



**Shire of Wongan-Ballidu**

# 2020-2021 Annual Budget

**Shire of Wongan-Ballidu**



[www.wongan.wa.gov.au](http://www.wongan.wa.gov.au)

# SHIRE OF WONGAN-BALLIDU

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2021

#### LOCAL GOVERNMENT ACT 1995

### TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Basis of Preparation	3
Statement of Comprehensive Income by Program	4
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Budget	8

#### **SHIRE'S VISION**

Wongan-Ballidu - a caring and supportive community driving sustainability of agriculture, services and the environment

SHIRE OF WONGAN-BALLIDU  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	2,968,739	2,971,815	2,963,585
Operating grants, subsidies and contributions	9(a)	1,382,019	2,998,164	1,718,005
Fees and charges	8	526,878	578,113	621,882
Interest earnings	11(a)	56,333	66,573	89,997
Other revenue	11(b)	132,356	232,760	147,072
		5,066,325	6,847,425	5,540,541
<b>Expenses</b>				
Employee costs		(2,732,616)	(2,129,314)	(2,431,653)
Materials and contracts		(1,536,569)	(1,475,848)	(1,621,763)
Utility charges		(342,406)	(393,458)	(378,968)
Depreciation on non-current assets	5	(2,434,945)	(2,405,600)	(2,352,950)
Interest expenses	11(d)	(52,020)	(36,618)	(64,826)
Insurance expenses		(255,470)	(259,791)	(241,310)
Other expenditure		(248,213)	(223,339)	(233,312)
		(7,602,239)	(6,923,968)	(7,324,782)
<b>Subtotal</b>		(2,535,914)	(76,543)	(1,784,241)
Non-operating grants, subsidies and contributions	9(b)	2,080,633	1,568,481	1,802,087
Profit on asset disposals	4(b)	0	3,253	0
Loss on asset disposals	4(b)	(289,105)	(48,071)	(67,129)
		1,791,528	1,523,663	1,734,958
<b>Net result</b>		<b>(744,386)</b>	<b>1,447,120</b>	<b>(49,283)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(744,386)</b>	<b>1,447,120</b>	<b>(49,283)</b>

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

# SHIRE OF WONGAN-BALLIDU FOR THE YEAR ENDED 30 JUNE 2021

## 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 (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

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

## THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Wongan-Ballidu 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 13 to the budget.

## 2019/20 ACTUAL BALANCES

Balances shown in this budget as 2019/20 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 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 is not expected to impact the annual budget. Specific impacts of AASB 2018-7 have not been identified.

## KEY TERMS AND DEFINITIONS - NATURE OR TYPE

### REVENUES

#### RATES

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

#### SERVICE CHARGES

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

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

#### PROFIT ON ASSET DISPOSAL

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

## 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. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

### INTEREST EARNINGS

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

### OTHER REVENUE / INCOME

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

## EXPENSES

### EMPLOYEE COSTS

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

### MATERIALS AND CONTRACTS

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

### UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

### INSURANCE

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

### LOSS ON ASSET DISPOSAL

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

### DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

### INTEREST EXPENSES

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

### OTHER EXPENDITURE

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

SHIRE OF WONGAN-BALLIDU  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>Revenue</b>	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		53,021	59,225	50,021
General purpose funding		4,028,598	5,245,811	4,056,288
Law, order, public safety		35,500	44,442	35,500
Health		29,100	27,589	79,100
Education and welfare		13,883	13,272	13,597
Housing		64,500	68,318	66,322
Community amenities		196,736	188,615	206,740
Recreation and culture		47,176	412,378	417,175
Transport		204,660	241,810	219,265
Economic services		37,950	77,505	72,950
Other property and services		355,201	468,460	323,582
		5,066,325	6,847,425	5,540,540
<b>Expenses excluding finance costs</b>	4(a),5,11(c),(e),(f)			
Governance		(298,940)	(281,060)	(289,521)
General purpose funding		(121,385)	(106,870)	(120,197)
Law, order, public safety		(161,509)	(147,699)	(155,027)
Health		(406,067)	(377,622)	(328,443)
Education and welfare		(165,453)	(147,913)	(171,715)
Housing		(191,444)	(179,388)	(198,760)
Community amenities		(504,271)	(429,886)	(511,710)
Recreation and culture		(1,634,684)	(1,503,199)	(1,632,764)
Transport		(2,882,560)	(2,987,107)	(2,770,456)
Economic services		(239,099)	(220,703)	(178,822)
Other property and services		(944,807)	(505,903)	(902,540)
		(7,550,219)	(6,887,350)	(7,259,955)
<b>Finance costs</b>	,6(a),11(d)			
Education and welfare		(11,310)	(9,894)	(12,097)
Housing		0	(1,709)	(1,822)
Recreation and culture		(39,710)	(25,015)	(50,907)
Other property and services		(1,000)	0	0
		(52,020)	(36,618)	(64,826)
<b>Subtotal</b>		(2,535,914)	(76,543)	(1,784,241)
Non-operating grants, subsidies and contributions	9(b)	2,080,633	1,568,481	1,802,087
Profit on disposal of assets	4(b)	0	3,253	0
(Loss) on disposal of assets	4(b)	(289,105)	(48,071)	(67,129)
		1,791,528	1,523,663	1,734,958
<b>Net result</b>		<b>(744,386)</b>	<b>1,447,120</b>	<b>(49,283)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(744,386)</b>	<b>1,447,120</b>	<b>(49,283)</b>

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 Shire's Community Vision, and for each of its broad activities/programs.

