



SHIRE OF MUNDARING

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Budget Overview	2
Statement of Comprehensive Income by Nature or Type	6
Basis of Preparation	7
Statement of Comprehensive Income by Program	8
Statement of Cash Flows	10
Rate Setting Statement	11
Index of Notes to the Budget	12

SHIRE'S VISION

The place for sustainable living.

BUDGET OVERVIEW

The Shire of Mundaring's 2021/22 budget has been based on an increase of 3.29% in the total rate yield (actual rates increase plus forecast growth of 0.50% during 2021/22).

The rate in the dollar for Gross Rental Value properties has been increased by 2.68%, whilst for Unimproved Value properties the increase to the rate in the dollar is 1.90%.

For non-minimum rated properties the average increase per assessment for 2021/22 is as per the table below.

Rates Per Assessment

Rate Type	2020/21	2021/22	\$ Increase	% Increase
GRV - Commercial	\$ 7,885.81	\$ 8,174.59	\$ 288.78	3.66%
GRV - Light Industrial	\$ 4,915.03	\$ 5,046.59	\$ 131.56	2.68%
GRV - Residential	\$ 1,627.19	\$ 1,677.15	\$ 49.96	3.07%
GRV - Rural Residential	\$ 1,817.03	\$ 1,865.10	\$ 48.07	2.65%
UV - Rural	\$ 3,515.73	\$ 3,614.13	\$ 98.40	2.80%

The minimum rate for GRV and UV properties has been increased by 2.8%.

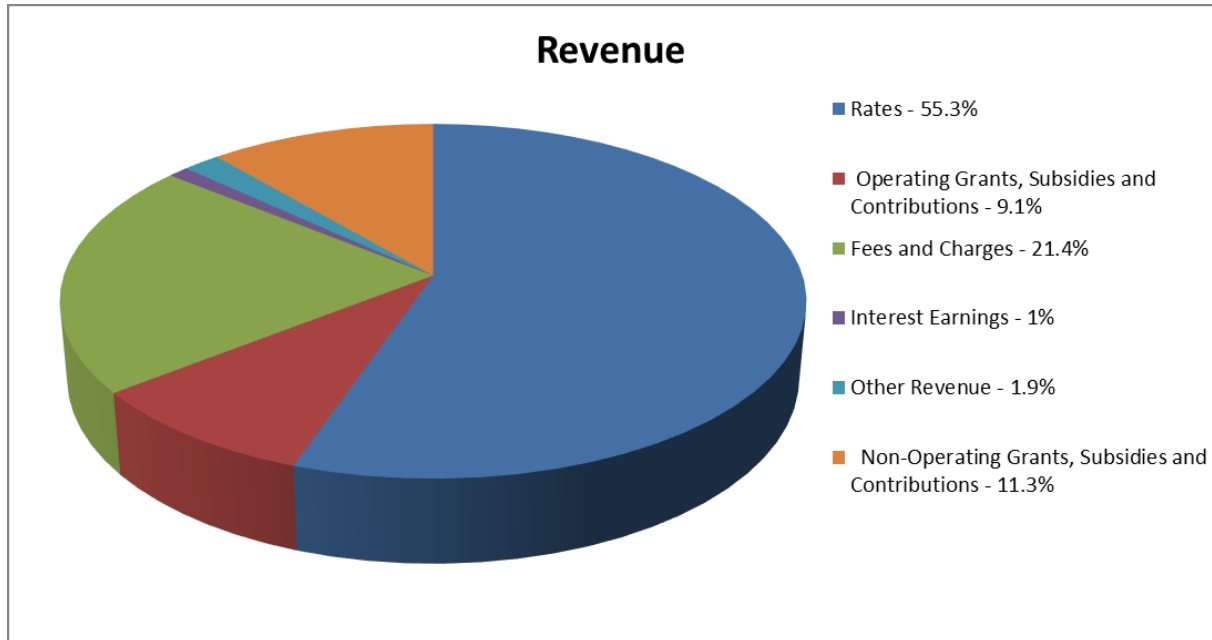
A detailed disclosure of rating information for 2021/22 is provided in Note 1 of the Budget document.

Closing Budget Position

The budget forecasts a closing surplus of \$607,627 as at 30 June 2022. A detailed disclosure of the Shire's forecast closing budget position is provided in the Rate Setting Statement and Note 2 of the Budget document.

