

SHIRE OF CHAPMAN VALLEY
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A thriving community, making the most of our coastline, ranges and rural settings to support us to grow and prosper.

SHIRE OF CHAPMAN VALLEY
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)	3,049,621	2,946,952	2,937,703
Operating grants, subsidies and contributions	11	3,021,405	2,408,298	2,318,366
Fees and charges	18	357,252	370,093	306,136
Interest earnings	12(a)	14,615	20,121	13,475
Other revenue	12(b)	17,374	49,098	153,378
		6,460,267	5,794,562	5,729,058
Expenses				
Employee costs		(2,428,051)	(1,760,016)	(2,246,396)
Materials and contracts		(3,154,631)	(1,993,898)	(2,459,138)
Utility charges		(65,969)	(46,341)	(59,103)
Depreciation on non-current assets	6	(2,132,983)	(2,089,998)	(1,938,889)
Interest expenses	12(d)	(2,456)	(2,209)	(3,336)
Insurance expenses		(184,624)	(167,721)	(184,419)
Other expenditure		(128,136)	(111,685)	(136,930)
		(8,096,850)	(6,171,868)	(7,028,211)
		(1,636,583)	(377,306)	(1,299,153)
Non-operating grants, subsidies and contributions	11	928,620	1,529,197	1,528,260
Profit on asset disposals	5(b)	55,876	86,856	60,006
Loss on asset disposals	5(b)	(19,302)	0	0
		965,194	1,616,053	1,588,266
Net result for the period		(671,389)	1,238,747	289,113
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		(671,389)	1,238,747	289,113

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

SHIRE OF CHAPMAN VALLEY
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		3,114,621	2,825,545	2,937,703
Operating grants, subsidies and contributions		2,671,405	2,851,487	2,318,366
Fees and charges		357,252	370,093	306,136
Interest received		14,615	20,121	13,475
Goods and services tax received		0	50,219	0
Other revenue		17,374	49,098	153,378
		6,175,267	6,166,563	5,729,058
Payments				
Employee costs		(2,465,277)	(1,785,140)	(2,246,396)
Materials and contracts		(4,050,551)	(1,421,209)	(2,459,138)
Utility charges		(65,969)	(46,341)	(59,103)
Interest expenses		(2,456)	(2,529)	(3,336)
Insurance paid		(184,624)	(167,721)	(184,419)
Other expenditure		(132,136)	(93,651)	(136,930)
		(6,901,013)	(3,516,591)	(5,089,322)
Net cash provided by (used in) operating activities	4	(725,746)	2,649,972	639,736
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at fair value through profit and loss		0	(2,998)	0
Payments for purchase of property, plant & equipment	5(a)	(1,500,584)	(934,237)	(1,786,574)
Payments for construction of infrastructure	5(a)	(2,001,564)	(2,152,217)	(2,135,830)
Non-operating grants, subsidies and contributions		928,620	1,529,197	1,528,260
Proceeds from sale of property, plant and equipment	5(b)	106,304	115,000	126,000
Net cash provided by (used in) investing activities		(2,467,224)	(1,445,255)	(2,268,144)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	0	(42,125)	0
Principal elements of lease payments	8	(7,886)	(7,686)	(7,686)
Proceeds from new borrowings	7(a)	175,000	0	0
Net cash provided by (used in) financing activities		167,114	(49,811)	(7,686)
Net increase (decrease) in cash held		(3,025,856)	1,154,906	(1,636,094)
Cash at beginning of year		4,941,705	3,786,799	3,786,799
Cash and cash equivalents at the end of the year	4	1,915,849	4,941,705	2,150,705

