



Shire of Wongan-Ballidu
2018/19
Annual Budget

SHIRE OF WONGAN-BALLIDU
BUDGET
FOR THE YEAR ENDED 30 JUNE 2019

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SHIRE'S VISION

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2019**

BY NATURE OR TYPE

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
Revenue				
Rates	1	2,875,483	2,648,636	2,796,592
Operating grants, subsidies and contributions	9	1,709,675	2,493,012	1,979,732
Fees and charges	8	521,414	531,181	504,860
Interest earnings	10(a)	82,263	83,690	86,426
Other revenue	10(b)	117,848	314,917	122,300
		<u>5,306,683</u>	<u>6,071,436</u>	<u>5,489,910</u>
Expenses				
Employee costs		(2,175,723)	(2,030,319)	(2,082,331)
Materials and contracts		(1,361,589)	(1,120,826)	(1,484,429)
Utility charges		(374,962)	(347,000)	(304,602)
Depreciation on non-current assets	5	(1,569,779)	(1,571,526)	(2,573,155)
Interest expenses	10(d)	(24,260)	(27,552)	(33,470)
Insurance expenses		(239,954)	(232,042)	(246,760)
Other expenditure		(251,297)	(263,202)	(323,874)
		<u>(5,997,564)</u>	<u>(5,592,467)</u>	<u>(7,048,621)</u>
		(690,881)	478,969	(1,558,711)
Non-operating grants, subsidies and contributions	9	1,191,824	1,644,638	1,414,387
Profit on asset disposals	4(b)	3,328	82	0
Loss on asset disposals	4(b)	(179,840)	(110,256)	(165,176)
Net result		324,431	2,013,433	(309,500)
Other comprehensive income				
Total other comprehensive income		0	0	0
Total comprehensive income		324,431	2,013,433	(309,500)

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

BASIS OF PREPARATION

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also 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.

2017/18 ACTUAL BALANCES

Balances shown in this budget as 2017/18 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

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. Exclude 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.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

REVENUES (CONTINUED)

FEES AND CHARGES

Revenues (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, rebates etc.

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 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.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2019**

BY PROGRAM

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
Revenue	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		53,400	70,249	78,350
General purpose funding		3,880,483	4,694,129	3,836,594
Law, order, public safety		35,500	29,089	33,700
Health		32,100	49,284	22,600
Education and welfare		18,498	10,190	4,743
Housing		80,787	102,872	75,306
Community amenities		202,040	198,375	178,680
Recreation and culture		156,976	45,322	78,975
Transport		524,663	360,151	849,357
Economic services		42,950	44,375	41,950
Other property and services		279,287	467,400	289,655
		<u>5,306,684</u>	<u>6,071,436</u>	<u>5,489,910</u>
Expenses excluding finance costs	5,10(c),(e),(f)			
Governance		(251,206)	(331,541)	(420,377)
General purpose funding		(118,466)	(133,665)	(113,582)
Law, order, public safety		(150,930)	(126,543)	(276,130)
Health		(155,804)	(177,684)	(147,535)
Education and welfare		(218,055)	(205,047)	(222,292)
Housing		(177,748)	(161,005)	(176,205)
Community amenities		(468,989)	(400,659)	(444,782)
Recreation and culture		(1,571,892)	(1,513,190)	(1,683,973)
Transport		(1,839,593)	(1,733,600)	(2,317,693)
Economic services		(203,639)	(166,860)	(252,172)
Other property and services		(816,983)	(615,121)	(960,410)
		<u>(5,973,305)</u>	<u>(5,564,915)</u>	<u>(7,015,151)</u>
Finance costs	6, 10(d)			
Housing		(22,784)	(17,125)	(6,306)
Recreation and culture		(1,476)	(1,877)	(1,877)
Other property and services		0	(8,550)	(25,287)
		<u>(24,260)</u>	<u>(27,552)</u>	<u>(33,470)</u>
		<u>(690,881)</u>	<u>478,969</u>	<u>(1,558,711)</u>
Non-operating grants, subsidies and contributions	9	1,191,824	1,644,638	1,414,387
Profit on disposal of assets	4(b)	3,328	82	0
(Loss) on disposal of assets	4(b)	(179,840)	(110,256)	(165,176)
Net result		324,431	2,013,433	(309,500)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		324,431	2,013,433	(309,500)

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

FOR THE YEAR ENDED 30TH JUNE 2019

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.

