

CITY OF GREATER GERALDTON

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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CITY'S VISION

Home of WA's Regional Capital

CITY OF GREATER GERALDTON
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

		2021/22	2020/21	2020/21
	NOTE	Budget	Forecast	Budget
		\$	Actual	\$
Revenue				
Rates	1(a)	48,210,890	45,615,968	45,683,248
Operating grants, subsidies and contributions	10(a)	8,514,902	8,455,937	7,810,648
Fees and charges	9	21,826,986	19,352,335	17,369,492
Interest earnings	13(a)	801,407	479,061	400,163
Other revenue	13(b)	372,065	527,681	896,513
		79,726,250	74,430,982	72,160,064
Expenses				
Employee costs		(28,831,476)	(27,049,754)	(27,105,394)
Materials and contracts		(21,698,995)	(19,677,150)	(19,575,725)
Utility charges		(2,877,046)	(2,873,305)	(2,898,305)
Depreciation on non-current assets	5	(24,878,798)	(24,646,964)	(24,646,964)
Interest expenses	13(d)	(989,517)	(1,174,734)	(1,274,734)
Insurance expenses		(838,154)	(813,989)	(813,989)
Other expenditure		(2,663,930)	(1,932,894)	(1,710,560)
		(82,777,916)	(78,168,790)	(78,025,671)
Subtotal		(3,051,666)	(3,737,808)	(5,865,607)
Non-operating grants, subsidies and contributions	10(b)	9,155,251	7,551,662	7,761,253
Profit on asset disposals	4(b)	53,019	123,290	350,000
Loss on asset disposals	4(b)	(26,240)	(448,937)	(731,854)
		9,182,030	7,226,015	7,379,399
Net result		6,130,364	3,488,207	1,513,792
Other comprehensive income				
Changes on revaluation of non-current assets		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income		6,130,364	3,488,207	1,513,792

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

BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

2020/21 FORECAST ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

SERVICE CHARGES

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

Excludes rubbish removal charges interest on rate instalments and interest on rate arrears.

PROFIT ON ASSET DISPOSAL

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

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

CITY OF GREATER GERALDTON
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2022

		2021/22	2020/21	2020/21
	NOTE	Budget	Forecast	Budget
Revenue		\$	Actual	\$
	1,9,10(a),13(a),13(b)			
Governance		118,730	255,140	49,000
General purpose funding		55,613,264	52,429,842	52,361,542
Law, order, public safety		566,112	662,723	503,080
Health		29,000	13,000	25,000
Education and welfare		349,225	414,594	337,845
Community amenities		13,166,391	12,915,593	12,478,184
Recreation and culture		2,303,231	1,848,388	2,146,613
Transport		5,503,042	3,867,305	2,871,804
Economic services		872,005	829,039	268,496
Other property and services		1,205,250	1,195,358	1,118,500
		79,726,250	74,430,982	72,160,064
Expenses excluding finance costs	4(a),5,13(c)(e)(f)			
Governance		(2,416,369)	(2,124,802)	(2,070,899)
General purpose funding		(1,301,739)	(886,421)	(1,189,421)
Law, order, public safety		(3,219,077)	(3,240,855)	(3,042,484)
Health		(811,698)	(811,908)	(811,908)
Education and welfare		(1,876,619)	(1,784,604)	(1,748,481)
Housing		(26,011)	(22,802)	(22,802)
Community amenities		(12,456,043)	(12,104,900)	(11,810,660)
Recreation and culture		(19,468,791)	(18,280,474)	(18,493,190)
Transport		(29,256,178)	(27,862,606)	(28,078,521)
Economic services		(4,602,852)	(4,301,533)	(4,080,709)
Other property and services		(6,353,022)	(5,573,151)	(5,401,862)
		(81,788,399)	(76,994,056)	(76,750,937)
Finance costs	7,6(a),13(d)			
Governance		(6,275)	(10,639)	(10,639)
General purpose funding		(7,650)	(11,036)	-
Law, order, public safety		(26,220)	(31,434)	(31,434)
Community amenities		(124,491)	(139,046)	(139,046)
Recreation and culture		(279,985)	(360,619)	(341,483)
Transport		(252,636)	(289,800)	(289,800)
Economic services		(207,415)	(231,553)	(342,589)
Other property and services		(84,845)	(100,607)	(119,743)
		(989,517)	(1,174,734)	(1,274,734)
Subtotal		(3,051,666)	(3,737,808)	(5,865,607)
Non-operating grants, subsidies and contributions	10(b)	9,155,251	7,551,662	7,761,253
Profit on disposal of assets	4(b)	53,019	123,290	350,000
(Loss) on disposal of assets	4(b)	(26,240)	(448,937)	(731,854)
		9,182,030	7,226,015	7,379,399
Net result		6,130,364	3,488,207	1,513,792
Other comprehensive income				
Changes on revaluation of non-current assets		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income		6,130,364	3,488,207	1,513,792

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

ACTIVITIES

GOVERNANCE

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

Administration and operation of facilities and services to members of Council, civic receptions and functions, public relations, elections, administration, support, research operations for Council members and certain executive Staff.

GENERAL PURPOSE FUNDING

To collect revenue to allow provision of services.

General rate revenue, penalty for late payment, ex gratia rates, rate administration fee, rate instalment fee, back rates, general purpose grants, untied road grants, interest on deferred rates and investment returns.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer community.

Fire prevention including the Emergency Services Levy, Volunteer Fire Brigade and SES expenditure, clearing of fire hazards, animal control, rangers, crime prevention and emergency planning and management.

HEALTH

To provide an operational framework for good community health.

Preventive services including food control, health inspections, pest control, medical centre and other health.

EDUCATION AND WELFARE

To meet the needs of the community in these areas.

Aged and disabled, Queen Elizabeth II Seniors Centre, other welfare including youth centre, projects and programs, seniors' projects and reconciliation.

HOUSING

To help ensure adequate housing.

Provision and maintenance of staff housing.

COMMUNITY AMENITIES

Provide services required by the community.

Rubbish collections, Meru refuse site operations, litter control, public litter bins, protection of the environment, town planning control, cemetery, and community services.

RECREATION AND CULTURE

To establish and manage efficiently infrastructure and resources which will help the social and physical wellbeing of the community.

Aquarena, public halls, civic centres, foreshore, beaches, parks, sporting grounds, library, heritage and conservation, museums, Art Gallery and Queens Park Theatre.

TRANSPORT

To provide effective and efficient transport services to the community.

Roads, footpaths, drainage, road verges, median strips, street lighting, street cleaning, street trees, traffic surveys, traffic management, depot operations, parking facilities and airport.

ECONOMIC SERVICES

To help promote the Municipality and improve its economic wellbeing.

Tourism and promotions, visitors' information centre, building control, economic development and marketing.

OTHER PROPERTY AND SERVICES

To provide effective and efficient property services to the community.