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

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

		2022/23	2021/22	2021/22
	NOTE	Budget	Actual	Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	3	1,816,325	1,779,565	1,779,565
		1,816,325	1,779,565	1,779,565
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	11	3,021,405	2,408,298	2,318,366
Fees and charges	18	357,252	370,093	306,136
Interest earnings	12(a)	14,615	20,121	13,475
Other revenue	12(b)	17,374	49,098	153,378
Profit on asset disposals	5(b)	55,876	86,856	60,006
		3,466,522	2,934,466	2,851,361
Expenditure from operating activities				
Employee costs		(2,428,051)	(1,760,016)	(2,246,396)
Materials and contracts		(3,154,631)	(1,993,898)	(2,459,138)
Utility charges		(65,969)	(46,341)	(59,103)
Depreciation on non-current assets	6	(2,132,983)	(2,089,998)	(1,938,889)
Interest expenses	12(d)	(2,456)	(2,209)	(3,336)
Insurance expenses		(184,624)	(167,721)	(184,419)
Other expenditure		(128,136)	(111,685)	(136,930)
Loss on asset disposals	5(b)	(19,302)	0	0
		(8,116,152)	(6,171,868)	(7,028,211)
Non-cash amounts excluded from operating activities	3(b)	2,058,909	1,979,856	1,893,022
Amount attributable to operating activities		(774,396)	522,019	(504,263)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	11	928,620	1,529,197	1,528,260
Payments for property, plant and equipment	5(a)	(1,500,584)	(934,237)	(1,786,574)
Payments for construction of infrastructure	5(a)	(2,001,564)	(2,152,217)	(2,135,830)
Proceeds from disposal of assets	5(b)	106,304	115,000	126,000
Amount attributable to investing activities		(2,467,224)	(1,445,255)	(2,268,144)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	0	(42,125)	0
Principal elements of finance lease payments	8	(7,886)	(7,686)	(7,686)
Proceeds from new borrowings	7(b)	175,000	0	0
Transfers to cash backed reserves (restricted assets)	9(a)	(225,115)	(535,580)	(535,610)
Transfers from cash backed reserves (restricted assets)	9(a)	250,000	378,000	378,000
Amount attributable to financing activities		191,999	(207,391)	(165,296)
Budgeted deficiency before general rates		(3,049,621)	(1,130,627)	(2,937,703)
Estimated amount to be raised from general rates	2(a)	3,049,621	2,946,952	2,937,703
Net current assets at end of financial year - surplus/(deficit)	3	0	1,816,325	0

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

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SHIRE OF CHAPMAN VALLEY
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 Chapman Valley 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 17 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.

1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

ACTIVITIES

Governance

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

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

General purpose funding

To collect revenue to allow for the provision of services.

Revenue from rates levied, interest and fees on instalment arrangements and arrears, government subsidy for entitled pensioners and rates deferred, less discounts and concessions relating to rates levied. Expenditures incurred in administration and maintaining rate records, rating valuations, serving notices, postage, stationery, advertising, debt collection, printing, indirect administration costs etc. Income receivable from the WA Grants Commission and any other Government Grant of a general purpose nature. Interest earnings from deposits and investments, including reserve accounts. General overdraft expenses.

Law, order, public safety

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

Administration and operations on fire prevention services, including volunteer fire brigades, outlays on roadside clearing operations and other protective burning. Revenues include fines and penalties imposed under relevant Acts and fines, fees or charges for clearing fire breaks. Administration enforcement and operations relating to the control of animals. Costs of impounding, destroying and disposal of stray animals. Revenues include dog registration fees, fines and penalties relating to straying animals, impounding and destruction fees. Ranger's expenses are collected here and apportioned throughout the various programs to which they relate.

Health

To provide an operational framework for environmental and community health.

Food quality and pest control, inspections of eating houses, lodging and boarding houses, itinerant food vendors, offensive trade, and any other outlays concerned with general health inspections and administration services provided by the Council.

Education and welfare

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

Operation, improvements and maintenance of pre-school facilities; assistance to playgroups and other voluntary services. Annual awards and prizes to Nabawa and Yuna Primary Schools.

Housing

To provide and maintain elderly residents housing.

Collection of revenue and expenditure in respect of the administration and operation of residential housing for council staff. The expenditure is reallocated to the relevant programmes using staff duties as a basis.

Community amenities

To provide services required by the community.

Administration and operation of domestic refuse collection and disposal services, including delivery to a regional disposal site. Provision and maintenance of rubbish disposal sites. Collection and disposal of public litter bins, special rubbish clean ups, special litter enforcement and control. Includes administration and operation of foreshore protection project. Administration and operation of town planning and regional development services. These include planning control, the preparation of town planning development schemes, zoning and rezoning. Costs associated with resumption of land for recreational purposes. Accommodating a Natural Resource Management Officer to assist community groups and landowners.

Recreation and culture

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

Maintenance of public halls, civic centres, aquatic centre, beaches. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Transport

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

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets and maintenance of depots. Purchase of plant used predominantly for the construction and maintenance of streets, roads, bridges etc. Operations relating to the licensing or regulating of traffic under the control of the local government.

