



A Fortunate Place



Shire of Wickepin

Statutory Budget

21/22

SHIRE OF WICKEPIN
BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

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

SHIRE'S VISION

A collaborative Council, dedicated to maintaining and developing our community assets for the benefit of our residents whilst supporting a strong community, vibrant economy, successful businesses and sound environment.

SHIRE OF WICKEPIN
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)	1,398,297	1,363,292	1,370,075
Operating grants, subsidies and contributions	9(a)	1,019,799	3,126,939	2,218,966
Fees and charges	8	412,931	751,249	419,641
Interest earnings	12(a)	17,300	17,312	35,500
Other revenue	12(b)	0	2,048	0
		2,848,327	5,260,840	4,044,182
Expenses				
Employee costs		(1,236,635)	(1,204,703)	(1,194,488)
Materials and contracts		(1,198,778)	(2,274,309)	(2,695,506)
Utility charges		(187,750)	(196,785)	(185,750)
Depreciation on non-current assets	5	(4,727,594)	(4,729,345)	(4,317,355)
Interest expenses	12(d)	(4,032)	(2,621)	(8,636)
Insurance expenses		(214,969)	(148,523)	(192,201)
Other expenditure		(19,000)	(36,965)	(11,000)
		(7,588,758)	(8,593,251)	(8,604,936)
Subtotal				
		(4,740,431)	(3,332,411)	(4,560,754)
Non-operating grants, subsidies and contributions	9(b)	2,961,337	1,530,020	2,235,640
Profit on asset disposals	4(b)	100,545	22,523	14,503
Loss on asset disposals	4(b)	(20,988)	(4,848)	(23,126)
		3,040,894	1,547,695	2,227,017
Net result				
		(1,699,537)	(1,784,716)	(2,333,737)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income				
		(1,699,537)	(1,784,716)	(2,333,737)

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

SHIRE OF WICKEPIN

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 A collaborative Council, dedicated to maintaining and developing liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

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 WICKEPIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,8,9(a),12(a),12(b)	\$	\$	\$
Governance		1,725	3,633	105
General purpose funding		2,181,058	2,992,551	2,148,820
Law, order, public safety		97,284	115,957	87,111
Health		700	740	100
Education and welfare		300	4,041	4,050
Housing		77,800	1,380,109	1,382,808
Community amenities		188,570	219,459	172,970
Recreation and culture		46,460	22,333	16,073
Transport		146,645	138,852	138,500
Economic services		73,785	82,459	53,145
Other property and services		34,000	300,707	40,500
		2,848,327	5,260,841	4,044,182
Expenses excluding finance costs	4(a),5,12(c)(e)(f)			
Governance		(96,918)	(401,967)	(474,680)
General purpose funding		(500,591)	(79,258)	(85,555)
Law, order, public safety		(238,302)	(207,334)	(219,127)
Health		(25,055)	(18,228)	(28,109)
Education and welfare		(26,840)	(12,214)	(25,427)
Housing		(162,321)	(1,432,743)	(1,454,842)
Community amenities		(411,451)	(350,721)	(371,839)
Recreation and culture		(997,351)	(1,007,282)	(1,062,810)
Transport		(4,899,391)	(4,717,890)	(4,476,783)
Economic services		(262,672)	(235,072)	(322,008)
Other property and services		36,166	(127,922)	(75,119)
		(7,584,726)	(8,590,631)	(8,596,299)
Finance costs	7,6(a),12(d)			
General purpose funding		0	21	0
Housing		(3,541)	(2,167)	(7,378)
Recreation and culture		(491)	(475)	(1,258)
		(4,032)	(2,621)	(8,636)
Subtotal		(4,740,431)	(3,332,411)	(4,560,753)
Non-operating grants, subsidies and contributions	9(b)	2,961,337	1,530,020	2,235,640
Profit on disposal of assets	4(b)	100,545	22,523	14,503
(Loss) on disposal of assets	4(b)	(20,988)	(4,848)	(23,126)
		3,040,894	1,547,695	2,227,017
Net result		(1,699,537)	(1,784,716)	(2,333,736)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(1,699,537)	(1,784,716)	(2,333,736)

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

To provide a 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 specific Council services, for the provision of the governance of the district.

Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern Council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants, and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer and environmentally conscious community.

Inspection of food outlets and their control, immunisation services, mosquito control and the operation of medical centre.

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, immunisation services, mosquito control and the operation of medical centre.

EDUCATION AND WELFARE

To provide services to disadvantaged persons, the elderly, children and youth.

Support for childcare, development of services for the aged and rural counselling support.

HOUSING

To provide and maintain staff and other housing.

Provision and maintenance of staff and other housing

COMMUNITY AMENITIES

To provide services required to the community.