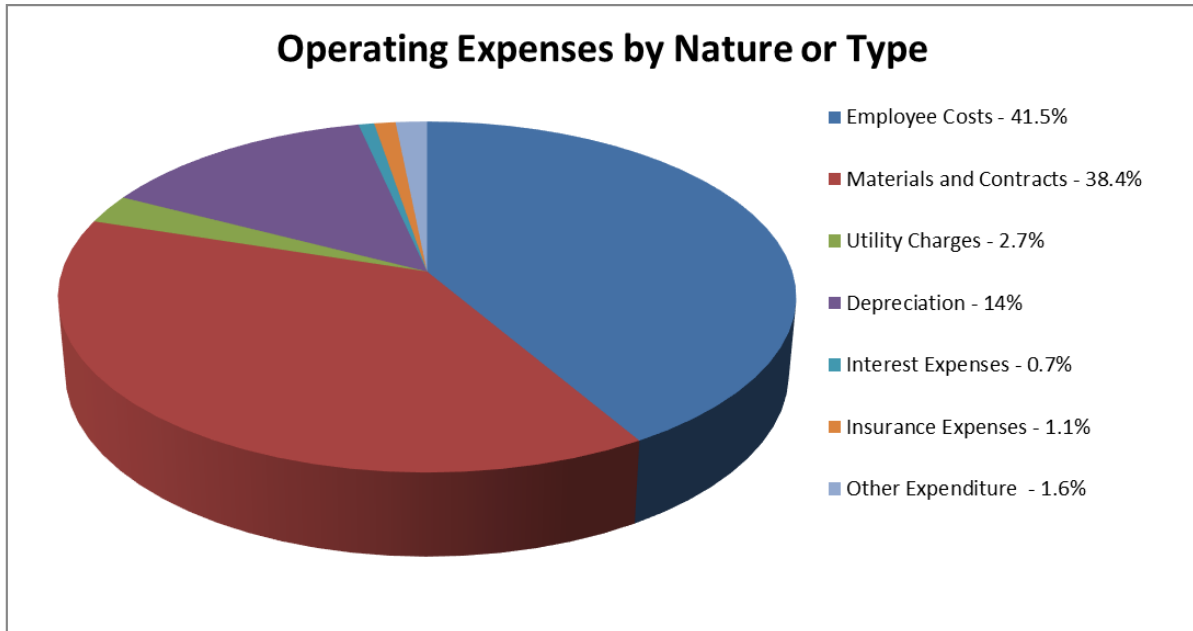
Revenue

The Shire's total revenue for 2021/22 is forecast to be \$51,130,302 (excluding profit on disposal of assets). The breakdown of revenue by nature or type is provided below:

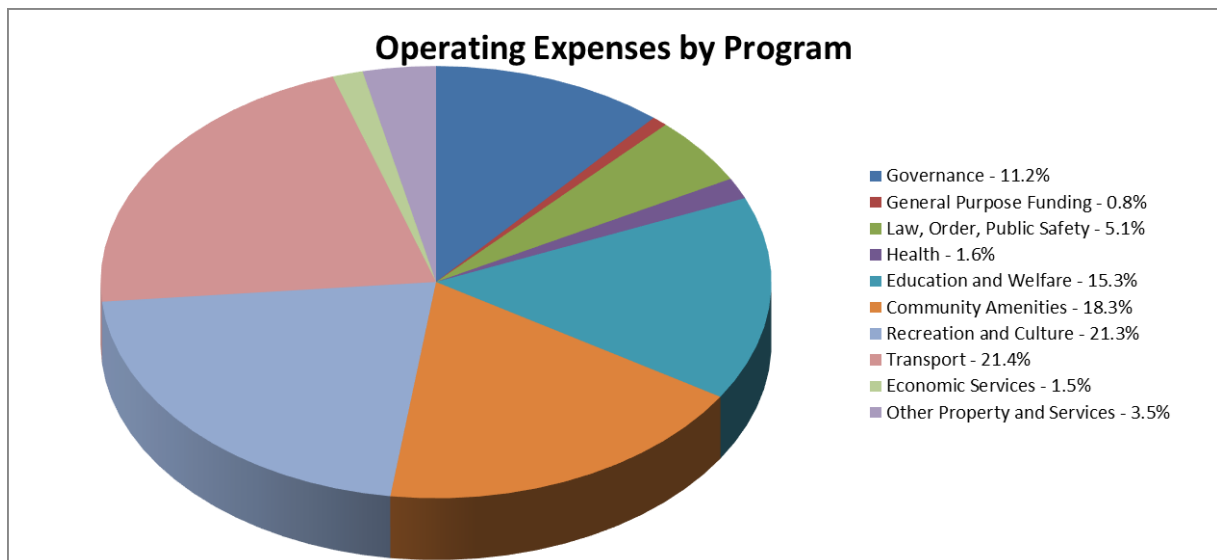


Operating Expenses

The Shire's total operating expenditure for 2021/22 is forecast to be \$51,117,831 (excluding loss on disposal of assets). The breakdown of operating expenditure by nature and type is provided below:



The breakdown of operating expenditure by Program is provided below:

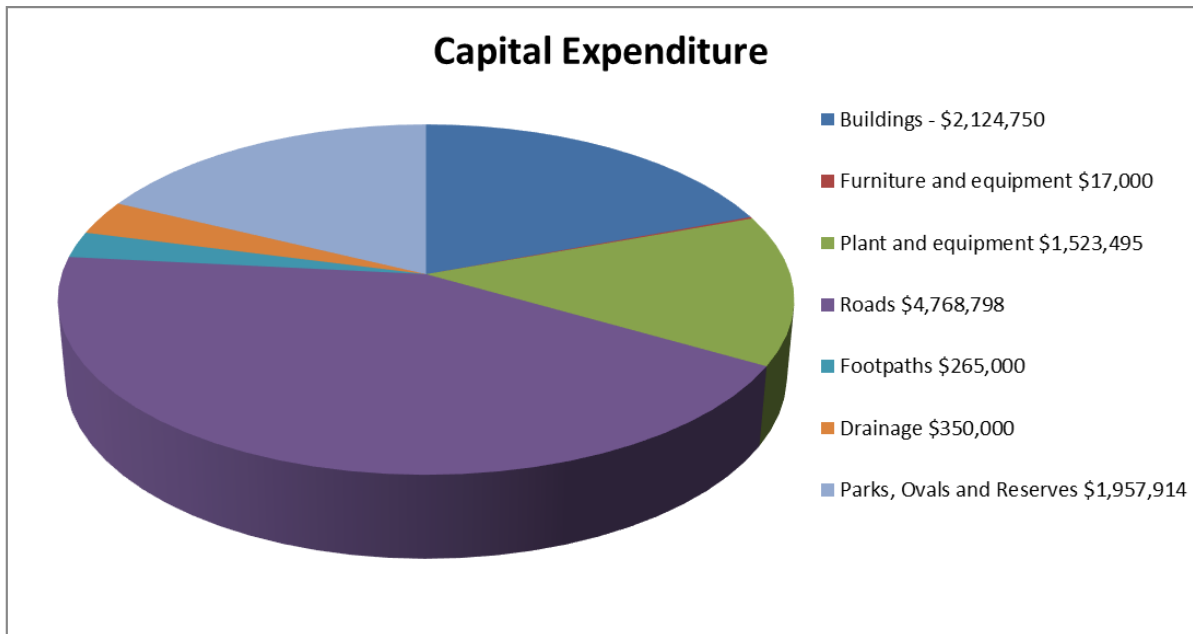


An explanation of the activities undertaken under each program is provided on page 9 of the Budget document.

