

LODDON SHIRE COUNCIL

BUDGET FOR YEAR ENDED 30 JUNE 2022



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MAYOR INTRODUCTION

The Councillors and I are pleased to present the 2021/22 Budget to the community. Due to the timing of the adoption of the new Council Plan, this budget continues with our Council Plan 2017-21 vision of "A prosperous, vibrant and engaged community" and focuses on the five key themes in that Council Plan:

- Population
- Economic prosperity
- Liveability
- Sustainability
- High performance organisation.

When approved by Council, the Council Plan 2021-25 (Year 1), will set out Council's strategic plan to deliver our vision over the full term of the Council. As this is the first year of the current Council term, the focus over the next year will be on the planning and design activities required to deliver the new commitments and on maintaining existing services.

The budget details the resources required over the next year to fund a large range of services Council provides to the community. It also includes details of proposed capital expenditure allocations to improve and renew our Shire's road infrastructure, buildings and other operational assets.

As Councillors, it is our job to listen to community opinions and understand your priorities. During and following the Council elections in 2020 we have consistently heard that Council's services are valued by the community, and that Council also needs to be financially responsible. In response, Council has continued an organisation wide approach to identifying savings and organisational improvements that provide increased value for money to ratepayers.

The budget includes a rate increase of 1.50 per cent. This is in line with the Fair Go Rates System which has capped rate increases by Victorian Councils. Council has also identified a number of significant cost and revenue impacts during the budget process which it has had to take into consideration. These include:

- the changes in financial support provided by the Victorian Government within the Home and Community Care area
- the demand for services from the community
- Council's desire to continue to support Community Planning to drive strategic outcomes from a community level.

Some of the highlights contained in the 2021/22 Budget include:

- full funding of Council's ongoing commitment of community planning of \$750K
- an increased commitment to investment in information technology
- strong investment in local road and related infrastructure maintenance
- \$300K allocation for works associated with the Building Asset Management Plan
- continued support for the aged services and early years programs
- capital expenditure program of \$6.92 million
- no loan repayments with Council remaining debt free
- continuation of a strong cash position.

This budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible. I encourage the community to read through this document, in conjunction with the Council Plan 2021-25 once developed.

Cr. Neil Beattie
Mayor

CEO INTRODUCTION

Council has prepared a budget for 2021/22 which continues its alignment to the vision in the Council Plan 2017-21. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within rate increase limits mandated by the State Government.

1 Key things we are funding

- ongoing delivery of services to the Loddon Shire Council community
- continued investment in capital projects (\$6.92M). This includes roads (\$3.07M); urban and road drainage (\$0.35M); footpaths (\$0.24M) and recreational, leisure and community facilities (\$1.33M).

2 Rates and charges increase

- the average rate rise will be 1.5% in line with the order by the Minister for Local Government on 21 December 2020 under the Fair Go Rates System
- since 2018/19, each year is a revaluation year, therefore, valuations will be as per the General Revaluation dated 1 January 2021, undertaken by valuers appointed by the Valuer General
- the waste service charges will increase by 10.0% per collection item, which offsets increases in the cost of kerbside waste and recycling disposal along with new licencing requirements
- refer to Section 4.1.1 for further details.

3 Key statistics

Total revenue is \$23.42 million (2020/21 \$41.71 million)

Total operating expenditure is \$34.41 million (2020/21 \$39.10 million)

Cash result is \$0.40 million surplus (\$2.99 million surplus in 2020/21)
(Refer Capital Expenditure Statement in Appendix A)

Note: This is the net funding result after considering the funding requirements to meet reserve transfers.

Capital works program of \$6.92 million (\$26.84 million in 2020/21) funded by:

- \$2.15 million from Council operations
- \$2.12 million from reserves
- No borrowings
- \$0.26 million from asset sales
- \$2.39 million from external grants.

I am pleased to present this Budget to the Loddon community and recommend that it be read in conjunction with other key documents including the Revenue and Rating Plan and the Schedule of Fees and Charges.

Phil Pinyon
Chief Executive Officer

ECONOMIC ASSUMPTIONS

	Notes	Forecast	Budget	Projections			Trend +/-
		Actual 2020/21	2021/22	2022/23	2023/24	2024/25	
Rate cap increase	1	2.00%	1.50%	1.50%	1.50%	1.50%	O
Population growth		0.00%	0.00%	0.00%	0.00%	0.00%	O
Investment interest rate		0.25%	0.75%	1.00%	1.00%	1.00%	+
Borrowing interest rate		N/A	N/A	N/A	N/A	N/A	O
Consumer Price Index	2	1.90%	0.70%	0.70%	0.70%	0.70%	O
User fees	3	2.00%	1.50%	1.50%	1.50%	1.50%	O
Grants - recurrent		1.90%	2.00%	2.00%	2.00%	2.00%	O
Grants - non-recurrent		0.00%	0.00%	0.00%	0.00%	0.00%	O
Contributions		0.00%	0.00%	0.00%	0.00%	0.00%	O
Proceeds from sale of assets		Nil	Nil	Nil	Nil	Nil	O
Finance costs		1.90%	0.70%	0.70%	0.70%	0.70%	O
Other revenue		1.90%	0.70%	0.70%	0.70%	0.70%	O
Employee costs	4	3.00%	3.00%	3.00%	3.00%	3.00%	O
Contractors and materials		1.90%	0.70%	0.70%	0.70%	0.70%	O
Utilities	5	5.00%	5.00%	5.00%	5.00%	5.00%	O
Bad and doubtful debts		0.00%	0.00%	0.00%	0.00%	0.00%	O
Depreciation		2.50%	2.50%	2.50%	2.50%	2.50%	O
Other expenses		1.90%	0.70%	0.70%	0.70%	0.70%	O

Notes to assumptions

1 *Rate cap increase* - Council increases the rate cap each year in line with the rate set by the Minister as outlined in the Revenue and Rating Plan.

2 *Consumer Price Index* - Based on the rates published in the December to December year for Melbourne.

3 *User fees* - Council increases the user fees in line with the rate cap set each year set by the Minister and as outlined in the Revenue and Rating Plan.

4 *Employee costs* - Council increases employee costs in line with the current published EA plus 1% allowance for movement within the bands.

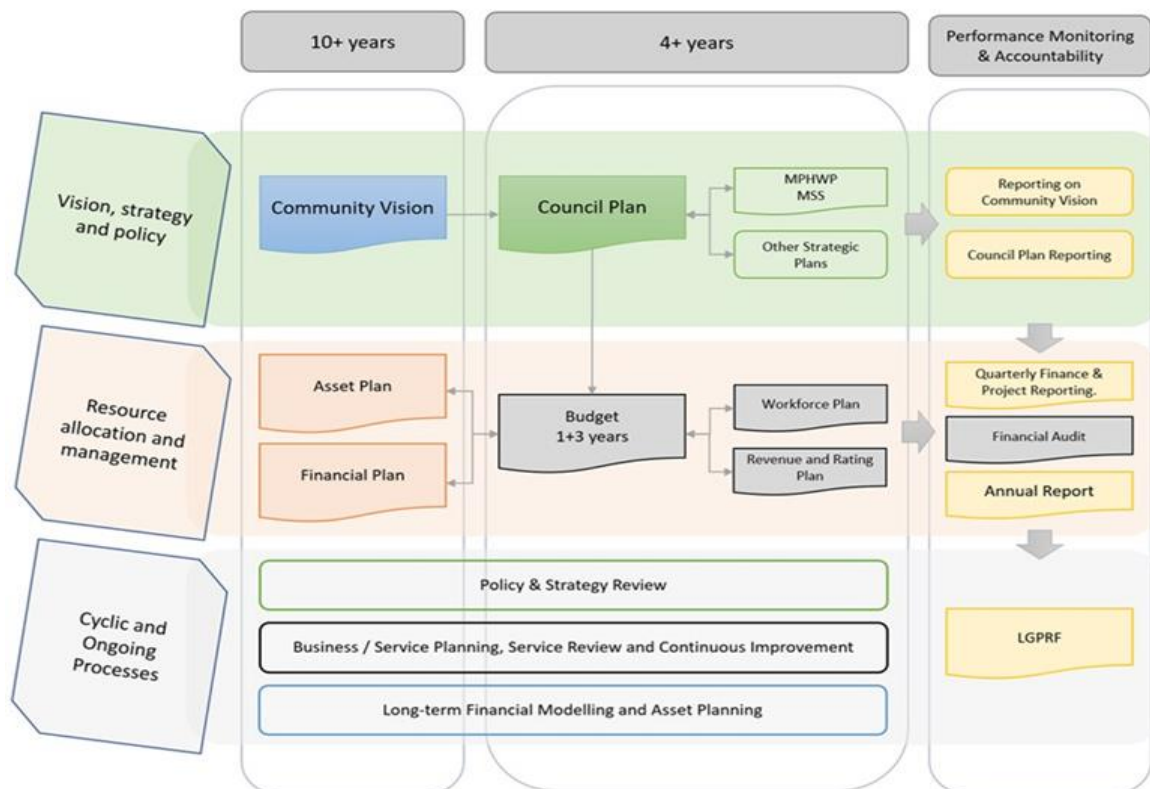
5 *Utilities* - This category is increased by a higher rate in line with increasing costs incurred from utility providers and also to offset increased water charges as a result of streetscape and other recent and planned park beautification projects.

1 LINK TO THE INTEGRATED PLANNING AND REPORTING FRAMEWORK

This section describes how the Budget links to the achievement of the Community Vision and Council Plan within an overall integrated planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision and Financial Plan), medium term (Council Plan, Workforce Plan, and Revenue and Rating Plan) and short term (Budget) and then holding itself accountable (Annual Report).

1.1 Legislative planning and accountability framework

The Budget is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The diagram below depicts the integrated planning and reporting framework that applies to local government in Victoria. At each stage of the integrated planning and reporting framework there are opportunities for community and stakeholder input. This is important to ensure transparency and accountability to both residents and ratepayers.



Source: Department of Job, Precincts and Regions

The timing of each component of the integrated planning and reporting framework is critical to the successful achievement of the planned outcomes.

1. LINK TO THE INTEGRATED PLANNING AND REPORTING FRAMEWORK (Continued)

1.1.2 Key planning considerations - Service level planning

Although councils have a legal obligation to provide some services - such as animal management, local roads, food safety and statutory planning - most council services are not legally mandated, including some services closely associated with councils, such as libraries, building permits and sporting facilities. Further, over time, the needs and expectations of communities can change. Therefore councils need to have robust processes for service planning and review to ensure all services continue to provide value for money and are in line with community expectations. In doing so, councils should engage with communities to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works. Community consultation needs to be in line with a council's adopted Community Engagement Policy and Public Transparency Policy.

1.2 Our purpose

Our vision

"Loddon Shire Council's vision is to be a prosperous, vibrant and engaged community"

Our mission

"Its mission is to enhance the sustainability and liveability of Loddon Shire"

Our values

Leadership

We work towards achieving our vision while demonstrating our values.

Integrity

We are open, honest and fair.

Accountability

We will be consistent and responsible in our actions.

Impartiality

We will make decisions based on being informed without fear, favour or bias.

Respect

We treat everyone with respect and dignity at all times.

1.3 Strategic objectives

The 2017-2021 Council Plan identified five high level strategic themes and strategic objectives. Due to the timing of the development of the budget and Council Plan the strategic themes and strategic objectives for this budget will continue to be the 2017-2021 themes. These are:

Population - Grow and invigorate Loddon's population.

Economic prosperity - Support development of a prosperous and diverse economy.

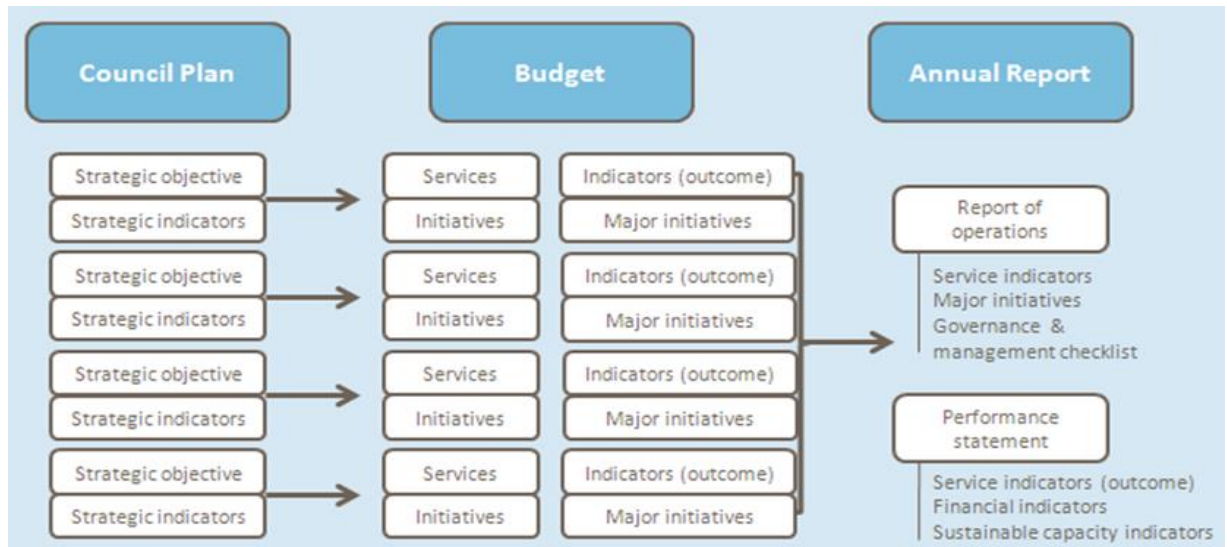
Liveability - Develop attractive, vibrant and well-serviced communities.