Private works operations, public works overheads, plant/vehicle operations, town planning schemes, land and property services and others that can not be assigned to one of the other preceding programs.

CITY OF GREATER GERALDTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

		2021/22	2020/21	2020/21
	NOTE	Budget	Forecast	Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		47,936,279	46,577,377	45,773,546
Operating grants, subsidies and contributions		8,826,655	8,172,654	7,810,648
Fees and charges		21,826,986	19,352,335	17,369,492
Interest received		797,917	479,061	401,214
Other revenue		1,467,726	527,681	2,473,223
		80,855,563	75,109,108	73,828,123
Payments				
Employee costs		(28,813,641)	(27,049,754)	(27,181,616)
Materials and contracts		(18,259,136)	(18,902,270)	(21,656,191)
Utility charges		(2,877,046)	(2,873,305)	(2,898,305)
Interest expenses		(1,015,818)	(1,121,446)	(1,261,104)
Insurance paid		(838,154)	(813,989)	(813,989)
Other expenditure		(2,663,930)	(1,932,894)	(1,710,560)
		(54,467,725)	(52,693,658)	(55,521,765)
Net cash provided by (used in) operating activities	3	26,387,838	22,415,450	18,306,358
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost - self supporting loans		(1,150,000)	(200,000)	-
Payments for purchase of intangible assets	4(a)	-	(56,000)	-
Payments for purchase of property, plant & equipment	4(a)	(7,001,130)	(7,331,847)	(3,123,820)
Payments for construction of infrastructure	4(a)	(33,645,153)	(22,983,394)	(21,884,166)
Non-operating grants, subsidies and contributions	10(b)	9,155,251	7,551,662	7,761,253
Proceeds from sale of plant and equipment	4(b)	449,500	2,034,591	2,397,000
Proceeds on financial assets at amortised cost - self supporting loans	6(a)	119,510	68,498	52,977
Net cash provided by (used in) investing activities		(32,072,022)	(20,916,490)	(14,796,756)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(4,656,816)	(4,814,017)	(14,798,498)
Principal elements of lease payments	7	(42,444)	(49,637)	49,434
Proceeds on disposal of financial assets at amortised cost - term deposits		800,000	(4,100,000)	-
Proceeds from new borrowings	6(a)	1,150,000	200,000	10,000,000
Net cash provided by (used in) financing activities		(2,749,260)	(8,763,654)	(4,749,064)
Net increase (decrease) in cash held		(8,433,444)	(7,264,694)	(1,239,462)
Cash at beginning of year		27,598,264	34,862,959	31,030,851
Cash and cash equivalents at the end of the year	3	19,164,820	27,598,265	29,791,389

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

CITY OF GREATER GERALDTON
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

		2021/22	2020/21	2020/21
	NOTE	Budget	Forecast Actual	Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	3,411,132	6,535,663	1,965,228
		3,411,132	6,535,663	1,965,228
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	10(a)	8,514,902	8,455,937	7,810,648
Fees and charges	9	21,826,986	19,352,335	17,369,492
Interest earnings	13(a)	801,407	479,061	400,163
Other revenue	13(b)	372,065	527,681	896,513
Profit on asset disposals	4(b)	53,019	123,290	350,000
		31,568,379	28,938,304	26,826,816
Expenditure from operating activities				
Employee costs		(28,831,476)	(27,049,754)	(27,105,394)
Materials and contracts		(21,698,995)	(19,677,150)	(19,575,725)
Utility charges		(2,877,046)	(2,873,305)	(2,898,305)
Depreciation on non-current assets	5	(24,878,798)	(24,646,964)	(24,646,964)
Interest expenses	13(d)	(989,517)	(1,174,734)	(1,274,734)
Insurance expenses		(838,154)	(813,989)	(813,989)
Other expenditure		(2,663,930)	(1,932,894)	(1,710,560)
Loss on asset disposals	4(b)	(26,240)	(448,937)	(731,854)
		(82,804,156)	(78,617,727)	(78,757,525)
Non-cash amounts excluded from operating activities	2(b)	24,829,864	25,060,735	25,028,818
Amount attributable to operating activities		(22,994,781)	(18,083,025)	(24,936,663)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10(b)	9,155,251	7,551,662	7,761,253
Payments for intangible assets	4(a)	-	(56,000)	-
Payments for property, plant and equipment	4(a)	(7,001,130)	(7,331,847)	(3,123,820)
Payments for construction of infrastructure	4(a)	(33,645,153)	(22,983,394)	(21,884,166)
Payments for financial assets at amortised cost - self supporting loans	6(a)	(1,150,000)	(200,000)	-
Proceeds from disposal of assets	4(b)	449,500	2,034,591	2,397,000
Proceeds from financial assets at amortised cost - self supporting loans	6(a)	119,510	68,498	52,977
Amount attributable to investing activities		(32,072,022)	(20,916,490)	(14,796,756)
Amount attributable to investing activities		(32,072,022)	(20,916,490)	(14,796,756)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(4,656,816)	(4,814,017)	(14,798,498)
Principal elements of finance lease payments	6	(42,444)	(49,637)	49,434
Proceeds from new borrowings	6(b)	1,150,000	200,000	10,000,000
Transfers to cash backed reserves (restricted assets)	8(a)	(784,000)	(6,155,015)	(2,369,000)
Transfers from cash backed reserves (restricted assets)	8(a)	10,612,819	7,613,348	5,058,000
Amount attributable to financing activities		6,279,559	(3,205,321)	(2,060,064)
Budgeted deficiency before general rates		(48,787,244)	(42,204,836)	(41,793,483)
Estimated amount to be raised from general rates	1(a)	48,210,890	45,615,968	45,683,248
Net current assets at end of financial year - surplus/(deficit)	2	(576,354)	3,411,132	3,889,765

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

CITY OF GREATER GERALDTON
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FOR THE YEAR ENDED 30 JUNE 2022

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CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Forecast total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate										
Gross rental valuations										
CGG Residential	0.151128	15,690	205,032,482	30,986,149	382,500	10,000	31,378,649	30,644,107		30,409,236
CGG Non-Residential	0.125085	1,206	87,907,633	10,995,926	67,500	-	11,063,426	10,755,885		10,758,914
Unimproved valuations										
CGG UV	0.007654	690	368,719,261	2,822,177			2,822,177	2,838,203		2,838,203
Sub-Totals		17,586	661,659,376	44,804,252	450,000	10,000	45,264,252	44,238,195		44,006,353
	Minimum									
Minimum payment										
	\$									
Gross rental valuations										
CGG Residential	1,027	2,245	7,646,077	2,305,615	-	-	2,305,615	2,248,260		2,248,260
CGG Non-Residential	1,027	342	1,387,588	351,234	-	-	351,234	244,420		247,450
Unimproved valuations										
CGG UV	1,027	384	29,785,828	394,368	-	-	394,368	296,940		297,950
Sub-Totals		2,971	38,819,493	3,051,217	-	-	3,051,217	2,789,620		2,793,660
		20,557	700,478,869	47,855,469	450,000	10,000	48,315,469	47,027,815		46,800,013
Discounts (Refer note 1(g))							-	(1,294,277)		(1,000,000)
Concessions (Refer note 1(h))							(104,579)	(117,570)		(116,765)
Total amount raised from general rates							48,210,890	45,615,968		45,683,248

