



Shire of
Wongan-Ballidu

Shire of Wongan-Ballidu

Budget

For the year ended 30 June 2022



SHIRE OF WONGAN-BALLIDU

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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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 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	3,061,114	2,967,765	2,968,740
Operating grants, subsidies and contributions	10(a)	1,518,951	2,573,250	1,382,019
Fees and charges	9	616,478	552,411	526,878
Interest earnings	12(a)	49,416	40,520	56,333
Other revenue	12(b)	125,821	205,464	132,354
		5,371,780	6,339,410	5,066,324
Expenses				
Employee costs		(2,361,003)	(2,431,141)	(2,732,616)
Materials and contracts		(1,148,755)	(1,451,283)	(1,536,569)
Utility charges		(357,816)	(374,984)	(342,406)
Depreciation on non-current assets	5	(2,520,170)	(2,524,388)	(2,434,945)
Interest expenses	12(d)	(47,758)	(56,927)	(52,020)
Insurance expenses		(279,860)	(261,330)	(255,470)
Other expenditure		(344,763)	(193,931)	(248,213)
		(7,060,125)	(7,293,984)	(7,602,239)
Subtotal				
		(1,688,345)	(954,574)	(2,535,915)
Non-operating grants, subsidies and contributions	10(b)	4,276,404	1,629,003	2,080,633
Profit on asset disposals	4(b)	10,390	92,498	0
Loss on asset disposals	4(b)	(151,192)	(176,336)	(289,105)
		4,135,602	1,545,165	1,791,528
Net result				
		2,447,257	590,591	(744,387)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income				
		2,447,257	590,591	(744,387)

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

SHIRE OF WONGAN-BALLIDU

FOR THE YEAR ENDED 30 JUNE 2022

BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of 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 14 to the budget.

2020/21 ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

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 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,9,10(a),12(a),12(b)	\$	\$	\$
Governance		35,021	59,392	53,021
General purpose funding		4,227,066	5,128,718	4,028,599
Law, order, public safety		55,150	48,366	35,500
Health		29,100	28,448	29,100
Education and welfare		11,120	8,067	13,883
Housing		64,500	56,746	64,500
Community amenities		216,014	207,737	196,736
Recreation and culture		108,000	142,704	47,175
Transport		204,765	219,090	204,660
Economic services		59,800	71,829	37,950
Other property and services		361,244	368,313	355,201
		5,371,780	6,339,410	5,066,325
Expenses excluding finance costs	4(a),5,12(c)(e)(f)			
Governance		(550,799)	(322,185)	(298,940)
General purpose funding		(105,726)	(118,120)	(121,385)
Law, order, public safety		(165,592)	(167,819)	(161,509)
Health		(407,106)	(402,125)	(406,067)
Education and welfare		(211,953)	(127,748)	(165,454)
Housing		(172,364)	(176,556)	(191,444)
Community amenities		(530,375)	(541,713)	(504,271)
Recreation and culture		(1,651,595)	(1,542,860)	(1,634,684)
Transport		(2,748,846)	(2,904,714)	(2,882,560)
Economic services		(189,073)	(189,920)	(239,099)
Other property and services		(278,939)	(743,295)	(944,807)
		(7,012,368)	(7,237,055)	(7,550,220)
Finance costs	7,6(a),12(d)			
Education and welfare		(9,620)	(10,113)	(11,310)
Recreation and culture		(37,827)	(46,556)	(39,710)
Other property and services		(311)	(259)	(1,000)
		(47,758)	(56,928)	(52,020)
Subtotal		(1,688,346)	(954,573)	(2,535,915)
Non-operating grants, subsidies and contributions	10(b)	4,276,404	1,629,003	2,080,633
Profit on disposal of assets	4(b)	10,390	92,498	0
(Loss) on disposal of assets	4(b)	(151,192)	(176,336)	(289,105)
		4,135,602	1,545,165	1,791,528
Net result		2,447,256	590,592	(744,387)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		2,447,256	590,592	(744,387)