The Shire's total comprehensive income (net result) for 2021/22 is forecast to be \$535,515.

Capital Expenditure

The Shire's total capital expenditure for 2021/22 is forecast to be \$11,006,957 (compared to a budget of \$10,911,731 in 2020/21). A breakdown of capital expenditure by class of assets is provided below:



A detailed breakdown of acquisitions on an individual asset basis can be found in the Shire's Corporate Business Plan and Long Term Financial Plan.

Loan Liability

The Shire's forecast loan liability at 30 June 2022, as disclosed in Note 6 of the budget, is \$9,134,523. There is no new loan debt forecast in the 2021/22 budget.

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	30,050,174	29,092,236	29,092,236
Operating grants, subsidies and contributions	10(a)	4,778,125	6,393,259	4,809,716
Fees and charges	9	11,361,735	11,266,236	11,264,137
Interest earnings	12(a)	375,000	390,000	532,545
Other revenue	12(b)	1,551,960	1,079,365	978,455
		48,116,994	48,221,096	46,677,089
Expenses				
Employee costs		(21,217,595)	(19,941,900)	(20,108,291)
Materials and contracts		(19,642,958)	(20,101,467)	(19,764,098)
Utility charges		(1,364,932)	(1,431,338)	(1,434,838)
Depreciation on non-current assets	5	(7,132,378)	(7,284,206)	(8,120,471)
Interest expenses	12(d)	(403,750)	(440,796)	(439,268)
Insurance expenses		(549,930)	(524,579)	(460,095)
Other expenditure		(806,288)	(925,526)	(1,533,876)
		(51,117,831)	(50,649,812)	(51,860,937)
Subtotal				
		(3,000,837)	(2,428,716)	(5,183,848)
Non-operating grants, subsidies and contributions	10(b)	3,013,308	10,696,417	5,938,534
Profit on asset disposals	4(b)	650,000	0	650,000
Loss on asset disposals	4(b)	(126,956)	(14,178)	(14,178)
		3,536,352	10,682,239	6,574,356
Net result				
		535,515	8,253,523	1,390,508
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income				
		535,515	8,253,523	1,390,508

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

SHIRE OF MUNDARING
FOR THE YEAR ENDED 30 JUNE 2022

BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

2020/21 ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

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.

REVENUES (CONTINUED)

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,9,10(a),12(a),12(b)	\$	\$	\$
Governance		139,500	309,360	179,748
General purpose funding		31,817,924	31,837,010	30,803,281
Law, order, public safety		597,900	841,633	562,400
Health		75,200	90,200	46,200
Education and welfare		5,528,175	5,800,797	5,762,350
Community amenities		7,812,720	7,063,890	7,147,722
Recreation and culture		1,301,300	1,409,730	1,438,856
Transport		65,700	93,700	65,700
Economic services		267,900	316,950	256,825
Other property and services		510,675	457,826	414,007
		48,116,994	48,221,096	46,677,089
Expenses excluding finance costs	4(a),5,12(c)(e)(f)(g)			
Governance		(5,562,915)	(4,941,688)	(4,813,278)
General purpose funding		(392,428)	(617,235)	(811,573)
Law, order, public safety		(2,587,584)	(3,009,482)	(2,476,558)
Health		(804,465)	(800,450)	(787,645)
Education and welfare		(7,801,809)	(7,839,041)	(8,018,301)
Community amenities		(9,335,130)	(8,894,845)	(9,012,593)
Recreation and culture		(10,706,241)	(10,694,345)	(10,932,106)
Transport		(10,971,886)	(10,951,135)	(12,228,858)
Economic services		(751,311)	(731,889)	(738,656)
Other property and services		(1,800,312)	(1,728,906)	(1,602,101)
		(50,714,081)	(50,209,016)	(51,421,669)
Finance costs	7,6(a),12(d)			
Governance		(186,623)	(211,927)	(210,399)
Recreation and culture		(217,127)	(228,869)	(228,869)
		(403,750)	(440,796)	(439,268)
Subtotal		(3,000,837)	(2,428,716)	(5,183,848)
Non-operating grants, subsidies and contributions	10(b)	3,013,308	10,696,417	5,938,534
Profit on disposal of assets	4(b)	650,000	0	650,000
(Loss) on disposal of assets	4(b)	(126,956)	(14,178)	(14,178)
		3,536,352	10,682,239	6,574,356
Net result		535,515	8,253,523	1,390,508
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		535,515	8,253,523	1,390,508

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

SHIRE OF MUNDARING
FOR THE YEAR ENDED 30 JUNE 2022

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 resources.

Includes the activities of members of council and the administrative support required for the Council and Shire services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer community.

Supervision and enforcement of legislation and various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

To provide an operational framework for environmental and community health.

Prevention of human illnesses, including inspection of premises/food control.

EDUCATION AND WELFARE

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

Operating and maintaining child minding centres and playgroup centres. Provision of services and programs for the youth and seniors of the Shire.