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

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

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	23/08/2021	0	0.0%	6.0%
Option two				
First instalment	23/08/2021	0	0.0%	6.0%
Second instalment	26/10/2021	7	3.0%	6.0%
Option three				
First instalment	23/08/2021	0	0.0%	6.0%
Second instalment	26/10/2021	7	3.0%	6.0%
Third instalment	30/12/2021	7	3.0%	6.0%
Fourth instalment	3/03/2022	7	3.0%	6.0%

Instalment Fees

For ratepayers electing to pay their rates by 2 or 4 instalments, then a charge of \$7.00 per instalment is charged. For ratepayers making an arrangement with Council to pay their rates in more than 4 instalments, then a "one off" charge of \$42 is applied.

Interest on Instalments

Council has recognised that a number of ratepayers are taking up the option to pay their rates by instalments and will impose an interest rate of 3% on rates paid by instalment.

Penalty Interest on Late Payments - Rates

The Financial Management Regulations and section 6.51 of the Local Government Act 1995 prescribes that the maximum interest that can be levied on overdue rates is 7% per annum. Council has resolved to set its rate at 6%. This interest will apply after the expiry of 65 days from the date the rates notice is issued. Note: Penalty interest applied to Emergency Services Levy (State Government) will be 7%.

	2021/22 Budget revenue	2020/21 Forecast Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	67,500	8,700	7,500
Pensioner Deferment	12,000	5,644	12,000
Instalment plan interest earned	100,000	-	-
Unpaid rates and service charge interest earned	350,000	100,176	80,000
	529,500	114,520	99,500

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

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

Differential general rate

Description (including characteristics, objects and reasons)

CGG Residential

This category will include any GRV rated property in that part of the City district that is used for residential purposes.

This rating category reflects the level of rating required to raise the necessary revenue for Council to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for developed residential and urban areas for this designated part of the City.

CGG Non Residential

This category will include any GRV rated property in that part of the City district that is used for non residential purposes other than rural purposes.

The general objects and reasons for this differential rate on Non Residential properties is on an equitable basis to raise the necessary revenue for Council to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for commercial and industrial areas.

CGG UV

This category includes all UV rated property in that part of the City district that are used primarily for rural, farming and mining purposes.

This rating category reflects the level of rating required to raise the necessary revenue to operate efficiently and provide a diverse range of services and programs for rural areas including infrastructure to this designated part of the municipality.

(d) Differential Minimum Payment

Description

CGG Residential / Non Residential / UV (All rate categories)

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Differential general rate or general rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the difference
CGG Residential	0.151128	0.151128	No Change
CGG Non Residential	0.125085	0.125085	No Change
CGG UV	0.007911	0.007654	Landgate valuations received after Public Notice given, with an overall increase in valuations.

Minimum payment	Proposed Minimum \$	Adopted Minimum \$	Reasons for the difference
GRV Residential	1,027	1,027	No Change
GRV Non Residential	1,027	1,027	No Change
CGG UV	1,027	1,027	No Change

(f) Specified Area Rate

The City will not raise specified area rates for the year ended 30th June 2022.

(g) Service Charges

The City will not raise service charges for the year ended 30th June 2022.

CITY OF GREATER GERALDTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022

1. RATES AND SERVICE CHARGES (CONTINUED)

(g) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2021/22 Budget	2020/21 Forecast Actual	2020/21 Budget	Circumstances in which discount is granted
CGG Residential	0.0%	Nil	\$ -	\$ 864,421	\$ 690,773	Council offers no discounts for early payment of rates or any other debts to Council in the 2021/22 financial year.
CGG Non - Residential	0.0%	Nil	-	324,912	244,680	
CGG UV	0.0%	Nil	-	104,944	64,547	
			-	1,294,277	1,000,000	

(h) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2021/22 Budget	2020/21 Forecast Actual	2020/21 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
A11683 - 25-29 Cathedral Ave, Geraldton	Concession	50% (01/07/2021-01/10/2021)	0	\$ 15,579	\$ 30,045	\$ 30,045	Council Resolution 26/07/2016	City Vibrancy
All properties owned by Murchison Region Aboriginal Corporation	Concession	80%	0	89,000	87,525	86,720	Council resolution per budget adoption to continue existing concessional arrangement	Agreement reached after mediation as recommended by SAT
				104,579	117,570	116,765		

Concessions/Incentives/Waivers/Write-offs

Council does not offer any standard waivers or write-offs of Rates and Charges or other debts of ratepayers, unless specifically approved by Council. Individuals may approach Council for an extension of time to pay-off their debt.

Council does offer 'Incentives' under its City Centre Revitalisation Program to encourage development within the City Centre. The form of 'Incentives' which are assessed and approved by Council on an individual basis can be in the form of concessions or waiving of rates for a set period of time. It is estimated that the value of these incentives in 2021/22 will be \$15,579.

Council provides an 80% concessional arrangement to Murchison Region Aboriginal Corporation based on the land primarily is being used for charitable purposes.

Council waives penalty interest and the administration fee for eligible ratepayers approved for a Financial Hardship payment plan under an existing operational policy.

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
2. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents- unrestricted	3	7,443,018	6,047,643	14,116,882
Cash and cash equivalents - restricted				
Cash backed reserves	3	11,721,802	21,550,621	15,674,509
Financial assets - unrestricted		5,600,000	6,400,000	5,000,000
Receivables		6,321,655	7,019,832	6,541,815
Contract assets		20,485	20,485	-
Inventories		657,541	602,415	491,724

Less: current liabilities

Trade and other payables		(14,351,062)	(10,780,524)	(17,121,735)
Contract liabilities		(778,280)	(466,527)	-
Lease liabilities	7	(45,124)	(42,444)	(42,227)
Long term borrowings	6	(4,331,125)	(4,656,816)	(4,576,581)
Employee provisions		(4,767,646)	(4,767,646)	(5,000,729)
Capital expenditure provisions		(478,437)	(478,437)	-