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

GOVERNANCE

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

ACTIVITIES

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

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 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,113,614	2,941,142	2,976,370
Operating grants, subsidies and contributions		1,588,951	2,463,349	1,388,932
Fees and charges		616,478	552,411	526,878
Interest received		49,416	40,520	56,333
Goods and services tax received		53,000	81,575	66,731
Other revenue		125,821	205,464	132,356
		5,547,280	6,284,461	5,147,600
Payments				
Employee costs		(2,415,003)	(2,246,111)	(2,770,616)
Materials and contracts		(1,420,896)	(1,525,285)	(1,580,788)
Utility charges		(357,816)	(374,984)	(342,406)
Interest expenses		(49,258)	(52,055)	(52,020)
Insurance paid		(279,860)	(261,330)	(255,470)
Other expenditure		(344,763)	(143,931)	(248,213)
		(4,867,596)	(4,603,696)	(5,249,513)
Net cash provided by (used in) operating activities	3	679,684	1,680,765	(101,913)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost - self supporting loans	6	0	(40,000)	(57,000)
Payments for purchase of property, plant & equipment	4(a)	(2,782,934)	(1,168,164)	(1,801,487)
Payments for construction of infrastructure	4(a)	(4,117,944)	(2,224,831)	(2,613,866)
Non-operating grants, subsidies and contributions	10(b)	4,276,404	1,629,003	2,080,633
Proceeds from sale of land held for resale	4(b)	0	116,218	0
Proceeds from sale of plant and equipment	4(b)	196,000	177,228	208,500
Proceeds on financial assets at amortised cost - self supporting loans	6(a)	35,264	29,024	36,090
Net cash provided by (used in) investing activities		(2,393,210)	(1,481,522)	(2,147,130)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(119,586)	(112,630)	(118,706)
Principal elements of lease payments	7	(5,135)	(5,601)	0
Proceeds on disposal of financial assets at amortised cost - term deposits		(3,000)	(2,342)	
Proceeds from new borrowings	6(a)	0	40,000	57,000
Net cash provided by (used in) financing activities		(127,721)	(80,573)	(61,706)
Net increase (decrease) in cash held		(1,841,247)	118,670	(2,310,749)
Cash at beginning of year		4,006,412	3,887,742	3,736,497
Cash and cash equivalents at the end of the year	3	2,165,165	4,006,412	1,425,748

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 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2(a)	1,450,684	1,504,376	1,863,714
		1,450,684	1,504,376	1,863,714
Revenue from operating activities (excluding rates)				
Governance		35,021	59,392	53,021
General purpose funding		1,189,452	2,184,221	1,081,860
Law, order, public safety		55,150	48,366	35,500
Health		34,490	28,448	29,100
Education and welfare		11,120	8,067	13,883
Housing		64,500	56,746	64,500
Community amenities		216,014	207,737	196,736
Recreation and culture		108,000	142,704	47,175
Transport		209,765	219,090	204,660
Economic services		59,800	71,829	37,950
Other property and services		361,244	460,811	355,201
		2,344,556	3,487,411	2,119,586
Expenditure from operating activities				
Governance		(550,799)	(322,427)	(307,375)
General purpose funding		(105,726)	(118,120)	(121,385)
Law, order, public safety		(165,592)	(167,819)	(161,509)
Health		(407,106)	(402,125)	(406,067)
Education and welfare		(221,573)	(137,861)	(176,764)
Housing		(172,364)	(176,556)	(191,444)
Community amenities		(530,375)	(541,713)	(504,271)
Recreation and culture		(1,689,422)	(1,757,803)	(1,847,294)
Transport		(2,900,038)	(2,912,421)	(2,990,330)
Economic services		(189,073)	(189,920)	(239,099)
Other property and services		(279,250)	(743,554)	(945,807)
		(7,211,318)	(7,470,319)	(7,891,345)
Non-cash amounts excluded from operating activities	2(b)	2,660,972	2,608,226	2,724,050
Amount attributable to operating activities		(755,106)	129,694	(1,183,995)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		4,276,404	1,629,003	2,080,633
Payments for property, plant and equipment	4(a)	(2,782,934)	(1,168,164)	(1,801,487)
Payments for construction of infrastructure	4(a)	(4,117,944)	(2,224,831)	(2,613,866)
Payments for financial assets at amortised cost - self supporting loans	6(a)	0	(40,000)	(57,000)
Proceeds from disposal of assets	4(b)	196,000	293,446	208,500
Proceeds from financial assets at amortised cost - self supporting loans	6(a)	35,264	36,089	36,090
		(2,393,210)	(1,474,457)	(2,147,130)
Amount attributable to investing activities		(2,393,210)	(1,474,457)	(2,147,130)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(119,586)	(112,630)	(118,706)
Principal elements of finance lease payments	7	(5,135)	(5,601)	0
Proceeds from new borrowings	6(a)	0	40,000	57,000
Net movement in LSL reserve (restricted assets)	8(a)		241	
Transfers to cash backed reserves (restricted assets)	8(a)	(1,066,577)	(602,868)	(318,760)
Transfers from cash backed reserves (restricted assets)	8(a)	1,302,000	531,808	764,851
Amount attributable to financing activities		110,702	(149,050)	384,385
Budgeted deficiency before imposition of general rates		(3,037,614)	(1,493,813)	(2,946,740)
Estimated amount to be raised from general rates	1	3,037,614	2,944,497	2,946,740
Net current assets at end of financial year - surplus/(deficit)	2(a)	0	1,450,684	0