COMMUNITY AMENITIES

To provide essential services required by the community.

Rubbish collection services, operation of waste disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of local planning schemes, cemeteries and public conveniences.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social well being of the community.

Maintenance of public halls, civic centres, aquatic centres, lake, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of libraries and other cultural facilities.

TRANSPORT

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

Construction and maintenance of roads, streets, pathways, depots, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

To help promote the shire and its economic wellbeing.

Tourism and area promotion. Provision of standpipes. Approval of building construction and implementation of statutory building controls.

OTHER PROPERTY AND SERVICES

To monitor and control the Shire's overheads operating accounts.

Public works overheads, plant and equipment operations and activities not reported in the above programs.

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

NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	30,050,174	29,092,236	29,092,236
Operating grants, subsidies and contributions	4,778,125	6,393,259	4,809,716
Fees and charges	11,361,735	11,266,236	11,264,137
Interest received	375,000	390,000	532,545
Goods and services tax received	2,200,000	2,200,000	2,200,000
Other revenue	1,551,960	1,079,365	978,455
	50,316,994	50,421,096	48,877,089
Payments			
Employee costs	(21,217,595)	(19,941,900)	(20,108,291)
Materials and contracts	(19,642,958)	(20,101,467)	(19,764,098)
Utility charges	(1,364,932)	(1,431,338)	(1,434,838)
Interest expenses	(403,750)	(440,796)	(439,268)
Insurance paid	(549,930)	(524,579)	(460,095)
Goods and services tax paid	(2,200,000)	(2,200,000)	(2,200,000)
Other expenditure	(806,288)	(925,526)	(1,533,876)
	(46,185,453)	(45,565,606)	(45,940,466)
Net cash provided by (used in) operating activities	3	4,131,541	4,855,490
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	4(a)	(3,665,245)	(3,425,891)
Payments for construction of infrastructure	4(a)	(7,341,712)	(8,421,889)
Non-operating grants, subsidies and contributions	10(b)	3,013,308	10,696,417
Proceeds from sale of assets	4(b)	1,584,019	173,556
		1,139,989	
Net cash provided by (used in) investing activities		(6,409,630)	(977,807)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	6(a)	(700,169)	(666,777)
Principal elements of lease payments	7	(66,321)	(206,263)
		0	
Net cash provided by (used in) financing activities		(766,490)	(873,040)
Net increase (decrease) in cash held		(3,044,579)	3,004,643
Cash at beginning of year		12,261,184	9,256,541
Cash and cash equivalents at the end of the year	3	9,216,605	12,261,184
		7,766,551	

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

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

NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	4,119,290	6,386,144	5,453,805
	4,119,290	6,386,144	5,453,805
Revenue from operating activities (excluding rates)			
Governance	139,500	309,360	179,748
General purpose funding	1,767,750	2,744,774	1,711,045
Law, order, public safety	597,900	841,633	562,400
Health	75,200	90,200	46,200
Education and welfare	5,528,175	5,800,797	5,762,350
Community amenities	7,812,720	7,063,890	7,147,722
Recreation and culture	1,951,300	1,409,730	2,088,856
Transport	65,700	93,700	65,700
Economic services	267,900	316,950	256,825
Other property and services	510,675	457,826	414,007
	18,716,820	19,128,860	18,234,853
Expenditure from operating activities			
Governance	(5,749,538)	(5,153,615)	(5,023,677)
General purpose funding	(392,428)	(617,235)	(811,573)
Law, order, public safety	(2,606,643)	(3,009,482)	(2,476,558)
Health	(804,465)	(800,450)	(787,645)
Education and welfare	(7,813,695)	(7,839,041)	(8,018,301)
Community amenities	(9,378,882)	(8,894,845)	(9,012,593)
Recreation and culture	(10,940,168)	(10,923,214)	(11,160,975)
Transport	(10,993,593)	(10,965,313)	(12,243,036)
Economic services	(762,849)	(731,889)	(738,656)
Other property and services	(1,802,526)	(1,728,906)	(1,602,101)
	(51,244,787)	(50,663,990)	(51,875,115)
Non-cash amounts excluded from operating activities	6,609,334	7,298,384	7,484,649
Amount attributable to operating activities	(21,799,343)	(17,850,602)	(20,701,808)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	3,013,308	10,696,417	5,938,534
Payments for property, plant and equipment	(3,665,245)	(3,425,891)	(2,666,564)
Payments for construction of infrastructure	(7,341,712)	(8,421,889)	(8,245,167)
Proceeds from disposal of assets	1,584,019	173,556	1,139,989
Amount attributable to investing activities	(6,409,630)	(977,807)	(3,833,208)
FINANCING ACTIVITIES			
Repayment of borrowings	(700,169)	(666,777)	(666,777)
Principal elements of finance lease payments	(66,321)	(206,263)	0
Transfers to cash backed reserves (restricted assets)	(3,525,809)	(7,115,904)	(4,444,535)
Transfers from cash backed reserves (restricted assets)	3,058,725	1,844,407	2,099,343
Amount attributable to financing activities	(1,233,574)	(6,144,537)	(3,011,969)
Budgeted deficiency before imposition of general rates	(29,442,547)	(24,972,946)	(27,546,985)
Estimated amount to be raised from general rates	30,050,174	29,092,236	29,092,236
Net current assets at end of financial year - surplus/(deficit)	607,627	4,119,290	1,545,251

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

SHIRE OF MUNDARING
INDEX OF NOTES TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