### OBJECTIVE

### ACTIVITIES

#### GOVERNANCE

The objective of the Governance program is to provide an efficient decision making process for the efficient allocation of scarce resources.

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

#### GENERAL PURPOSE FUNDING

The objective of this program is to generate general purpose funding to deliver a high quality of services to the community.

Activities involve the raising of rates, maximisation of general purpose government grants and interest revenue.

#### LAW, ORDER, PUBLIC SAFETY

The objective of the program is to provide the highest standard of supervision of various local laws and statutory regulations

Activities involve animal control, fire prevention and emergency services to ensure a safer community.

#### HEALTH

The Shire's health program aims to provide an operational framework for good community health.

Activities involve supervision of food quality and pest control, provision of maternal and infant health and the provision of a doctor to the community.

#### EDUCATION AND WELFARE

Provision and support of education for the youth of the community and care of the elderly.

Activities involve the support for aged accommodation, Community Health Care Centre, and Youth Services within the community

#### HOUSING

This program aims to provide and maintain a high standard of housing to the community and staff

Activities involve management and maintenance of various rental residences throughout Wongan Hills.

#### COMMUNITY AMENITIES

The objective of this program is to provide and maintain a high quality of sanitation, planning and cemetery services to the community.

Activities involve the management of refuse services, maintenance of refuse sites, administration of the town planning scheme, maintenance of the cemeteries in Wongan Hills and Ballidu

**KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS contd...**

**RECREATION AND CULTURE**

The areas of recreation and culture are of the highest importance to the community of the Shire of Wongan-Ballidu

Activities for this program includes, developing and maintaining a superior level and quality of recreation facilities and cultural activities. This includes maintenance of civic centres and halls, recreation centres, ovals, parks and gardens, swimming areas, museums and the library facilities.

**TRANSPORT**

Council's objective for this program is to provide, develop and maintain a superior level and quality of recreation facilities and cultural activities. This includes maintenance of civic centres and

Construction and maintenance of streets, roads, bridges and footpaths, cleaning and lighting of streets, depot maintenance and maintenance of aerodromes are all provided to community.

**ECONOMIC SERVICES**

This program aims to regulate and provide tourism and area promotion to generate interest in the Shire and therefore generate tourist dollars for the benefit of the community.

Standpipes and Tourism and Area promotion

**OTHER PROPERTY AND SERVICES**

This program provides for the corporate overheads, support for the CRC, business enterprise and general building maintenance

Activities include, private works, community resource centre operations, maintenance of government buildings and business enterprise centre.

**SHIRE OF WONGAN-BALLIDU**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates	2,976,370	3,032,828	2,963,588
Operating grants, subsidies and contributions	1,388,932	3,053,182	1,718,005
Fees and charges	526,878	578,113	621,882
Interest earnings	56,333	66,573	88,000
Goods and services tax	66,731	(69,233)	0
Other revenue	132,356	232,760	149,065
	<b>5,147,600</b>	<b>6,894,223</b>	<b>5,540,540</b>
<b>Payments</b>			
Employee costs	(2,770,616)	(2,095,109)	(2,431,654)
Materials and contracts	(1,580,788)	(1,645,187)	(1,675,248)
Utility charges	(342,406)	(393,458)	(378,968)
Interest expenses	(52,020)	(36,618)	(64,826)
Insurance expenses	(255,470)	(259,791)	(241,310)
Other expenditure	(248,213)	(223,339)	(223,312)
	<b>(5,249,513)</b>	<b>(4,653,502)</b>	<b>(5,015,318)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>3</b>	<b>(101,913)</b>	<b>2,240,721</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for financial assets at amortised cost - self supporting loans	6	(57,000)	0
Payments for purchase of property, plant & equipment	4(a)	(1,801,487)	(4,566,253)
Payments for construction of infrastructure	4(a)	(2,613,866)	(2,209,810)
Non-operating grants, subsidies and contributions		2,080,633	1,568,481
Proceeds from sale of plant and equipment	4(b)	208,500	109,172
Proceeds on financial assets at amortised cost - self supporting loans	6(a)	36,089	71,792
		<b>(2,147,131)</b>	<b>(5,026,618)</b>
<b>Net cash provided by (used in) investing activities</b>		<b>(2,147,131)</b>	<b>(5,026,618)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a)	(118,706)	(112,434)
Proceeds from new borrowings	6(b)	57,000	2,000,000
		<b>(61,706)</b>	<b>1,887,566</b>
<b>Net cash provided by (used in) financing activities</b>		<b>(61,706)</b>	<b>1,853,802</b>
<b>Net increase (decrease) in cash held</b>		<b>(2,310,750)</b>	<b>(898,331)</b>
Cash at beginning of year		3,736,497	4,634,828
<b>Cash and cash equivalents at the end of the year</b>	<b>3</b>	<b>1,425,747</b>	<b>3,736,497</b>
		<b>1,591,295</b>	<b>1,591,295</b>

