridges	0	0	0	0	0	0	0	0
Infrastructure - other	0	0	1,066,480	125,000	20,000	1,211,480	193,247.57	791,698
Infrastructure - waste facilities	0	0	0	0	0	0	0	0
Other infrastructure [describe]	0	0	0	0	0	0	0	0
Other infrastructure [describe]	0	0	0	0	0	0	0	0
Other infrastructure [describe]	0	0	0	0	0	0	0	0
Other infrastructure [describe]	0	0	0	0	0	0	0	0
	0	0	1,066,480	2,006,937	20,000	3,093,417	2,351,935	2,937,530
Total acquisitions	107,000	1,213,000	4,169,178	2,616,437	20,000	8,125,615	3,299,882	8,317,001

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

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 CRANBROOK
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	102,000	122,600	20,600	0	83,344	99,545	16,201	0	93,000	99,500	6,500	0
Housing		0	0	0	136,526	134,119	0	(2,407)	136,380	130,000	0	(6,380)
Transport	292,000	337,900	55,400	(9,500)	346,065	378,363	36,090	(3,792)	403,600	378,000	22,000	(47,600)
	394,000	460,500	76,000	(9,500)	565,935	612,027	52,291	(6,199)	632,980	607,500	28,500	(53,980)
By Class												
<i>Property, Plant and Equipment</i>												
Buildings - non-specialised	0	0	0	0	136,526	134,119	0	(2,407)	136,380	130,000	0	(6,380)
Plant and equipment	394,000	460,500	76,000	(9,500)	429,409	477,908	52,291	(3,792)	496,600	477,500	28,500	(47,600)
	394,000	460,500	76,000	(9,500)	565,935	612,027	52,291	(6,199)	632,980	607,500	28,500	(53,980)

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

- Staff housing program
- Plant replacement program

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

6. ASSET DEPRECIATION

By Program

Governance	
Law, order, public safety	
Education and welfare	
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	
Right of use - plant and equipment	

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
98,280	97,641	98,380
154,610	153,672	125,020
3,800	3,795	3,500
77,050	76,012	71,356
211,735	219,654	225,078
1,325,000	1,324,892	1,250,700
30,000	29,782	34,500
470,500	462,459	443,920
2,370,975	2,367,907	2,252,454
288,330	327,171	328,290
32,400	22,614	24,000
670,010	625,705	604,594
1,361,235	1,373,507	1,295,570
19,000	18,910	0
2,370,975	2,367,907	2,252,454

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	3 to 10 years
Plant and equipment	1 to 15 years
Infrastructure - roads	20 to 45 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 CRANBROOK
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	2021/22	2021/22	Actual	2021/22	Budget	2021/22	2021/22	Budget	2021/22	
				Principal	Budget	Budget	Principal	Actual		Actual	Actual	Actual	Principal		Budget	Budget	Budget	Principal	Principal
				1 July 2022	New Loans	Repayments	outstanding 30 June 2023	Repayments	1 July 2021	New Loans	Repayments	30 June 2022	Repayments	1 July 2021	New Loans	Repayments	30 June 2022	Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Housing																			
				70,517	0	(34,516)	36,001	(2,940)	103,608	0	(33,091)	70,517	(4,299)	103,608	0	(33,091)	70,517	(4,710)	
Community amenities																			
		WATC		0	700,170	0	700,170	0	0	0	0	0	0	0	0	0	0	0	
				70,517	700,170	(34,516)	736,172	(2,940)	103,608	0	(33,091)	70,517	(4,299)	103,608	0	(33,091)	70,517	(4,710)	

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 CRANBROOK
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
Frankland River Community Facility	WATC		15	5.0%	\$ 700,170	\$ 303,404	\$ 700,170	\$ 0
					700,170	303,404	700,170	0

(c) Unspent borrowings

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

(d) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	0	0	500,000
Bank overdraft at balance date	0	0	0
Credit card limit	7,000	7,000	7,000
Credit card balance at balance date	0	0	362
Total amount of credit unused	7,000	7,000	507,362
Loan facilities			
Loan facilities in use at balance date	736,172	70,517	70,517