Rates	13
Net Current Assets	16
Reconciliation of Cash	18
Asset Acquisitions	19
Asset Disposals	20
Asset Depreciation	21
Borrowings	22
Leases	24
Reserves	25
Fees and Charges	26
Grant Revenue	26
Revenue Recognition	27
Other Information	28
Major Land Transactions	29
Trading Undertakings and Major Trading Undertakings	29
Investment in Associate	30
Trust	31
Significant Accounting Policies - Other Information	32

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

1. RATES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV - Commercial	0.0914000	279	24,953,069	2,280,711	0	0	2,280,711	2,208,028	2,208,028
GRV - Light Industrial	0.0914000	288	15,901,728	1,453,418	0	0	1,453,418	1,415,527	1,415,527
GRV - Residential	0.0914000	11,351	208,285,745	19,037,317	145,461	0	19,182,778	18,558,024	18,558,024
GRV - Rural Residential	0.0914000	3,085	62,952,322	5,753,842	0	0	5,753,842	5,600,099	5,600,099
Unimproved valuations									
UV - Rural	0.0061959	248	144,661,000	896,305	0	0	896,305	854,322	854,322
Sub-Totals		15,251	456,753,864	29,421,593	145,461	0	29,567,054	28,636,000	28,636,000
Minimum									
Minimum payment									
\$									
Gross rental valuations									
GRV - Commercial	888	3	21,860	2,664	0	0	2,664	2,592	2,592
GRV - Light Industrial	888	1	8,148	888	0	0	888	864	864
GRV - Residential	888	463	3,360,014	411,144	0	0	411,144	387,936	387,936
GRV - Rural Residential	888	72	583,176	63,936	0	0	63,936	60,480	60,480
Unimproved valuations									
UV - Mining Lease	1,122	4	51,900	4,488	0	0	4,488	4,364	4,364
Sub-Totals		543	4,025,098	483,120	0	0	483,120	456,236	456,236
		15,794	460,778,962	29,904,713	145,461	0	30,050,174	29,092,236	29,092,236
Total rates							30,050,174	29,092,236	29,092,236

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

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

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

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

1. RATES (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	31-August-2021	N/a	0.0%	7.0%
Option two				
First instalment	31-August-2021	0	0.0%	7.0%
Second instalment	02-November-2021	9.50	0.0%	7.0%
Third instalment	10-January-2022	9.50	0.0%	7.0%
Fourth instalment	14-March-2022	9.50	0.0%	7.0%

Option three

A payment arrangement agreed under section 6.49 of the *Local Government Act 1995*.

Ratepayers who enter an agreement to pay rates as provided in Section 6.49 of the Act are not levied an administrative charge but interest (7%) is paid on the rates balance outstanding until it is paid in full.

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	153,000	0	0
Unpaid rates interest earned	150,000	160,000	105,000
	303,000	160,000	105,000

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

1. RATES (CONTINUED)

(c) Specified Area Rate

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

(d) Service Charges

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

(e) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Hire fees for sporting and community facilities	"Waiver"	25.0%	0	\$ 0	\$ 88,482	\$ 84,535	A discount of 25% is provided to small business, community groups, sporting clubs and Not for Profits for the hire Shire facilities.	Council consider support of these community groups necessary for the overall benefit of the community. Assist and support community groups as part of Council's Covid-19 Recovery initiatives.
				0	88,482	84,535		

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

2. NET CURRENT ASSETS

	2021/22 Budget	2020/21 Actual	2020/21 Budget
Note	30 June 2022	30 June 2021	30 June 2021
	\$	\$	\$
(a) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents- unrestricted	3	4,635,344	8,147,007
Cash and cash equivalents - restricted	3	4,581,261	4,114,177
Financial assets -term deposits	3	28,587,867	28,587,867
Receivables		2,742,273	2,742,273
Prepayments		18,669	18,669
Inventories		92,674	92,674
		40,658,088	43,702,667
Less: current liabilities			
Trade and other payables		(5,412,594)	(5,412,594)
Contract liabilities		(164,440)	(164,440)
Lease liabilities	7	(16,431)	(66,321)
Long term borrowings	6	(733,561)	(700,169)
Employee provisions		(3,531,831)	(3,531,831)
		(9,858,857)	(9,875,355)
Net current assets		30,799,231	33,827,312
Less: Total adjustments to net current assets	2.(c)	(30,191,604)	(29,708,022)
Net current assets used in the Rate Setting Statement		607,627	1,545,251

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) Operating activities excluded from budgeted deficiency

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

	2021/22 Budget	2020/21 Actual	2020/21 Budget
Note	30 June 2022	30 June 2021	30 June 2021
	\$	\$	\$
Less: Profit on asset disposals	4(b)	(650,000)	0
Add: Loss on disposal of assets	4(b)	126,956	14,178
Add: Depreciation on assets	5	7,132,378	7,284,206
Non cash amounts excluded from operating activities		6,609,334	7,298,384

(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	8	(30,941,596)	(30,474,512)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings		733,561	700,169
- Current portion of lease liabilities		16,431	66,321
Total adjustments to net current assets		(30,191,604)	(29,708,022)

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

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

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

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

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

LAND HELD FOR RESALE

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

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

CONTRACT ASSETS

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

CONTRACT LIABILITIES

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

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

3. RECONCILIATION OF CASH

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

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Cash at bank and on hand	9,216,605	12,261,184	7,766,551
Total cash and cash equivalents	9,216,605	12,261,184	7,766,551
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	4,581,261	4,114,177	3,488,549
- Financial assets at amortised cost - term deposits	28,587,867	28,587,867	26,043,921
	33,169,128	32,702,044	29,532,470
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	8 30,941,596	30,474,512	27,034,876
Bonds and Deposits	2,227,532	2,227,532	2,497,594
	33,169,128	32,702,044	29,532,470
Reconciliation of net cash provided by operating activities to net result			
Net result	535,515	8,253,523	1,390,508
Depreciation	5 7,132,378	7,284,206	8,120,471
(Profit)/loss on sale of asset	4(b) (523,044)	14,178	(635,822)
Non-operating grants, subsidies and contributions	(3,013,308)	(10,696,417)	(5,938,534)
Net cash from operating activities	4,131,541	4,855,490	2,936,623