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

SHIRE OF WONGAN-BALLIDU
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FOR THE YEAR ENDED 30 JUNE 2022

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SHIRE OF WONGAN-BALLIDU
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
 1. RATES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
General Rates GRV-Wongan Hills	0.10068	456	5,866,603	590,632	2,500		593,132	584,556	583,706
General Rates GRV-Ballidu and Cadoux	0.10068	69	467,167	47,033			47,033	45,210	45,211
Unimproved valuations									
General Rate-UV Rural	0.01027	270	230,681,013	2,369,094			2,369,094	2,297,914	2,297,356
General Rate-UV Mining	0.01027	1	78,676	808			808	1,121	808
Sub-Totals		796	237,093,459	3,007,567	2,500	0	3,010,067	2,928,801	2,927,081
Minimum	\$								
Minimum payment									
Gross rental valuations									
General Rates GRV-Wongan Hill	683	59		40,294			40,294	35,142	35,142
General Rates GRV-Ballidu and Cadoux	368	20		7,365			7,365	7,150	7,150
Unimproved valuations									
General Rate-UV Rural	368	17		6,260			6,260	5,720	5,720
General Rate-UV Mining	368	18		6,628			6,628	4,647	4,647
Sub-Totals		114	0	60,547	0	0	60,547	52,659	52,659
		910	237,093,459	3,068,114	2,500	0	3,070,614	2,981,460	2,979,740
Discounts (Refer note 1(c))							(33,000)	(36,963)	(33,000)
Total amount raised from general rates							3,037,614	2,944,497	2,946,740
Ex gratia rates							23,500	23,268	22,000
Total rates							3,061,114	2,967,765	2,968,740

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

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

SHIRE OF WONGAN-BALLIDU
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
 1. RATES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	3/09/2021	N/A	N/A	7.0%
First instalment				
Second instalment				
Option three				
First instalment	3/09/2021	30	5.5%	7.0%
Second instalment	5/11/2021	12	5.5%	7.0%
Third instalment	14/01/2022	12	5.5%	7.0%
Fourth instalment	18/03/2022	12	5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	6,000	4,270	6,000
Instalment plan interest earned	6,000	8,368	5,848
Unpaid rates and service charge interest earned	15,000	14,864	15,000
	27,000	27,502	26,848

1. RATES (CONTINUED)

(c) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which discount is granted
General Rates	2.0%	0	\$ 33,000	\$ 36,963	\$ 33,000	Early payment discount, if paid within 21 days of the date of issue of the rates notice
			33,000	36,963	33,000	

(d) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2022.