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 CRANBROOK
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	2022/23 Budget	2022/23 Budget	2022/23 Budget	Actual Principal	2021/22 Actual	2021/22 Actual	2021/22 Actual	2021/22 Actual	Budget	2021/22 Budget	2021/22 Budget	Budget	2021/22 Budget
					Principal	New Leases	Lease Principal Repayments	Lease Principal outstanding		Lease Interest	Principal	Lease Principal repayments	Lease Principal outstanding	Lease Interest	Principal	New Leases	Lease repayments	Lease Principal outstanding
					1 July 2022	2022/23 Budget New Leases	2022/23 Budget Lease Principal Repayments	2022/23 Budget Lease Principal outstanding	1 July 2021	2021/22 Actual New Leases	2021/22 Actual Lease repayments	2021/22 Actual Lease Principal outstanding	2021/22 Actual Lease repayments	1 July 2021	2021/22 Budget New Leases	2021/22 Budget Lease repayments	2021/22 Budget Lease Principal outstanding	2021/22 Budget Lease Interest
Law, order, public safety					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CESM Vehicle Lease			1.6%	5 year	63,865	0	(18,809)	45,056	82,373	0	(18,508)	63,865	(1,175)	82,373	0	(18,508)	63,865	(1,175)
					63,865	0	(18,809)	45,056	82,373	0	(18,508)	63,865	(1,175)	82,373	0	(18,508)	63,865	(1,175)

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 CRANBROOK
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 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Plant Replacement Reserve	251,001	198,107	0	449,108	501,878	100,266	(351,143)	251,001	501,887	46,499	(250,000)	298,386
(b) Employee Entitlement Reserve	192,187	60,288	(30,000)	222,475	257,083	262	(65,158)	192,187	257,084	1,285	(120,000)	138,369
(c) Waste and Water Management Reserve	18,290	10,027	0	28,317	18,271	19	0	18,290	18,271	91	0	18,362
(d) Information Technology and Office Equipment Reserve	13,305	70,020	0	83,325	13,291	14	0	13,305	13,292	66	0	13,358
(e) Building Asset Management Reserve	199,240	299	(42,735)	156,804	196,687	42,971	(40,418)	199,240	196,687	43,718	(66,100)	174,305
(f) Community Associations Financial assistance Reserves	50,350	16,110	(50,170)	16,290	49,300	1,050	0	50,350	49,300	2,747	(15,000)	37,047
(g) Roadworks Reserve	0	78,282	0	78,282	0	0	0	0	0	0	0	0
(h) Land Reserves	122,136	183	0	122,319	122,012	124	0	122,136	122,012	610	0	122,622
(i) Frankland River Sporting Facilities Reserve	170,534	256	(170,790)	0	170,361	173	0	170,534	170,360	852	(171,212)	0
(j) Housing Reserve	370,005	555	0	370,560	235,514	134,491	0	370,005	235,514	131,178	(5,000)	361,692
(k) Frankland River Asset Replacement Fund (Bowling Green)	72,606	5,109	0	77,715	67,537	5,069	0	72,606	67,528	5,338	0	72,866
(l) Cranbrook Asset Replacement Fund (Bowling Green) Res	77,606	5,116	0	82,722	72,532	5,074	0	77,606	72,532	5,363	0	77,895
(m) Rate Discount Reserve	917,174	211,954	(564,937)	564,191	740,537	196,637	(20,000)	917,174	740,538	199,413	(614,494)	325,457
(n) Strategic Community Plan Projects Reserve	0	0	0	0	5,086	5	(5,091)	0	5,087	25	(5,112)	0
(o) Emergency Response Reserve	83,762	20,126	0	103,888	83,677	85	0	83,762	83,677	418	0	84,095
(p) Works Depot Reserve	159,544	239	0	159,783	152,841	250,401	(243,698)	159,544	152,842	250,764	(90,000)	313,606
(q) Cranbrook Youth Precinct Reserve	7,203	11	0	7,214	7,196	7	0	7,203	7,196	36	(7,232)	0
(r) Refuse Site Reserve	0	40,254	0	40,254	0	0	0	0	0	0	0	0
	2,704,943	716,936	(858,632)	2,563,247	2,693,803	736,648	(725,508)	2,704,943	2,693,807	688,403	(1,344,150)	2,038,060
	2,704,943	716,936	(858,632)	2,563,247	2,693,803	736,648	(725,508)	2,704,943	2,693,807	688,403	(1,344,150)	2,038,060