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

FINANCIAL ASSETS AT AMORTISED COST

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

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

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program					2021/22	2020/21	2020/21
	Law, order, public safety	Education and welfare	Community amenities	Recreation and culture	Transport	Budget total	Actual total	Budget total
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>								
Buildings - specialised	830,500	300,000	0	332,750	661,500	2,124,750	1,754,731	972,881
Furniture and equipment	0	0	0	17,000	0	17,000	76,289	68,000
Plant and equipment	0	0	0	0	1,523,495	1,523,495	1,594,871	1,625,683
	830,500	300,000	0	349,750	2,184,995	3,665,245	3,425,891	2,666,564
<i>Infrastructure</i>								
Infrastructure - roads	0	0	0	0	4,768,798	4,768,798	6,388,439	6,119,667
Other infrastructure - footpaths	0	0	0	0	265,000	265,000	520,000	520,000
Other infrastructure - drainage	0	0	0	0	350,000	350,000	327,000	300,000
Other infrastructure - parks and ovals	0	0	220,000	110,000	1,627,914	1,957,914	1,186,450	1,305,500
	0	0	220,000	110,000	7,011,712	7,341,712	8,421,889	8,245,167
Total acquisitions	830,500	300,000	220,000	459,750	9,196,707	11,006,957	11,847,780	10,911,731

A detailed breakdown of acquisitions on an individual asset basis can be found in the Corporate Business Plan and Long Term Financial Plan.

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

4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Law, order, public safety	79,125	60,066	0	(19,059)	0	0	0	0	0	0	0	0
Education and welfare	25,000	13,114	0	(11,886)	0	0	0	0	0	0	0	0
Community amenities	161,250	117,498	0	(43,752)	0	0	0	0	0	0	0	0
Recreation and culture	400,585	1,033,785	650,000	(16,800)	0	0	0	350,000	1,000,000	650,000	0	0
Transport	363,515	341,808	0	(21,707)	187,734	173,556	0	(14,178)	154,167	139,989	0	(14,178)
Economic services	19,500	7,962	0	(11,538)	0	0	0	0	0	0	0	0
Other property and services	12,000	9,786	0	(2,214)	0	0	0	0	0	0	0	0
	1,060,975	1,584,019	650,000	(126,956)	187,734	173,556	0	(14,178)	504,167	1,139,989	650,000	(14,178)
By Class												
<i>Property, Plant and Equipment</i>												
Land - freehold land	350,000	1,000,000	650,000	0	0	0	0	350,000	1,000,000	650,000	0	0
Plant and equipment	710,975	584,019	0	(126,956)	187,734	173,556	0	(14,178)	154,167	139,989	0	(14,178)
	1,060,975	1,584,019	650,000	(126,956)	187,734	173,556	0	(14,178)	504,167	1,139,989	650,000	(14,178)

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

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

5. ASSET DEPRECIATION

By Program

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

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
284,953	424,575	281,130	
264,890	265,335	255,555	
24,945	24,940	20,035	
107,105	123,081	88,591	
87,040	86,280	66,620	
1,719,510	1,716,055	1,594,695	
4,528,540	4,528,545	5,704,975	
4,680	4,680	4,680	
110,715	110,715	104,190	
7,132,378	7,284,206	8,120,471	
1,631,055	1,626,397	1,514,882	
21,572	23,450	13,515	
656,898	671,884	671,609	
4,747,595	4,747,595	5,920,465	
65,258	204,880	0	
10,000	10,000	0	
7,132,378	7,284,206	8,120,471	

By Class

Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure
Right of use - furniture and equipment
Intangible assets - rehabilitation costs

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:

Asset Class	Useful life
Buildings	
- Structure	30 to 75 years
- Fit out	18 to 45 years
- Mechanical	18 to 45 years
- Roof Cladding	24 to 60 years
Furniture and Equipment	3 to 12 years
Plant and Equipment	3 to 60 years
Sealed Roads and Streets	
- Formation	not depreciated
- Pavement	70 to 150 years
- Surface	15 to 45 years
- Kerb	60 to 70 years
Unsealed Roads	
- Formation	not depreciated
- Surface	15 years
Drainage	60 to 100 years
Bridges	40 to 100 years
Footpaths	15 to 100 years
Heritage Trails	
- Formation	not depreciated
- Pavement	60 years
- Point Items	15 to 100 years
Waste Transfer Stations	15 to 100 years
Bus Shelters	20 to 50 years
Parks Hard Assets	5 to 80 years

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2021/22	2021/22	Budget	2021/22	Actual Principal	2020/21	2020/21	Actual	2020/21	Budget Principal	2020/21	2020/21	Budget	2020/21	
				Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2022	Budget Interest Repayments		Actual Principal 1 July 2020	Actual New Loans	Actual Principal Repayments 30 June 2021	Actual Interest Repayments		Budget Principal 1 July 2020	Budget New Loans	Budget Principal Repayments 30 June 2021	Principal outstanding 30 June 2021	Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																			
Civic Facility & Depot Redevelopment	170	WATC	6.95%	2,813,540	0	(323,372)	2,490,168	(185,369)	3,115,262	0	(301,722)	2,813,540	(207,020)	3,115,262	0	(301,722)	2,813,540	(210,399)	
Recreation and culture																			
Community Building Projects	171	WATC	3.17%	7,021,152	0	(376,797)	6,644,355	(217,127)	7,386,207	0	(365,055)	7,021,152	(228,869)	7,386,207	0	(365,055)	7,021,152	(228,869)	
				9,834,692	0	(700,169)	9,134,523	(402,496)	10,501,469	0	(666,777)	9,834,692	(435,889)	10,501,469	0	(666,777)	9,834,692	(439,268)	
				9,834,692	0	(700,169)	9,134,523	(402,496)	10,501,469	0	(666,777)	9,834,692	(435,889)	10,501,469	0	(666,777)	9,834,692	(439,268)	

All borrowing repayments will be financed by general purpose revenue.