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement	2.(c)	(7,589,181)	(17,037,470)	(11,193,891)
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Note	2021/22	2020/21	2020/21
	Budget 30 June 2022	Forecast Actual 30 June 2021	Budget 30 June 2021
	\$	\$	\$
	7,443,018	6,047,643	14,116,882
	11,721,802	21,550,621	15,674,509
	5,600,000	6,400,000	5,000,000
	6,321,655	7,019,832	6,541,815
	20,485	20,485	-
	657,541	602,415	491,724
	31,764,501	41,640,996	41,824,930
	(14,351,062)	(10,780,524)	(17,121,735)
	(778,280)	(466,527)	-
	(45,124)	(42,444)	(42,227)
	(4,331,125)	(4,656,816)	(4,576,581)
	(4,767,646)	(4,767,646)	(5,000,729)
	(478,437)	(478,437)	-
	(24,751,674)	(21,192,394)	(26,741,272)
	7,012,827	20,448,602	15,083,658
	(7,589,181)	(17,037,470)	(11,193,891)
	(576,354)	3,411,132	3,889,767

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
2. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

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

(b) Operating activities excluded from budgeted deficiency

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

Adjustments to operating activities

		2021/22	2020/21	2020/21
	Note	Budget 30 June 2022	Forecast Actual 30 June 2021	Budget 30 June 2021
		\$	\$	\$
Less: Profit on asset disposals	4(b)	(53,019)	(123,290)	(350,000)
Add: Loss on disposal of assets	4(b)	26,240	448,937	731,854
Add: Movement in non-current lease liabilities				
Add: Depreciation on assets	5	24,878,798	24,646,964	24,646,964
Movement in non-current pensioner deferred rates		(22,155)	144,937	-
Movement in non-current employee provisions		-	(56,813)	-
Non cash amounts excluded from operating activities		24,829,864	25,060,735	25,028,818

(c) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - restricted reserves	8	(11,721,802)	(21,550,621)	(15,674,509)
Less: Current assets not expected to be received at end of year				
- Current portion of self supporting loans receivable		(177,029)	(119,510)	(39,275)
- Other liabilities		(16,962)	(16,962)	(98,915)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		4,331,125	4,656,816	4,576,581
- Current portion of lease liabilities		45,124	42,444	42,227
- Current portion of contract liability held in reserve		(49,637)	(49,637)	-
Total adjustments to net current assets		(7,589,181)	(17,037,470)	(11,193,891)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the City's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City of Greater Geraldton becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

The City of Greater Geraldton contributes to a number of superannuation funds on behalf of employees.

All funds to which the City of Greater Geraldton contributes are defined contribution plans.

LAND HELD FOR RESALE

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

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

CONTRACT ASSETS

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

CONTRACT LIABILITIES

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

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
3. RECONCILIATION OF CASH

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

		2021/22	2020/21	2020/21
	Note	Budget	Forecast Actual	Budget
		\$	\$	\$
Cash at bank and on hand		7,443,018	5,581,116	14,026,803
Term deposits		11,721,802	22,017,148	15,764,588
Total cash and cash equivalents		19,164,820	27,598,264	29,791,391
Held as				
- Unrestricted cash and cash equivalents		4,417,143	3,027,515	14,116,882
- Restricted cash and cash equivalents		14,747,677	24,570,749	15,674,509
		19,164,820	27,598,264	29,791,391
Restrictions				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		11,721,802	21,550,621	15,674,509
- Restricted financial assets at amortised cost - term deposits		3,025,875	3,020,128	-
		14,747,677	24,570,749	15,674,509
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Reserves - cash/financial asset backed	8	11,721,802	21,550,621	15,674,509
Unspent non-operating grants, subsidies and contribution liabilities		3,025,875	3,020,128	-
		14,747,677	24,570,749	15,674,509
Reconciliation of net cash provided by operating activities to net result				
Net result		6,130,364	3,488,207	1,513,792
Depreciation	5	24,878,798	24,646,964	24,646,964
(Profit)/loss on sale of asset	4(b)	(26,779)	325,647	381,854
(Increase)/decrease in receivables		733,541	976,929	1,659,272
(Increase)/decrease in inventories		(55,126)	(96,027)	52,514
Increase/(decrease) in payables		3,570,538	924,195	(2,119,350)
Increase/(decrease) in contract liabilities		311,753	(298,803)	-
Increase/(decrease) in employee provisions		-	-	(67,435)
Non-operating grants, subsidies and contributions		(9,155,251)	(7,551,662)	(7,761,253)
Net cash from operating activities		26,387,838	22,415,450	18,306,358

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Term deposits with a maturity of > 3 months at time of investment are recognised as financial assets.

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

FINANCIAL ASSETS AT AMORTISED COST

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

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

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program							2021/22 Budget total	2020/21 Forecast Actual total	2020/21 Budget total
	Governance	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>										
Land - freehold land	-	-	-	-	-	-	-	-	3,138,500	-
Buildings - non-specialised	35,000	-	15,000	936,500	53,000	-	1,235,500	2,275,000	2,651,660	2,282,820
Furniture and equipment	1,605,000	15,000	-	-	60,000	-	-	1,680,000	427,397	241,000
Plant and equipment	480,000	-	-	118,500	190,000	-	2,257,630	3,046,130	1,114,290	600,000
	2,120,000	15,000	15,000	1,055,000	303,000	-	3,493,130	7,001,130	7,331,847	3,123,820
<i>Infrastructure</i>										
Infrastructure - roads	-	-	-	0	11,382,600	-	-	11,382,600	11,175,762	11,028,651
Infrastructure - recreation	-	-	-	10,584,343	-	64,000	-	10,648,343	5,997,506	5,807,764
Infrastructure - car parks	-	-	-	851,000	-	-	-	851,000	195,996	226,000
Infrastructure - Meru landfill	-	-	5,218,000	-	-	-	-	5,218,000	554,000	275,000
Infrastructure - Airport	-	-	-	-	213,597	-	-	213,597	542,552	508,000
Infrastructure - Effluent system	-	-	-	-	-	-	-	-	30,000	-
Infrastructure - Footpaths	-	-	-	-	4,025,713	-	-	4,025,713	3,692,516	3,214,550
Infrastructure - Drainage	-	-	-	-	1,305,900	-	-	1,305,900	795,062	824,201
	-	-	5,218,000	11,435,343	16,927,810	64,000	-	33,645,153	22,983,394	21,884,166
<i>Intangible Assets</i>										
Easements	-	-	-	-	-	-	-	-	56,000	-
	-	-	-	-	-	-	-	-	56,000	-
Total acquisitions	2,120,000	15,000	5,233,000	12,490,343	17,230,810	64,000	3,493,130	40,646,283	30,371,241	25,007,986

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

- City of Greater Geraldton 2021-22 Capital Program Report

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5). These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