PROGRAM NAME	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 and the provision of a doctor to the community.
EDUCATION AND WELFARE	Proportion 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	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 halls, recreation centres, ovals, parks and gardens, swimming areas, museums and the library facilities.
TRANSPORT	Maintenance and development of the Shire's infrastructure and transport services is the objective of this program.	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.	Activities include, Building Control, Provision of 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.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019**

BY NATURE OR TYPE

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,888,483	2,607,495	2,796,592
Operating grants, subsidies and contributions		1,962,925	2,446,933	1,979,732
Fees and charges		521,414	531,181	504,860
Interest earnings		82,263	83,690	86,426
Goods and services tax		0	5,717	0
Other revenue		117,848	314,917	122,300
		<u>5,572,933</u>	<u>5,989,933</u>	<u>5,489,910</u>
Payments				
Employee costs		(2,127,723)	(1,993,733)	(1,972,329)
Materials and contracts		(1,458,589)	(788,933)	(1,388,462)
Utility charges		(374,962)	(347,000)	(304,603)
Interest expenses		(24,260)	(23,549)	(33,470)
Insurance expenses		(239,954)	(232,042)	(246,761)
Other expenditure		(204,297)	(263,202)	(323,874)
		<u>(4,429,785)</u>	<u>(3,648,459)</u>	<u>(4,269,499)</u>
Net cash provided by (used in) operating activities	3	<u>1,143,148</u>	<u>2,341,474</u>	<u>1,220,411</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(2,743,795)	(1,203,406)	(1,350,782)
Payments for construction of infrastructure	4(a)	(2,230,914)	(2,426,967)	(2,981,150)
Non-operating grants, subsidies and contributions used for the development of assets	9	1,191,824	1,644,638	1,414,387
Proceeds from sale of plant & equipment	4(b)	191,800	277,045	246,500
Net cash provided by (used in) investing activities		<u>(3,591,085)</u>	<u>(1,708,690)</u>	<u>(2,671,045)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6	(80,481)	(576,800)	(576,800)
Proceeds from self supporting loans	6(a)	77,231	333,490	333,490
Proceeds from new borrowings	6(b)	0	(400,000)	(400,000)
Net cash provided by (used in) financing activities		<u>(3,250)</u>	<u>(643,310)</u>	<u>(643,310)</u>
Net increase (decrease) in cash held		<u>(2,451,187)</u>	<u>(10,526)</u>	<u>(2,093,944)</u>
Cash at beginning of year		4,416,732	4,427,258	4,503,010
Cash and cash equivalents at the end of the year	3	<u>1,965,545</u>	<u>4,416,732</u>	<u>2,409,066</u>