SHIRE OF WONGAN-BALLIDU
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	667,385	2,270,209	28,890
Cash and cash equivalents - restricted	3	1,497,780	1,736,203	1,396,857
Financial assets - unrestricted		26,022	35,264	66,824
Financial assets - restricted	3	91,091	88,091	
Receivables		233,527	406,527	212,588
Inventories		6,343	31,343	10,541
		2,522,148	4,567,637	1,715,700

Less: current liabilities

Trade and other payables		(456,909)	(852,867)	(29,564)
Lease liabilities	7	207	(4,928)	
Long term borrowings	6	(117,313)	(119,587)	(125,470)
Employee provisions		(423,792)	(394,792)	(287,074)
		(997,807)	(1,372,174)	(442,108)

Net current assets

		1,524,341	3,195,463	1,273,592
Less: Total adjustments to net current assets	2.(c)	(1,524,341)	(1,744,779)	(1,273,592)
Net current assets used in the Rate Setting Statement		0	1,450,684	0

SHIRE OF WONGAN-BALLIDU
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

Less: Profit on asset disposals
 Add: Loss on disposal of assets
 Add: Depreciation on assets

Non cash amounts excluded from operating activities

(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
 Less: Current assets not expected to be received at end of year
 - Current portion of self supporting loans receivable
 - Rates receivable
 Add: Current liabilities not expected to be cleared at end of year
 - Current portion of borrowings
 - Current portion of lease liabilities
 - Employee Benefit Provisions
 - Movement in provisions between current and non-current provisions

Total adjustments to net current assets

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	(10,390)	(92,498)	0
4(b)	151,192	176,336	289,105
5	2,520,170	2,524,388	2,434,945
	2,660,972	2,608,226	2,724,050
8	(1,676,447)	(1,911,870)	(1,396,857)
			(39,089)
	25,000	25,000	20,000
	117,313	119,587	125,470
	(207)	4,928	0
	35,000	32,792	41,884
	(25,000)	(15,216)	(25,000)
	(1,524,341)	(1,744,779)	(1,273,592)

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
2 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

The Shire of 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.

LAND HELD FOR RESALE

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

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

CONTRACT ASSETS

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
3. RECONCILIATION OF CASH

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

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Cash at bank and on hand	(199,078)	1,302,746	(417,202)
Term deposits	2,364,243	2,703,666	1,842,949
Total cash and cash equivalents	2,165,165	4,006,412	1,425,747
Held as			
- Unrestricted cash and cash equivalents	667,385	2,270,209	28,890
- Restricted cash and cash equivalents	1,497,780	1,736,203	1,396,857
	2,165,165	4,006,412	1,425,747
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	1,497,780	1,736,203	1,396,857
- Restricted financial assets at amortised cost - term deposits	178,667	175,667	0
	1,676,447	1,911,870	1,396,857
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	8	1,676,447	1,911,870
		1,911,870	1,396,857
Reconciliation of net cash provided by operating activities to net result			
Net result		2,447,256	590,592
			(744,387)
Depreciation	5	2,520,170	2,524,388
(Profit)/loss on sale of asset	4(b)	140,802	83,838
(Increase)/decrease in receivables		175,500	(54,949)
(Increase)/decrease in inventories		25,000	(24,733)
Increase/(decrease) in payables		(113,641)	(179,771)
Increase/(decrease) in employee provisions		41,000	50,368
Non-operating grants, subsidies and contributions		(4,556,403)	(1,308,968)
Net cash from operating activities		679,684	1,680,765
			(101,913)