Sustainability - Provide leadership which contributes to the sustainability of our region.

High performance organisation - Implement frameworks which enable sound decision making and support a high performing and customer-focused organisation.

2 SERVICES AND SERVICE PERFORMANCE INDICATORS

This section provides a description of the services and initiatives to be funded in the Budget for the 2021/22 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council’s operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Jobs, Precincts and Regions

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic themes and objectives

The following provides a brief outline of the strategic themes and objectives from the Council Plan.

2.1.1 Strategic theme 1 - Population

Objective:

Grow and invigorate Loddon's population

Key priorities:

- a) population growth and diversity - develop a more balanced and sustainable demographic profile
- b) quality childcare services - optimise the potential for all residents to pursue employment opportunities and lifestyle choices
- c) infrastructure, amenities and services - support community needs with high standard infrastructure, facilities, services and programs
- d) attractive housing policies - encourage population growth by improving the ease of transition for new residents
- e) public transport services - improve the mobility and accessibility of residents to lifestyle needs and choices.

Services

Service area	Surplus/(deficit) \$	Income \$	Expenditure \$
Library services	218,018	-	218,018
Aged care services	623,929	1,405,549	2,029,478
Elderly persons units	(15,252)	66,616	51,364
Rural access	-	-	-
Seniors	93,958	11,435	105,393
Municipal health and wellbeing	6,500	1,000	7,500
Maternal and child health	90,046	197,866	287,912
Early years	154,032	51,256	205,288
Boort Pre School	-	124,827	124,827
Dingee Pre School	-	138,736	138,737
Inglewood Pre School	-	119,411	119,412
Pyramid Hill Pre School	-	116,930	116,931
Wedderburn Pre School	-	121,234	121,234
Immunisation	39,475	1,000	40,475
Youth	6,000	24,500	30,500
Building regulation	79,424	84,668	164,092
Total	1,296,129	2,465,030	3,761,161

Major initiatives

- refer to Council Plan

Other initiatives

- refer to Council Plan

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic themes and objectives (continued)

2.1.2 Strategic theme 2 - Economic prosperity

Objective:

Support development of a prosperous and diverse economy

Key priorities:

- a) tourism - realise Loddon's tourism potential by supporting and promoting our natural, historical and cultural assets
- b) economic development - encourage economic development by providing support which facilitates business initiatives and growth
- c) water security - secure adequate water access to maintain the viability of diverse economic activities
- d) economic infrastructure - support the delivery of key public infrastructure that facilitates improved economic returns
- e) business capability - facilitate improvement in the business capabilities of Loddon traders and entrepreneurs.

Services

Service area	Surplus/(deficit) \$	Income \$	Expenditure \$
Economic development	155,547	35,705	191,252
Caravan parks	(68,499)	391,201	322,702
Loddon Discovery Tours	1	24,191	24,192
Tourism	392,662	-	392,662
Roads to recovery	(2,387,726)	2,387,726	-
Roads	4,706,561	1,897,951	6,604,512
DoT Routine Maintenance Contract	(70,741)	510,705	439,964
Total	2,727,804	5,247,480	7,975,284

Major initiatives

- refer to Council Plan

Other initiatives

- refer to Council Plan

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic themes and objectives (continued)

2.1.3 Strategic theme 3 - Liveability

Objective:

Develop attractive, vibrant and well-serviced communities

Key priorities:

- a) township appearance - ensure our townships are presented to a high standard
- b) community engagement - build relationships and foster community engagement, pride and resilience
- c) lifestyle infrastructure - provide quality infrastructure which supports the desired lifestyles of our residents
- d) water security - secure adequate water access with supports lifestyle needs and recreational choices.

Services

Service area	Surplus/(deficit) \$	Income \$	Expenditure \$
Community support	1,218,901	-	1,218,901
Grants and community planning	277,000	-	277,000
Swimming pools	584,638	-	584,638
Council engineering and technical services	215,080	20,349	235,429
Project and contract management	78,151	-	78,151
Local laws and animal management	307,232	67,597	374,829
Public health	110,943	48,502	159,445
Strategic and statutory planning	184,349	76,122	260,471
Air strips	9,239	-	9,239
Building and property maintenance	868,024	2,618	870,642
Plant and fleet	(2,239,046)	140,000	(2,099,046)
Gravel pits	(77,962)	130,185	52,223
Parks and townships	937,141	-	937,141
Total	2,473,689	485,374	2,959,063

Major initiatives

- refer to Council Plan

Other initiatives

- refer to Council Plan

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic themes and objectives (continued)

2.1.4 Strategic theme 4 - Sustainability

Objective:

Provide leadership which contributes to the sustainability of our region

Key priorities:

- a) economic sustainability - ensure the ongoing economic viability of Loddon Shire Council operations
- b) environmental sustainability - deliver adequate, efficient and sustainable environment and waste management services
- c) social sustainability - actively promote policies and activities which facilitate community health, harmony and engagement.

Services

Service area	Surplus/(deficit) \$	Income \$	Expenditure \$
Emergency management	16,508	7,004	23,512
Waste management	(5,137)	1,882,183	1,877,046
Waterways management	59,222	-	59,222
Total	70,593	1,889,187	1,959,780

Major initiatives

- refer to Council Plan

Other initiatives

- refer to Council Plan

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic themes and objectives (continued)

2.1.5 Strategic theme 5 - High performance organisation

Objective:

Implement frameworks which enable sound decision making and support a high performing and customer-focused organisation

Key priorities:

- a) financial management - practise responsible and sustainable financial behaviours
- b) quality customer service - improve communication with community and customers
- c) IT infrastructure - improve internal and external service delivery
- d) leadership and representation - deliver results in line with the direction of Council
- e) organisational development - develop the necessary culture and capabilities to achieve Council's strategic and operational objectives
- f) compliance and reporting - meet our legislative requirements and improve internal efficiencies.

Services

Service area	Surplus/(deficit) \$	Income \$	Expenditure \$
Administration and management	2,886,685	-	2,886,685
Council administration	484,363	50,000	534,363
Media	78,868	-	78,868
Corporate governance	156,199	3,100	159,299
Financial services	7,579,297	3,062,399	10,641,696
Rates and property	(9,844,944)	10,093,037	248,093
Customer service	301,088	-	301,088
Information management	254,152	-	254,152
Information technology	893,475	-	893,475
Human resources and development	646,456	40,280	686,736
Risk management	456,315	82,895	539,210
Management and administration	534,853	-	534,853
Total	4,426,807	13,331,711	17,758,518

Major initiatives

- refer to Council Plan

Other initiatives

- refer to Council Plan

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.2 Service performance outcome indicators

These service performance outcome indicators are those prescribed in accordance with the Regulations and are reported within Council's Performance Statement.

Indicator	Performance measure	Computation
Governance		
Satisfaction	Satisfaction with Council Decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the
Statutory planning		
Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Roads		
Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads
Libraries		
Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Waste collection		
Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Aquatic facilities		
Utilisation	Utilisation of aquatic facilities (The number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Animal management		
Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.3 Service performance outcome indicators (continued)

Indicator	Performance measure	Computation
Food safety		
Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100
Maternal and child health		
Participation	Participation in the MCH service (percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100
Participation	Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100

2.4 Reconciliation with budgeted operating result

Activity	Surplus/(deficit) \$	Income \$	Expenditure \$
Administration and management	2,886,685	-	2,886,685
Economic development	155,547	35,705	191,252
Council administration	484,363	50,000	534,363
Library services	218,018	-	218,018
Media	78,868	-	78,868
Caravan parks	(68,499)	391,201	322,702
Loddon Discovery Tours	1	24,191	24,192
Tourism	392,662	-	392,662
Aged care services	623,929	1,405,549	2,029,478
Elderly persons units	(15,252)	66,616	51,364
Rural access	-	-	-
Seniors	93,958	11,435	105,393
Community support	1,218,901	-	1,218,901
Community planning - Boort	-	-	-
Community planning - Inglewood	-	-	-
Community planning - Tarnagulla	-	-	-
Community planning - Terricks	-	-	-
Community planning - Wedderburn	-	-	-
Emergency management	16,508	7,004	23,512

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.4 Reconciliation with budgeted operating result (continued)

Activity	Surplus/(deficit) \$	Income \$	Expenditure \$
Grants and community planning	277,000	-	277,000
Municipal health and wellbeing	6,500	1,000	7,500
Swimming pools	584,638	-	584,638
Maternal and child health	90,046	197,866	287,912
Early years	154,032	51,256	205,288
Boort Pre School	-	124,827	124,827
Dingee Pre School	-	138,736	138,737
Inglewood Pre School	-	119,411	119,412
Pyramid Hill Pre School	-	116,930	116,931
Wedderburn Pre School	-	121,234	121,234
Immunisation	39,475	1,000	40,475
Youth	6,000	24,500	30,500
Corporate governance	156,199	3,100	159,299
Financial services	(2,329,162)	3,062,399	733,237
Rates and property	189,499	58,594	248,093
Customer service	301,088	-	301,088
Information management	254,152	-	254,152
Information technology	893,475	-	893,475
Human resources and development	646,456	40,280	686,736
Risk management	456,315	82,895	539,210
Council engineering and technical services	215,080	20,349	235,429
Project and contract management	78,151	-	78,151
Roads to recovery	(2,387,726)	2,387,726	-
Building regulation	79,424	84,668	164,092
Local laws and animal management	307,232	67,597	374,829
Public health	110,943	48,502	159,445
Strategic and statutory planning	184,349	76,122	260,471
Air strips	9,239	-	9,239
Building and property maintenance	868,024	2,618	870,642
Plant and fleet	(2,239,046)	140,000	(2,099,046)
Gravel pits	(77,962)	130,185	52,223
Management and administration	534,853	-	534,853
Parks and townships	937,141	-	937,141
Roads	4,706,561	1,897,951	6,604,512
DoT Routine Maintenance Contract	(70,741)	510,705	439,964
Waste management	1,802,239	74,807	1,877,046
Waterways management	59,222	-	59,222
Total	12,928,383	11,576,962	24,505,347
Expenses added in:			
Depreciation			9,908,459
Surplus/(deficit) before funding sources			22,836,842
Funding sources added in:			
Rates and charges revenue			(10,034,443)
Waste charge revenue			(1,807,376)
Operating surplus/(deficit) for the year			10,995,023

3 FINANCIAL STATEMENTS

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2021/22 has been supplemented with projections to 2024/25.