CITY OF GREATER GERALDTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
 4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Forecast Actual Net Book Value	2020/21 Forecast Actual Sale Proceeds	2020/21 Forecast Actual Profit	2020/21 Forecast Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Recreation and culture	-	-	-	-	-	-	-	-	-	(38,114)	-	(38,114)
Transport	-	-	-	-	146,694	123,591	6,269	(29,372)	100,114	(593,626)	-	(693,740)
Other property and services	422,721	449,500	53,019	(26,240)	2,213,544	1,911,000	117,021	(419,565)	2,678,740	3,028,740	350,000	-
	422,721	449,500	53,019	(26,240)	2,360,238	2,034,591	123,290	(448,937)	2,778,854	2,397,000	350,000	(731,854)
By Class												
<u>Property, Plant and Equipment</u>												
Land - freehold land	-	-	-	-	1,793,979	1,911,000	117,021	-	2,228,740	1,535,000	-	(693,740)
Buildings - non-specialised	-	-	-	-	419,565	-	-	(419,565)	450,000	800,000	350,000	-
Plant and equipment	422,721	449,500	53,019	(26,240)	146,694	123,591	6,269	(29,372)	100,114	62,000	-	(38,114)
	422,721	449,500	53,019	(26,240)	2,360,238	2,034,591	123,290	(448,937)	2,778,854	2,397,000	350,000	(731,854)

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

- City of Greater Geraldton 2021-22 Capital Program Report

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
5. ASSET DEPRECIATION

By Program

	2021/22 Budget	2020/21 Forecast Actual	2020/21 Budget
	\$	\$	\$
Governance	614,224	625,167	614,224
Law, order, public safety	202,715	202,135	123,715
Health	21,649	21,691	21,649
Education and welfare	94,899	95,332	94,899
Housing	18,592	11,958	18,592
Community amenities	959,210	662,836	956,559
Recreation and culture	3,114,208	3,158,310	2,911,219
Transport	18,444,212	18,435,719	18,092,850
Economic services	3,336	5,700	3,336
Other property and services	1,405,753	1,428,116	1,809,921
	24,878,798	24,646,964	24,646,964

By Class

	2021/22 Budget	2020/21 Forecast Actual	2020/21 Budget
	\$	\$	\$
Buildings - non-specialised	2,138,297	2,115,696	2,175,312
Furniture and equipment	428,409	432,066	329,372
Plant and equipment	1,414,702	1,421,126	1,697,088
Infrastructure - roads	13,667,476	13,674,021	12,108,979
Infrastructure - recreation	1,856,580	1,951,664	1,735,118
Infrastructure - car parks	485,534	492,130	40,300
Infrastructure - Meru landfill	899,186	589,486	896,535
Infrastructure - Airport	1,107,994	1,109,353	1,553,228
Infrastructure - Effluent system	18,354	18,354	14,656
Infrastructure - Footpaths	1,450,830	1,373,574	3,214,550
Infrastructure - Drainage	1,368,396	1,411,666	824,201
Right of use - furniture and fittings	43,040	57,828	57,625
	24,878,798	24,646,964	24,646,964

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings - non-specialised	8 to 100 years
Furniture and equipment	3 to 10 years
Plant and equipment	5 to 20 years
Infrastructure - roads	15 to 100 years
Infrastructure - recreation	15 to 100 years
Infrastructure - car parks	15 to 100 years
Infrastructure - Meru landfill	8 to 75 years
Infrastructure - Airport	10 to 100 years
Infrastructure - Effluent system	10 to 40 years
Infrastructure - Footpaths	15 to 50 years
Infrastructure - Drainage	15 to 80 years
Right of use - furniture and fittings	2 to 5 years

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2021/22	2021/22	Budget	2021/22	Forecast	2020/21	2020/21	Forecast	2020/21	Budget	2020/21	2020/21	Budget	2020/21	
				Principal	Budget	Budget	Principal	Actual	Forecast	Forecast	Forecast	Actual	Actual	Actual	Actual	Principal	Budget	Budget	Budget
				1 July 2021	New Loans	Principal Repayments	outstanding 30 June 2022	Repayments	1 July 2020	New Loans	Principal Repayments	Principal outstanding 30 June 2021	Repayments	1 July 2020	New Loans	Principal Repayments	Principal outstanding 30 June 2021	Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																			
Office Redevelopment Loan	262	WATC	3.89%	204,064	-	(114,912)	89,152	(6,275)	314,612	-	(110,548)	204,064	(10,639)	314,612	-	(110,548)	204,064	(10,639)	
	N/A			-	-	-	-	-	-	-	-	-	-	-	10,000,000	(10,000,000)	-	-	(100,000)
Law, order, public safety																			
Animal Pound	276	WATC	1.99%	1,383,742	-	(265,898)	1,117,844	(26,220)	1,644,427	-	(260,685)	1,383,742	(31,434)	1,644,427	-	(260,685)	1,383,742	(31,434)	
Community amenities																			
Meru Resource Facility	278	WATC	2.24%	5,721,885	-	(660,730)	5,061,155	(124,491)	6,368,060	-	(646,175)	5,721,885	(139,046)	6,368,060	-	(646,175)	5,721,885	(139,046)	
Recreation and culture																			
Foreshore Stabilisation & Protection	268	WATC	3.09%	524,523	-	(125,162)	399,361	(15,248)	645,906	-	(121,383)	524,523	(19,028)	645,906	-	(121,383)	524,523	(19,028)	
Aquarena Upgrade	264	WATC	4.36%	692,874	-	(221,071)	471,803	(27,826)	904,613	-	(211,739)	692,874	(37,158)	904,613	-	(211,739)	692,874	(37,158)	
QPT Air-Conditioning Replacement	271	WATC	2.92%	1,742,560	-	(328,605)	1,413,955	(48,501)	2,061,776	-	(319,216)	1,742,560	(57,891)	2,061,777	-	(319,216)	1,742,561	(57,891)	
Recreation Ground Grandstand	263	WATC	4.36%	433,046	-	(138,169)	294,877	(17,391)	565,383	-	(132,337)	433,046	(23,224)	565,383	-	(132,337)	433,046	(23,224)	
MUF, Youth Precinct, Beach Access Ramp	272	WATC	3.21%	2,912,691	-	(251,330)	2,661,361	(91,497)	3,156,143	-	(243,452)	2,912,691	(99,374)	3,156,144	-	(243,452)	2,912,692	(99,374)	
Verita Road	259	WATC	4.72%	278,291	-	(278,291)	-	(6,568)	815,772	-	(537,481)	278,291	(32,236)	815,772	-	(537,481)	278,291	(32,236)	
Aquarena Renewal Stage 1	260	WATC	3.89%	530,564	-	(298,771)	231,793	(16,316)	817,990	-	(287,426)	530,564	(27,661)	817,981	-	(287,426)	530,555	(27,661)	
Beresford Foreshore	277	WATC	2.24%	1,512,212	-	(174,622)	1,337,590	(32,901)	1,682,987	-	(170,775)	1,512,212	(36,949)	1,682,987	-	(170,775)	1,512,212	(36,748)	
Transport																			
Airport Projects	269	WATC	3.09%	1,320,049	-	(314,992)	1,005,057	(38,375)	1,625,529	-	(305,480)	1,320,049	(47,887)	1,625,529	-	(305,480)	1,320,049	(47,887)	
Airport Paid Parking Facilities	261	WATC	3.89%	306,095	-	(172,368)	133,727	(9,413)	471,918	-	(165,823)	306,095	(15,958)	471,917	-	(165,823)	306,094	(15,958)	
Airport Buffer Land	258	WATC	4.72%	80,395	-	(80,395)	-	(1,897)	235,667	-	(155,272)	80,395	(9,313)	235,667	-	(155,272)	80,395	(9,313)	
Verita Road Stage 1	273	WATC	2.45%	454,967	-	(224,714)	230,253	(9,779)	674,274	-	(219,307)	454,967	(15,185)	674,274	-	(219,308)	454,966	(15,185)	
Airport Runway Overlay	275	WATC	2.82%	6,924,556	-	(300,035)	6,624,521	(192,956)	7,216,306	-	(291,750)	6,924,556	(201,457)	7,216,307	-	(291,750)	6,924,557	(201,457)	
Other property and services																			
Old Works Depot	265	WATC	4.36%	346,438	-	(110,536)	235,902	(13,913)	452,307	-	(105,869)	346,438	(18,579)	452,306	-	(105,869)	346,437	(18,579)	
Olive Street Development	274	WATC	3.13%	2,356,206	-	(362,853)	1,993,353	(70,932)	2,707,963	-	(351,757)	2,356,206	(82,028)	2,707,964	-	(351,757)	2,356,207	(82,028)	
Old Railway Building	266	WATC	4.36%	356,831	-	(113,852)	242,979	(14,330)	465,876	-	(109,045)	356,831	(19,136)	465,876	-	(109,045)	356,831	(19,136)	
				28,081,989	-	(4,537,306)	23,544,683	(764,829)	32,827,509	-	(4,745,520)	28,081,989	(924,183)	32,827,502	10,000,000	(14,745,521)	28,081,981	(1,023,982)	
Self Supporting Loans																			
Recreation and culture																			
Geraldton Yacht Club SSL	96	WATC	3.16%	183,044	-	(23,755)	159,289	(5,598)	206,066	-	(23,022)	183,044	(6,331)	206,066	-	(23,022)	183,044	(6,331)	
Geraldton Hockey Club SSL	257	WATC	4.81%	-	-	-	-	-	45,475	-	(45,475)	-	(1,832)	45,475	-	(29,955)	15,520	(1,831)	
Wonthella Bowling Club SSL	279	WATC	0.49%	200,000	-	(39,608)	160,392	(934)	-	200,000	-	200,000	-	-	-	-	-	-	
Geraldton Amateur Basketball Association SSL	280	WATC	0.50%	-	550,000	(26,853)	523,147	(1,375)	-	-	-	-	-	-	-	-	-	-	
Geraldton Hockey Association SSL 2	281	WATC	0.50%	-	600,000	(29,294)	570,706	(1,500)	-	-	-	-	-	-	-	-	-	-	
				383,044	1,150,000	(119,510)	1,413,534	(9,407)	251,541	200,000	(68,497)	383,044	(8,163)	251,541	-	(52,977)	198,564	(8,162)	
								(207,415)					(231,555)					(231,555)	
Loan Guarantee Fee				28,465,033	1,150,000	(4,656,816)	24,958,217	(981,651)	33,079,050	200,000	(4,814,017)	28,465,033	(1,163,901)	33,079,043	10,000,000	(14,798,498)	28,280,545	(1,263,699)	