Economic services

To help promote the shire and its economic wellbeing.

Attempt to control and contain weeds and vermin. The development, promotion, support etc. of tourism and area promotion to cater for tourists. Administration, inspection and operations concerned with application of the building standards including examination, processing and inspections services.

Other property and services

To monitor and control Shire's overheads operating accounts.

Administration, inspection, and operation of work carried out on property or services not under the care, control and management of the Council. These include road works on private property. Public Works Overheads - Overheads incurred as the result of the use of direct labour, which is subsequently apportioned to the appropriate works and services absorbing the total expenditure. Includes expenditure incurred in the maintenance and operation of plant, Council's hire rate absorbing the total expenditure of plant running costs and usage. The total salaries and wages incurred during the year is recorded here and allocated over the various works and services to which it relates.

SHIRE OF CHAPMAN VALLEY
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.

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue	
		\$		\$	\$	\$	\$	\$	\$	\$	
(i) Differential general rates or general rates											
General Rate GRV	Gross Rental Valuation	0.096160	297	4,939,750	475,006	0	0	475,006	456,536	450,454	
General Rate UV	Unimproved Valuation	0.009447	419	238,004,274	2,248,426	0	0	2,248,426	2,165,551	2,165,703	
UV Oakajee Industrial Estate Buffer Zone	Unimproved Valuation	0.017878	2	10,778,000	192,689	0	0	192,689	188,665	185,346	
Sub-Total			718	253,722,024	2,916,121	0	0	2,916,121	2,810,752	2,801,503	
		Minimum									
		\$									
General Rate GRV	Gross Rental Valuation	700	177	123,900	123,900	0	0	123,900	130,200	130,200	
Unimproved Value	Unimproved Valuation	400	24	9,600	9,600	0	0	9,600	6,000	6,000	
UV Oakajee Industrial Estate Buffer Zone	Unimproved Valuation	400	0	0	0	0	0	0	0	0	
Sub-Total			201	133,500	133,500	0	0	133,500	136,200	136,200	
					919	253,855,524	3,049,621	0	3,049,621	2,946,952	2,937,703
Total amount raised from general rates								3,049,621	2,946,952	2,937,703	
Total rates								3,049,621	2,946,952	2,937,703	

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

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

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	23/09/2022	0	0.0%	7.0%
Option two				
First instalment	23/09/2022	0	0.0%	7.0%
Second instalment	23/11/2022	9	5.5%	7.0%
Option three				
First instalment	23/09/2022	0	0.0%	7.0%
Second instalment	23/11/2022	9	5.5%	7.0%
Third instalment	23/01/2023	9	5.0%	7.0%
Fourth instalment	27/03/202	9	5.0%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	3,600	3,645	5,000
Instalment plan interest earned	5,000	5,602	5,000
Unpaid rates and service charge interest earned	9,000	13,660	7,000
	17,600	22,907	17,000

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects/Reasons
UV Oakajee Industrial Estate	This category includes any property zoned Oakajee Industrail Estate and buffer within the Town Planning Sceme No.1	To recover from this sector an equitable share of the rates relating to the land held by Landcorp so that the Shire of Chapman Valley should not be financially disadvantaged due to the acquisition and subsequent development of the land. This follows on from the written commitment made in September 1998, by the then Minster for Resources Development & Energy, the Shire of Chapman Valley would not be financially disadvantaged due to the acquisition and subsequent development of land by Landcorp. In order to reduce the impact of the Oakajee development on other ratepayers Council has sought to introduce a differential rate.

2. RATES AND SERVICE CHARGES (CONTINUED)

(d) Variation in Adopted Differential Rates to Local Public Notice

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

Differential general rate or general rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the difference
UV Oakajee Industrial Estate	2.18000	1.78780	The advertised rate in the dollar for differential rates have been amended (reduced) to take into account the overal general increase to values in the annual Unimproved Valuation
Unimproved Value Rural	1.13360	0.94470	The advertised rate in the dollar for differential rates have been amended (reduced) to take into account the overal general increase to values in the annual Unimproved Valuation

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

The Shire did not raise service charges for the year ended 30th June 2023.