This section includes the following financial statements prepared in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources
- 3.7 Statement of Reserves

3.1 COMPREHENSIVE INCOME STATEMENT FOR THE FOUR YEARS ENDED 30 JUNE 2025

	NOTES	Forecast	Budget	Projections		
		Actual 2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
Income						
Rates and charges	4.1.1	11,520,410	11,841,819	11,877,398	12,064,026	12,253,611
Statutory fees and fines	4.1.2	334,432	279,467	281,416	283,377	285,353
User fees	4.1.3	1,510,543	1,496,306	1,507,673	1,531,878	1,556,663
Grants - operating	4.1.4	13,674,896	6,350,499	11,017,608	11,096,376	11,175,725
Grants - capital	4.1.4	13,076,677	2,387,726	3,470,226	4,393,559	2,990,445
Contributions - monetary	4.1.5	490,000	-	40,000	-	-
Reimbursements	4.1.6	297,411	252,259	233,996	234,899	235,809
Regional Roads Victoria	4.1.7	512,033	510,705	517,646	521,271	524,920
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		-	-	-	-	-
Other income	4.1.8	295,000	300,000	325,000	325,000	325,000
Total income		41,711,402	23,418,781	29,270,963	30,450,386	29,347,526
Expenses						
Employee costs	4.1.9	13,911,405	13,649,014	13,884,095	14,170,295	14,561,317
Materials and services	4.1.10	15,183,159	10,519,882	9,872,150	9,855,008	10,410,054
Bad and doubtful debts		-	-	-	-	-
Depreciation	4.1.11	9,666,789	9,908,459	10,156,219	10,410,068	10,670,298
Borrowing costs		-	-	-	-	-
Finance costs - leases		-	-	-	-	-
Other expenses	4.1.12	334,239	336,449	338,682	340,927	343,189
Total expenses		39,095,592	34,413,804	34,251,146	34,776,298	35,984,858
Surplus/(deficit) for the year		2,615,810	(10,995,023)	(4,980,183)	(4,325,912)	(6,637,332)
Other comprehensive income						
Other comprehensive income		-	-	-	-	-
Total comprehensive result		2,615,810	(10,995,023)	(4,980,183)	(4,325,912)	(6,637,332)

3 FINANCIAL STATEMENTS (Continued)

3.2 BALANCE SHEET FOR THE FOUR YEARS ENDED 30 JUNE 2025

	NOTES	Forecast	Budget	Projections		
		Actual 2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
Assets						
Current assets						
Cash and cash equivalents		15,997,678	8,685,966	3,532,563	(822,972)	(4,309,091)
Trade and other receivables		813,339	447,117	563,886	587,384	565,236
Other financial assets		2,979,650	2,979,650	2,979,650	2,979,650	2,979,650
Inventories		25,443	24,171	22,962	21,814	20,723
Non-current assets classified as held for sale		540,076	540,076	540,076	540,076	540,076
Total current assets	4.2.1	20,356,186	12,676,980	7,639,137	3,305,952	(203,406)
Non-current assets						
Trade and other receivables		-	-	-	-	-
Property, infrastructure, plant and equipment		390,469,674	398,955,092	411,202,119	423,794,188	433,655,748
Right of use assets		-	-	-	-	-
Intangible assets		276,604	276,604	276,604	276,604	276,604
Total non-current assets	4.2.1	390,746,278	399,231,696	411,478,723	424,070,792	433,932,352
Total assets		411,102,464	411,908,676	419,117,860	427,376,744	433,728,946
Liabilities						
Current liabilities						
Trade and other payables		514,245	373,586	354,592	355,284	373,249
Trust funds and deposits		338,561	321,633	305,551	290,274	276,760
Provisions		2,476,204	2,399,811	2,319,783	2,237,980	2,153,796
Interest bearing loans and borrowings	4.2.4	-	-	-	-	-
Lease liabilities		-	-	-	-	-
Total current liabilities	4.2.2	3,329,010	3,095,030	2,979,926	2,883,538	2,803,805
Non-current liabilities						
Provisions		2,081,495	2,386,417	2,706,033	3,034,952	3,375,191
Interest bearing loans and borrowings	4.2.4	-	-	-	-	-
Lease liabilities		-	-	-	-	-
Total non-current liabilities	4.2.2	2,081,495	2,386,417	2,706,033	3,034,952	3,375,191
Total liabilities		5,410,505	5,481,447	5,685,959	5,918,490	6,178,996
NET ASSETS		405,691,959	406,427,229	413,431,901	421,458,254	427,549,950
Equity						
Accumulated surplus		104,663,508	98,721,758	94,907,695	91,196,040	84,347,155
Asset revaluation reserve		289,339,078	301,069,371	313,054,226	325,406,491	338,136,519
Other reserves		11,689,373	6,636,100	5,469,980	4,855,723	5,067,276
TOTAL EQUITY	4.2.4	405,691,959	406,427,229	413,431,901	421,458,254	427,550,950

3 FINANCIAL STATEMENTS (Continued)

3.3 STATEMENT OF CHANGES IN EQUITY FOR THE FOUR YEARS ENDED 30 JUNE 2025

2021 Forecast Actual	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	379,179,745	90,213,334	265,442,674	23,523,737
Surplus/ (deficit) for the year	2,615,810	2,615,810	-	-
Net asset revaluation increment / (decrement)	23,896,404	-	23,896,404	-
Transfer to other reserves	-	(7,086,940)	-	7,086,940
Transfer from other reserves	-	18,921,307	-	(18,921,307)
Balance at end of financial year	405,691,959	104,663,511	289,339,078	11,689,370

2022 Budget	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	405,691,959	104,663,508	289,339,078	11,689,373
Surplus/ (deficit) for the year	(10,995,023)	(10,995,023)	-	-
Net asset revaluation increment / (decrement)	11,730,293	-	11,730,293	-
Transfer to other reserves	-	(1,944,500)	-	1,944,500
Transfer from other reserves	-	6,987,773	-	(6,987,773)
Balance at end of financial year	406,427,229	98,711,758	301,069,371	6,646,100

2023 Projection	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	406,427,229	98,711,758	301,069,371	6,646,100
Surplus/ (deficit) for the year	(4,980,183)	(4,980,183)	-	-
Net asset revaluation increment / (decrement)	11,984,855	-	11,984,855	-
Transfer to other reserves	-	(2,229,224)	-	2,229,224
Transfer from other reserves	-	2,470,734	-	(2,470,734)
Balance at end of financial year	413,431,901	93,973,085	313,054,226	6,404,590

2024 Projection	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	413,431,901	93,973,085	313,054,226	6,404,590
Surplus/ (deficit) for the year	(4,325,912)	(4,325,912)	-	-
Net asset revaluation increment / (decrement)	12,352,265	-	12,352,265	-
Transfer to other reserves	-	(2,125,629)	-	2,125,629
Transfer from other reserves	-	1,798,628	-	(1,798,628)
Balance at end of financial year	421,458,254	89,320,173	325,406,491	6,731,591

2025 Projection	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	421,458,254	89,320,173	325,406,491	6,731,591
Surplus/ (deficit) for the year	(6,637,332)	(6,637,332)	-	-
Net asset revaluation increment / (decrement)	12,730,028	-	12,730,028	-
Transfer to other reserves	-	(2,046,311)	-	2,046,311
Transfer from other reserves	-	1,896,987	-	(1,896,987)
Balance at end of financial year	427,550,950	82,533,518	338,136,519	6,880,915

3 FINANCIAL STATEMENTS (Continued)

3.4 STATEMENT OF CASH FLOWS FOR THE FOUR YEARS ENDED 30 JUNE 2025

	NOTES	Forecast	Budget 2021/22 \$	Projections		
		Actual 2020/21 \$		2022/23 \$	2023/24 \$	2024/25 \$
Cash flows from operating activities						
Receipts						
Rates and charges		11,369,005	12,233,872	11,898,495	12,090,435	12,326,060
Statutory fees and fines		357,419	321,442	275,483	286,695	293,275
User fees		1,665,700	1,689,966	1,485,806	1,551,941	1,597,763
Grants - operating		13,948,394	6,477,509	11,237,960	11,318,304	11,399,240
Grants - capital		12,715,593	2,435,481	3,539,631	4,481,430	3,050,254
Contributions - monetary		499,800	-	40,800	-	-
Interest received		340,475	300,000	325,000	325,000	325,000
Trust funds and deposits taken		-	-	-	-	-
Other receipts		858,974	778,223	766,675	771,293	775,944
Net GST refund/payment		(166,317)	(141,370)	(120,165)	(102,140)	(86,819)
Operating receipts		41,589,043	24,095,123	29,449,685	30,722,958	29,680,717
Payments						
Employee costs		(12,388,176)	(11,853,406)	(12,065,628)	(12,306,902)	(12,648,048)
Materials and services		(16,756,406)	(12,560,956)	(11,787,758)	(11,789,132)	(12,383,039)
Trust funds and deposits repaid		(17,819)	(16,928)	(16,082)	(15,277)	(14,514)
Short-term, low value and variable lease payments		-	-	-	-	-
Other payments		(311,110)	(313,162)	(315,228)	(317,309)	(319,405)
Operating payments		(29,473,511)	(24,744,452)	(24,184,696)	(24,428,620)	(25,365,006)
Net cash provided by/(used in) operating activities	4.4.1	12,115,532	(649,329)	5,264,989	6,294,338	4,315,711
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(26,445,468)	(6,663,583)	(10,418,392)	(10,649,873)	(7,801,830)
Decrease in term deposits		-	-	-	-	-
Loans and advances made		-	-	-	-	-
Payments of loans and advances		1,168	1,200	-	-	-
Net cash provided by/(used in) investing activities	4.4.2	(26,444,300)	(6,662,383)	(10,418,392)	(10,649,873)	(7,801,830)
Cash flows from financing activities						
Finance costs		-	-	-	-	-
Repayment of lease liabilities		-	-	-	-	-
Net cash provided by (used in) financing activities	4.4.3	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents		(14,328,768)	(7,311,712)	(5,153,403)	(4,355,535)	(3,486,119)
Cash and cash equivalents at the beginning of the year		30,326,446	15,997,678	8,685,966	3,532,563	(822,972)
Cash and cash equivalents at the end of the year		15,997,678	8,685,966	3,532,563	(822,972)	(4,309,091)

3 FINANCIAL STATEMENTS (Continued)

3.5 STATEMENT OF CAPITAL WORKS FOR THE FOUR YEARS ENDED 30 JUNE 2025

	NOTES	Forecast	Budget	Projections		
		Actual 2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
Capital works areas						
Land and buildings		2,929,877	277,500	1,512,500	1,702,500	407,500
Office furniture and equipment		185,000	175,000	120,000	128,000	128,000
Plant and equipment		1,703,140	1,427,920	2,498,233	1,960,104	1,706,155
Footpaths		1,405,444	240,814	242,178	220,510	216,343
Roadworks		10,201,868	3,069,204	3,592,167	3,762,656	3,810,221
Urban and road drainage		3,262,164	350,000	380,000	520,000	350,000
Recreation, leisure and community facilities		5,165,611	1,330,000	2,040,000	1,650,000	750,000
Parks, open space and streetscapes		1,989,091	50,000	538,000	1,023,500	865,500
Other infrastructure		-	-	-	-	-
Total capital works	4.5.1	26,842,195	6,920,438	10,923,078	10,967,270	8,233,719
Represented by:						
New asset expenditure		2,666,462	1,602,920	2,618,233	2,088,104	1,834,155
Asset renewal expenditure		14,363,665	3,987,518	5,202,345	5,590,166	4,884,064
Asset expansion expenditure		6,126,623	100,000	1,722,500	1,669,000	765,500
Asset upgrade expenditure		3,685,445	1,230,000	1,380,000	1,620,000	750,000
Total capital works expenditure		26,842,195	6,920,438	10,923,078	10,967,270	8,233,719

	Forecast	Budget	Projections		
	Actual 2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
Expenditure type					
Labour	313,226	248,001	359,319	386,460	395,019
Creditors	10,810,399	4,240,157	7,049,083	6,325,353	4,609,376
Contractors	15,718,570	2,432,280	3,514,676	4,255,457	3,229,324
Total capital works expenditure	26,842,195	6,920,438	10,923,078	10,967,270	8,233,719

	Forecast	Budget	Projections		
	Actual 2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
Funding sourced represented by					
Grants / contributions	8,846,921	2,387,726	3,510,226	4,393,559	2,990,445
Council cash	3,894,538	2,155,843	3,334,619	3,335,607	3,071,619
Reserves	13,704,009	2,120,015	3,573,546	2,920,706	1,739,766
Sale of assets	396,727	256,854	504,687	317,398	431,889
Total capital works expenditure	26,842,195	6,920,438	10,923,078	10,967,270	8,233,719

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES FOR THE FOUR YEARS ENDED 30 JUNE 2025

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Projections		
			2022/23 \$	2023/24 \$	2024/25 \$
Staff expenditure					
Employee labour - operating	13,598,179	13,401,013	13,524,776	13,783,835	14,166,298
Employee labour - capital	313,226	248,001	359,319	386,460	395,019
Total staff expenditure*	13,911,405	13,649,014	13,884,095	14,170,295	14,561,317
Staff numbers EFT**	EFT	EFT	EFT	EFT	EFT
Employees	143.17	145.72	145.72	145.72	145.72
Total staff numbers EFT	143.17	145.72	145.72	145.72	145.72

* Excludes employee oncost

** Equivalent Full Time

A summary of human resources expenditure categories according to the organisation structure of Council is included below:

Directorate	Budget 2021/22	Permanent Full Time	Permanent Part Time
Staff cost			
Executive and commercial services	1,410,049	1,020,953	389,096
Community wellbeing	3,356,143	958,869	2,397,274
Corporate services	1,959,501	1,468,503	490,998
Operations	6,675,320	6,259,873	415,447
Total permanent staff expenditure	13,401,013	9,708,198	3,692,814
Casuals and other expenditure	-		
Capitalised labour costs	248,001		
Total expenditure	13,649,014		