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

**RATES SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019**

BY REPORTING PROGRAM

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	2,081,517	1,785,732	1,524,344
		<u>2,081,517</u>	<u>1,785,732</u>	<u>1,524,344</u>
Revenue from operating activities (excluding rates)				
Governance		53,400	70,249	78,350
General purpose funding		1,005,000	2,045,493	1,040,002
Law, order, public safety		35,500	29,089	33,700
Health		32,100	49,284	22,600
Education and welfare		18,498	10,190	4,743
Housing		80,787	102,872	75,306
Community amenities		202,040	198,375	178,680
Recreation and culture		156,976	45,322	78,975
Transport		527,693	360,233	849,357
Economic services		42,950	44,375	41,950
Other property and services		279,585	467,400	289,655
		<u>2,434,529</u>	<u>3,422,882</u>	<u>2,693,318</u>
Expenditure from operating activities				
Governance		(251,206)	(370,500)	(450,915)
General purpose funding		(118,466)	(133,665)	(113,582)
Law, order, public safety		(150,930)	(126,543)	(276,130)
Health		(155,804)	(177,684)	(147,535)
Education and welfare		(218,055)	(205,047)	(222,292)
Housing		(200,532)	(178,130)	(182,511)
Community amenities		(468,989)	(400,659)	(444,782)
Recreation and culture		(1,573,368)	(1,515,067)	(1,685,850)
Transport		(2,010,485)	(1,804,897)	(2,452,331)
Economic services		(203,639)	(166,860)	(252,172)
Other property and services		(825,927)	(623,671)	(985,696)
		<u>(6,177,401)</u>	<u>(5,702,723)</u>	<u>(7,213,796)</u>
Operating activities excluded from budget				
(Profit) on asset disposals	4(b)	(3,328)	(82)	0
Loss on disposal of assets	4(b)	179,840	110,256	165,176
Depreciation on assets	5	1,569,779	1,571,526	2,573,155
Amount attributable to operating activities		<u>84,936</u>	<u>1,187,591</u>	<u>(257,803)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9	1,191,824	1,644,638	1,414,387
Purchase property, plant and equipment	4(a)	(2,743,795)	(1,203,406)	(1,350,782)
Purchase and construction of infrastructure	4(a)	(2,230,914)	(2,426,967)	(2,981,150)
Proceeds from disposal of assets	4(a)	191,800	277,045	246,500
Amount attributable to investing activities		<u>(3,591,085)</u>	<u>(1,708,690)</u>	<u>(2,671,045)</u>
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(80,481)	(576,800)	(576,800)
Proceeds from new borrowings	6(b)	0	(400,000)	(400,000)
Proceeds from self supporting loans	6(a)	80,481	476,800	476,800
Transfers to cash backed reserves (restricted assets)	7(a)	(180,619)	(432,297)	(381,611)
Transfers from cash backed reserves (restricted assets)	7(a)	835,285	885,217	1,013,867
Net Movement in Long Service Leave Reserve (restricted assets)	7(a)		1,060	
Amount attributable to financing activities		<u>654,666</u>	<u>(46,020)</u>	<u>132,256</u>
Budgeted deficiency before general rates		<u>(2,851,483)</u>	<u>(567,119)</u>	<u>(2,796,592)</u>
Estimated amount to be raised from general rates	1	<u>2,875,483</u>	<u>2,648,636</u>	<u>2,796,592</u>
Net current assets at end of financial year - surplus/(deficit)	2	<u>24,000</u>	<u>2,081,517</u>	<u>0</u>

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

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2018/19 Budgeted rate revenue	2018/19 Budgeted interim rates	2018/19 Budgeted back rates	2018/19 Budgeted total revenue	2017/18 Actual Revenue
	\$		\$	\$	\$	\$	\$	\$
Differential general rate or general rate								
Gross Rental Value								
General Rates GRV-Wongan Hills	0.096116	457	5,860,161	563,255	2,100	0	565,355	549,864
General Rates GRV-Ballidu and Cadoux	0.096116	68	449,824	43,235	0	0	43,235	42,542
Unimproved Value								
General Rate UV-Rural	0.011554	265	193,001,000	2,229,934	400	0	2,230,334	2,023,214
General Rate UV-Mining	0.011554	0	0	0	0	0	0	0
Sub-Totals		790	199,310,985	2,836,424	2,500	0	2,838,924	2,615,620
Minimum								
	\$							
Minimum payment								
Gross Rental Value								
General Rates GRV-Wongan Hills	644	52	0	33,475	0	0	33,475	33,588
General Rates GRV-Ballidu and Cadoux	347	22	0	7,636	0	0	7,636	7,150
Unimproved Value								
General Rate UV-Rural	347	16	0	5,554	0	0	5,554	4,225
General Rate UV-Mining	347	14	0	4,859	0	0	4,859	5,200
Sub-Totals		104	0	51,524	0	0	51,524	50,163
		894	199,310,985	2,887,948	2,500	0	2,890,448	2,665,783
Discounts/concessions (Refer note 1(g))							(32,965)	(34,969)
Ex-Gratia Rates							18,000	17,822
Total amount raised from general rates							2,875,483	2,648,636
Specified area rates (Refer note 1(e))							0	0
Total rates							2,875,483	2,648,636

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 2018/19 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 rate(s) has|have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
One Full Payment (Including Discount of 2%)	21 Days after Date of Service appearing on the Rate Notice			11.00%
Option two				
One Full Payment	35 Days after Date of Service appearing on the Rate Notice			11.00%
Option three				
Four Installments	35 Days after Date of Service appearing on the Rate Notice			11.00%
-1st Installment	95, 155 and 215 Days respectively after Date of Service	\$ 33.00	5.50%	11.00%
-2-4th Installment	thereafter.			

	2018/19 Budget revenue	2017/18 Actual
	\$	\$
Instalment plan admin charge revenue	6,000	4,160
Instalment plan interest earned	7,000	7,205
Unpaid rates and service charge interest earned	15,000	18,070
	28,000	29,435

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30th June 2019.