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 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 Actual total	2020/21 Budget total
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>														
Land - freehold land											200,000	200,000	0	
Buildings - non-specialised	23,404					24,401						47,805	7,815	68,794
Buildings - specialised	10,000			15,101	8,000		257,921	1,014,760	100,847	38,500		1,445,129	555,191	897,196
Furniture and equipment	235,000											235,000	28,461	25,497
Plant and equipment									745,000			745,000	443,282	678,000
Motor Vehicles				66,000							44,000	110,000	133,415	132,000
	268,404	0	0	81,101	8,000	24,401	257,921	1,014,760	845,847	38,500	244,000	2,782,934	1,168,164	1,801,487
<i>Infrastructure</i>														
Infrastructure - roads									3,895,018			3,895,018	2,129,784	2,052,136
Infrastructure - footpaths									104,787			104,787	80,606	76,933
Infrastructure - other							40,511	25,000		21,415	31,213	118,139	14,441	484,797
	0	0	0	0	0	0	40,511	25,000	3,999,805	21,415	31,213	4,117,944	2,224,831	2,613,866
Total acquisitions	268,404	0	0	81,101	8,000	24,401	298,432	1,039,760	4,845,652	59,915	275,213	6,900,878	3,392,995	4,415,353

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 2022
 4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance		0	0	0	22,970	22,728	0	(242)	22,935	14,500	0	(8,435)
Health	19,610	25,000	5,390	0		0	0	0		0	0	0
Recreation and culture		0	0	0	206,387	38,000	0	(168,387)	207,900	35,000	0	(172,900)
Transport	317,192	171,000	5,000	(151,192)	48,236	40,529	0	(7,707)	266,770	159,000	0	(107,770)
Other property and services		0	0	0	99,691	192,189	92,498	0	0	0	0	0
	336,802	196,000	10,390	(151,192)	377,284	293,446	92,498	(176,336)	497,605	208,500	0	(289,105)
By Class												
<u>Property, Plant and Equipment</u>												
Buildings - specialised		0			191,956	51,264		(140,692)	189,150	27,000		(162,150)
Plant and equipment	284,158	140,000	5,000	(149,158)	117,548	94,500		(23,048)	248,576	145,000		(103,576)
Motor Vehicles	52,644	56,000	5,390	(2,034)	44,060	31,464		(12,596)	59,879	36,500		(23,379)
<u>Land Held for Resale</u>												
Land held for resale		0			23,720	116,218	92,498			0		
	336,802	196,000	10,390	(151,192)	377,284	293,446	92,498	(176,336)	497,605	208,500	0	(289,105)

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 2022
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
Right of use - plant and equipment

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
94,970	93,536	74,120
22,150	22,266	23,350
29,765	29,809	29,710
10,275	10,290	10,295
3,610	3,604	3,480
13,920	13,941	13,945
448,195	450,992	406,915
1,505,135	1,507,691	1,505,930
55,280	55,363	55,020
336,870	336,896	312,180
2,520,170	2,524,388	2,434,945
40,305	40,351	40,115
179,550	176,516	139,685
33,340	38,356	32,110
379,285	380,171	356,060
66,470	64,774	46,890
1,480,900	1,477,619	1,481,875
340,320	340,802	338,210
	5,799	
2,520,170	2,524,388	2,434,945

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	2 to 5 years
Infrastructure - roads	80 years
Infrastructure - other	80 years
Right of use - plant and equipment	Based on the remaining lease