A summary of the number of equivalent full time (EFT) Council staff in relation to the above expenditure is included below:

Department	Budget 2021/22	Permanent Full Time	Permanent Part Time
Staff EFT			
Executive and commercial services	9.88	6.00	3.88
Community wellbeing	37.58	9.00	28.58
Corporate services	19.72	14.00	5.72
Operations	73.54	69.00	4.54
Total permanent staff EFT	140.72	98.00	42.72
Casuals and other	0.00		
Capitalised labour	5.00		
Total EFT	145.72		

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES (Continued)
FOR THE FOUR YEARS ENDED 30 JUNE 2025

	Budget 2021/22 \$	Projections		
		2022/23 \$	2023/24 \$	2024/25 \$
Executive and commercial services				
Permanent - Full time				
- Female	588,194	605,840	624,015	642,735
- Male	432,759	445,742	459,114	472,887
Permanent - Part time				
- Female	340,358	350,569	361,086	371,918
- Male	48,738	50,200	51,706	53,258
Total executive and commercial services	1,410,049	1,452,351	1,495,921	1,540,799
Community support				
Permanent - Full time				
- Female	518,541	534,097	550,120	566,623
- Male	440,328	453,538	467,144	481,158
Permanent - Part time				
- Female	2,203,944	2,270,063	2,338,164	2,408,309
- Male	193,330	199,130	205,104	211,257
Total community support	3,356,143	3,456,827	3,560,532	3,667,348
Corporate services				
Permanent - Full time				
- Female	945,657	974,027	1,003,248	1,033,345
- Male	522,846	538,531	554,687	571,328
Permanent - Part time				
- Female	490,998	505,727	520,899	536,526
- Male	-	-	-	-
Total corporate services	1,959,501	2,018,286	2,078,834	2,141,199
Operations				
Permanent - Full time				
- Female	461,878	475,734	490,006	504,706
- Male	5,797,995	6,052,987	6,104,254	6,253,295
Permanent - Part time				
- Female	307,479	316,703	326,204	335,991
- Male	107,968	111,207	114,543	117,979
Total operations	6,675,320	6,956,631	7,035,007	7,211,971
Casuals, temporary and other expenditure	-	-	-	-
Capitalised labour costs	248,001	359,319	386,460	395,019
Total staff expenditure	13,649,014	13,884,095	14,170,295	14,561,317

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES (Continued)
FOR THE FOUR YEARS ENDED 30 JUNE 2025

	Budget 2021/22 EFT	Projections		
		2022/23 EFT	2023/24 EFT	2024/25 EFT
Executive and commercial services				
Permanent - Full time				
- Female	4.00	4.00	4.00	4.00
- Male	2.00	2.00	2.00	2.00
Permanent - Part time				
- Female	3.42	3.42	3.42	3.42
- Male	0.46	0.46	0.46	0.46
Total executive and commercial services	9.88	9.88	9.88	9.88
Community support				
Permanent - Full time				
- Female	5.00	5.00	5.00	5.00
- Male	4.00	4.00	4.00	4.00
Permanent - Part time				
- Female	26.34	26.34	26.34	26.34
- Male	2.24	2.24	2.24	2.24
Total community support	37.58	37.58	37.58	37.58
Corporate services				
Permanent - Full time				
- Female	9.00	9.00	9.00	9.00
- Male	5.00	5.00	5.00	5.00
Permanent - Part time				
- Female	5.72	5.72	5.72	5.72
- Male	0.00	0.00	0.00	0.00
Total corporate services	19.72	19.72	19.72	19.72
Operations				
Permanent - Full time				
- Female	5.00	5.00	5.00	5.00
- Male	64.00	64.00	64.00	64.00
Permanent - Part time				
- Female	3.16	3.16	3.16	3.16
- Male	1.39	1.39	1.39	1.39
Total operations	73.54	73.54	73.54	73.54
Casuals, temporary and other expenditure	0.00	0.00	0.00	0.00
Capitalised labour costs	5.00	5.00	5.00	5.00
Total staff expenditure	145.72	145.72	145.72	145.72

3 FINANCIAL STATEMENTS (Continued)

**3.7 STATEMENT OF RESERVES
 FOR THE FOUR YEARS ENDED 30 JUNE 2025**

	NOTES	Forecast	Budget	Projections		
		Actual 2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
Discretionary						
Capital expenditure reserve		-	-	-	-	-
Caravan park development reserve		97,072	158,072	97,273	4,552	59,778
Community planning reserve		771,000	771,000	771,000	771,000	771,000
Gravel and sand pit reserve		400,000	400,000	400,000	400,000	400,000
Heritage loan scheme reserve		100,000	100,000	100,000	100,000	100,000
Land and buildings reserve		455,274	575,274	295,274	295,274	340,274
Lake Boort water reserve		14,069	14,069	14,069	14,069	14,069
Major projects reserve		153,996	153,996	153,996	153,996	153,996
Reserves improvement reserve		100,000	100,000	100,000	100,000	100,000
Superannuation liability reserve		1,200,000	1,000,000	1,000,000	1,000,000	1,000,000
Unightly premises enforcement reserve		100,000	100,000	100,000	100,000	100,000
Unspent contributions reserve		-	-	-	-	-
Unspent grants reserve		4,617,310	-	-	-	-
Waste management reserve		300,000	300,000	300,000	300,000	300,000
Boundary and township signage		100,000	100,000	100,000	100,000	100,000
Economic development reserve		214,535	179,535	114,535	(11,465)	102,535
Fleet replacement reserve		563,334	680,714	619,845	633,104	550,293
Information technology reserve		668,123	506,226	506,226	506,226	506,226
Plant replacement reserve		1,488,281	1,354,835	639,383	224,588	298,726
Professional development reserve		15,616	21,616	27,619	33,619	39,619
Swimming pool major projects reserve		200,000	-	-	-	-
Units reserve		60,000	60,000	60,000	60,000	60,000
Urban drainage reserve		70,760	70,760	70,760	70,760	70,760
Total discretionary reserves	4.3.2	11,689,370	6,646,097	5,469,980	4,855,723	5,067,276

4 NOTES TO THE FINANCIAL STATEMENTS

This section presents detailed information on material components of the financial statements. Council needs to assess which components are material, considering the dollar amounts and nature of these components.

4.1 Comprehensive income statement

4.1.1 Rates and charges

Rates and charges are required by the Act and Regulations to be disclosed in Council's budget.

As per the Local Government Act 2020, Council is required to have a Revenue and Rating Plan which is a four year plan for how Council will generate income to deliver the Council Plan, program and services and capital works commitments over a four-year period.

In developing the Budget, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the financial planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2021/22 the FGRS cap has been set at 1.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 1.5% in line with the rate cap.

This will raise total rates and charges for 2021/22 of \$11.84 million.

4.1.1 (a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	Forecast Actual 2021/22 \$	Budget 2020/21 \$	Change \$	Change %
General rates*	8,610,070	8,721,118	111,048	1.3%
Municipal charge*	1,276,081	1,313,325	37,244	2.9%
Garbage charge	1,201,281	1,331,810	130,529	10.9%
Kerbside recycling charge	432,978	475,566	42,588	9.8%
Total rates and charges	11,520,410	11,841,819	321,409	2.8%
Interest on rates and charges	20,000	25,000	5,000	25.0%

* These items are subject to the rate cap established under the FGRS.

4.1.1 (b) The rate in the dollar to be levied as general rates under Section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2020/21 cents/\$CIV	2021/22 cents/\$CIV	Change
General	0.3928	0.3579	-8.9%
Rural	0.3457	0.3150	-8.9%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.1 (c) The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

Type or class of land	2020/21 \$	2021/22 \$	Change
General	2,508,770	2,528,635	0.8%
Rural	6,055,651	6,192,483	2.3%
Total amount to be raised by rates	8,564,421	8,721,118	1.8%

4.1.1 (d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	2020/21 number	2021/22 number	Change
General	4,248	4,329	1.9%
Rural	3,585	3,594	0.3%
Total number of assessments	7,833	7,923	1.1%

4.1.1 (e) The basis of valuation is the Capital Improved Value (CIV).

4.1.1 (f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2020/21 \$	2021/22 \$	Change
General	638,611,200	706,447,400	10.6%
Rural	1,751,676,500	1,965,965,700	12.2%
Total value of land	2,390,287,700	2,672,413,100	11.8%

4.1.1 (g) The municipal charge under Section 159 of the Act compared with the previous financial year

Type of charge	Per rateable property 2020/21 \$	Per rateable property 2021/22 \$	Change
Municipal	221	225	1.8%

4.1.1 (h) The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of charge	2020/21 \$	2021/22 \$	Change
Municipal	1,269,866	1,313,325	3.4%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.1 (i) The rate or unit amount to be levied for each type or service rate or charge under Section 162 of the Act compared with the previous financial year

Type of charge	Per rateable property 2020/21 \$	Per rateable property 2021/22 \$	Change
Garbage collection 140 litre	322	354	9.9%
Garbage collection 240 litre	437	481	10.1%
Kerbside recycling 240 litre	122	134	9.8%

4.1.1 (j) The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

Type of charge	2020/21 \$	2021/22 \$	Change
Garbage charge	1,195,816	1,331,810	11.4%
Kerbside recycling charge	430,904	475,566	10.4%
Total	1,626,720	1,807,376	11.1%

4.1.1 (k) The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2020/21 \$	2021/22 \$	Change
General rates	8,610,070	8,721,118	1.3%
Municipal charge	1,276,081	1,313,325	2.9%
Garbage and kerbside recycling charge	1,634,259	1,807,376	10.6%
Total rates and charges	11,520,410	11,841,819	2.8%

4.1.1 (l) Fair Go Rates System Compliance

Loddon Shire Council is fully compliant with the State Government's Fair Go Rates System. The table below details the budget assumptions consistent with the requirements of the Fair Go Rates System.

	2020/21 \$	2021/22 \$
Total rates base	9,641,458	9,886,151
Number of rateable properties	7,833	7,923
Base average rate	1,230.88	1,247.78
Maximum rate increase (set by State Government)	2.00%	1.50%
Capped average rate	1,255.49	1,266.50
Maximum general rates and municipal charges revenue	9,834,287	10,034,443
Budgeted general rates and municipal charges revenue	9,834,287	10,034,443

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.1 (m) Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- the making of supplementary valuations
- the variation of returned levels of value (e.g. valuation objections)
- changes in use of land such that rateable land becomes non-rateable land and vice versa
- changes in use of land such that general rateable land becomes rural rateable land and vice versa.

4.1.1 (n) Differential rates

The existing rating structure comprises one differential rate (rural properties) and a rate for general properties (residential and commercial). These rates are structured in accordance with the requirements of Section 161 "Differential Rates" of the Local Government Act.

The rate and amount of rates payable in relation to land in each category of differential are:

- a general rate of 0.3579 cents in the dollar of CIV for all rateable general properties
- a rural rate of 0.3150 cents in the dollar of CIV for all rateable rural properties.

Each differential rate will be determined by multiplying the Capital Improved Value of the rateable land by the relevant cents in the dollar indicated above.

For the 2021/22 Budget, Council has defined a differential rate split of 12%, with rural rates having a rate in the dollar of 88% of the general rate. Council considers this as a fair allocation of rates across property types.

Under the Cultural and Recreation Lands Act 1963, provision is made for a Council to grant a rating concession to any "recreational lands" which meet the test of being "rateable land" under the Local Government Act 1989. Council has exempted all rateable recreation land from the payment of rates.