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



**SHIRE OF WONGAN-BALLIDU**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>		1,863,714	2,327,885	2,002,897
<b>Revenue from operating activities (excluding rates)</b>		1,863,714	2,327,885	2,002,897
Governance		53,021	59,225	50,021
General purpose funding		1,059,857	2,273,993	1,092,700
Law, order, public safety		35,500	44,442	35,500
Health		29,100	27,589	79,100
Education and welfare		13,883	13,272	13,597
Housing		64,500	68,318	66,322
Community amenities		196,736	188,615	206,740
Recreation and culture		47,176	412,378	417,175
Transport		204,660	245,063	219,265
Economic services		37,950	77,505	72,950
Other property and services		355,203	468,464	323,585
		2,097,586	3,878,864	2,576,955
<b>Expenditure from operating activities</b>				
Governance		(307,375)	(283,962)	(301,221)
General purpose funding		(121,385)	(106,870)	(120,197)
Law, order, public safety		(161,509)	(147,699)	(155,027)
Health		(406,067)	(377,622)	(328,443)
Education and welfare		(176,764)	(157,807)	(183,812)
Housing		(191,444)	(181,097)	(200,582)
Community amenities		(504,271)	(429,886)	(511,710)
Recreation and culture		(1,847,292)	(1,528,214)	(1,683,671)
Transport		(2,990,330)	(3,032,276)	(2,825,885)
Economic services		(239,099)	(220,703)	(178,822)
Other property and services		(945,807)	(505,903)	(902,540)
		(7,891,343)	(6,972,039)	(7,391,910)
Non-cash amounts excluded from operating activities	2 (a)(i)	2,724,050	2,410,861	2,420,079
<b>Amount attributable to operating activities</b>		(1,205,993)	1,645,571	(391,979)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9(b)	2,080,633	1,568,481	1,802,087
Purchase property, plant and equipment	4(a)	(1,801,487)	(4,566,253)	(5,057,779)
Purchase and construction of infrastructure	4(a)	(2,613,866)	(2,209,810)	(2,184,873)
Proceeds from disposal of assets	4(b)	208,500	109,172	103,000
Proceeds from self supporting loans	6(a)	36,089	71,755	71,793
Advances of self supporting loans	6(a)	(57,000)	0	0
<b>Amount attributable to investing activities</b>		(2,147,131)	(5,026,655)	(5,265,772)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(118,706)	(112,434)	(146,198)
Proceeds from new borrowings	6(b)	57,000	2,000,000	2,000,000
Transfers to cash backed reserves (restricted assets)	7(a)	(318,760)	(724,466)	(269,519)
Transfers from cash backed reserves (restricted assets)	7(a)	764,851	1,109,883	1,109,883
<b>Amount attributable to financing activities</b>		384,385	2,272,983	2,694,166
<b>Budgeted deficiency before general rates</b>		(2,968,739)	(1,108,101)	(2,963,585)
<b>Estimated amount to be raised from general rates</b>	1	2,968,739	2,971,815	2,963,585
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii)	<b>0</b>	<b>1,863,714</b>	<b>0</b>

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

**SHIRE OF WONGAN-BALLIDU  
INDEX OF NOTES TO THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2021**

Note 1	Rates	15
Note 2	Net Current Assets	23
Note 3	Reconciliation of Cash	26
Note 4(a)	Asset Acquisitions	27
Note 4(b)	Asset Disposals	28
Note 5	Asset Depreciation	29
Note 6	Borrowings	30
Note 7	Leases	35
Note 8	Reserves	36
Note 9	Fees and Charges	37
Note 10	Grant Revenue	37
Note 11	Revenue Recognition	39
Note 12	Other Information	40
Note 13	Major Land Transactions	41
Note 14	Trading Undertakings and Major Trading Undertakings	42
Note 15	Interests in Joint Arrangements	43
Note 16	Trust	44
Note 17	Significant Accounting Policies - Other Information	45
Note 18	Change in Accounting Policies	46
Note 19	Budget Ratios	47