(f) Service Charges

The Shire did not raise service charges for the year ended 30th June 2019.

(g) Rates discounts

Rate or fee to which discount is granted	Disc % or Amount (\$)	2018/19 Budget	2017/18 Actual	Circumstances in which discount is granted
General Rates	2%	\$ 32,965	\$ 34,968	Early Payment Discount
		32,965	34,968	

(h) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2019.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

2. NET CURRENT ASSETS

	Note	2018/19 Budget	2017/18 Actual
		\$	\$
Composition of estimated net current assets			
Current assets			
Cash - unrestricted	3	578,387	2,374,908
Cash - restricted reserves	3	1,529,267	2,183,933
Receivables		357,588	625,838
Inventories		13,887	13,887
		<u>2,479,129</u>	<u>5,198,566</u>
Less: current liabilities			
Trade and other payables		(468,095)	(555,095)
Long term borrowings		(77,231)	(80,481)
Provisions		(459,626)	(399,626)
		<u>(1,004,952)</u>	<u>(1,035,202)</u>
Unadjusted net current assets		1,474,177	4,163,364
Adjustments			
Less: Cash - restricted reserves	3	(1,529,267)	(2,183,933)
Less: Current loans - clubs / institutions		(77,231)	(80,481)
Add: Current portion of borrowings		77,231	80,481
Add: Current liabilities not expected to be cleared at end of year		79,090	102,086
Adjusted net current assets - surplus/(deficit)		24,000	2,081,517

Reason for Adjustments

The differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with *Local Government (Financial Management) Regulation 32* as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments above.

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 of Wongan-Ballidu's operational cycle. In the case of liabilities where the Shire of Wongan-Ballidu 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 of Wongan-Ballidu's intentions to release for sale.

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.

2. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

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.

PROVISIONS

Provisions are recognised when the Shire of Wongan-Ballidu 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.

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.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

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:

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
Cash - unrestricted	436,278	2,232,799	404,468
Cash - restricted	1,529,267	2,183,933	2,004,598
	<u>1,965,545</u>	<u>4,416,732</u>	<u>2,409,066</u>

The following restrictions have been imposed by regulation or other externally imposed requirements:

Depot Improvement Reserve	6,338	6,245	6,253
Plant Reserve	689,482	708,919	644,763
Housing Reserve	1,817	1,790	1,792
Community Resource Centre Reserve	13,263	13,068	13,086
Long Service Leave Reserve	80,381	79,201	79,314
Swimming Pool Reserve	112,390	134,388	134,579
Historical Publications Reserve	6,937	6,835	6,845
Medical Facilities and R4R Special Projects Reserve	288,486	284,250	221,837
Waste Management Facilities Reserve	39,274	33,771	33,812
Housing JV Stickland Street Reserve	47,284	41,663	41,716
Housing JV Quinlan Street Reserve	38,835	33,338	33,377
Housing JV Patterson Street Reserve	38,292	32,803	32,843
Sporting Co-Location Reserve	166,488	807,662	754,381
	<u>1,529,267</u>	<u>2,183,933</u>	<u>2,004,598</u>

Reconciliation of net cash provided by operating activities to net result

Net result	324,431	2,013,433	(309,500)
Depreciation	1,569,779	1,571,526	2,573,155
(Profit)/loss on sale of asset	176,512	110,174	165,176
(Increase)/decrease in receivables	266,250	(81,503)	0
(Increase)/decrease in inventories	0	(2,625)	0
Increase/(decrease) in payables	(87,000)	351,342	95,967
Increase/(decrease) in employee provisions	85,000	23,765	110,000
Grants/contributions for the development of assets	(1,191,824)	(1,644,638)	(1,414,387)
Net cash from operating activities	<u>1,143,148</u>	<u>2,341,474</u>	<u>1,220,411</u>