4.1.2 Statutory fees and fines

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
Rates and property	13,592	13,687	95	0.7%
Risk management	11,558	11,639	81	0.7%
Building regulation	80,114	80,668	554	0.7%
Local laws and animal management	54,545	54,926	381	0.7%
Public health	49,030	42,425	(6,605)	-13.5%
Strategic and statutory planning	125,593	76,122	(49,471)	-39.4%
Total statutory fees and fines	334,432	279,467	(5,494)	-16.4%

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include Public Health and Wellbeing Act 2008 registrations, Planning and Environment Act 1987 registrations, Building Act 1993 registrations, the Country Fire Authority Act 1958 registrations, and Domestic (Feral and Nuisance) Animals Act 1994 registrations. Increases in statutory fees are made in accordance with legislative requirements.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.3 User fees

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
Economic development	37,946	35,705	(2,241)	-5.9%
Caravan parks	388,482	391,201	2,719	0.7%
Loddon Discovery Tours	24,023	24,191	168	0.7%
Tourism	10,710	-	(10,710)	-100.0%
Aged care services	483,647	517,227	33,580	6.9%
Elderly persons units	66,616	66,616	-	0.0%
Seniors	8,800	8,835	35	0.4%
Emergency management	6,955	7,004	49	0.7%
Municipal health and wellbeing	1,500	1,000	(500)	-33.3%
Early years	2,300	2,300	-	0.0%
Pre-schools	157,479	127,380	(30,099)	-19.1%
Corporate governance	2,601	3,100	499	19.2%
Financial services	3,045	3,066	21	0.7%
Human resources and development	40,280	40,280	-	0.0%
Risk management	3,969	3,997	28	0.7%
Council engineering and technical services	20,208	20,349	141	0.7%
Building regulation	4,000	4,000	-	0.0%
Building and property maintenance	2,500	2,618	118	4.7%
Gravel pits	93,667	130,185	36,518	39.0%
Roads	39,697	39,975	278	0.7%
Waste management	112,118	67,277	(44,841)	-40.0%
Total user fees	1,510,543	1,496,306	(14,237)	-0.9%

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include home and community care services, caravan park fees, gravel pit fees and royalties, Loddon Discovery Tour fees, rental from Council owned properties, and private works. A detailed listing of statutory fees and Council charges is available on Council's web site and can also be inspected at Council's customer service centre. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases do not exceed CPI increases or market levels. Council has many varied sources of user charges.

4.1.4 Grants

Grants are required by the Act and Regulations to be disclosed in Council's annual budget.

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	11,907,055	6,930,037	(4,977,018)	-41.8%
State funded grants	14,844,518	1,808,188	(13,036,330)	-87.8%
Total grants received	26,751,573	8,738,225	(18,013,348)	-67.3%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.4 Grants (Continued)

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
(a) Operating grants				
Recurrent - Commonwealth Government				
VLGGC - local roads	3,658,345	1,782,978	(1,875,367)	-51.3%
VLGGC - general	5,484,408	2,759,333	(2,725,075)	-49.7%
Recurrent - State Government				
Aged care services	853,461	888,325	34,864	4.1%
Seniors	51,493	2,600	(48,893)	-95.0%
Maternal and child health	197,491	197,866	375	0.2%
Early years	45,810	48,956	3,146	6.9%
Pre-schools	466,757	469,849	3,092	0.7%
Immunisation	-	1,000	1,000	#DIV/0!
Youth	24,500	24,500	-	0.0%
Rates and property	44,595	44,907	312	0.7%
Human resources and development	2,500	-	(2,500)	-100.0%
Risk management	-	5,000	5,000	#DIV/0!
Local laws and animal management	12,583	12,671	88	0.7%
Public health	6,032	6,074	42	0.7%
Roads	75,000	75,000	-	0.0%
Waste management	7,477	7,529	52	0.7%
Waterways management	11,220	-	(11,220)	-100.0%
Total recurrent grants	10,941,672	6,326,588	- 4,615,084	-42.2%
Non-recurrent State Government				
Administration and management	1,092,908	-	(1,092,908)	-100.0%
Economic development	10,000	-	(10,000)	-100.0%
Aged care services	2,500	-	(2,500)	-100.0%
Community support	132,770	-	(132,770)	-100.0%
Grants and community planning	162,000	-	(162,000)	-100.0%
Early years	7,167	-	(7,167)	-100.0%
Pre-schools	-	23,911	23,911	#DIV/0!
Human resources and development	72,000	-	(72,000)	-100.0%
Risk management	45,599	-	(45,599)	-100.0%
Project and contact management	800,000	-	(800,000)	-100.0%
Local laws and animal management	250,000	-	(250,000)	-100.0%
Waste management	8,280	-	(8,280)	-100.0%
Waterways management	150,000	-	(150,000)	-100.0%
Total non-recurrent grants	2,733,224	23,911	(2,709,313)	-99.1%
Total operating grants	13,674,896	6,350,499	- 7,324,397	-53.6%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.4 Grants (Continued)

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
(b) Capital grants				
Recurrent - Commonwealth Government				
Roads to Recovery	2,764,302	2,387,726	(376,576)	-13.6%
Recurrent - State Government				
Nil	-	-	-	0.0%
Total - recurrent capital grants	2,764,302	2,387,726	(376,576)	-13.6%
Non-recurrent - Commonwealth Government				
Nil	-	-	-	0.0%
Non-recurrent - State Government				
Caravan parks	611,809	-	(611,809)	-100.0%
Grants and community planning	2,624,670	-	(2,624,670)	-100.0%
Projects and contract management	7,025,896	-	(7,025,896)	-100.0%
Waste management	50,000	-	(50,000)	-100.0%
Total - non-recurrent capital grants	10,312,375	-	(10,312,375)	-100.0%
Total - capital grants	13,076,677	2,387,726	(10,688,951)	-81.7%

Operating Grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers.

Capital Grants include all monies received from State and Federal sources for the purposes of funding the capital works program.

4.1.5 Contributions

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
Monetary	490,000	-	(490,000)	100.0%
Non-monetary	-	-	-	0.0%
Total contributions	490,000	-	490,000	100.0%

Contributions relate to monies paid by community groups and external parties towards capital and recurrent related projects.

4.1.6 Reimbursements

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
Council administration	50,000	50,000	-	0.0%
Risk management	107,411	62,259	(45,152)	-42.0%
Plant and fleet	140,000	140,000	-	0.0%
Total reimbursements	297,411	252,259	(45,152)	-15.2%

Reimbursements include diesel fuel rebates from the Taxation Office, insurance rebates, Workcover reimbursements, and training reimbursements.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.7 Regional Roads Victoria

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
Approved maintenance	6,644	20,523	13,879	208.9%
Provisional sum items	9,453	12,738	3,285	34.8%
Routine maintenance	495,936	477,444	(18,492)	-3.7%
Total Regional Roads Victoria	512,033	510,705	(1,328)	-0.3%

Council's contract with Regional Roads Victoria includes an "as of right" amount for routine maintenance works.

4.1.8 Other income

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
Interest	275,000	275,000	-	0.0%
Reversal of impairment losses	-	-	-	0.0%
Total other income	275,000	275,000	-	0.0%

Other income relates to a range of items such as interest revenue on investments and rate arrears.

4.1.9 Employee costs

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
Wages and salaries	12,287,261	12,052,504	(234,757)	-1.9%
Workcover	296,177	311,500	15,323	5.2%
Superannuation	1,223,878	1,181,010	(42,868)	-3.5%
Fringe benefits tax	104,089	104,000	(89)	-0.1%
Total employee costs	13,911,405	13,649,014	(262,391)	-1.9%

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employee superannuation, rostered days off, Workcover premium and Fringe Benefits Tax for all salaries and wages. Salaries and wages that relate to capital works are not included in operating expenditure but is included in the tables below for full transparency.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.10 Materials, services and contracts

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
Administration and management	909,499	536,684	(372,815)	-41.0%
Economic development	443,048	191,252	(251,796)	-56.8%
Council administration	388,745	226,583	(162,162)	-41.7%
Library services	216,502	218,018	1,516	0.7%
Media	39,000	39,000	-	0.0%
Caravan parks	314,602	318,890	4,288	1.4%
Loddon Discovery Tours	20,378	20,396	18	0.1%
Tourism	132,068	135,403	3,335	2.5%
Aged care services	1,135,302	303,360	(831,942)	-73.3%
Elderly persons units	44,222	44,935	713	1.6%
Rural access	145,653	0	(145,653)	-100.0%
Seniors	65,347	66,211	864	1.3%
Community support	652,077	408,254	(243,823)	-37.4%
Emergency management	19,592	19,726	134	0.7%
Grants and community planning	1,689,049	277,000	(1,412,049)	-83.6%
Municipal health and wellbeing	161,022	7,500	(153,522)	-95.3%
Swimming pools	495,042	532,043	37,001	7.5%
Maternal and child health	240,913	94,784	(146,129)	-60.7%
Early years	331,344	53,595	(277,749)	-83.8%
Pre-schools	88,704	89,857	1,153	1.3%
Immunisation	-	4,321	4,321	100.0%
Youth	38,512	30,500	(8,012)	-20.8%
Corporate Governance	173,859	40,595	(133,264)	-76.7%
Financial services	159,220	171,839	12,619	7.9%
Rates and property	56,849	74,069	17,220	30.3%
Customer service	109,016	109,839	823	0.8%
Information management	141,090	174,489	33,399	23.7%
Information technology	378,970	495,133	116,163	30.7%
Human resources and development	416,653	309,371	(107,282)	-25.7%
Risk management	392,681	389,256	(3,425)	-0.9%
Council engineering and technical services	298,612	232,476	(66,136)	-22.1%
Project and contract management	186,549	78,151	(108,398)	-58.1%
Building regulation	35,801	42,024	6,223	17.4%
Local laws and animal management	508,888	51,997	(456,891)	-89.8%
Public health	29,390	35,557	6,167	21.0%
Strategic and statutory planning	26,132	30,460	4,328	16.6%
Air strips	8,364	8,449	85	1.0%
Building and property maintenance	867,832	642,304	(225,528)	-26.0%
Plant and fleet	(2,900,435)	(2,434,442)	465,993	-16.1%
Gravel pits	14,759	38,475	23,716	160.7%
Management and administration	72,000	72,000	-	0.0%
Parks and townships	438,341	387,271	(51,070)	-11.7%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.10 Materials, services and contracts

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
Roads	4,116,517	4,012,697	(103,820)	-2.5%
DOT routine maintenance contract	184,175	185,961	1,786	1.0%
Waste management	1,830,374	1,695,433	(134,941)	-7.4%
Waterways management	66,901	58,166	(8,735)	-13.1%
Total materials, services and contracts	15,183,159	10,519,882	(4,663,277)	-30.7%

Materials, services and contracts include the purchase of consumables, payments to contractors for the provision of services and utility costs.

4.1.11 Depreciation

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
Roads	5,279,870	5,411,866	131,997	2.5%
Buildings	1,870,253	1,917,010	46,756	2.5%
Plant and equipment	1,296,797	1,329,217	32,420	2.5%
Bridges	350,435	359,196	8,761	2.5%
Urban drains	240,887	246,909	6,022	2.5%
Furniture and equipment	112,331	115,139	2,808	2.5%
Footpaths	190,195	194,950	4,755	2.5%
Kerb and channel	123,765	126,859	3,094	2.5%
Landfills	168,496	172,708	4,212	2.5%
Street furniture	31,264	32,046	782	2.5%
Quarries	2,496	2,559	62	2.5%
Total depreciation	9,666,789	9,908,459	241,670	2.5%

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains.

4.1.12 Other expenses

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Change \$	Change %
Councillors' emoluments	248,000	249,610	1,610	0.6%
Internal audit remuneration	44,969	45,281	312	0.7%
External audit remuneration	41,270	41,558	288	0.7%
Impairment of interest free loans	-	-	-	0.0%
Total other expenses	334,239	336,449	2,210	0.7%

Other expenses include councillors' costs, auditors' remuneration and other minor expenses.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.2 Balance sheet

4.2.1 Assets

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$7.3 million during the year mainly due to the expectation to have most capital projects complete by 30 June and the upfront funding received by 30 June 2021.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Long term debtors (non-current) relating to loans to community organisations will decrease slightly in accordance with agreed repayment terms.

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services and other revenues due to be received in the next 12 months.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years. The \$8.5 million increase in this balance is attributable to the net result of the capital works program (\$26.84 million in 2020/21 and \$6.92 million in 2021/22), depreciation of assets (\$9.67 million in 2020/21 and \$9.91million in 2021/22) and the income through sale of property, plant and equipment.

Investments in associates and joint ventures represents Council's equity in the North Central Regional Goldfields Library. The change in equity has been inconsistent in the past with some years increasing and other years decreasing, so for budgeting purposes, the equity has not been changed. Non-current assets held for resale is land and/or buildings that Council can confidently state will be sold within a short period of time.

4.2.2 Liabilities

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to reduce by \$0.14 million in 2021/22 levels due to a reduction in material and services costs incurred during the financial year.

Employee benefits include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to decrease by \$0.08 million (current liability) and increase by \$0.30 million (non current liability) due to increases in employee service years.

4.2.3 Equity

Total equity always equals net assets and is made up of the following components:

- asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the accumulated surplus of the Council to be separately disclosed
- accumulated surplus which is the value of all net assets less reserves that have accumulated over time. \$5.94 million is the decrease in accumulated surplus results directly from the surplus for the year. This is offset by an amount of \$5.01 million net is budgeted to be transferred to other reserves from accumulated surplus. This reflects the usage of Council's reserves to partly fund the capital works program and other specified projects. This is a transfer between equity balances and does no impact on the total balance of equity.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.2 Balance sheet (continued)

4.2.4 Borrowings

The table below shows information on borrowings specifically required by the Regulations.