SHIRE OF WONGAN-BALLIDU  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
General Rates GRV-Wongan Hills	0.098999	458	5,870,821	581,205	2,500		583,705	582,473	583,556
General Rates GRV-Ballidu and Cadoux	0.098999	69	456,674	45,210			45,210	44,532	44,532
<b>Unimproved valuations</b>									
General Rate-UV Rural	0.011154	267	205,967,000	2,297,356	0		2,297,356	2,298,734	2,298,337
General Rate-UV Mining	0.011154	1	72,406	808	0		808	1,212	522
<b>Sub-Totals</b>		795	212,366,901	2,924,579	2,500	0	2,927,079	2,926,951	2,926,947
<b>Minimum payment</b>									
<b>Minimum</b>									
\$									
<b>Gross rental valuations</b>									
General Rates GRV-Wongan Hill	663.06	53	145,813	35,142			35,142	34,479	34,479
General Rates GRV-Ballidu and t	357.51	20	11,570	7,150			7,150	7,507	7,507
<b>Unimproved valuations</b>									
General Rate-UV Rural	358	16	254,400	5,720			5,720	5,720	5,720
General Rate-UV Mining	357.51	13	104,734	4,648			4,648	3,932	3,932
<b>Sub-Totals</b>		102	516,517	52,660	0	0	52,660	51,638	51,638
		897	212,883,418	2,977,239	2,500	0	2,979,739	2,978,589	2,978,585
Discounts (Refer note 1(e))							(33,000)	(34,487)	(33,000)
<b>Total amount raised from general rates</b>							2,946,739	2,944,102	2,945,585
Ex-gratia rates							22,000	27,713	18,000

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

The general rates detailed for the 2020/21 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
		\$	%	%
<b>Option one</b>				
One Full Payment (Including Discount of 2%)	21 days after date of service appearing on the rate notice			8.0%
<b>Option two</b>				
One Full Payment	35 Days after date of service appearing on the rate notice			8.0%
<b>Option three</b>				
Four Instalments				
-1st instalment	35 Days after date of service appearing on the rate notice	\$ 30.00		8.0%
2nd to 4th instalment	95, 155 and 215 Days after the date of service appearing on the rate notice	\$ 12.00	5.5%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	6,000	5,922	6,000
Instalment plan interest earned	5,848	8,917	7,000
	11,848	14,839	13,000

SHIRE OF WONGAN-BALLIDU  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2021.

(d) Service Charges

The Shire did not raise service charges for the year ended 30 June 2021.

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which discount is granted
General Rates	2.0%	0	\$ 33,000	\$ 34,487	\$ 33,000	Early payment discount, if paid in full within 21 days of the date of issue of the rates notice
			33,000	34,487	33,000	

(f) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30 June 2021.

SHIRE OF WONGAN-BALLIDU  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

2 (a). NET CURRENT ASSETS

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.

(i) Operating activities excluded from budgeted deficiency

The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.

Adjustments to operating activities

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
Less: Profit on asset disposals	4(b) 0	(3,253)	0
Less: Movement in employee liabilities associated with restricted cash		(39,557)	
Add: Loss on disposal of assets	4(b) 289,105	48,071	67,129
Add: Depreciation on assets	5 2,434,945	2,405,600	2,352,950
<b>Non cash amounts excluded from operating activities</b>	<b>2,724,050</b>	<b>2,410,861</b>	<b>2,420,079</b>

(ii) 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.

Adjustments to net current assets

Less: Cash - restricted reserves	3 (1,396,857)	(1,842,948)	(1,435,547)
Less: Current assets not expected to be received at end of year			
- current portion of self supporting loans receivable	(39,089)		(26,070)
- rates receivable	20,000		
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	125,470	118,705	102,281
- Employee benefit provisions	41,884	41,486	
Add: Movement in provisions between current and non-current provisions	(25,000)	10,951	(23,253)
<b>Total adjustments to net current assets</b>	<b>(1,273,592)</b>	<b>(1,671,806)</b>	<b>(1,382,589)</b>

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
<b>(iii) Composition of estimated net current assets</b>				
<b>Current assets</b>				
Cash and cash equivalents- unrestricted	3	28,890	1,893,549	155,748
Cash and cash equivalents - restricted				
Cash backed reserves	3	1,396,857	1,842,948	1,435,547
Financial assets - unrestricted		66,824	36,089	
Receivables		212,588	294,259	510,542
Inventories		10,541	11,393	11,204
		1,715,700	4,078,238	2,113,041
<b>Less: current liabilities</b>				
Trade and other payables		(29,564)	(53,939)	(295,974)
Long term borrowings		(125,470)	(118,705)	(102,281)
Provisions		(287,074)	(370,074)	(332,197)
		(442,108)	(542,718)	(730,452)
<b>Net current assets</b>		1,273,592	3,535,520	1,382,589
<b>Less: Total adjustments to net current assets</b>	2 (a)(ii)	(1,273,592)	(1,671,806)	(1,382,589)
<b>Closing funding surplus / (deficit)</b>		0	1,863,714	0

## 2 (b). NET CURRENT ASSETS (CONTINUED)

### SIGNIFICANT ACCOUNTING POLICIES

#### CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire's intentions to release for sale.

#### TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of Wongan-Ballidu 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.