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2021/22

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2022

(c) Unspent borrowings

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

(d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	500,000	500,000	500,000
Bank overdraft at balance date	0	0	0
Credit card limit	56,000	56,000	56,000
Credit card balance at balance date	(19,000)	(18,720)	(25,000)
Total amount of credit unused	537,000	537,280	531,000
Loan facilities			
Loan facilities in use at balance date	9,134,523	9,834,692	9,834,692

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

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2021/22 Budget	Budget Lease	2021/22 Budget	Actual Principal 1 July 2020	2020/21 Actual	Actual Lease	2020/21 Actual	Budget Principal	2020/21 Budget	Budget Lease	Budget Lease	2020/21 Budget		
					Principal 1 July 2021	New Leases	Principal Repayments	Principal outstanding 30 June 2022		Interest Repayments	New Leases	Principal repayments	Principal outstanding 30 June 2021	Interest repayments	New Leases	Principal repayments	Principal outstanding 30 June 2021	Interest repayments	
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Governance																			
Data Centres (servers) x 2	1	HP Financial Services (Australia) P/L	3.33%	60 months	3,795	0	0	3,795	0	100,389	0	(96,594)	3,795	(1,112)	145,000	0	(145,000)	0	(1,112)
Security Appliance & Software	2	HP Financial Services (Australia) P/L	2.99%	60 months	52,135	0	(41,640)	10,495	(1,061)	93,775	0	(41,640)	52,135	(2,239)	97,160	0	(41,640)	55,520	(2,239)
Telvic Microphone Delegate System	4	HP Financial Services (Australia) P/L	3.05%	36 months	11,854	0	(11,854)	0	(97)	42,634	0	(30,780)	11,854	(874)	43,605	0	(30,780)	12,825	(874)
Photocopier / Printers	5	Konica Minolta Business Solutions Australia P/L	2.00%	60 months	11,218	0	(11,218)	0	(50)	46,858	0	(35,640)	11,218	(613)	79,200	0	(59,400)	19,800	(1,022)
Photocopier / Printers	6	Konica Minolta Business Solutions Australia P/L	1.80%	43 months	3,750	0	(1,609)	2,141	(46)	5,359	0	(1,609)	3,750	(69)	0	0	0	0	0
					82,752	0	(66,321)	16,431	(1,254)	289,015	0	(206,263)	82,752	(4,907)	364,965	0	(276,820)	88,145	(5,247)

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

8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Plant replacement	1,224,403	743,997	(939,476)	1,028,924	1,138,729	737,747	(652,073)	1,224,403	943,415	740,056	(585,694)	1,097,777
(b) Reserves cash backed - Civic facilities	10,800,398	551,716	(388,749)	10,963,365	9,576,299	1,569,498	(345,399)	10,800,398	9,431,404	1,605,702	(345,399)	10,691,707
(c) Reserves cash backed - Information technology	1,007,092	54,822	(150,000)	911,914	1,080,252	57,840	(131,000)	1,007,092	1,087,517	62,188	(81,000)	1,068,705
(d) Reserves cash backed - Long service leave	632,665	213,029	(258,000)	587,694	334,483	602,427	(304,245)	632,665	364,833	604,089	(250,000)	718,922
(e) Reserves cash backed - Children services	3,104,719	14,867	(200,000)	2,919,586	2,713,189	446,530	(55,000)	3,104,719	2,679,462	30,030	(55,000)	2,654,492
(f) Reserves cash backed - Gravel pit rehabilitation	60,871	291	0	61,162	60,432	439	0	60,871	60,849	682	0	61,531
(g) Reserves cash backed - Capital investment	3,896,606	1,000,000	0	4,896,606	3,896,606	0	0	3,896,606	3,896,605	1,000,000	0	4,896,605
(h) Reserves cash backed - Capital income	4,420,449	413,842	(649,500)	4,184,791	4,301,555	311,144	(192,250)	4,420,449	4,270,399	342,367	(292,250)	4,320,516
(i) Reserves cash backed - Unspent grants	473,000	0	(473,000)	0	637,440	0	(164,440)	473,000	490,000	0	(490,000)	0
(j) Reserves cash backed - Telecommunications facility Bailup reserve	20,194	10,097	0	30,291	8,830	11,364	0	20,194	10,000	10,112	0	20,112
(k) Reserves cash backed - Waste management	1,465,761	507,019	0	1,972,780	1,455,200	10,561	0	1,465,761	1,455,200	49,309	0	1,504,509
(l) Reserves cash backed - Cash in lieu of Public Open Space	3,368,354	16,129	0	3,384,483	0	3,368,354	0	3,368,354	0	0	0	0
	30,474,512	3,525,809	(3,058,725)	30,941,596	25,203,015	7,115,904	(1,844,407)	30,474,512	24,689,684	4,444,535	(2,099,343)	27,034,876