	Forecast Actual 2020/21 \$	Budget 2021/22 \$
Total amount borrowed as at 30 June of the prior year	-	-
Total amount to be borrowed	-	-
Total amount projected to be redeemed	-	-
Total amount proposed to be borrowed as at 30 June	-	-

In developing the Financial Plan, borrowings may be identified as an important funding source for capital works programs. In the past Council has borrowed to finance large projects and since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs.

In general, Council has adopted a policy to remain debt free except for situations where funding was required to deliver significant capital projects. The Council has elected to not borrow any further funds at this time.

In 2015/16 final loan payments were made which finalises all of Council's borrowings.

For the 2021/22 year, Council has decided not to take out any new borrowings.

4.2.5 Leases by category

As a result of the introduction of AASB16 Leases, right-of-use assets and lease liabilities have been recognised as outlined in the table below.

	Forecast Actual 2020/21 \$	Budget 2021/22 \$
Right-of-use assets	-	-
Property	-	-
Total right-of-use assets	-	-
Lease liabilities		
Current lease liabilities	-	-
Land and buildings	-	-
Total current lease liabilities	-	-
Non-current lease liabilities	-	-
Land and buildings	-	-
Total non-current lease liabilities	-	-
Total lease liabilities	-	-

Where the interest rate applicable to a lease is not expressed in the lease agreements, Council applied the average incremental borrowing rate in the calculation of lease liabilities. The current incremental borrowing rate is 0.25%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity

4.3.1 Reserves

Council undertakes reserves budgeting in order to provide for future expenditure while reducing the impact of purchases on the current year budget.

The following reserves are currently in use by Council:

Capital expenditure reserve

The Capital Expenditure Reserve is used to set aside funds that have been budgeted for capital works projects in one financial year but will not be fully expended by the end of that year. The funds will be transferred to the reserve in the budget year, and transferred from the reserve in the following financial year, or in the year that the funds are expended for the specific project.

Caravan park development reserve

The Caravan Park Development Reserve has been established to assist with funding major projects at Council's caravan parks. Council transfers to the reserve annually the surplus on operations of its caravan parks, and transfers from the reserve the cost of major projects undertaken at Council's caravan parks during the year.

Community planning reserve

The Community Planning Reserve has been established for situations where projects are budgeted in one year but for various reasons are unable to be delivered and are therefore deferred until the following year.

GSP reserve

The Gravel and Sand Pit (GSP) Reserve is used to fund land purchase, development and restoration of gravel and sand pits used by Council for the extraction of gravel. The budgeted surplus on operations of the pits is transferred to the reserve annually, to a maximum reserve level of \$400K and the cost of purchasing new sites, development and restoration of the pits is transferred from the reserve.

Heritage loan scheme reserve

The Heritage Loan Scheme Reserve is used to provide land owners of properties located in significant heritage precincts, heritage registered buildings or structures of local heritage significance, with loans to enable repair and maintenance of those buildings with the aims of quality appearance and public safety.

Land and buildings reserve

The Land and Buildings Reserve is used to fund the acquisition of land and buildings. Funds received from the sale of Council owned land and buildings are transferred to the reserve.

Lake Boort water reserve

The Lake Boort Water Reserve was established with funds generated from sale of water allocations not required for immediate use in Little Lake Boort. The reserve is used to purchase replacement water at an appropriate time, or may be used for other purposes specific to Lake Boort.

Major projects reserve

The Major Projects Reserve is used to assist with the funding of major projects identified by Council. Council transfers funds to the reserve annually an amount determined during the budget process as sufficient to fund the major projects program and transfers the funds required to finance major works undertaken at Council's discretion.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.1 Reserves (continued)

Reserves improvement reserve

The Reserves Improvement Reserve is an allocation of funds used to provide interest free loans to community groups. Usually there are no transfers to or from this reserve.

Unfunded superannuation liability reserve

The Unfunded Superannuation Liability Reserve is used to repay any potential unfunded superannuation liability arising from the LAS Defined Benefits Plan Scheme. Council transfers to the reserve amounts allocated in the budget, and transfers from the reserve payments made to Vision Super Pty. Ltd. for the unfunded superannuation liability.

Unightly premises enforcement provision reserve

The Unightly Premises Enforcement Provision Reserve is used to provide funds to assist with the enforcement and rectification works on determined unightly premises with costs recouped via legal or other action.

Unspent contributions reserve

The Unspent Contributions Reserve is used to set aside contributions received for a specific purpose in one financial year that will not be expended until a later financial year. The funds will be transferred to the reserve in the year the funds are received, and transferred from the reserve in the year that the funds are expended for that purpose.

Unspent grants reserve

The Unspent Grants Reserve has been established for situations where Council has received funding via an external party and those funds remain unspent at the end of the financial year.

Waste management reserve

The Waste Management Reserve has been established to assist with the cost of strategic projects, compliance and long term planning for Council's landfills and transfer stations. Council transfers to the reserve annually \$10 per kerbside collection levy (or a pro-rata amount for a pro-rata collection), to a maximum level of \$300K Council transfers from the reserve the cost of strategic projects, compliance and long term planning within Council landfills and transfer stations.

Boundary and township signage reserve

The Boundary and Township Signage Reserve is used to fund replacement of Council's boundary and township signage. annually an amount determined during the budget process as sufficient to fund the boundary and township signage replacement program, to a maximum reserve level of \$100K. Council transfers from the reserve the net cost of boundary and township signage purchases and installation for the year.

Economic development reserve

The Economic Development Reserve is used to set aside funds to assist with economic development initiatives that Council wishes to financially support. Council transfers to the reserve a set amount determined during the budget process and transfers from the reserve the cost of economic development initiatives within the year.

Fleet replacement reserve

The Fleet Replacement Reserve is used to fund the replacement of office vehicles. Council transfers to the reserve a fixed amount annually and transfers from the reserve the net cost of fleet purchases for the year.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.1 Reserves (continued)

Information technology reserve

The Information Technology Reserve is used to set aside monies for the purchase of information technology assets. The reserve outlines the annual cost of information technology for Council and the amounts required to be set aside in reserve for future asset purchases. It is capped to a maximum reserve level of \$800K.

Plant replacement reserve

The Plant Replacement Reserve is used to fund plant purchases. Council transfers to the reserve a fixed amount annually and transfers from the reserve the net cost of plant purchases for the year.

Professional development reserve

The Professional Development Reserve is used to fund professional development undertaken by executive officers of Council. An annual allocation is provided to each officer and that amount is transferred to the reserve annually, while the cost of professional development undertaken during the year is transferred from the reserve.

Swimming pool major projects reserve

The Swimming Pool Major Projects Reserve is used to fund unplanned major repairs and capital works at the various swimming pool sites across the Shire. Council transfers to the reserve annually an amount determined during the budget process, to a maximum reserve level of \$200K. Council transfers from the reserve the net cost of unplanned major repairs and capital works.

Units reserve

The Units Reserve is used to fund the purchase or improvement of Council owned elderly persons' units. The surplus generated from rental income is transferred to the reserve annually. The cost of major improvements is transferred from the reserve annually.

Urban drainage reserve

The Urban Drainage Reserve is used to fund urban drainage works in the towns within the Shire. Council transfers to the reserve annually a budgeted amount, and transfers from the reserve the cost of urban drainage works for the year.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.2 Transfers to and from reserves

The following is a summary of the projected reserves position for the year ended 30 June 2021:

2020/21 reserves - as per projected forecast				
Name of reserve	Balance at 1 July 2020 \$	Transfers to reserves \$	Transfers from reserves \$	Balance at 30 June 2021 \$
Capital expenditure reserve	6,244,527	-	6,244,527	-
Caravan park development reserve	49,393	70,179	22,500	97,072
Community planning reserve	2,007,039	-	1,236,039	771,000
Gravel and sand pit reserve	400,000	-	-	400,000
Heritage loan scheme reserve	100,000	-	-	100,000
Land and buildings reserve	(15,070)	470,344	-	455,274
Lake Boort water reserve	24,069	-	10,000	14,069
Major projects reserve	153,996	-	-	153,996
Reserves improvement reserve	100,000	-	-	100,000
Superannuation liability reserve	898,808	301,192	-	1,200,000
Unightly premises enforcement	100,000	-	-	100,000
Unspent contributions reserve	-	-	-	-
Unspent grants reserve	8,714,548	4,617,310	8,714,548	4,617,310
Waste management reserve	300,000	-	-	300,000
Boundary and township signage	83,206	16,794	-	100,000
Economic development reserve	371,740	100,000	257,205	214,535
Fleet replacement reserve	640,954	227,380	305,000	563,334
Information technology reserve	800,000	185,000	316,877	668,123
Plant replacement reserve	1,486,953	917,741	916,413	1,488,281
Professional development reserve	9,616	6,000	-	15,616
Swimming pool major projects reserve	150,000	50,000	-	200,000
Units reserve	60,000	-	-	60,000
Urban drainage reserve	843,958	125,000	898,198	70,760
TOTAL	23,523,737	7,086,940	18,921,307	11,689,373

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.2 Transfers to and from reserves (continued)

The following is a summary of the budgeted reserves position for the year ended 30 June 2022:

2021/22 reserves - as per budget				
Name of reserve	Balance at 1 July 2021 \$	Transfers to reserves \$	Transfers from reserves \$	Balance at 30 June 2022 \$
Capital expenditure reserve	-	-	-	-
Caravan park development reserve	97,072	68,500	7,500	158,072
Community planning reserve	771,000	-	-	771,000
Gravel and sand pit reserve	400,000	-	-	400,000
Heritage loan scheme reserve	100,000	-	-	100,000
Land and buildings reserve	455,274	120,000	-	575,274
Lake Boort water reserve	14,069	-	-	14,069
Major projects reserve	153,996	-	-	153,996
Reserves improvement reserve	100,000	-	-	100,000
Superannuation liability reserve	1,200,000	-	200,000	1,000,000
reserve	100,000	-	-	100,000
Unspent contributions reserve	-	-	-	-
Unspent grants reserve	4,617,310	-	4,617,310	-
Waste management reserve	300,000	-	-	300,000
Boundary and township signage	100,000	-	-	100,000
Economic development reserve	214,535	100,000	135,000	179,535
Fleet replacement reserve	563,334	200,000	82,620	680,714
Information technology reserve	668,123	150,000	311,897	506,226
Plant replacement reserve	1,488,281	900,000	1,033,446	1,354,835
Professional development reserve	15,616	6,000	-	21,616
Swimming pool major projects reserve	200,000	50,000	250,000	-
Units reserve	60,000	-	-	60,000
Urban drainage reserve	70,760	350,000	350,000	70,760
TOTAL	11,689,370	1,944,500	6,987,773	6,646,100

By including the above transfers from reserves it is expected that reserve levels decrease by approximately \$5.04 million, leaving a balance of \$6.64 million in the reserves account.

4.3.3 Details of reserves

The following schedule provides details of each of the reserve transfers for 2020/21:

Capital expenditure reserve			
Opening balance			-
ADD transfer to reserve			
Nil	N/A	-	-
LESS transfer from reserve			
Nil	N/A	-	-
Closing balance			-

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

Caravan park development reserve			
Opening balance			97,072
ADD transfer to reserve			
Surplus of caravan park operations		68,500	68,500
LESS transfer from reserve			
Tree works		(7,500)	(7,500)
Closing balance			158,072
Community planning reserve			
Opening balance			771,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			771,000
GSP restoration reserve			
Opening balance			400,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			400,000
Heritage loan scheme reserve			
Opening balance			100,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			100,000
Land and buildings reserve			
Opening balance			455,274
ADD transfer to reserve			
Sale and land and buildings		120,000	120,000
LESS transfer from reserve			
Nil			-
Closing balance			575,274

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

Lake Boort water reserve			
Opening balance			14,069
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			14,069
Major projects reserve			
Opening balance			153,996
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			153,996
Reserves improvement reserve			
Opening balance			100,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			100,000
Superannuation liability reserve			
Opening balance			1,200,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Not required - COVID-19 response		(200,000)	(200,000)
Closing balance			1,000,000
Unightly premises enforcement provision			
Opening balance			100,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			100,000

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

Unspent contributions reserve			
Opening balance			-
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			-
Unspent grants reserve			
Opening balance			4,617,310
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Upfront 50% payment of VLGGC funding 20/21		(4,617,310)	(4,617,310)
Closing balance			-
Waste management reserve			
Opening balance			300,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			300,000
Boundary and township entrance signage			
Opening balance			100,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			100,000
Economic development reserve			
Opening balance			214,535
ADD transfer to reserve			
Yearly allocation		100,000	100,000
LESS transfer from reserve			
Project scoping		(15,000)	
Economic development strategy		(120,000)	(135,000)
Closing balance			179,535

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

Fleet replacement reserve			
Opening balance			563,334
ADD transfer to reserve			
Annual allocation to reserve		200,000	200,000
LESS transfer from reserve			
Net cost of fleet replacement		(82,620)	(82,620)
Closing balance			680,714
Information technology reserve			
Opening balance			668,123
ADD transfer to reserve			
Annual allocations for major purchases		150,000	150,000
LESS transfer from reserve			
Server replacement		(50,000)	
Photocopier / scanner		(10,000)	
Project management software		(30,000)	
PC replacement		(115,000)	
IT salaries		(106,897)	(311,897)
Closing balance			506,226
Plant replacement reserve			
Opening balance			1,488,281
ADD transfer to reserve			
Annual allocation to reserve		900,000	900,000
LESS transfer from reserve			
Net cost of plant replacement		(1,033,446)	(1,033,446)
Closing balance			1,354,835
Professional development reserve			
Opening balance			15,616
ADD transfer to reserve			
Annual allocation		6,000	6,000
LESS transfer from reserve			
Nil		-	-
Closing balance			21,616
Swimming pool major projects reserve			
Opening balance			200,000
ADD transfer to reserve			
Annual allocation to reserve		50,000	50,000
LESS transfer from reserve			
Capital works program		(250,000)	(250,000)
Closing balance			-

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

Units reserve			
Opening balance			60,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			60,000
Urban drainage reserve			
Opening balance			70,760
ADD transfer to reserve			
Annual allocation		350,000	350,000
LESS transfer from reserve			
Drainage program		(350,000)	(350,000)
Closing balance			70,760

4.3.4 Equity

Total equity always equals net assets and is made up of the asset revaluation reserve, other reserves and the accumulated surplus.