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

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
6. INFORMATION ON BORROWINGS

(b) New borrowings - 2021/22

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
Geraldton Amateur Basketball Association SSL	WATC	Self Supporting Loan	10	0.5%	550,000	14,552	550,000	-
Geraldton Hockey Association SSL 2	WATC	Self Supporting Loan	10	0.5%	600,000	15,875	600,000	-
					1,150,000	30,427	1,150,000	-

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2021/22 Budget	New loans unspent at 30 June 2022	Amount as at 30 June 2022
Meru Landfill	Capital Works	2/05/2019	\$ 2,999,544	\$ 2,999,544	\$ -	\$ -
			2,999,544	2,999,544	-	-

(d) Credit Facilities

	2021/22 Budget	2020/21 Forecast Actual	2020/21 Budget
Undrawn borrowing facilities			
credit standby arrangements			
Group Credit Limit	6,000,000	6,000,000	6,000,000
Bank overdraft limit	750,000	750,000	750,000
Bank overdraft at balance date	-	-	-
Credit card limit	115,000	115,000	115,000
Credit card balance at balance date	(15,000)	(15,000)	(15,000)
Total amount of credit unused	6,850,000	6,850,000	6,850,000
Loan facilities			
Loan facilities in use at balance date	24,958,217	28,465,033	28,280,545

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Lease Principal 1 July 2021	2021/22		Budget	2021/22		2020/21		Forecast Actual	2020/21		2020/21		Budget	2020/21	
						Budget New Leases	Lease Principal Repayments	Principal outstanding 30 June 2022	Lease Interest Repayments	Forecast Actual Principal 1 July 2020	Forecast Actual New Leases	Lease Principal repayments	Principal outstanding 30 June 2021	Lease Interest repayments	Budget Principal 1 July 2020	Budget New Leases	Lease Principal repayments	Principal outstanding 30 June 2021	Lease Interest repayments	
Governance					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Printing Machines		Winc Printing	6.14%	5 years	143,087	-	(42,444)	100,643	(7,866)	183,009	-	(39,922)	143,087	(10,171)	186,967	-	(39,719)	147,248	(10,374)	
Recreation and culture																				
Library RFID Equipment		FE Technology	4.49%	2 years	-	-	-	-	-	9,715	-	(9,715)	-	(662)	9,715	-	(9,715)	-	(662)	

SIGNIFICANT ACCOUNTING POLICIES

LEASES	LEASE LIABILITIES
At the inception of a contract, the City assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.	The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.
At the commencement date, a right-of-use asset is recognised at cost and a lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate.	

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22	2021/22	2021/22	2021/22	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21
	Budget	Budget	Budget	Budget	Forecast	Forecast	Forecast	Forecast	Budget	2020/21	Budget	Budget
	Opening	Transfer to	Transfer	Closing	Actual	Actual	Actual	Actual	Opening	Budget	Transfer	Closing
	Balance		(from)	Balance	Opening	Transfer to	(from)	Closing	Balance	Transfer to	(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlements Reserve	3,100,000	-	(500,000)	2,600,000	3,100,000	-	-	3,100,000	1,600,000	-	(500,000)	1,100,000
(b) Unexpended Capital Works & Restricted Grant Reserve	5,259,299	-	(2,757,626)	2,501,673	6,699,618	-	(1,440,319)	5,259,299	5,994,201	-	(1,808,000)	4,186,201
(c) Parking Land Reserve	551,759	-	-	551,759	551,759	-	-	551,759	51,759	-	-	51,759
(d) Major Initiatives Reserve	1,856,655	750,000	(507,193)	2,099,462	1,781,655	3,335,000	(3,260,000)	1,856,655	1,031,655	2,335,000	(750,000)	2,616,655
(e) Asset Renewal Reserve	9,390,575	-	(6,598,000)	2,792,575	10,803,604	1,500,000	(2,913,029)	9,390,575	9,617,576	-	(2,000,000)	7,617,576
(f) Point Moore Reserve	106,318	34,000	-	140,318	72,318	34,000	-	106,318	68,318	34,000	-	102,318
(g) Public Open Space Reserve	1,286,015	-	(250,000)	1,036,015	-	1,286,015	-	1,286,015	-	-	-	-
	21,550,621	784,000	(10,612,819)	11,721,802	23,008,954	6,155,015	(7,613,348)	21,550,621	18,363,509	2,369,000	(5,058,000)	15,674,509