AMORTISATION

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

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

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

SHIRE OF WONGAN-BALLIDU
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 Principal 1 July 2021	2021/22 Budget New Loans	2021/22 Budget Principal Repayments	Budget Principal outstanding 30 June 2022	2021/22 Budget Interest Repayments	Actual Principal 1 July 2020	2020/21 Actual New Loans	2020/21 Actual Principal Repayments	Actual Principal outstanding 30 June 2021	2020/21 Actual Interest Repayments	Budget Principal 1 July 2020	2020/21 Budget New Loans	2020/21 Budget Principal Repayments	Budget Principal outstanding 30 June 2021	2020/21 Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																		
Recreation and culture																		
Recreation Centre Impr	152	WATC	2.07%	1,876,705		(84,322)	1,792,383	(37,827)	1,959,321		(82,616)	1,876,705	(43,612)	1,959,321		(82,616)	1,876,705	(39,710)
Other property and services				1,876,705	0	(84,322)	1,792,383	(37,827)	1,959,321	0	(82,616)	1,876,705	(43,612)	1,959,321	0	(82,616)	1,876,705	(39,710)
Self Supporting Loans																		
Housing																		
Construction of Aged Pi	147	WATC	7.03%	15,158	0	(9,934)	5,224	(878)	24,440	0	(9,282)	15,158	(3,729)	24,440	0	(9,282)	15,158	(1,531)
Construction of Aged Pi	151B	WATC	3.68%	243,798	0	(17,408)	226,390	(8,741)	260,588	0	(16,790)	243,798	(8,968)	260,588	0	(16,790)	243,798	(9,779)
Other property and services				36,058	0	(7,922)	28,136	(221)	0	40,000	(3,942)	36,058	(333)	0	57,000	(10,018)	46,982	(1,000)
Wongan Hills Communi	153	WATC	0.65%	295,014	0	(35,264)	259,750	(9,840)	285,028	40,000	(30,014)	295,014	(13,030)	285,028	57,000	(36,090)	305,938	(12,310)
				2,171,719	0	(119,586)	2,052,133	(47,667)	2,244,349	40,000	(112,630)	2,171,719	(56,642)	2,244,349	57,000	(118,706)	2,182,643	(52,020)

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 2022
6. INFORMATION ON BORROWINGS

(b) New borrowings - 2021/22

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

(c) Unspent borrowings

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

(d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	100,000	0	100,000
Bank overdraft at balance date			
Credit card limit	15,000	0	7,500
Credit card balance at balance date			
Total amount of credit unused	115,000	0	107,500
Loan facilities			
Loan facilities in use at balance date	2,052,133	2,171,719	2,182,643

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 2022
7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2021/22 Budget	2021/22 Budget	2021/22 Budget	Actual Principal	2020/21 Actual	Actual Lease	2020/21 Actual	Budget Principal	2020/21 Budget	Budget Lease	Budget Lease	2020/21 Budget	
					Principal 1 July 2021	New Leases	Principal Repayments	Lease Principal outstanding 30 June 2022		Lease Interest	Principal 1 July 2020	New Leases		Principal repayments	Lease Principal outstanding 30 June 2021	Lease Interest	Principal 1 July 2020	New Leases
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Other property and services																		
Photocopier	1	De Lange Landen	3.3%	5 years	5,135		(5,135)	0	(91)	10,736		(5,601)	5,135	(285)			0	
					5,135	0	(5,135)	0	(91)	10,736	0	(5,601)	5,135	(285)	0	0	0	0

SIGNIFICANT ACCOUNTING POLICIES

LEASES

At the inception of a contract, the Shire assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and a lease liability. at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

LEASE LIABILITIES

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

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) LSL Leave reserve	41,739	209		41,948	41,498	241	0	41,739	41,486	398		41,884
(b) Community Resource Centre Reser	37,347	187		37,534	32,504	20,139	(15,296)	37,347	32,617	20,228	(15,296)	37,549
(c) Depot Improvement Reserve	10,546	53		10,599	10,485	61	0	10,546	10,500	64		10,564
(d) Historical Publications Reserve	7,108	36		7,144	7,067	41	0	7,108	7,077	69		7,146
(e) Land Development & Housing Rese	117,871	245,591	(200,000)	163,462	1,851	116,020	0	117,871	1,854	18		1,872
(f) Special Projects Reserve	360,929	1,809	(30,000)	332,738	348,906	42,023	(30,000)	360,929	349,376	43,736	(30,000)	363,112
(g) Patterson Street JV Housing Reserv	49,236	5,247		54,483	43,981	5,255	0	49,236	44,039	5,383		49,422
(h) Plant Reserve	594,336	742,978	(641,000)	696,314	660,241	269,177	(335,082)	594,336	660,989	233,436	(244,000)	650,425
(i) Quinlan Street JV Housing Reserve	49,792	5,250		55,042	44,534	5,258	0	49,792	44,594	5,389		49,983
(j) Stickland JV Housing Reserve	53,450	5,268		58,718	53,142	308	0	53,450	53,214	473		53,687
(k) Swimming Pool Reserve	63,998	321	(49,000)	15,319	114,767	661	(51,430)	63,998	114,921	1,361	(86,500)	29,782
(l) Waste Management Reserve	50,243	5,252		55,495	44,982	5,261	0	50,243	45,042	5,393		50,435
(m) Sporting Co-Location Reserve	425,275	2,126	(331,750)	95,651	286,852	138,423	0	425,275	287,239	1,816	(289,055)	0
(n) Doctor Subsidy Reserve	50,000	250	(50,250)	0	150,000	0	(100,000)	50,000	150,000	996	(100,000)	50,996
(o) Finance System Replacement Rese	0	52,000		52,000	0			0				0
	1,911,870	1,066,577	(1,302,000)	1,676,447	1,840,810	602,868	(531,808)	1,911,870	1,842,948	318,760	(764,851)	1,396,857