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.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program										2018/19 Budget total	2017/18 Actual 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>													
Buildings - non-specialised	30,480	0	0	3,000	4,650	30,678	0	1,780,901	2,900	28,586	0	1,881,195	372,443
Furniture and equipment	0	0	0	0	0	0	24,000	0	0	0	0	24,000	45,014
Plant and equipment	0	0	15,000	0	0	0	0	15,000	658,600	0	0	688,600	610,300
Motor Vehicles	0	0	0	0	0	0	0	0	69,000	0	81,000	150,000	175,649
	30,480	0	15,000	3,000	4,650	30,678	24,000	1,795,901	730,500	28,586	81,000	2,743,795	1,203,406
<i>Infrastructure</i>													
Infrastructure - Roads	0	0	0	0	0	0	0	0	1,512,884	0	0	1,512,884	2,426,967
Infrastructure - Footpaths	0	0	0	0	0	0	0	0	89,580	0	0	89,580	0
Infrastructure - Other	0	0	0	0	0	0	0	593,888	18,562	16,000	0	628,450	0
	0	0	0	0	0	0	0	593,888	1,621,026	16,000	0	2,230,914	2,426,967
Total acquisitions	30,480	0	15,000	3,000	4,650	30,678	24,000	2,389,789	2,351,526	44,586	81,000	4,974,709	3,630,373

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	Net book value	Sale proceeds	2018/19 Budget		2017/18 Actual		2017/18 Budget	
			Profit	Loss	Profit	Loss	Profit	Loss
	\$	\$	\$	\$	\$	\$	\$	\$
By Program								
Governance	0	0	0	0	0	(38,959)	0	(30,538)
Transport	319,662	151,800	3,030	(170,892)	82	(71,297)	0	(134,638)
Other property and services	48,650	40,000	298	(8,948)	0	0	0	0
	368,312	191,800	3,328	(179,840)	82	(110,256)	0	(165,176)
By Class								
<i>Property, Plant and Equipment</i>								
Plant and equipment	319,662	136,800	3,030	(170,892)	82	(71,297)	0	(134,638)
Motor Vehicles	48,650	55,000	298	(8,948)	0	(38,959)	0	(30,538)
	368,312	191,800	3,328	(179,840)	82	(110,256)	0	(165,176)

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

5. ASSET DEPRECIATION

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
By Program			
Governance	55,142	54,852	76,464
Law, order, public safety	22,934	22,962	63,619
Health	20,564	20,597	43,311
Education and welfare	15,557	15,595	26,429
Housing	9,284	9,294	7,727
Community amenities	11,900	11,932	29,724
Recreation and culture	391,260	391,713	578,909
Transport	712,985	713,886	1,198,561
Economic services	46,846	46,908	133,544
Other property and services	283,307	283,787	414,867
	1,569,779	1,571,526	2,573,155
By Class			
Buildings - non-specialised	48,278	48,350	477,445
Buildings - specialised	134,344	134,539	0
Furniture and equipment	32,568	32,608	26,584
Plant and equipment	313,138	313,789	476,426
Motor Vehicles	39,553	39,096	66,727
Infrastructure - Roads	690,426	691,286	1,149,633
Infrastructure - Other	311,472	311,858	376,340
	1,569,779	1,571,526	2,573,155

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 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.

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.

DEPRECIATION (CONTINUED)

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

Buildings - non-specialised	80 Years
Buildings - specialised	80 Years
Furniture and equipment	0 Years
Plant and equipment	5 Years
Motor Vehicles	2 Years
Infrastructure - Roads	55 Years
Infrastructure - Footpaths	30 Years
Infrastructure - Drainage	70 Years
Infrastructure - Parks and ovals	21 Years
Infrastructure - Other	20 Years
Infrastructure - Signs	100 Years

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Principal 30-Jun-18	New loans	Principal repayments		Principal outstanding		Interest repayments	
			2018/19 Budget	2017/18 Actual	2018/19 Budget	2017/18 Actual	2018/19 Budget	2017/18 Actual
			\$	\$	\$	\$	\$	\$
Other property and services								
145C- Land Purchase and Dev	0	0	0	500,000	0	0	0	8,550
	0	0	0	500,000	0	0	0	8,550
Self Supporting Loans								
Housing								
142-Community Association	76,418	0	37,054	34,879	39,364	76,418	5,787	6,306
147 Construction of Aged Complex	41,216	0	8,102	7,570	33,114	41,216	3,130	3,243
151A-Construction of Aged Complex	292,400	0	15,618	15,499	276,782	292,400	10,531	6,104
151B-Construction of Aged Complex	97,177	0	5,255	5,255	91,922	97,177	3,336	1,472
149-Wongan Hills Bowling Club	25,492	0	14,452	13,597	11,040	25,492	1,476	1,877
	532,703	0	80,481	76,800	452,222	532,703	24,260	19,002
	532,703	0	80,481	576,800	452,222	532,703	24,260	27,552

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.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

6. INFORMATION ON BORROWINGS (CONTINUED)

(b) New borrowings - 2018/19

The Shire does not intent to undertake any new borrowings for the year ended 30th June 2019

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2018 nor is it expected to have unspent borrowing funds as at 30th June 2019.