#### 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.

#### PROVISIONS

Provisions are recognised when the Shire has a 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.

#### INVENTORIES

##### General

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

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

##### Superannuation

The Shire of Wongan-Ballidu contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Wongan-Ballidu contributes are defined contribution plans.

#### LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

#### 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.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

#### EMPLOYEE BENEFITS

##### Short-term employee benefits

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

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

#### 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.

Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.



**SHIRE OF WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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:

	2020/21	2019/20	2019/20
Note	Budget	Actual	Budget
	\$	\$	\$
Cash at bank and on hand	(417,202)	1,893,548	155,748
Term deposits	1,842,949	1,842,949	1,435,547
	1,425,747	3,736,497	1,591,295
- Unrestricted cash and cash equivalents	28,890	1,893,549	155,748
- Restricted cash and cash equivalents	1,396,857	1,842,948	1,435,547
	1,425,747	3,736,497	1,591,295
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
LSL Leave reserve	41,884	41,486	41,501
Community Resource Centre Reserve	37,549	32,617	13,533
Depot Improvement Reserve	10,564	10,500	10,518
Historical Publications Reserve	7,146	7,077	7,079
Housing Reserve	1,872	1,854	1,854
Medical Facilities & R4R Special Projects Reserve	363,112	349,376	264,307
Patterson Street JV Housing Reserve	49,422	44,039	44,045
Plant Reserve	650,425	660,989	660,389
Quinlan Street JV Housing Reserve	49,983	44,594	44,599
Stickland JV Housing Reserve	53,687	53,214	53,221
Swimming Pool Reserve	29,782	114,921	114,876
Waste Management Reserve	50,435	45,042	45,048
Sporting Co-Location Reserve	0	287,239	134,577
Doctor Subsidy Reserve	50,996	150,000	0
	1,396,857	1,842,948	1,435,547
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	(744,385)	1,447,120	(49,283)
Depreciation	5 2,434,945	2,405,600	2,352,950
(Profit)/loss on sale of asset	4(b) 289,105	44,818	67,129
(Increase)/decrease in receivables	81,275	46,798	(3,670)
(Increase)/decrease in inventories	852	(189)	526
Increase/(decrease) in payables	(45,072)	(169,150)	(30,140)
Increase/(decrease) in employee provisions	(38,000)	34,205	(10,203)
Non-operating grants, subsidies and contributions	(2,080,633)	(1,568,481)	(1,802,087)
<b>Net cash from operating activities</b>	(101,913)	2,240,721	525,222

**SIGNIFICANT ACCOUNTING POLICES**

**CASH AND CASH EQUIVALENTS**

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

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

**FINANCIAL ASSETS AT AMORTISED COST**

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

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

SHIRE OF WONGAN-BALLIDU  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program									2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Governance	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>												
Buildings - non-specialised	23,383			32,288		7,240			5,883	68,794		70,500
Buildings - specialised		23,800	30,000			804,896		38,500		897,196	3,916,503	4,326,179
Furniture and equipment	15,000								10,497	25,497	12,088	0
Plant and equipment							678,000			678,000	551,365	571,100
Motor Vehicles	52,000					37,000			43,000	132,000	86,297	90,000
	90,383	23,800	30,000	32,288	0	849,136	678,000	38,500	59,380	1,801,487	4,566,253	5,057,779
<i>Infrastructure</i>												
Infrastructure - roads							2,052,136			2,052,136	2,203,280	2,117,373
Infrastructure - other					14,500	544,000			3,230	561,730	6,530	67,500
	0	0	0	0	14,500	544,000	2,052,136	0	3,230	2,613,866	2,209,810	2,184,873
<b>Total acquisitions</b>	<b>90,383</b>	<b>23,800</b>	<b>30,000</b>	<b>32,288</b>	<b>14,500</b>	<b>1,393,136</b>	<b>2,730,136</b>	<b>38,500</b>	<b>62,610</b>	<b>4,415,353</b>	<b>6,776,063</b>	<b>7,242,652</b>

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

SHIRE OF WONGAN-BALLIDU  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Governance	22,935	14,500	0	(8,435)	36,538	33,636	0	(2,902)	41,700	30,000	0	(11,700)
Recreation and culture	207,900	35,000	0	(172,900)		0	0	0		0	0	0
Transport	266,770	159,000	0	(107,770)	117,452	75,536	3,253	(45,169)	128,429	73,000	0	(55,429)
	497,605	208,500	0	(289,105)	153,990	109,172	3,253	(48,071)	170,129	103,000	0	(67,129)
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Buildings - specialised	189,150	27,000		(162,150)		0				0		
Plant and equipment	248,576	145,000		(103,576)	117,452	75,536	3,253	(45,169)	128,429	73,000		(55,429)
Motor Vehicles	59,879	36,500		(23,379)	36,538	33,636		(2,902)	41,700	30,000		(11,700)
	497,605	208,500	0	(289,105)	153,990	109,172	3,253	(48,071)	170,129	103,000	0	(67,129)