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Plant replacement	Ongoing	To fund the replacement and purchase of works plant and light vehicles.
(b) Reserves cash backed - Civic facilities	Ongoing	To fund the construction and/or purchase of public buildings and facilities.
(c) Reserves cash backed - Information technology	Ongoing	To fund the upgrade and replacement of the Shire's information technology.
(d) Reserves cash backed - Long service leave	Ongoing	To fund the Shire's Long Service Leave Liability.
(e) Reserves cash backed - Children services	Ongoing	To provide funds for the purchase of capital items, preventative maintenance for Children Service's buildings and employee entitlements. Also allows cash surpluses to be quarantined to fund operations for future years.
(f) Reserves cash backed - Gravel pit rehabilitation	Ongoing	To fund the production of gravel and the rehabilitation of gravel pits.
(g) Reserves cash backed - Capital investment	Ongoing	To fund the advancement of the Shire's Property Strategy.
(h) Reserves cash backed - Capital income	Ongoing	To fund the development of Shire facilities and infrastructure.
(i) Reserves cash backed - Unspent grants	Ongoing	To quarantine any unspent grant funds at the end of each financial year.
(j) Reserves cash backed - Telecommunications facility Bailup reserve	Ongoing	To maintain the grounds and facilities of the reserve. Where there are surplus reserve funds, to maintain the grounds and facilities of other reserves within the locality.
(k) Reserves cash backed - Waste management	Ongoing	To fund capital costs and any operating deficits associated with the provision of the Shire's waste management services.
(l) Reserves cash backed - Cash in lieu of Public Open Space	Ongoing	Hold cash received in lieu of public open space.

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

9. FEES & CHARGES REVENUE

	2021/22	2020/21	2020/21
	Budget	Actual	Budget
	\$	\$	\$
Governance	35,000	30,000	50,000
General purpose funding	173,000	18,750	15,000
Law, order, public safety	181,400	157,400	181,400
Health	75,200	90,200	46,200
Education and welfare	2,448,000	2,653,000	2,703,150
Community amenities	6,985,935	6,835,722	6,752,722
Recreation and culture	1,178,300	1,147,214	1,241,840
Transport	16,000	16,000	16,000
Economic services	267,900	316,950	256,825
Other property and services	1,000	1,000	1,000
	11,361,735	11,266,236	11,264,137

10. GRANT REVENUE

	2021/22	2020/21	2020/21
	Budget	Actual	Budget
	\$	\$	\$
By Program:			
(a) Operating grants, subsidies and contributions			
Governance	0	21,000	0
General purpose funding	1,151,250	2,300,629	1,133,500
Law, order, public safety	414,000	691,833	375,000
Education and welfare	3,003,175	3,068,597	3,030,000
Community amenities	40,000	40,000	40,000
Recreation and culture	105,000	206,500	166,516
Transport	49,700	49,700	49,700
Other property and services	15,000	15,000	15,000
	4,778,125	6,393,259	4,809,716
(b) Non-operating grants, subsidies and contributions			
Law, order, public safety	0	800,000	800,000
Education and welfare	0	12,250	0
Recreation and culture	690,414	3,853,354	469,850
Transport	2,322,894	6,030,813	4,668,684
	3,013,308	10,696,417	5,938,534
Total grants, subsidies and contributions	7,791,433	17,089,676	10,748,250

11. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
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 contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges 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
Fees and charges Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Fees and charges Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges 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
Fees and charges 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 Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
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
Other revenue Sale of stock	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
Other revenue Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

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

12. OTHER INFORMATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	125,000	150,000	227,545
- Other funds	100,000	80,000	200,000
Other interest revenue (refer note 1b)	150,000	160,000	105,000
	375,000	390,000	532,545
(b) Other revenue			
Reimbursements and recoveries	146,500	202,095	141,000
Other	1,405,460	877,270	837,455
	1,551,960	1,079,365	978,455
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	48,000	48,000	48,000
Other services	3,000	800	3,000
	51,000	48,800	51,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	402,496	435,889	439,268
Interest expense on lease liabilities	1,254	4,907	5,247
	403,750	440,796	444,515
(e) Elected members remuneration			
Meeting fees	265,024	265,024	265,024
Mayor/President's allowance	53,759	53,759	53,759
Deputy Mayor/President's allowance	13,440	13,440	13,440
Travelling expenses	12,000	12,000	12,000
Telecommunications allowance and expenses	43,000	43,000	43,000
Childcare expenses	1,200	1,200	1,500
	388,423	388,423	388,723
(f) Write offs			
General rate	500	10,000	200,000
Rates penalty interest	5,000	5,000	5,000
Waste charges	500	500	500
Legal fees	50	50	50
Infringements	4,250	4,250	4,250
Fees and charges	500	500	500
	10,800	20,300	210,300

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

13. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2021/22.

14. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

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

15. INVESTMENT IN ASSOCIATE

The Shire is a member of the Eastern Metropolitan Regional Council (EMRC). The Shire's share in the EMRC as calculated by the EMRC is 10.52%.

The Shire's estimated share in the assets and liabilities of the EMRC is as follows:

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Current Assets	9,420,848	9,420,848	11,489,374
Non Current Assets	11,609,886	11,609,886	10,609,421
Total assets	21,030,734	21,030,734	22,098,795
Current liabilities	844,385	844,385	765,404
Non Current Liabilities	781,854	781,854	479,282
Total liabilities	1,626,239	1,626,239	1,244,686
Net Assets	19,404,495	19,404,495	20,854,109

SIGNIFICANT ACCOUNTING POLICIES

Investment 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.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment 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.

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

16. TRUST FUNDS

It is not anticipated that the Shire will hold any funds in its trust fund during the 2021/22 financial year.

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

17. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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