4.3.5 Working capital

Working capital is the excess of current assets above current liabilities. The calculation recognises that although Council has current assets, some of those assets are committed to the future settlement of liabilities and therefore are not available for discretionary spending.

Some of Council's cash assets are restricted in that they are required by legislation to be held in reserve for specific purposes or are held to fund carry forward capital works from the previous financial year.

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Variance \$
Current assets	20,356,186	12,676,980	7,679,206
Current liabilities	3,329,010	3,095,030	233,980
Working capital	17,027,176	9,581,950	7,445,226
Intended allocation assets			
- Discretionary reserves	(11,689,373)	(6,646,100)	(5,043,273)
- Long service leave	(2,054,807)	(2,154,807)	100,000
Restricted allocation assets			
- Trust funds and deposits	(338,561)	(321,633)	(16,928)
Unrestricted working capital	2,944,435	459,410	2,485,025

In addition to the restricted assets above, Council is also projected to hold \$6.64 million in discretionary reserves at 30 June 2020. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution, these funds are to be used for those earmarked purposes.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.4 Statement of cash flows

This section of the report analyses the expected cash flows from the operating, investing and financing activities of Council for the 2021/22 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

4.4.1 Net cash flows provided by / (used in) operating activities

Operating activities - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.

The decrease in cash flows from operating activities is due mainly to an increase in operating costs offset by a decrease in grants. This is partially offset by a slight increase in rates and charges, which includes an increase in rates of 1.5% and garbage related charges of 10.0%.

4.4.2 Net cash flows provided by / (used in) investing activities

Investing activities - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment.

The decrease in payments for investing activities represents a decrease in capital works expenditure. Term deposits are also expected to decrease.

4.4.3 Net cash flows provided by / (used in) financing activities

Financing activities - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities include repayment of the principle component of loan repayments for the year.

Council's borrowings were fully extinguished in the 2015/16 financial year. No new are borrowings are budgeted in 2021/22.

4.4.4 Cash and cash equivalents at the end of the year

Overall, total cash and investments is forecast to decrease by \$7.31 million to \$8.69 million as at 30 June 2022, although the cash position will be determined by a number of factors including collection of outstanding amounts during the year, payment cycle for Council's creditors and movement in trust funds.

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2022 it will have unrestricted cash and investments of \$0.5 million, which has been restricted as shown in the following table.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.4 Statement of cash flows (continued)

4.4.4 Cash and cash equivalents at the end of the year (continued)

	Ref	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Variance \$
Total cash and investments		15,997,678	8,685,966	(7,311,712)
Intended allocation assets				
Long service leave	4.4.5	(2,054,807)	(2,154,807)	(100,000)
Discretionary reserves	4.4.6	(11,689,370)	(6,646,100)	5,043,270
Restricted allocation assets				
Trust funds and deposits		(338,561)	(321,633)	16,928
Unrestricted cash adjusted for discretionary reserves	4.4.7	1,914,940	(436,574)	(2,351,514)

4.4.5 Long service leave

Council has continued to treat funds set aside for employees long service leave as restricted cash. The increase in the variance is due to increased years of service by employees and increases in wage rates through the enterprise bargaining agreement.

4.4.6 Discretionary reserves

These funds are shown as a discretionary reserve as, although not restricted by a statutory purpose, Council has made decision regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. The decisions about future use of these funds has been reflected in Council Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

4.4.7 Unrestricted cash and investments

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2021/22 year.

The capital works projects are grouped by class and include the following:

- new works for 2021/22
- works carried forward from the 2020/21 year.

4.5.1 New works by asset expenditure type

Capital works area	Project cost	Asset expenditure types			
		New \$	Renewal \$	Upgrade \$	Expansion \$
Property					
Land	-	-	-	-	-
Land improvements	5,000	-	5,000	-	-
Total land	5,000	-	5,000	-	-
Buildings	-	-	-	-	-
Building improvements	272,500	-	272,500	-	-
Total buildings	272,500	-	272,500	-	-
Total property	277,500	-	277,500	-	-
Plant and equipment					
Plant, machinery and equipment	1,427,920	1,427,920	-	-	-
Computers and telecommunications	175,000	175,000	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,602,920	1,602,920	-	-	-
Infrastructure					
Roads	2,922,503	-	2,922,503	-	-
Bridges	146,701	-	146,701	-	-
Footpaths	240,814	-	240,814	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	1,330,000	-	-	1,230,000	100,000
Parks, open space and streetscapes	50,000	-	50,000	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,040,018	-	3,710,018	1,230,000	100,000
Total new works	6,920,438	1,602,920	3,987,518	1,230,000	100,000

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.2 New works by funding source

Capital works area	Project cost	Funding sources			
		Grants / contributions \$	Reserves \$	Council funded \$	Sale of assets \$
Property					
Land	-	-	-	-	-
Land improvements	5,000	-	-	5,000	-
Total land	5,000	-	-	5,000	-
Buildings					
Building improvements	272,500	-	7,500	265,000	-
Total buildings	272,500	-	7,500	265,000	-
Total property	277,500	-	7,500	270,000	-
Plant and equipment					
Plant, machinery and equipment	1,427,920	-	1,116,066	55,000	256,854
Computers and telecommunications	175,000	-	175,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,602,920	-	1,291,066	55,000	256,854
Infrastructure					
Roads	2,922,503	2,000,211	121,449	800,843	-
Bridges	146,701	146,701	-	-	-
Footpaths	240,814	240,814	-	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	1,330,000	-	350,000	980,000	-
Parks, open space and streetscapes	50,000	-	-	50,000	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,040,018	2,387,726	821,449	1,830,843	-
Total new works	6,920,438	2,387,726	2,120,015	2,155,843	256,854

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.3 Works carried forward from the 2020/21 year by asset expenditure type

Capital works area	Project cost	Asset expenditure types			
		New \$	Renewal \$	Upgrade \$	Expansion \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings	-	-	-	-	-
Building improvements	-	-	-	-	-
Total buildings	-	-	-	-	-
Total property	-	-	-	-	-
Plant and equipment					
Plant, machinery and equipment	-	-	-	-	-
Computers and telecommunications	-	-	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	-	-	-	-	-
Infrastructure					
Roads	-	-	-	-	-
Bridges	-	-	-	-	-
Footpaths	-	-	-	-	-
Drainage	-	-	-	-	-
Recreation, leisure and community facilities	-	-	-	-	-
Parks, open space and streetscapes	-	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	-	-	-	-	-
Total carried forward works	-	-	-	-	-

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Works carried forward from the 2020/21 year by funding source

Capital works area	Project cost	Funding sources			
		Grants / contributions \$	Reserves \$	Council funded \$	Sale of assets \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings	-	-	-	-	-
Building improvements	-	-	-	-	-
Total buildings	-	-	-	-	-
Total property	-	-	-	-	-
Plant and equipment					
Plant, machinery and equipment	-	-	-	-	-
Computers and telecommunications	-	-	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	-	-	-	-	-
Infrastructure					
Roads	-	-	-	-	-
Bridges	-	-	-	-	-
Footpaths	-	-	-	-	-
Drainage	-	-	-	-	-
Recreation, leisure and community facilities	-	-	-	-	-
Parks, open space and streetscapes	-	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	-	-	-	-	-
Total carried forward works	-	-	-	-	-

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Summary of planned capital works expenditure by asset type

Capital works 2022/23	Project cost	Asset expenditure types			
		New \$	Renewal \$	Upgrade \$	Expansion \$
Property					
Land	-	-	-	-	-
Land improvements	505,000	-	-	-	505,000
Total land	505,000	-	-	-	505,000
Buildings	600,000	-	-	600,000	-
Building improvements	407,500	-	407,500	-	-
Total buildings	1,007,500	-	407,500	600,000	-
Total property	1,512,500	-	407,500	600,000	505,000
Plant and equipment					
Plant, machinery and equipment	2,498,233	2,498,233	-	-	-
Computers and telecommunications	120,000	120,000	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	2,618,233	2,618,233	-	-	-
Infrastructure					
Roads	3,442,679	-	3,442,679	-	-
Bridges	149,488	-	149,488	-	-
Footpaths	242,178	-	242,178	-	-
Drainage	380,000	-	350,000	30,000	-
Recreation, leisure and community facilities	2,040,000	-	290,000	750,000	1,000,000
Parks, open space and streetscapes	538,000	-	320,500	-	217,500
Other infrastructure	-	-	-	-	-
Total infrastructure	6,792,345	-	4,794,845	780,000	1,217,500
Total capital works 2022/23	10,923,078	2,618,233	5,202,345	1,380,000	1,722,500

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Summary of planned capital works expenditure by asset type (continued)

Capital works 2023/24	Project cost	Asset expenditure types			
		New \$	Renewal \$	Upgrade \$	Expansion \$
Property					
Land	-	-	-	-	-
Land improvements	595,000	-	-	-	595,000
Total land	595,000	-	-	-	595,000
Buildings	700,000	-	-	700,000	-
Building improvements	407,500	-	407,500	-	-
Total buildings	1,107,500	-	407,500	700,000	-
Total property	1,702,500	-	407,500	700,000	595,000
Plant and equipment					
Plant, machinery and equipment	1,960,104	1,960,104	-	-	-
Computers and telecommunications	128,000	128,000	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	2,088,104	2,088,104	-	-	-
Infrastructure					
Roads	3,610,328	-	3,610,328	-	-
Bridges	152,328	-	152,328	-	-
Footpaths	220,510	-	220,510	-	-
Drainage	520,000	-	350,000	170,000	-
Recreation, leisure and community facilities	1,650,000	-	-	750,000	900,000
Parks, open space and streetscapes	1,023,500	-	849,500	-	174,000
Other infrastructure	-	-	-	-	-
Total infrastructure	7,176,666	-	5,182,666	920,000	1,074,000
Total capital works 2023/24	10,967,270	2,088,104	5,590,166	1,620,000	1,669,000

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Summary of planned capital works expenditure by asset type (continued)

Capital works 2024/25	Project cost	Asset expenditure types			
		New \$	Renewal \$	Upgrade \$	Expansion \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings					
Building improvements	407,500	-	407,500	-	-
Total buildings	407,500	-	407,500	-	-
Total property	407,500	-	407,500	-	-
Plant and equipment					
Plant, machinery and equipment	-	-	-	-	-
Computers and telecommunications	128,000	128,000	-	-	-
Fixtures fittings and furniture	1,706,155	1,706,155	-	-	-
Total plant and equipment	1,834,155	1,834,155	-	-	-
Infrastructure					
Roads	3,654,998	-	3,654,998	-	-
Bridges	155,223	-	155,223	-	-
Footpaths	216,343	-	216,343	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	750,000	-	-	750,000	-
Parks, open space and streetscapes	865,500	-	100,000	-	765,500
Other infrastructure	-	-	-	-	-
Total infrastructure	5,992,064	-	4,476,564	750,000	765,500
Total capital works 2024/25	8,233,719	1,834,155	4,884,064	750,000	765,500