(d) Credit Facilities

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	100,000	100,000	100,000
Bank overdraft at balance date	0	0	0
Total amount of credit unused	100,000	100,000	100,000
Loan facilities			
Loan facilities in use at balance date	452,222	532,703	0

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.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2018/19 Budget Opening Balance	2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance	2017/18 Actual Opening Balance	2017/18 Actual Transfer to	2017/18 Actual Transfer (from)	2017/18 Actual Closing Balance	2017/18 Budget Opening Balance	2017/18 Budget Transfer to	2017/18 Budget Transfer (from)	2017/18 Budget Closing Balance
Depot Improvement Reserve	\$ 6,245	\$ 93	\$ 0	\$ 6,338	\$ 6,160	\$ 84	\$ 0	\$ 6,245	\$ 6,160	\$ 93	\$ 0	\$ 6,253
Plant Reserve	708,919	80,563	(100,000)	689,482	657,895	232,924	(181,900)	708,919	657,895	233,868	(247,000)	644,763
Loan Repayments Reserve	0	0	0	0	511,228	89	(511,317)	0	511,228	639	(511,867)	0
Housing Reserve	1,790	27	0	1,817	1,766	24	0	1,790	1,766	26	0	1,792
Community Resource Centre Reserve	13,068	195	0	13,263	12,893	175	0	13,068	12,893	193	0	13,086
Long Service Leave Reserve	79,201	1,180	0	80,381	78,142	1,060	0	79,201	78,142	1,172	0	79,314
Swimming Pool Reserve	134,388	2,002	(24,000)	112,390	132,590	1,799	0	134,388	132,590	1,989	0	134,579
Historical Publications Reserve	6,835	102	0	6,937	6,744	91	0	6,835	6,744	101	0	6,845
Medical Facilities and R4R Special Projects	284,250	4,236	0	288,486	408,982	42,268	(167,000)	284,250	408,982	42,855	(230,000)	221,837
Waste Management Facilities Reserve	33,771	5,503	0	39,274	28,386	5,385	0	33,771	28,386	5,426	0	33,812
Housing JV Stickland Street Reserve	41,663	5,621	0	47,284	36,173	5,491	0	41,663	36,173	5,543	0	41,716
Housing JV Quinlan Street Reserve	33,338	5,497	0	38,835	27,958	5,379	0	33,338	27,958	5,419	0	33,377
Housing JV Patterson Street Reserve	32,803	5,489	0	38,292	27,431	5,372	0	32,803	27,431	5,412	0	32,843
Sporting Co-Location Reserve	807,662	70,111	(711,285)	166,488	700,506	132,156	(25,000)	807,662	700,506	78,875	(25,000)	754,381
	2,183,933	180,619	(835,285)	1,529,267	2,636,854	432,297	(885,217)	2,183,933	2,636,854	381,611	(1,013,867)	2,004,598

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019

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
Depot Improvement Reserve	- To be used To fund capital improvements and maintenance works at the Shire of Wongan-Ballidu depot.
Plant Reserve	- To be used for the purchase of major plant.
Loan Repayments Reserve	- To be used to fund loan repayments for land and housing development in the Shields Crescent and Danubin Rise areas.
Housing Reserve	- To be used for the deveopment of housing within the Shire.
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.
Long Service Leave Reserve	- To be used for Council's current and non-current long service leave liability.
Swimming Pool Reserve	- To be used to fund capital and maintenance works at the Wongan Hills Memorial Swimming Pool.
Historical Publications Reserve	- To be used to fund historical publications and projects of the Shire.
Medical Facilities and 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 services and to fund pr
Waste Management Facilities Reserve	- To be used to fund the future waste management facility needs of the Shire.
Housing JV Stickland Street Reserve	- To be used to fund the capital and operating costs of the Housing joint venture in Stickland Street.
Housing JV Quinlan Street Reserve	- To be used to fund the capital and operating costs of the Housing joint venture in Quinlan Street.
Housing JV Patterson Street Reserve	- To be used to fund the capital and operating costs of the Housing joint venture in Patterson Street.
Sporting Co-Location Reserve	- To be used to fund the capital improvements associated with the co-location of sporting facilities within Wongan Hills.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