(b) Cash Backed Reserves - Purposes

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

Reserve name	Purpose of the reserve
(a) Employee Entitlements Reserve	The purpose of this reserve is for the funding of payments not predicted or provided for in Council's municipal budget. It is also intended to fund large payments to staff that may occur in any year, principally being long service leave payments but shall include provision for voluntary redundancy payments, accrued non-current annual leave and sick leave entitlements as provided for under the City's Enterprise Agreement.
(b) Unexpended Capital Works & Restricted Grant Reserve	The purpose of this reserve is to restrict grant funds received that were unspent in the financial year including any tied contribution from the City plus unexpended capital works to be carried over to the next financial year.
(c) Parking Land Reserve	The purpose of this reserve is to build up funds that can be used for the acquisition of land for car parking and provision of parking facilities within the City.
(d) Major Initiatives Reserve	The purpose of this reserve is to provide funding tied to prioritised capital works program and major projects/initiatives. Funds to be mainly derived from net proceeds on land sales.
(e) Asset Renewal Reserve	The purpose of this reserve is to fund infrastructure renewal. Any funds that are unspent from the annual asset renewal program are to be disbursed into this reserve for future renewal programs, unbudgeted emergent and/or emergency renewal works.
(f) Point Moore Reserve	The purpose of this reserve is to build funds from the annual demolition levy applied and to be paid by the Lessee per clause 4.2 of Point Moore Beach Cottages Leases in removal of all improvements and in remediation of sites.
(g) Public Open Space Reserve	The purpose of this reserve is to comply with the requirements of Section 154 of the Planning and Development Act 2005 to hold funds for development of public open space.

9. FEES & CHARGES REVENUE

	2021/22	2020/21	2020/21
	Budget	Forecast	Budget
	\$	\$	\$
Governance	10,200	11,210	14,000
General purpose funding	315,000	112,500	30,000
Law, order, public safety	328,000	333,000	280,000
Health	28,000	12,000	25,000
Education and welfare	20,000	10,000	15,000
Community amenities	13,121,291	12,820,743	12,393,334
Recreation and culture	1,757,845	1,348,082	1,308,325
Transport	4,445,150	3,030,200	2,192,100
Economic services	851,000	741,100	241,233
Other property and services	950,500	933,500	870,500
	21,826,986	19,352,335	17,369,492

10. GRANT REVENUE

	2021/22	2020/21	2020/21
	Budget	Actual	Budget
	\$	\$	\$
By Program:			
(a) Operating grants, subsidies and contributions			
Governance	92,250	207,250	25,000
General purpose funding	6,265,249	6,254,249	6,226,249
Law, order, public safety	232,112	323,723	220,080
Education and welfare	329,225	404,594	322,845
Community amenities	45,100	94,850	84,850
Recreation and culture	387,074	302,540	155,920
Transport	1,052,892	692,105	659,704
Economic services	-	65,626	6,000
Other property and services	111,000	111,000	110,000
	8,514,902	8,455,937	7,810,648
(b) Non-operating grants, subsidies and contributions			
Governance	-	-	62,196
General purpose funding	-	62,196	-
Law, order, public safety	480,000	616,187	-
Health	-	-	470,000
Community amenities	1,131,200	776,000	160,000
Recreation and culture	750,000	874,020	530,000
Transport	6,494,051	5,223,259	6,205,237
Economic services	-	-	333,820
Other property and services	300,000	-	-
	9,155,251	7,551,662	7,761,253
Total grants, subsidies and contributions	17,670,153	16,007,599	15,571,901

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
11. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	Annually based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	When rates notice is issued
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

12. ELECTED MEMBERS REMUNERATION

	2021/22 Budget \$	2020/21 Forecast Actual \$	2020/21 Budget \$
Mayor			
Mayor's annual allowance	78,000	72,336	72,336
Meeting attendance fees	39,000	33,216	33,216
Other expenses	4,000	-	3,000
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	2,000	-	1,000
	126,500	109,052	113,052
Depty Mayor			
Deputy Mayor's annual allowance	19,500	18,084	18,084
Meeting attendance fees	27,000	25,716	25,716
Other expenses	2,000	-	1,333
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	5,000	9,750	5,000
	57,000	57,050	53,633
Councillor 3			
Meeting attendance fees	27,000	25,716	25,716
Other expenses	2,000	-	1,333
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	100	-	100
	32,600	29,216	30,649
Councillor 4			
Meeting attendance fees	27,000	25,716	25,716
Other expenses	2,000	-	1,333
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	4,800	-	4,800
	37,300	29,216	35,349
Councillor 5			
Meeting attendance fees	27,000	25,716	25,716
Other expenses	2,000	-	1,333
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	100	-	100
	32,600	29,216	30,649
Councillor 6			
Meeting attendance fees	27,000	25,716	25,716
Other expenses	2,000	-	1,333
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	4,800	-	4,800
	37,300	29,216	35,349
Councillor 7			
Meeting attendance fees	27,000	25,716	25,716
Other expenses	2,000	-	1,333
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	100	144	100
	32,600	29,360	30,649
Councillor 8			
Meeting attendance fees	27,000	25,716	25,716
Other expenses	2,000	-	1,333
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	100	-	100
	32,600	29,216	30,649

12. ELECTED MEMBERS REMUNERATION (CONTINUED)

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Councillor 9			
Meeting attendance fees	27,000	25,716	25,716
Other expenses	2,000	-	1,333
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	100	-	100
	32,600	29,216	30,649
Councillor 10			
Meeting attendance fees	27,000	25,716	25,716
Other expenses	2,000	-	1,334
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	100	-	100
	32,600	29,216	30,650
Councillor 11			
Meeting attendance fees	27,000	25,716	25,716
Other expenses	2,000	-	1,334
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	100	-	100
	32,600	29,216	30,650
Councillor 12			
Meeting attendance fees	27,000	25,716	25,716
Other expenses	2,000	-	1,334
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	100	-	100
	32,600	29,216	30,650
Councillor 13			
Meeting attendance fees	27,000	25,716	25,716
Other expenses	2,000	-	1,334
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	100	-	100
	32,600	29,216	30,650
	551,500	487,622	513,228
Summary			
Mayor's allowance	78,000	72,336	72,336
Deputy Mayor's allowance	19,500	18,084	18,084
Meeting attendance fees	363,000	341,808	341,808
Other expenses	28,000	-	19,000
Annual allowance for ICT expenses	45,500	45,500	45,500
Travel and accommodation expenses	17,500	9,894	16,500
	551,500	487,622	513,228