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.5 Summary of planned capital works expenditure by funding source

Capital works 2022/23	Project cost	Funding sources			
		Grants / contributions \$	Reserves \$	Council funded \$	Sale of assets \$
Property					
Land	-	-	-	-	-
Land improvements	505,000	-	505,000	-	-
Total land	505,000	-	505,000	-	-
Buildings	600,000	282,500	317,500	-	-
Building improvements	407,500	-	7,500	400,000	-
Total buildings	1,007,500	282,500	325,000	400,000	-
Total property	1,512,500	282,500	830,000	400,000	-
Plant and equipment					
Plant, machinery and equipment	2,498,233	-	1,973,546	20,000	504,687
Computers and telecommunications	120,000	-	120,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	2,618,233	-	2,093,546	20,000	504,687
Infrastructure					
Roads	3,442,679	1,996,060	-	1,446,619	-
Bridges	149,488	149,488	-	-	-
Footpaths	242,178	242,178	-	-	-
Drainage	380,000	-	350,000	30,000	-
Recreation, leisure and community facilities	2,040,000	840,000	300,000	900,000	-
Parks, open space and streetscapes	538,000	-	-	538,000	-
Other infrastructure	-	-	-	-	-
Total infrastructure	6,792,345	3,227,726	650,000	2,914,619	-
Total capital works 2022/23	10,923,078	3,510,226	3,573,546	3,334,619	504,687

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.5 Summary of planned capital works expenditure by funding source

Capital works 2023/24	Project cost	Funding sources			
		Grants / contributions \$	Reserves \$	Council funded \$	Sale of assets \$
Property					
Land	-	-	-	-	-
Land improvements	595,000	500,000	95,000	-	-
Total land	595,000	500,000	95,000	-	-
Buildings	700,000	282,500	417,500	-	-
Building improvements	407,500	-	7,500	400,000	-
Total buildings	1,107,500	282,500	425,000	400,000	-
Total property	1,702,500	782,500	520,000	400,000	-
Plant and equipment					
Plant, machinery and equipment	1,960,104	-	1,622,706	20,000	317,398
Computers and telecommunications	128,000	-	128,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	2,088,104	-	1,750,706	20,000	317,398
Infrastructure					
Roads	3,610,328	2,014,888	-	1,595,440	-
Bridges	152,328	152,328	-	-	-
Footpaths	220,510	220,510	-	-	-
Drainage	520,000	133,333	350,000	36,667	-
Recreation, leisure and community facilities	1,650,000	600,000	300,000	750,000	-
Parks, open space and streetscapes	1,023,500	490,000	-	533,500	-
Other infrastructure	-	-	-	-	-
Total infrastructure	7,176,666	3,611,059	650,000	2,915,607	-
Total capital works 2023/24	10,967,270	4,393,559	2,920,706	3,335,607	317,398

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.5 Summary of planned capital works expenditure by funding source

Capital works 2024/25	Project cost	Funding sources			
		Grants / contributions \$	Reserves \$	Council funded \$	Sale of assets \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings					
Building improvements	407,500	-	7,500	400,000	-
Total buildings	407,500	-	7,500	400,000	-
Total property	407,500	-	7,500	400,000	-
Plant and equipment					
Plant, machinery and equipment	1,706,155	-	1,254,266	20,000	431,889
Computers and telecommunications	128,000	-	128,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,834,155	-	1,382,266	20,000	431,889
Infrastructure					
Roads	3,654,998	2,135,546	-	1,519,452	-
Bridges	155,223	155,223	-	-	-
Footpaths	216,343	216,343	-	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	750,000	-	-	750,000	-
Parks, open space and streetscapes	865,500	483,333	-	382,167	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,992,064	2,990,445	350,000	2,651,619	-
Total capital works 2024/25	8,233,719	2,990,445	1,739,766	3,071,619	431,889

5 FINANCIAL PERFORMANCE INDICATORS

Indicator	Measure	Notes	Actual	Forecast	Budget	Trend
			2019/20	2020/21	2021/22	+ / O / -
Operating position						
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-8.06%	-46.95%	-21.85%	-
Liquidity						
Working capital	Current assets / Current liabilities	2	744.86%	611.48%	409.59%	-
Unrestricted cash	Unrestricted cash / Current liabilities		3.10%	57.52%	-14.11%	-
Obligations						
Loan and borrowings	Interest bearing loans and borrowings / Rate revenue	3	0.00%	0.00%	0.00%	O
Loan and borrowings	Interest and principal repayments on interest bearing loans and borrowings / Rate revenue		0.00%	0.00%	0.00%	O
Indebtedness	Non-current liabilities / Own source revenue		11.85%	15.24%	17.15%	O
Asset renewal	Asset renewal and upgrade expenses / Asset depreciation	4	57.71%	186.71%	52.66%	-
Stability						
Rates concentration	Rates revenue / Adjusted underlying revenue	5	38.60%	49.19%	42.13%	+
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.49%	0.48%	0.44%	-
Efficiency						
Expenditure level	Total expenses / No. of property assessments		\$3,949	\$4,991	\$4,344	O
Revenue level	Total rate revenue / No. of property assessments		\$1,227	\$1,262	\$1,266	O

5 FINANCIAL PERFORMANCE INDICATORS (Continued)

Indicator	Measure	Notes	Strategic Resource Plan Projections			Trend
			2022/23	2023/24	2024/25	+ / O / -
Operating position						
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-21.85%	-22.26%	-24.67%	O
Liquidity						
Working capital	Current assets / Current liabilities	2	256.35%	114.65%	-7.25%	-
Unrestricted cash	Unrestricted cash / Current liabilities		-150.94%	-288.67%	-431.84%	+
Obligations						
Loan and borrowings	Loans and borrowings / Rate revenue	3	0.00%	0.00%	0.00%	O
Loan and borrowings	Interest and principal repayments on interest bearing loans and borrowings / Rate revenue		0.00%	0.00%	0.00%	O
Indebtedness	Non-current liabilities / Own source revenue		19.34%	21.37%	23.41%	+
Asset renewal	Asset renewal expenses / Asset depreciation	4	64.81%	69.26%	52.80%	+
Stability						
Rates concentration	Rates revenue / Adjusted underlying revenue	5	42.26%	42.41%	42.45%	O
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.44%	0.43%	0.43%	O
Efficiency						
Expenditure level	Total expenses / No. of property assessments		\$4,323	\$4,389	\$4,542	+
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,299	\$1,308	\$1,328	+

Key to forecast trend:

- + Forecasts improvement in Council's financial performance / financial position indicator
- O Forecasts that Council's financial performance / financial position indicator will be steady
- Forecasts deterioration in Council's financial performance / financial position indicator

Notes to indicators

1 *Adjusted underlying result* - An indicator of the sustainable operating result required to enable Council to continue provide core services and meet its objectives. Improvement in financial performance is expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services.

2 *Working capital* – The proportion of current liabilities represented by current assets. Working capital is forecast to decrease in future years as cash and cash equivalents decrease.

3 *Debt compared to rates* - Council has repaid its final loan liability in 2015/16.

4 *Asset renewal* - This percentage indicates the extent of Council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates that Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

5 *Rates concentration* - Reflects the extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates that Council will become more reliant on rate revenue compared to all other revenue sources.

6 FEES AND CHARGES SCHEDULE

Council's fees and charges schedule contains the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and service provided during the 2021/22 year.

Fees and charges are based on information available at the time of publishing and may vary during the financial year subject to any changes in Council's policy or legislation.

This full document is located on Council's website.

APPENDIX A - AUDIT COMMITTEE FINANCIALS

In 2002 Council's Audit and Risk Committee created a reporting format that it considered appropriate for reporting Council's results on a monthly basis. That format has been used by Council since then.

The following reports show the 2020/21 Forecast Actuals, the 2021/22 Budgets, and the variance between the two.

The reports include:

- Comprehensive Income Statement by expense type
- Comprehensive Income Statement by key direction area
- Capital Expenditure Statement

COMPREHENSIVE INCOME STATEMENT BY EXPENSE TYPE

	Forecast actual 2020/21 \$	Budget 2021/22 \$	Variance \$
Revenues from ordinary activities			
Rates and charges	11,520,410	11,841,819	321,409
Statutory and user fees	1,844,975	1,775,773	(69,202)
Operating grants	13,674,896	6,350,499	(7,324,397)
Capital grants	13,076,677	2,387,726	(10,688,951)
Operating contributions	490,000	-	(490,000)
Capital contributions	-	-	-
Regional Roads Victoria	512,033	510,705	(1,328)
Reversal of impairment losses	-	-	-
Reimbursements	297,411	252,259	(45,152)
Interest	295,000	300,000	5,000
Total revenues	41,711,402	23,418,781	(18,292,621)
Expenses from ordinary activities			
Labour	12,287,261	12,052,504	(234,757)
Materials and services	14,424,942	9,375,758	(5,049,184)
Contracts	1,858,943	2,180,963	322,020
Utilities	523,418	559,671	36,253
Depreciation	9,666,789	9,908,459	241,670
Interest expense	-	-	-
Other expenses	334,239	336,449	2,210
Total expenses	39,095,592	34,413,804	(4,681,788)
Net (gain) / loss on sale of assets	-	-	-
Surplus / (deficit) for the year	2,615,810	(10,995,023)	(13,610,833)

APPENDIX A - AUDIT COMMITTEE FINANCIALS (Continued)

COMPREHENSIVE INCOME STATEMENT BY KEY DIRECTION AREA

	Forecast actual 2020/21 \$	Budget 2021/22 \$	Variance \$
Revenues from ordinary activities			
Rates and charges	11,520,410	11,841,819	321,409
Operating grants	13,674,896	6,350,499	(7,324,397)
Capital grants	13,076,677	2,387,726	(10,688,951)
Operating contributions	490,000	-	(490,000)
Capital contributions	-	-	-
User fees	1,844,975	1,775,773	(69,202)
Reimbursements	297,411	252,259	(45,152)
Reversal of impairment losses	-	-	-
Regional Roads Victoria	512,033	510,705	(1,328)
Interest	295,000	300,000	5,000
Total revenues	41,711,402	23,418,781	(18,292,621)
Expenses from ordinary activities			
Commercial services	1,267,720	1,040,180	(227,540)
Executive	3,585,070	1,878,369	(1,706,701)
Aged card	3,151,821	2,186,235	(965,586)
Community support	3,713,614	2,111,551	(1,602,063)
Early years	1,649,124	1,185,315	(463,809)
Corporate services	735,355	558,995	(176,360)
Financial services	10,593,757	10,889,789	296,032
Information management	1,270,173	1,448,716	178,543
Organisational development	1,403,955	1,225,946	(178,008)
Assets and infrastructure	1,373,638	1,358,166	(15,472)
Development and compliance	1,514,830	1,244,746	(270,084)
Works	8,836,534	9,285,795	449,261
Total expenses	39,095,592	34,413,805	(4,681,788)
Net (gain) / loss on sale of assets	-	-	-
Surplus / (deficit) for the year	2,615,810	(10,995,024)	(13,610,833)

APPENDIX A - AUDIT COMMITTEE FINANCIALS (Continued)

CAPITAL EXPENDITURE STATEMENT

	Forecast actual 2020/21 \$	Budget 2021/22 \$	Variance \$
Surplus / (deficit) for the year-as per income statement	2,615,810	(10,995,024)	(13,610,833)
Less non-cash income			
Reversal of impairment losses	-	-	-
Add non-cash expenditure			
Net gain on sale of assets	-	-	-
Loan interest accrued	-	-	-
Depreciation	9,666,789	9,908,459	241,670
Total funds available for capital expenditure	12,282,599	(1,086,565)	- 13,369,164
Capital expenditure, transfers and loans			
Commercial services	2,010,437	7,500	(2,002,937)
Community support	5,146,946	1,230,000	(3,916,946)
Information management	185,000	175,000	(10,000)
Assets and infrastructure	16,614,477	3,795,018	(12,819,459)
Development and compliance	102,121	-	(102,121)
Works	2,783,214	1,712,920	(1,070,294)
Total capital works	26,842,195	6,920,438	(19,921,757)
Transfers to reserves	7,086,940	1,944,500	(5,142,440)
Loan repayments	-	-	-
Total capital, transfers and loans	33,929,135	8,864,938	(25,064,197)
Capital expenditure, transfers and loans will be financed by:			
Asset sales	867,071	376,854	(490,217)
Transfers from reserves	18,921,207	6,987,773	(11,933,434)
Accumulated cash surplus brought forward from previous year	4,845,880	2,987,622	(1,858,258)
Total financing of capital, transfers, and loans	24,634,158	10,352,249	(14,281,909)
Total accumulated cash surplus	2,987,622	400,746	(2,586,876)