(b) Financially Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Plant Replacement Reserve	ongoing	For the purchase or replacement of capital plant and equipment
(b) Employee Entitlement Reserve	ongoing	To fund current and past employee leave entitlements
(c) Waste and Water Management Reserve	ongoing	For the establishment or improvements of waste sites, water harvesting and re-use initiatives, and infrastructure to be used as part of ongoing water security strategies.
(d) Information Technology and Office Equipment Reserve	ongoing	To fund the purchase and upgrade of computer equipment, software and office equipment.
(e) Building Asset Management Reserve	ongoing	For capital maintenance on Council owned public buildings
(f) Community Associations Financial assistance Reserves	ongoing	For the provision of interest free loans to community organisations
(g) Roadworks Reserve	ongoing	To be used on road construction projects
(h) Land Reserves	30/06/2023	For the acquisition and development of land
(i) Frankland River Sporting Facilities Reserve	ongoing	For upgrading or improvements to sporting facilities in Frankland River
(j) Housing Reserve	ongoing	For the provision of new housing and capital maintenance and improvements of existing housing
(k) Frankland River Asset Replacement Fund (Bowling Green)	ongoing	For the replacement of the synthetic bowling green at Frankland River
(l) Cranbrook Asset Replacement Fund (Bowling Green) Res	ongoing	For the replacement of the synthetic bowling green at Cranbrook
(m) Rate Discount Reserve	Completed	For the upgrade of existing and construction of new community facilities
(n) Strategic Community Plan Projects Reserve	ongoing	To assist with funding projects identified in the Shire's Strategic Community Plan
(o) Emergency Response Reserve	ongoing	To fund expenses arising for unforeseen circumstances, or other urgent expenditure.
(p) Works Depot Reserve	Completed	For upgrading and improvements to the Shire's works depot
(q) Cranbrook Youth Precinct Reserve	ongoing	For upgrading and developing the youth precinct at Frederick Square Cranbrook
(r) Refuse Site Reserve	ongoing	To fund infrastructure development and rehabilitation costs associated with the Shire's waste sites.

(c) Cash Backed Reserves - Change in Use

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

Cash Backed Reserve	Proposed new purpose of the reserve	Objects of changing of the reserve	Reasons for changing the use of the reserve	2022/23 Budget amount to be used	2022/23 Budget amount change of purpose
				\$	\$
Emergency Response Reserve		To fund expenses arising for unforeseen circumstances, or other urgent expenditure.	The WANDRRA scheme no longer exists in the format this reserve was created under.		103,888
Refuse Site Reserve	To fund infrastructure development and rehabilitation costs associated with the Shire's waste sites.		The Shire's waste sites have a limited capacity and provision is required to manage waste beyond their current life expectancy.		40,254
Roadworks Reserve	To be used on road construction projects				78,282
				0	222,424

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

12 OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	4,057	3,082	10,000
- Other funds	2,200	706	4,000
Late payment of fees and charges *	200	242	200
Other interest revenue (refer note 1b)	17,000	13,874	16,000
	23,457	17,904	30,200
* 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	71,831	142,827	134,306
Other	74,980	434	3,800
	146,811	143,261	138,106
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	35,000	32,650	29,600
Other services	0	160	4,400
	35,000	32,810	34,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	2,940	4,299	4,710
Interest expense on lease liabilities	878	1,175	0
Other			3,000
	3,818	5,474	7,710
(e) Write offs			
General rate	500	129	500
	500	129	500