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

**SIGNIFICANT ACCOUNTING POLICIES**

**GAINS AND LOSSES ON DISPOSAL**

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

SHIRE OF WONGAN-BALLIDU  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

5. ASSET DEPRECIATION

By Program

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

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Motor Vehicles
Infrastructure - roads
Infrastructure - other

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
74,120	73,365	65,065
23,350	23,345	23,305
29,710	29,467	26,745
10,295	10,306	10,480
3,480	3,467	3,340
13,945	13,942	13,940
406,915	412,279	406,175
1,505,930	1,473,766	1,449,975
55,020	54,340	46,890
312,180	311,323	307,035
2,434,945	2,405,600	2,352,950
40,115	39,852	36,980
139,685	139,779	140,880
32,110	37,142	32,550
356,060	354,517	337,510
46,890	47,100	49,395
1,481,875	1,449,735	1,426,220
338,210	337,475	329,415
2,434,945	2,405,600	2,352,950

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings - non-specialised	30 to 50 years
Buildings - specialised	50 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Motor Vehicles	
Infrastructure - roads	
Infrastructure - other	80 years

AMORTISATION

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

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

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

SHIRE OF WONGAN-BALLIDU  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2021

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	2020/21	2020/21	Budget	2020/21	Actual	2019/20	2019/20	Actual	2019/20	Budget	2019/20	2019/20	Budget	2019/20	
				Principal	Budget	Budget	Principal	Budget		Actual	Actual	Principal	Actual		Principal	Budget	Budget	Budget	Principal
				1 July 2020	New Loans	Principal Repayments	Principal outstanding 30 June 2021	Interest Repayments	Principal 1 July 2019	New Loans	Principal Repayments	Principal outstanding 30 June 2020	Interest Repayments	Principal 1 July 2019	New Loans	Principal Repayments	Principal outstanding 30 June 2020	Interest Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Housing</b>																			
<b>Recreation and culture</b>																			
	Recreation Centre Impr	152	WATC	1,959,321		(82,616)	1,876,705	(39,710)		2,000,000	(40,679)	1,959,321	(24,733)	0	2,000,000	(72,080)	1,927,920	(51,342)	
<b>Other property and services</b>																			
				1,959,321	0	(82,616)	1,876,705	(39,710)	0	2,000,000	(40,679)	1,959,321	(24,733)	0	2,000,000	(72,080)	1,927,920	(51,342)	
<b>Self Supporting Loans</b>																			
<b>Housing</b>																			
	Community Association	142	WATC	0	0	0	0	0	39,325	0	(39,325)	0	(1,709)	39,325	0	(39,325)	0	(1,822)	
	Construction of Aged Pr	147	WATC	0	24,440	0	(9,282)	15,158	(1,531)	33,113	0	(8,673)	24,440	(1,399)	33,113	0	(9,281)	23,832	(1,531)
	Construction of Aged Pr	151B	WATC	0	260,588	0	(16,790)	243,798	(9,779)	276,782	0	(16,194)	260,588	(8,495)	276,782	0	(16,193)	260,589	(9,956)
<b>Recreation and culture</b>																			
	Wongan Hills Bowling C	149	WATC	0	0	0	0	0	7,563	0	(7,563)	0	(282)	11,259	0	(9,319)	1,940	(175)	
<b>Other property and services</b>																			
	Wongan Hills Communi	153	WATC	0.0205	0	57,000	(10,018)	46,982	(1,000)	0	0	0	0	0	0	0	0	0	0
				285,028	57,000	(36,090)	305,938	(12,310)	356,783	0	(71,755)	285,028	(11,885)	360,479	0	(74,118)	286,361	(13,484)	
				2,244,349	57,000	(118,706)	2,182,643	(52,020)	356,783	2,000,000	(112,434)	2,244,349	(36,618)	360,479	2,000,000	(146,198)	2,214,281	(64,826)	

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

SHIRE OF WONGAN-BALLIDU  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Wongan Hills Communit	WATC	P & I	5	1.5%	\$ 57,000	\$ 1,581	\$ 57,000	\$ 0
					57,000	1,581	57,000	0

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30 June 2020 nor is it expected to have unspent borrowing funds as at 30 June 2021.