Rubbish collection, operation of tip, noise control support for waste recycling, litter control, administration of town planning scheme, strategic planning, maintenance of cemetery, public conveniences and town drainage maintenance.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social and well being of the community.

Maintenance of halls, swimming facilities, recreation centres and various reserves, operation of library, maintenance of cultural heritage assets.

TRANSPORT

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of streets, roads footpaths, drainage works, parking facilities, cleaning, lighting of streets, depot maintenance and airstrip maintenance.

ECONOMIC SERVICES

To help promote the shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of caravan parks. Provision of rural services including weed control, vermin control and standpipes. Building control and community development activities.

OTHER PROPERTY AND SERVICES

To monitor and control Council's overheads operating accounts.

Private works operations, plant repair and operation costs and engineering operation costs.

SHIRE OF WICKEPIN
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		1,398,297	1,370,998	1,370,075
Operating grants, subsidies and contributions		1,019,799	3,099,361	1,790,189
Fees and charges		412,931	751,249	419,641
Interest received		17,300	17,312	35,500
Goods and services tax received		0	22,417	
Other revenue		0	2,048	
		2,848,327	5,263,385	3,615,405
Payments				
Employee costs		(1,236,635)	(1,269,270)	(1,194,488)
Materials and contracts		(1,198,778)	(2,394,889)	(2,695,506)
Utility charges		(187,750)	(196,785)	(185,750)
Interest expenses		(4,032)	(2,760)	(8,636)
Insurance paid		(214,969)	(148,523)	(192,201)
Other expenditure		(19,000)	(36,965)	(11,000)
		(2,861,164)	(4,049,192)	(4,287,581)
Net cash provided by (used in)				
operating activities	3	(12,837)	1,214,193	(672,176)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at fair value through profit and loss				
Payments for purchase of property, plant & equipment		0	(1,939)	
Payments for construction of infrastructure	4(a)	(2,056,025)	(1,297,755)	(2,830,626)
Non-operating grants, subsidies and contributions	4(a)	(2,554,019)	(1,684,817)	(1,346,805)
Proceeds from sale of plant and equipment		2,107,896	1,954,684	2,235,640
Proceeds on financial assets at amortised cost - self supporting loans	4(b)	378,000	189,514	207,000
Net cash provided by (used in)	6(a)	6,847	6,582	6,582
investing activities		(2,117,301)	(833,731)	(1,728,209)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings				
Proceeds from new borrowings	6(a)	(46,139)	(26,091)	(32,474)
Net cash provided by (used in)	6(a)	0	408,000	440,000
financing activities		(46,139)	381,909	407,526
Net increase (decrease) in cash held				
Cash at beginning of year		(2,176,277)	762,371	(1,992,859)
Cash and cash equivalents		5,497,460	4,735,089	4,608,507
at the end of the year	3	3,321,183	5,497,460	2,615,648

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

SHIRE OF WICKEPIN
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	1,601,290	1,654,058	1,663,980
		1,601,290	1,654,058	1,663,980
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	1(c)	13,055	17,190	17,180
Operating grants, subsidies and contributions	9(a)	1,019,799	3,126,939	2,218,966
Fees and charges	8	412,931	751,249	419,641
Interest earnings	12(a)	17,300	17,312	35,500
Other revenue	12(b)	0	2,048	0
Profit on asset disposals	4(b)	100,545	22,523	14,503
		1,563,630	3,937,261	2,705,790
Expenditure from operating activities				
Employee costs		(1,236,635)	(1,204,703)	(1,194,488)
Materials and contracts		(1,198,778)	(2,274,309)	(2,695,506)
Utility charges		(187,750)	(196,785)	(185,750)
Depreciation on non-current assets	5	(4,727,594)	(4,729,345)	(4,317,355)
Interest expenses	12(d)	(4,032)	(2,621)	(8,636)
Insurance expenses		(214,969)	(148,523)	(192,201)
Other expenditure		(19,000)	(36,965)	(11,000)
Loss on asset disposals	4(b)	(20,988)	(4,848)	(23,126)
		(7,609,746)	(8,598,099)	(8,628,062)
	2(b)	4,648,319	4,713,967	4,326,724
Amount attributable to operating activities		203,493	1,707,187	68,432
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	2,961,337	1,530,020	2,235,640
Payments for property, plant and equipment	4(a)	(2,056,025)	(1,297,755)	(2,830,626)
Payments for construction of infrastructure	4(a)	(2,554,019)	(1,684,817)	(1,346,805)
Payments for financial assets at fair value through profit and loss		0	(1,939)	0
Proceeds from disposal of assets	4(b)	378,000	189,514	207,000
Proceeds from financial assets at amortised cost - self supporting loans	6(a)	6,847	6,582	6,582
Amount attributable to investing activities		(1,263,860)	(1,258,395)	(1,728,209)
Amount attributable to investing activities		(1,263,860)	(1,258,395)	(1,728,209)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(46,139)	(26,091)	(32,474)
Proceeds from new borrowings	6(b)	0	408,000	440,000
Transfers to cash backed reserves (restricted assets)	7(a)	(561,000)	(575,513)	(157,999)
Transfers from cash backed reserves (restricted assets)	7(a)	283,000	0	51,321
Amount attributable to financing activities		(324,139)	(193,604)	300,848
Budgeted deficiency before general rates		(1,384,506)	255,188	(1,358,929)
Estimated amount to be raised from general rates	1(a)	1,385,242	1,346,102	1,352,894
Net current assets at end of financial year - surplus/(deficit)	2	737	1,601,290	(6,035)