2. RATES AND SERVICE CHARGES (CONTINUED)

(g) Early payment discounts

The Shire did not offer any early payment discounts for the year ended 30th June 2023

(h) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/ Concession	Discount %	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Rates	Rate	Waiver	100.0%	Council grant a waiver of rates to the Yuna CWA for the 2021/2022 rating year on the basis it is a non-profit community organisation.	
Venue Hire; Photocopy Charges & Private Works Fees & charges	Fee and charge	Waiver	100.0%	Council may grant a waiver to community groups who reside in the shire who wish to use the facilities in association with a community event.	Council considers support of these groups necessary for the overall benefit of the community.
Pool Inspections & Water Testing Charges	Fee and charge	Waiver	100.0%	Council will grant a waiver to Yuna Primary School for pool inspection and water testing at the Yuna Primary School pool under the condition the school has the pool open outside of school hours during summer.	Council considers support of these groups necessary for the overall benefit of the community.
Venue Hire Recreation Facilities	Fee and charge	Waiver	100.0%	Council will grant a waiver to Yuna and Nabawa Parents and Citizens Association for the use of recreation facilities within the Shire.	Council considers support of these groups necessary for the overall benefit of the community.

SHIRE OF CHAPMAN VALLEY
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	211,497	2,862,468	487,638
Cash and cash equivalents - restricted	4	1,704,352	2,079,237	1,663,067
Receivables		156,585	221,585	333,520
Inventories		5,267	6,767	5,141
		2,077,701	5,170,057	2,489,366
Less: current liabilities				
Trade and other payables		(532,864)	(1,434,010)	(740,054)
Contract liabilities		(251,656)	(601,656)	(185,456)
Lease liabilities	8	0	(7,886)	0
Long term borrowings	7	(175,000)	0	0
Employee provisions		(327,768)	(365,268)	(245,760)
		(1,287,288)	(2,408,820)	(1,171,270)
Net current assets		790,413	2,761,237	1,318,096
Less: Total adjustments to net current assets	3.(c)	(790,413)	(944,912)	(1,318,096)
Net current assets used in the Rate Setting Statement		0	1,816,325	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)	(55,876)	(86,856)	(60,006)
Add: Loss on disposal of assets	5(b)	19,302	0	0
Add: Depreciation on assets	6	2,132,983	2,089,998	1,938,889
Movement in non-current pensioner deferred rates		0	(3,403)	0
Movement in non-current employee provisions		0	0	14,139
Movement in current employee provisions associated with restricted cash		(37,500)	(28,850)	0
Movement in other provisions		0	8,967	0
Non cash amounts excluded from operating activities		2,058,909	1,979,856	1,893,022

(c) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - restricted reserves	9	(1,293,181)	(1,318,066)	(1,318,096)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		175,000	0	0
- Current portion of lease liabilities		0	7,886	0
- Current portion of employee benefit provisions		327,768	365,268	0
Total adjustments to net current assets		(790,413)	(944,912)	(1,318,096)

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 Chapman Valley 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 Chapman Valley contributes to a number of superannuation funds on behalf of employees.

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

LAND HELD FOR RESALE

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Finance costs and holding charges incurred after development is completed are expensed.

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

GOODS AND SERVICES TAX (GST)

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

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

CONTRACT LIABILITIES

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

4. RECONCILIATION OF CASH

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

Note	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cash at bank and on hand	1,915,849	4,941,705	2,150,705
Total cash and cash equivalents	1,915,849	4,941,705	2,150,705
Held as			
- Unrestricted cash and cash equivalents	3(a) 211,497	2,862,468	487,638
- Restricted cash and cash equivalents	3(a) 1,704,352	2,079,237	1,663,067
	1,915,849	4,941,705	2,150,705
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	1,704,352	2,079,237	1,663,067
	1,704,352	2,079,237	1,663,067
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Financially backed reserves	9 1,293,181	1,318,066	1,318,096
Contract liabilities	411,171	761,171	344,971
	1,704,352	2,079,237	1,663,067
Reconciliation of net cash provided by operating activities to net result			
Net result	(671,389)	1,238,747	289,113
Depreciation	6 2,132,983	2,089,998	1,938,889
(Profit)/loss on sale of asset	5(b) (36,574)	(86,856)	(60,006)
Share of profit or (loss) of associates accounted for using the equity method	0	0	0
(Increase)/decrease in receivables	65,000	(44,199)	0
(Increase)/decrease in inventories	1,500	(1,626)	0
Increase/(decrease) in payables	(896,146)	578,407	0
Increase/(decrease) in contract liabilities	(350,000)	416,200	0
Increase/(decrease) in other provision	(5,000)	17,348	0
Increase/(decrease) in employee provisions	(37,500)	(28,850)	0
Non-operating grants, subsidies and contributions	(928,620)	(1,529,197)	(1,528,260)
Net cash from operating activities	(725,746)	2,649,972	639,736

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.