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit	100,000	0	100,000
Bank overdraft at balance date	0	0	0
Credit card limit	7,500	0	7,500
Credit card balance at balance date	0	0	0
<b>Total amount of credit unused</b>	<b>107,500</b>	<b>0</b>	<b>107,500</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	2,182,643	2,244,349	2,214,281

**SIGNIFICANT ACCOUNTING POLICIES**

**BORROWING COSTS**

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

**SHIRE OF WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**7. CASH BACKED RESERVES**

**(a) Cash Backed Reserves - Movement**

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) LSL Leave reserve	41,486	398		41,884	80,974	895	(40,383)	41,486	80,682	1,202	(40,383)	41,501
(b) Community Resource Centre Reserve	32,617	20,228	(15,296)	37,549	13,531	19,086		32,617	13,335	198		13,533
(c) Depot Improvement Reserve	10,500	64		10,564	10,377	123		10,500	10,364	154		10,518
(d) Historical Publications Reserve	7,077	69		7,146	6,994	83		7,077	6,975	104		7,079
(e) Housing Reserve	1,854	18		1,872	1,832	22		1,854	1,827	27		1,854
(f) Medical Facilities & R4R Special Projects Reserve	349,376	43,736	(30,000)	363,112	290,894	88,482	(30,000)	349,376	289,995	4,312	(30,000)	264,307
(g) Patterson Street JV Housing Reserve	44,039	5,383		49,422	38,573	5,466		44,039	38,473	5,572		44,045
(h) Plant Reserve	660,989	233,436	(244,000)	650,425	682,931	232,058	(254,000)	660,989	678,649	235,740	(254,000)	660,389
(i) Quinlan Street JV Housing Reserve	44,594	5,389		49,983	39,121	5,473		44,594	39,019	5,580		44,599
(j) Stickland JV Housing Reserve	53,214	473		53,687	47,640	5,574		53,214	47,514	5,707		53,221
(k) Swimming Pool Reserve	114,921	1,361	(86,500)	29,782	113,573	1,348		114,921	113,194	1,682		114,876
(l) Waste Management Reserve	45,042	5,393		50,435	39,564	5,478		45,042	39,461	5,587		45,048
(m) Sporting Co-Location Reserve	287,239	1,816	(289,055)	0	862,451	210,288	(785,500)	287,239	916,423	3,654	(785,500)	134,577
(n) Doctor Subsidy Reserve	150,000	996	(100,000)	50,996	0	150,000		150,000				0
	1,842,948	318,760	(764,851)	1,396,857	2,228,455	724,376	(1,109,883)	1,842,948	2,275,911	269,519	(1,109,883)	1,435,547

**7. CASH BACKED RESERVES (CONTINUED)**

**(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) LSL Leave reserve	- To be used for Council's current and non-current long service leave liability.
(b) Community Resource Centre Reserve	- To be used to transfer funds from the Community Resource Centre operations for the future purchase of capital, furniture and equipment.
(c) Depot Improvement Reserve	- To be used To fund capital improvements and maintenance works at the Shire of Wongan-Ballidu depot.
(d) Historical Publications Reserve	- To be used to fund historical publications and projects of the Shire.
(e) Housing Reserve	- To be used for the development of housing within the Shire.
(f) Medical Facilities & R4R Special Projects Reserve	- To be used to fund the refurbishment of a multi-purpose medical facility in Wongan Hills to house the doctor, dentist and other medical professionals.
(g) Patterson Street JV Housing Reserve	- To be used to fund the capital and operating costs of the Housing joint venture in Patterson Street.
(h) Plant Reserve	- To be used for the purchase of major plant.
(i) Quinlan Street JV Housing Reserve	- To be used to fund the capital and operating costs of the Housing joint venture in Quinlan Street.
(j) Stickland JV Housing Reserve	- To be used to fund the capital and operating costs of the Housing joint venture in Stickland Street.
(k) Swimming Pool Reserve	- To be used to fund capital and maintenance works at the Wongan Hills Memorial Swimming Pool.
(l) Waste Management Reserve	- To be used to fund the future waste management facility needs of the Shire.
(m) Sporting Co-Location Reserve	- To be used to fund the capital improvements associated with the co-location of sporting facilities within Wongan Hills.
(n) Doctor Subsidy Reserve	- To be used to fund the operational subsidy paid to the operator of the Wongan Hills Medical Centre

SHIRE OF WONGAN-BALLIDU  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance	7,500	7,248	7,500
General purpose funding	5,350	7,195	5,350
Law, order, public safety	10,500	12,486	10,500
Health	25,500	27,142	75,500
Education and welfare	1,500	1,175	1,500
Housing	61,000	64,650	61,000
Community amenities	194,236	187,979	204,240
Recreation and culture	37,000	35,699	37,000
Transport	2,500	2,059	2,500
Economic services	37,800	75,119	72,800
Other property and services	143,992	157,361	143,992
	526,878	578,113	621,882

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program:</b>								
<b>(a) Operating grants, subsidies and contributions</b>								
Governance				0		18,000	6,000	0
General purpose funding				0		996,700	2,202,342	996,700
Law, order, public safety				0		25,000	31,955	25,000
Community amenities				0		2,500	0	2,500
Recreation and culture				0			370,000	370,000
Transport				0		202,160	235,881	216,765
Other property and services				0		137,659	151,986	107,040
	0	0	0	0	0	1,382,019	2,998,164	1,718,005
<b>(b) Non-operating grants, subsidies and contributions</b>								
Recreation and culture				0		891,548	409,331	756,040
Transport				0		1,189,085	1,159,150	1,046,047
	0	0	0	0	0	2,080,633	1,568,481	1,802,087
<b>Total</b>	0	0	0	0	0	3,462,652	4,566,645	3,520,092