(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 equipm
(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) Land Development & Housing Reserve	- To be used to fund land development and housing projects as identified by the Shire of Wongan-Ballidu
(f) Special Projects Reserve	- To be used to fund special projects as identified by the Shire of Wongan-Ballid
(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
(o) Finance System Replacement Reserve	-To be used to fund the replacement of the Shire's core software application Synergysoft

9. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Governance	5,350	9,846	5,350
General purpose funding	7,500	6,140	7,500
Law, order, public safety	10,500	11,366	10,500
Health	75,500	25,302	25,500
Education and welfare	1,500	182	1,500
Housing	61,000	52,630	61,000
Community amenities	216,014	206,749	194,236
Recreation and culture	37,000	35,227	37,000
Transport	2,500	3,060	2,500
Economic services	58,800	70,524	37,800
Other property and services	140,814	131,384	143,992
	616,478	552,410	526,878

10. GRANT REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
By Program:			
(a) Operating grants, subsidies and contributions			
Governance	0	19,168	18,000
General purpose funding	1,068,377	2,114,421	996,700
Law, order, public safety	44,650	37,000	25,000
Community amenities	0	987	2,500
Recreation and culture	65,000	66,098	0
Transport	202,265	202,278	202,160
Other property and services	138,658	133,297	137,659
	1,518,950	2,573,249	1,382,019
(b) Non-operating grants, subsidies and contributions			
Recreation and culture	924,000	347,548	891,548
Transport	3,352,404	1,281,455	1,189,085
	4,276,404	1,629,003	2,080,633
Total grants, subsidies and contributions	5,795,354	4,202,252	3,462,652

SHIRE OF WONGAN-BALLIDU
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	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

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

Elected Members remuneration

President's allowance	10,710	9,136	10,710
Deputy President's allowance	1,000	1,000	1,000
Meeting attendance fees	250	250	250
Annual allowance for ICT expenses	7,000	6,750	7,000
Travel and accommodation expenses	2,534	1,289	2,534
Total Elected Member Remuneration	21,494	18,425	21,494

12. OTHER INFORMATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	9,575	9,662	19,810
- Other funds	18,841	7,625	15,675
Late payment of fees and charges *	15,000	14,864	15,000
Other interest revenue (refer note 1b)	6,000	8,368	5,848
	49,416	40,519	56,333
(b) Other revenue			
Reimbursements and recoveries	125,821	205,464	132,354
	125,821	205,464	132,354
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	30,000	16,300	29,500
Other services	3,500	3,808	0
	33,500	20,108	29,500
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	47,667	56,642	52,020
Interest expense on lease liabilities	91	285	0
	47,758	56,927	52,020
(e) Write offs			
General rate	5,000	3,558	5,180
	5,000	3,558	5,180
(f) Low Value lease expenses			
Office equipment	2,769	3,021	0
	2,769	3,021	0

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
13. 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 Land and Buildings and the percentage ownership is as follows:

	Shire	Others
	%	%
Non-current assets		
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 2021/22.

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.

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.



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