5. FIXED ASSETS

(a) Acquisition of Assets

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

Reporting program

Asset class	Governance	Community amenities	Recreation and culture	Transport	2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>							
Land and buildings	57,500	0	524,980	191,000	773,480	95,476	821,974
Furniture and equipment	0	0	0	0	0	9,497	25,000
Plant and equipment	0	15,000	15,000	697,104	727,104	796,677	902,600
Tools and equipment	0	0	0	0	0	32,587	37,000
	57,500	15,000	539,980	888,104	1,500,584	934,237	1,786,574
<i>Infrastructure</i>							
Infrastructure - roads	0	0	0	2,001,564	2,001,564	2,152,217	2,135,830
	0	0	0	2,001,564	2,001,564	2,152,217	2,135,830
Total acquisitions	57,500	15,000	539,980	2,889,668	3,502,148	3,086,454	3,922,404

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 CHAPMAN VALLEY
 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												
Transport	69,730	106,304	55,876	(19,302)	28,144	115,000	86,856	0	65,994	126,000	60,006	0
	69,730	106,304	55,876	(19,302)	28,144	115,000	86,856	0	65,994	126,000	60,006	0
By Class												
<i>Property, Plant and Equipment</i>												
Land and buildings	0	0	0	0	0	0	0	0	20,000	20,000	0	0
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	69,730	106,304	55,876	(19,302)	28,144	115,000	86,856	0	45,994	106,000	60,006	0
Tools and equipment	0	0	0	0	0	0	0	0	0	0	0	0
	69,730	106,304	55,876	(19,302)	28,144	115,000	86,856	0	65,994	126,000	60,006	0

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
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

By Class

Land and buildings
Furniture and equipment
Plant and equipment
Tools and equipment
Infrastructure - roads
Infrastructure - footpaths
Right of use - buildings
Right of use - plant and equipment

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
36,461	35,793	34,624
71,074	69,821	70,592
25,650	25,115	30,496
247,139	242,187	236,063
1,354,137	1,326,019	1,211,790
12,755	12,490	11,807
385,767	378,573	343,517
2,132,983	2,089,998	1,938,889
260,500	251,426	225,824
7,500	5,116	3,996
548,500	537,505	533,954
11,000	10,543	8,026
1,291,583	1,271,532	1,153,262
6,000	5,776	5,453
7,900	8,100	7,773
0	0	601
2,132,983	2,089,998	1,938,889

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings	30 to 100 years
Furniture and equipment	2 to 10 years
Plant and equipment	2 to 15 years
Tools and equipment	2 to 15 years
Infrastructure - roads	15 to 65 years
Infrastructure - footpaths	30 years
Right of use - plant and equipment	Based on the remaining lease

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 CHAPMAN VALLEY
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	Principal	Actual	Budget		Budget	Budget	Principal	Principal
				1 July 2022	New Loans	Principal Repayments	outstanding 30 June 2023	Interest Repayments	1 July 2021	New Loans	Principal Repayments	outstanding 30 June 2022	Interest Repayments	1 July 2021	New Loans	Principal Repayments	outstanding 30 June 2022	Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture																		
Bill Hemsley Park	98	WATC*	2.64%	0	0	0	0	0	42,125	0	(42,125)	0	(798)	42,125	0	(42,125)	0	(835)
Transport																		
Depot Building	99	WATC*	3.72%	0	175,000	0	175,000	0	0	0	0	0	0	0	0	0	0	0
				0	175,000	0	175,000	0	42,125	0	(42,125)	0	(798)	42,125	0	(42,125)	0	(835)

All borrowing repayments will be financed by general purpose revenue.