13. OTHER INFORMATION

	2021/22	2020/21	2020/21
	Budget	Forecast Actual	Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	150,000	151,252	150,000
- Municipal funds	180,000	158,961	150,000
- Other funds	9,407	63,028	8,163
Other interest revenue (refer note 1b)	462,000	105,820	92,000
	801,407	479,061	400,163
* The City has resolved to charge interest under section 6.13 for the late payment of any amount of money at 6%.			
(b) Other revenue			
Reimbursements and recoveries	255,450	185,391	174,200
Other	116,615	342,290	722,313
	372,065	527,681	896,513
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	56,000	58,800	56,000
Other services	10,000	6,150	10,000
	66,000	64,950	66,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	981,651	1,163,901	1,263,699
Interest expense on lease liabilities	7,866	10,833	11,036
	989,517	1,174,734	1,274,735
(e) Write offs			
General rate	42,000	45,374	30,000
General Debtors	50,000	48,572	50,000
	92,000	93,946	80,000

14. MAJOR LAND TRANSACTIONS

(a) Details

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

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Meru Waste Disposal Facility

(a) Details

The Meru landfill facility was established to provide a regional approach to Waste Management in the Midwest. The vision of City of Greater Geraldton is to lead the community to an improved level of sustainability to encourage waste avoidance, maximise the recovery of materials and provide efficient, yet cost effective, waste management and resource recovery services to the region. These objectives are achievable by actively engaging the community in sustainable waste practices, by supporting and promoting waste minimisation principles and implementing the objectives of WA Waste Avoidance & Resource Recovery Strategy 2030.

A Food Organic and Garden Organic (FOGO) kerbside collection trial involving 500 + households commenced in early March 2020. The 2021/22 budget allows for FOGO kerbside collection to be rolled out to an additional 2,500 households during the financial year. Modelling suggests that our current waste stream is made up of approximately 48% FOGO material. Introducing a FOGO kerbside program has the potential to increase the City's performance diversion rate to 35 - 45% (currently 0%) depending on contamination rates.

(b)

Current year transactions

	2021/22	2020/21
	Budget	Forecast
	\$	Actual
Operating		
Operating revenue	5,281,658	5,303,458
Operating Expenditure	(4,122,915)	(4,194,207)
Depreciation Expense	(899,186)	(589,486)
Operating Result	259,557	519,765
Capital		
Capital revenue	4,300,000	176,000
Capital Expenditure	(5,218,000)	(563,000)
Capital Result	(918,000)	(387,000)
Total Net Trading Undertaking	(658,443)	132,765
Current Assets		
Receivables	180,000	196,237
Non-Current Assets		
Land	2,223,000	2,223,000
Buildings	945,972	1,080,850
Furniture & Equipment	172,369	217,328
Meru Infrastructure	25,058,167	20,559,516
Total Non Current Assets	28,399,508	24,080,694
Current Liabilities		
Creditors & Provisions	500,000	502,964
Borrowings	660,730	646,175
Non Current Liabilities		
Provisions	9,090,788	9,090,788
Borrowings	5,061,155	5,721,885
Total Non Current Liabilities	14,151,943	14,812,673
Net Assets	13,266,835	8,315,119

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Airport

(a) Details

The Geraldton Airport is owned freehold by and run as a business unit of the City of Greater Geraldton, and historically has run with operating surpluses that flow to the City, and may be appropriated by Council when necessary to maintain and improve existing airport infrastructure, and provide for development of future infrastructure.

The 2018/19 Geraldton Airport Upgrade Project (\$24m budget) which included the resurfacing of the 1981m long airport runway and extending it to 2389m was practically completed in June 2019 and has the airport well placed to deliver long-term economic outcomes for the community in terms of growing international tourism and facilitating new airfreight export opportunities.

Geraldton Airport in 2019/20 was serviced by QantasLink, providing Regular Public Transport (RPT) services on the Geraldton-Perth route. Virgin withdrew from RPT services in July 2019 but continues to provide Charter FIFO flights to the Pilbara for Rio Tinto. Two aircraft maintenance and service businesses are well established in airport hangars on land leased from the City. Shine Aviation and Geraldton Air Charter provide General Aviation services based at the airport, servicing the Abrolhos Islands, FIFO mining workforce logistics, and both general and tourism charter operations.

In early 2020 the COVID-19 pandemic crushed aviation in general around the world. QantasLink Regular Public Transport rapidly reduced at that time from 16 to 2 flights per week. These have gradually increased over 2020/21 to 13 flights per week, with monthly flight load factors returning to pre-COVID levels. Ongoing recovery is expected in 2021/22 with more than 100,000 RPT passengers forecast to use the Geraldton Airport over the year.

The basic infrastructure is sound, with no major investment required in external infrastructure in the next few years. Internal assets, in particular security screening systems, will require investment in the next 1-2 years to keep current equipment operational. Further investment over the next five years will be required to meet new technological requirements expected to be put in place by the Department of Infrastructure, Transport, Regional Development and Communications but funding opportunities are expected to reduce the impact on City finances.

(b) Statement of Comprehensive Income

	2021/22	2020/21
	Budget	Forecast Actual
	\$	\$
Current year transactions		
Operating		
Operating revenue	4,747,037	2,957,100
Operating Expenditure	(3,209,183)	(2,856,108)
Depreciation Expense	(1,107,994)	(1,109,353)
Operating Result	429,860	(1,008,361)
Capital		
Capital revenue	139,597	113,000
Capital Expenditure	(1,384,387)	(1,938,580)
Capital Result	(1,244,790)	(1,825,580)
Total Net Trading Undertaking	(814,930)	(2,833,941)
Current Assets		
Receivables	450,000	509,778
Non-Current Assets		
Land	20,899,414	20,899,414
Buildings	18,004,473	18,001,473
Furniture & Equipment	541,289	311,289
Airport Infrastructure	24,176,135	25,000,532
Total Non Current Assets	63,621,311	64,212,708
Current Liabilities		
Creditors & Provisions	450,000	459,653
Borrowings	867,790	918,325
Non Current Liabilities		
Borrowings	7,763,305	8,631,095
Total Liabilities	9,081,095	10,009,073
Net Assets	54,990,216	54,713,413

16. TRUST FUNDS

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

Detail	Forecast Balance 30 June 2021	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2022
	\$	\$	\$	\$
Unclaimed Monies	7,673	200	(300)	7,573
Sundry	41,700	5,000	(25,000)	21,700
	49,373	5,200	(25,300)	29,273

17. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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