8. FEES & CHARGES REVENUE

	2018/19 Budget	2017/18 Actual
	\$	\$
Governance	5,350	4,571
General purpose funding	7,500	4,873
Law, order, public safety	10,500	11,198
Health	28,500	31,721
Education and welfare	1,500	0
Housing	67,000	86,372
Community amenities	202,040	196,681
Recreation and culture	30,500	26,282
Transport	2,000	2,059
Economic services	42,800	39,075
Other property and services	123,724	128,349
	521,414	531,181

9. GRANT REVENUE

	2018/19 Budget	2017/18 Actual
	\$	\$
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:		
By Program:		
Operating grants, subsidies and contributions		
General purpose funding	922,000	1,944,796
Health	25,000	17,890
Recreation and culture	115,000	10,550
Transport	522,365	358,091
Other property and services	125,310	161,685
	1,709,675	2,493,012
Non-operating grants, subsidies and contributions		
Recreation and culture	435,837	0
Transport	755,987	1,644,638
	1,191,824	1,644,638

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

10. OTHER INFORMATION

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	32,500	29,572	32,523
- Other funds	20,000	20,115	16,903
Late payment of fees and charges *	22,000	25,277	15,000
Other interest revenue (refer note 1b)	7,763	8,726	22,000
	82,263	83,690	86,426
* The Shire has resolved to charge interest under section 6.13 for the late payment of Rates at 11%.			
(b) Other revenue			
Reimbursements and recoveries	62,598	199,563	61,100
Other	55,250	114,539	61,200
	117,848	314,102	122,300
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	29,500	33,260	21,500
Other services	0	0	4,000
	29,500	33,260	25,500
(d) Interest expenses (finance costs)			
Borrowings (refer note 6(a))	24,260	27,552	33,470
	24,260	27,552	33,470
(e) Elected members remuneration			
Meeting fees	10,710	5,833	10,710
Mayor/President's allowance	1,000	1,000	1,000
Deputy Mayor/President's allowance	250	250	250
Travelling expenses	2,534	906	2,534
Telecommunications allowance	7,000	4,500	7,000
	21,494	12,489	21,494
(f) Operating lease expenses			
Office equipment	9,096	10,287	9,096
	9,096	10,287	9,096

SIGNIFICANT ACCOUNTING POLICIES

LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire of Wongan-Ballidu are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

11. MAJOR LAND TRANSACTIONS

It is not anticipated any land transactions or major land transactions will occur in 2018/19.

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2018/19.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

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

	<u>Shire</u>	<u>Others</u>
	%	%
Stickland Street Units	11.00	89.00
Quinlan Street Units	9.00	91.00
Patterson Street Units	12.00	88.00

14. 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	<u>Balance 30-Jun-18</u>	<u>Estimated amounts received</u>	<u>Estimated amounts paid</u>	<u>Estimated balance 30-Jun-19</u>
	\$	\$	(\$)	\$
Housing (Tenancy Bonds)	1,020	500	(500)	1,020
Department of Transport	19,411	280,000	(276,411)	23,000
CRC Bonds	7,230	500	(500)	7,230
Room Hire Bonds	470	1,000	(1,070)	400
	<u>28,131</u>	<u>282,000</u>	<u>(278,481)</u>	<u>31,650</u>

NOTES TO AND FORMING PART OF THE BUDGET FOR THE YEAR ENDED 30TH JUNE 2019

15. 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 budget 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.

REVENUE RECOGNITION

Rates, grants, donations and other contributions are recognised as revenues when the Shire of Wongan-Ballidu obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

15. BUDGET RATIOS

	2015/16	2016/17	2017/18	2018/19
	Actual	Actual	Actual	Budget
Operating Surplus	2.90	14.71	25.81	(3.52)
Funds After Operations	109.26	83.72	106.52	125.43
PPE	3.32	(2.85)	4.74	9.55
Infrastructure	8.06	2.48	8.36	4.28
Cash Reserves	59.77	42.60	42.92	33.52
Borrowings	11.30	8.08	0.00	0.00
Debt Servicing	1.25	8.61	0.55	0.53
Average Rates (UV)	1,055.00	1,102.00	1,135.00	1,155.00
Average Rates (GRV)	9,750.00	7,862.00	7,438.00	8,415.00

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

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