*Western Australian Treasury Corporation

SHIRE OF CHAPMAN VALLEY
 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
Depot Building	WATC	Fixed Rate	5	3.7%	\$ 175,000	\$ 18,397	\$ 175,000	\$ 0
					175,000	18,397	175,000	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
Undrawn borrowing facilities credit standby arrangements	\$	\$	\$
Bank overdraft limit	250,000	250,000	250,000
Bank overdraft at balance date	0	0	0
Credit card limit	10,000	10,000	10,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	260,000	260,000	260,000
Loan facilities			
Loan facilities in use at balance date	175,000	0	0

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 CHAPMAN VALLEY
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	Budget Lease	2022/23 Budget	Actual Principal	2021/22 Actual	2021/22 Actual	2021/22 Actual	Budget Principal	2021/22 Budget	2021/22 Budget	Budget Lease	2021/22 Budget	
					Principal	New Leases	Lease Principal	outstanding Principal	Lease Interest		Principal	Lease Principal	Lease Interest	Principal	New Leases	Lease Principal	outstanding Principal	Lease Interest	
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Economic services																			
Nabawa Fuel Station	LE01	Searange Holdings Pty Ltd	2.6%	120 Months	50,494	0	(7,886)	42,608	(1,206)	58,180	0	(7,686)	50,494	(1,405)	58,180	0	(7,686)	50,494	(1,476)
					50,494	0	(7,886)	42,608	(1,206)	58,180	0	(7,686)	50,494	(1,405)	58,180	0	(7,686)	50,494	(1,476)

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

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	165,740	10	0	165,750	115,715	50,025	0	165,740	115,715	50,040	0	165,755
(b) Plant and light vehicle reserve	519,325	50,050	(150,000)	419,375	547,211	250,114	(278,000)	519,325	547,211	250,080	(278,000)	519,291
(c) Water strategy reserve	14,248	5	0	14,253	14,245	3	0	14,248	14,245	5	0	14,250
(d) Computer and office equipment reserve	39,772	125,005	0	164,777	39,764	8	0	39,772	39,764	15	0	39,779
(e) Legal reserve	40,045	5	0	40,050	40,036	9	0	40,045	40,036	15	0	40,051
(f) Land development reserve	72,113	5	0	72,118	52,101	20,012	0	72,113	52,101	20,020	0	72,121
(g) Infrastructure reserve	282,595	15	0	282,610	167,224	115,371	0	282,595	167,224	115,370	0	282,594
(h) Building reserve	184,228	50,020	(100,000)	134,248	184,190	100,038	(100,000)	184,228	184,190	100,065	(100,000)	184,255
	1,318,066	225,115	(250,000)	1,293,181	1,160,486	535,580	(378,000)	1,318,066	1,160,486	535,610	(378,000)	1,318,096

(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	30/06/2024	To be used to fund annual and long service leave requirements.
(b) Plant and light vehicle reserve	30/06/2024	To be used for the purchase of and/or major repair of major plant and light vehicles.
(c) Water strategy reserve	N/A	To be used for the construction and operational costs of facilities for fire fighting purposes.
(d) Computer and office equipment reserve	N/A	To be used to replace Information and Communications Technology equipment.
(e) Legal reserve	N/A	To be used to fund legal expenses incurred as a result of tribunals, hearings, litigation etc.
(f) Land development reserve	30/06/2024	To be used for further subdivisional development in the Shire of Chapman Valley.
(g) Infrastructure reserve	30/06/2024	To be used to fund road and building infrastructure projects, including yet not limited to, natural disasters upfront or insurance excess costs, annual roadworks maintenance and construction works.
(h) Building reserve	30/06/2024	To be used for the construction of shire buildings or capital upgrades of existing buildings, including yet not limited to, covering insurance excess component of claims for repair/replace buildings.

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

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for 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
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