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

SHIRE OF WICKEPIN
INDEX OF NOTES TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

Rates	10
Net Current Assets	15
Reconciliation of cash	18
Asset Acquisitions	19
Asset Disposals	20
Asset Depreciation	21
Borrowings	22
Reserves	24
Fees and Charges	25
Grant Revenue	25
Revenue Recognition	26
Elected Members Remuneration	27
Other Information	29
Interests in Joint Arrangements	30
Trust	31
Significant Accounting Policies - Other Information	32

SHIRE OF WICKEPIN
 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									
GRV	0.07112	140	1,476,107	104,981	1,000		105,981	128,259	127,891
Unimproved valuations									
UV	0.008319	271	161,592,253	1,344,286			1,344,286	1,322,790	1,322,300
Sub-Totals		411	163,068,360	1,449,267	1,000	0	1,450,267	1,451,049	1,450,191
Minimum									
Minimum payment									
Gross rental valuations									
GRV	500	118	44,870	59,000			59,000	25,200	25,200
			48,870	0			0		
Unimproved valuations									
UV	500	24	816,573	12,000			12,000	5,600	6,000
Sub-Totals		142	910,313	71,000	0	0	71,000	30,800	31,200
		553	163,978,673	1,520,267	1,000	0	1,521,267	1,481,849	1,481,391
Discounts (Refer note 1(c))							(136,000)	(135,718)	(128,497)
Concessions (Refer note 1(d))							(25)	(29)	0
Total amount raised from general rates							1,385,242	1,346,102	1,352,894
Ex gratia rates							13,055	17,190	17,180
Total rates							1,398,297	1,363,292	1,370,074

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

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 WICKEPIN
 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	28/09/2021			7.0%
First instalment				
Second instalment				
Option three				
First instalment	28/09/2021		5.5%	7.0%
Second instalment	29/11/2021		5.5%	7.0%
Third instalment	31/01/2021		5.5%	7.0%
Fourth instalment	31/03/2021		5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
A c/c Instalment plan admin charge revenue	4,200	4,300	3,500
	4,200	4,300	3,500

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

The Shire did not raise specified area rates for the year ended 30th June 2022.

The Shire did not raise service charges for the year ended 30th June 2022.

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
Rate Discount	10.0%		\$ 136,000	\$ 135,718	\$ 128,450	Discount is granted to Ratepayers who pay rates in full within 35 days of date of issue of rates
			136,000	135,718	128,450	

(d) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
General Rates and Charges V Waiver				\$ (25)	\$ (29)	\$ (25)	Rates Balance less than \$5.00	Write off small balances for administration efficiency
				(25)	(29)	(25)		

SHIRE OF WICKEPIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022

2. NET CURRENT ASSETS

	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
Note	\$	\$	\$
(a) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents- unrestricted	218,777	1,819,614	260,079
Cash and cash equivalents - restricted	3,102,405	3,677,846	2,355,569
Financial assets - unrestricted	7,125	6,847	6,848
Receivables	160,071	160,071	161,623
	<u>3,488,378</u>	<u>5,664,378</u>	<u>2,784,119</u>
Less: current liabilities			
Trade and other payables	(249,843)	(249,843)	(322,941)
Unspent non-operating grant, subsidies and contributions liability	0	(853,441)	
Long term borrowings	(46,784)	(46,139)	(32,848)
Employee provisions	(227,654)	(227,654)	(204,292)
	<u>(524,281)</u>	<u>(1,377,077)</u>	<u>(560,081)</u>
A cc Net current assets	<u>2,964,097</u>	<u>4,287,301</u>	<u>2,224,038</u>
	<u>(2,963,362)</u>	<u>(2,686,011)</u>	<u>(2,230,072)</u>
Net current assets used in the Rate Setting Statement	<u>735</u>	<u>1,601,290</u>	<u>(6,034)</u>

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
Movement in non-current employee provisions
Movement in current employee provisions associated with restricted cash

Non cash amounts excluded from operating activities

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	(100,545)	(22,523)	(14,503)
4(b)	20,988	4,848	23,126
5	4,727,594	4,729,345	4,317,355
	0	1,945	746
	282	352	
	4,648,319	4,713,967	4,326,724

(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
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
- Current portion of employee benefit provisions held in reserve

Total adjustments to net current assets

7	(3,102,405)	(2,824,405)	(2,355,569)
	(7,125)	(6,847)	(6,848)
	46,784	46,139	32,848
	99,384	99,102	99,497
	(2,963,362)	(2,686,011)	(2,230,072)

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 Wickepin 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 Wickepin contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Wickepin 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.