**SHIRE OF WONGAN-BALLIDU**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**10. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs measured
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 measured
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
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	After inspection complete 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	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
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

## 11. OTHER INFORMATION

### The net result includes as revenues

#### (a) Interest earnings

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Investments			
- Reserve funds	19,810	22,704	32,500
- Other funds	15,675	12,114	25,000
Late payment of fees and charges *	15,000	22,838	25,497
Other interest revenue (refer note 1b)	5,848	8,917	7,000
	56,333	66,573	89,997

\* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 8%.

#### (b) Other revenue

Reimbursements and recoveries	132,357	232,760	147,072
	132,357	232,760	147,072

### The net result includes as expenses

#### (c) Auditors remuneration

Audit services	29,500	30,330	29,500
	29,500	30,330	29,500

#### (d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	52,020	36,618	64,826
	52,020	36,618	64,826

#### (e) Elected members remuneration

Meeting fees	10,710	10,410	10,710
Mayor/President's allowance	1,000	1,000	1,000
Deputy Mayor/President's allowance	250	250	250
Travelling expenses	2,534	516	2,534
Telecommunications allowance	7,000	7,500	7,000
	21,494	19,676	21,494

#### (f) Write offs

General rate	2,000	496	2,000
Fees and charges	1,000		1,000
	3,000	496	3,000

## 12. INTERESTS IN JOINT ARRANGEMENTS

The Shire together with the Department of Housing have a joint venture arrangement with regard to the ownership of four housing units in Quinlan Street, three housing units in Stickland Street and two housing units in Patterson Street, Wongan Hills.

Assets are included in Property, Plant & Equipment is as follows:

	<b>Shire</b>	<b>Others</b>
	%	%
<b>Non-current assets</b>		
Stickland Street Units	11%	89%
Quinlan Street Units	9%	91%
Patterson Street Units	12%	88%

It is not anticipated the Shire will be party to any other joint venture arrangements during 2020/21.

### SIGNIFICANT ACCOUNTING POLICIES

#### INTERESTS IN JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire of Wongan-Ballidu's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

### 13. TRUST FUNDS

Funds held at balance date over which the local government has no control and which are not included in the financial statements are as follows:

Detail	Balance 30 June 2020	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2021
	\$	\$	\$	\$
Department of Transport	13,612	280,000	(280,000)	13,612
	13,612	280,000	(280,000)	13,612

## 14. 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.

## 15. BUDGET RATIOS

	2020/21 Budget	2019/20 Actual	2018/19 Actual	2017/18 Actual
Operating Surplus	(28.9000)	12.2900	10.5600	31.9500
Funds After Operations	40.8000	78.3900	93.7800	83.220
PPE	5.2700	14.3000	3.7400	4.100
Infrastructure	3.4000	3.0400	3.2800	69.6300
Cash Reserves	32.3300	31.2900	43.3800	43.7000
Borrowings	45.3900	34.6700	0.0000	9.7700
Debt Servicing	3.1600	2.0200	0.3900	10.3200
Average Rates (UV)	8,608	8,609	8,415	8,170
Average Rates (GRV)	1,269	1,272	1,233	1,225

The ratios are calculated as follows:

### OPERATIONS

Operating Surplus  $\frac{\text{Adjusted underlying surplus (or deficit)}}{\text{Adjusted underlying revenue}}$

Funds After Operations  $\frac{\text{Funds remaining after operations}}{\text{General funds}}$

### ASSET RATIOS

PPE  $\frac{\text{Closing WDV value of PPE less Opening WDV value of PPE}}{\text{Opening WDV value of PPE}}$

Infrastructure  $\frac{\text{Closing WDV Infrastructure less Opening WDV infrastructure}}{\text{Opening WDV Infrastructure}}$

### FINANCING RATIOS

Cash Reserves  $\frac{\text{Discretionary Reserve Balance}}{\text{General Funds}}$

Borrowings  $\frac{\text{Principal outstanding}}{\text{General funds}}$

Debt Servicing  $\frac{\text{Principal and interest due}}{\text{General funds}}$

### RATES RATIOS

Average Rates  $\frac{\text{Rate revenue per category}}{\text{Number of properties per category}}$



**Administration Office**

Cnr Quinlan Street & Elphin Crescent  
P O Box 84  
Wongan Hills, WA  
6603

 (08) 9671 2500

 (08) 9671 2509

 [shire@wongan.wa.gov.au](mailto:shire@wongan.wa.gov.au)

**Wongan Hills Community Resource Centre**

1 Wongan Road  
P O Box 255  
Wongan Hills, WA  
6603

 (08) 9671 2550

 [crc@wongan.wa.gov.au](mailto:crc@wongan.wa.gov.au)