11. PROGRAM INFORMATION

Income and expenses	2022/23 Budget	2021/22 Actual	2021/22 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	1,200	5,687	1,200
General purpose funding	3,075,036	2,980,778	2,963,378
Law, order, public safety	11,739	44,003	11,600
Health	5,087	5,914	5,007
Community amenities	221,876	202,671	182,959
Recreation and culture	82,000	110,067	72,620
Transport	59,376	90,482	169,506
Economic services	23,425	27,280	23,430
Other property and services	14,999	6,238	40,998
	3,494,738	3,473,120	3,470,698
Operating grants, subsidies and contributions			
General purpose funding	590,410	1,553,865	590,142
Law, order, public safety	19,500	124,699	251,860
Community amenities	53,500	0	1,300
Recreation and culture	1,348,711	104,254	985,024
Transport	989,284	582,178	450,040
Other property and services	20,000	43,302	40,000
	3,021,405	2,408,298	2,318,366
Non-operating grants, subsidies and contributions			
Recreation and culture	0	1,137	0
Transport	928,620	1,528,060	1,528,260
	928,620	1,529,197	1,528,260
Total Income	7,444,763	7,410,615	7,317,324
Expenses			
Governance	(454,467)	(379,689)	(497,202)
General purpose funding	(157,228)	(112,204)	(125,533)
Law, order, public safety	(303,992)	(238,017)	(449,952)
Health	(33,152)	(22,053)	(31,390)
Community amenities	(980,171)	(614,134)	(793,386)
Recreation and culture	(1,428,520)	(855,495)	(1,194,790)
Transport	(4,258,644)	(3,470,816)	(3,500,990)
Economic services	(465,096)	(299,462)	(371,471)
Other property and services	(34,882)	(179,998)	(63,497)
Total expenses	(8,116,152)	(6,171,868)	(7,028,211)
Net result for the period	(671,389)	1,238,747	289,113

12. OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	115	245	275
- Other funds	500	614	1,200
Other interest revenue (refer to Note 2(b))	14,000	19,262	12,000
	14,615	20,121	13,475
* 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	17,374	49,098	153,378
	17,374	49,098	153,378
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	45,000	46,500	42,800
	45,000	46,500	42,800
(d) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	0	798	835
Interest expense on lease liabilities	1,206	1,405	1,476
Other	1,250	6	1,025
	2,456	2,209	3,336

13. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cr Warr			
President's allowance	10,000	8,125	10,000
Meeting attendance fees	9,742	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	20,292	18,085	19,960
Cr Forth			
Deputy President's allowance	2,500	1,875	2,500
Meeting attendance fees	9,742	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	12,792	11,835	12,460
Cr Batten			
Meeting attendance fees	9,742	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	10,292	9,960	9,960
Cr Davidson			
Meeting attendance fees	9,742	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	10,292	9,960	9,960
Cr Elliott-Lockhart			
Meeting attendance fees	9,742	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	10,292	9,960	9,960
Cr Humphrey			
Meeting attendance fees	9,742	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	10,292	9,960	9,960
Cr Low			
Meeting attendance fees	9,742	5,097	9,410
Annual allowance for ICT expenses	500	271	500
Annual allowance for travel and accommodation expenses	50	27	50
	10,292	5,395	9,960
Cr Royce			
Meeting attendance fees	9,742	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	10,292	9,960	9,960
Cr Farrell			
President's allowance	0	2,500	0
Meeting attendance fees	0	2,353	0
Annual allowance for ICT expenses	0	125	0
Annual allowance for travel and accommodation expenses	0	13	0
	0	4,991	0
Total Elected Member Remuneration	94,836	90,106	92,180
President's allowance	10,000	10,625	10,000
Deputy President's allowance	2,500	1,875	2,500
Meeting attendance fees	77,936	73,320	75,280
Annual allowance for ICT expenses	4,000	3,896	4,000
Annual allowance for travel and accommodation expenses	400	390	400
	94,836	90,106	92,180

14. MAJOR LAND TRANSACTIONS

The Shire does not anticipate to undertake any major land transactions during the financial year.

15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire does not anticipate to have any major trading transactions during the financial year.

16. INVESTMENT IN ASSOCIATES

The Shire does not anticipate any investments in associates or joint arrangements during the financial year.

SIGNIFICANT ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss. recognised.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Investments in associates (continued)

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate. When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

17. 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
	\$	\$	\$	\$
Contributions from Sub Divider	150,357	0	0	150,357
CTF Levy	1,514	10,000	(11,000)	514
Building Commission	1,441	8,000	(9,000)	441
	153,312	18,000	(20,000)	151,312

18. FEES AND CHARGES

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
By Program:			
General purpose funding	10,800	13,705	12,200
Law, order, public safety	11,739	13,405	11,600
Health	5,087	5,914	5,007
Community amenities	221,876	202,671	177,959
Recreation and culture	82,000	110,067	72,620
Economic services	15,750	18,651	15,750
Other property and services	10,000	5,680	11,000
	357,252	370,093	306,136