12 PROGRAM INFORMATION

Income and expenses

	2022/23 Budget	2021/22 Actual	2021/22 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	37,400	59,736	22,206
General purpose funding	2,885,818	2,680,590	2,650,278
Law, order, public safety	10,300	25,513	36,900
Health	600	215	1,000
Education and welfare	1,000	200	0
Housing	93,988	76,632	79,600
Community amenities	120,134	106,442	110,440
Recreation and culture	32,100	21,819	21,800
Transport	69,600	49,660	36,200
Economic services	196,982	186,951	158,280
Other property and services	60,100	58,027	84,600
	3,508,022	3,265,785	3,201,304
Operating grants, subsidies and contributions			
General purpose funding	191,993	2,320,167	767,589
Law, order, public safety	250,775	245,992	177,486
Education and welfare	2,500	0	2,000
Recreation and culture	10,000	11,500	12,000
Transport	181,092	170,084	170,057
	636,360	2,747,743	1,129,132
Non-operating grants, subsidies and contributions			
Law, order, public safety	1,213,000	0	0
Community amenities	0	(1,961)	0
Recreation and culture	2,603,386	0	3,293,700
Transport	1,262,222	1,620,839	2,469,085
Economic services	0	75,000	75,000
	5,078,608	1,693,878	5,837,785
Total Income	9,222,990	7,707,406	10,168,221
Expenses			
Governance	(636,185)	(491,085)	(522,924)
General purpose funding	(117,376)	(107,351)	(127,084)
Law, order, public safety	(625,469)	(624,305)	(534,347)
Health	(71,683)	(45,361)	(68,469)
Education and welfare	(94,299)	(76,661)	(101,543)
Housing	(59,786)	(109,357)	(130,047)
Community amenities	(646,975)	(589,968)	(616,780)
Recreation and culture	(1,070,898)	(995,737)	(1,018,934)
Transport	(2,563,807)	(2,605,441)	(2,670,250)
Economic services	(562,487)	(501,933)	(508,044)
Other property and services	(58,589)	(41,440)	(50,791)
Total expenses	(6,507,554)	(6,188,639)	(6,349,213)
Net result for the period	2,715,436	1,518,767	3,819,008

13. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Elected member 1			
President's allowance	6,000	6,000	6,000
Meeting attendance fees	10,000	10,000	10,000
Annual allowance for ICT expenses	1,200	1,200	1,200
	17,200	17,200	17,200
Elected member 2			
Deputy President's allowance	1,500	1,500	1,500
Meeting attendance fees	5,000	5,000	5,000
Annual allowance for ICT expenses	600	600	600
	7,100	7,100	7,100
Elected member 3			
Meeting attendance fees	5,000	5,000	5,000
Annual allowance for ICT expenses	600	600	600
	5,600	5,600	5,600
Elected member 4			
Meeting attendance fees	5,000	5,000	5,000
Annual allowance for ICT expenses	600	600	600
	5,600	5,600	5,600
Elected member 5			
Meeting attendance fees	5,000	5,000	5,000
Annual allowance for ICT expenses	600	600	600
	5,600	5,600	5,600
Elected member 6			
Meeting attendance fees	5,000	5,000	5,000
Annual allowance for ICT expenses	600	600	600
	5,600	5,600	5,600
Elected member 7			
Meeting attendance fees	5,000	5,000	5,000
Annual allowance for ICT expenses	600	600	600
	5,600	5,600	5,600
Elected member 8			
Meeting attendance fees	5,000	5,000	5,000
Annual allowance for ICT expenses	600	600	600
	5,600	5,600	5,600
Elected member 9			
Meeting attendance fees	5,000	5,000	5,000
Annual allowance for ICT expenses	600	600	600
	5,600	5,600	5,600
Total Elected Member Remuneration	63,500	63,500	63,500
President's allowance	6,000	6,000	6,000
Deputy President's allowance	1,500	1,500	1,500
Meeting attendance fees	50,000	50,000	50,000
Annual allowance for ICT expenses	6,000	6,000	6,000
	63,500	63,500	63,500

14. FEES AND CHARGES

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
By Program:			
Governance	200	236	200
General purpose funding	4,700	4,765	8,800
Law, order, public safety	6,300	9,449	9,900
Health	600	215	1,000
Education and welfare	0	200	0
Housing	90,488	72,934	75,600
Community amenities	102,905	101,705	95,440
Recreation and culture	18,800	17,867	15,500
Transport	0	12,123	13,200
Economic services	169,600	162,593	138,280
Other property and services	15,000	12,260	35,100
	408,593	394,346	393,020

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