CONTRACT LIABILITIES

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

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	3,321,182	5,497,460	2,615,648
Total cash and cash equivalents	3,321,182	5,497,460	2,615,648
Held as			
- Unrestricted cash and cash equivalents	218,777	1,819,614	260,079
- Restricted cash and cash equivalents	3,102,405	3,677,846	2,355,569
	3,321,182	5,497,460	2,615,648
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	3,102,405	3,677,846	2,355,569
	3,102,405	3,677,846	2,355,569
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	7	3,102,405	2,824,405
Unspent non-operating grants, subsidies and contribution liabilities		0	853,441
		3,102,405	3,677,846
		3,677,846	2,355,569
Reconciliation of net cash provided by operating activities to net result			
Net result		(1,699,536)	(1,784,716)
		(1,784,716)	(2,333,736)
Depreciation	5	4,727,594	4,729,345
(Profit)/loss on sale of asset	4(b)	(79,557)	(17,675)
(Increase)/decrease in receivables		0	2,545
Increase/(decrease) in payables		0	(210,593)
Increase/(decrease) in unspent non-operating grants		(853,441)	424,664
Increase/(decrease) in employee provisions		0	25,307
Non-operating grants, subsidies and contributions		(2,107,896)	(1,954,684)
Net cash from operating activities		(12,836)	(672,175)

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 WICKEPIN
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>															
Buildings - non-specialised					10,000	913,025		27,000	57,000				1,007,025	863,456	2,255,226
Buildings - specialised							40,000	50,000					90,000	9,930	42,400
Plant and equipment	88,000						10,000		811,000	50,000			959,000	424,369	533,000
	88,000	0	0	0	10,000	913,025	50,000	77,000	868,000	50,000	0		2,056,025	1,297,755	2,830,626
<i>Infrastructure</i>															
Infrastructure - roads									2,125,019				2,125,019	1,241,777	1,161,805
Infrastructure - Footpaths/Drainage									15,000				15,000	14,054	20,000
Infrastructure - Ovals,Parks & Gardens								414,000					414,000	428,986	165,000
	0	0	0	0	0	0	0	414,000	2,140,019	0	0		2,554,019	1,684,817	1,346,805
Total acquisitions	88,000	0	0	0	10,000	913,025	50,000	491,000	3,008,019	50,000	0		4,610,044	2,982,572	4,177,431

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

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 WICKEPIN
 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	78,606	73,000	0	(5,606)	75,598	74,805	0	(793)	75,554	83,657	8,103	0
Community amenities	39,382	24,000	0	(15,382)		0	0	0		0	0	0
Transport	180,454	281,000	100,546	0	96,241	114,709	22,523	(4,055)	140,069	123,343	6,400	(23,126)
	298,442	378,000	100,546	(20,988)	171,839	189,514	22,523	(4,848)	215,623	207,000	14,503	(23,126)
By Class												
<i>Property, Plant and Equipment</i>												
Plant and equipment	298,442	378,000	100,546	(20,988)	171,839	189,514	22,523	(4,848)	215,623	207,000	14,503	(23,126)
	298,442	378,000	100,546	(20,988)	171,839	189,514	22,523	(4,848)	215,623	207,000	14,503	(23,126)

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

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

5. ASSET DEPRECIATION

By Program

Governance
Law, order, public safety
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
Infrastructure - roads
Infrastructure - Footpaths/Drainage
Infrastructure - Sewerage
Infrastructure - Ovals, Parks & Gardens
Infrastructure - Bridges

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
27,787	27,787	27,230
83,112	83,112	76,281
37,057	37,058	33,894
49,756	51,507	45,600
438,452	438,452	396,360
4,018,269	4,018,269	3,673,665
41,221	41,221	37,825
31,940	31,940	26,500
4,727,594	4,729,346	4,317,355
43,000	43,804	
230,000	229,971	250,355
21,000	20,256	15,000
441,000	441,217	350,000
3,665,594	3,666,370	3,392,000
18,000	18,004	17,000
8,000	7,809	7,000
263,000	263,834	251,700
38,000	38,078	34,300
4,727,594	4,729,343	4,317,355

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
Infrastructure - roads	
Infrastructure - Footpaths/Drainage	20 years
Infrastructure - Sewerage	80 years
Infrastructure - Ovals, Parks & Gardens	30 to 75 years
Infrastructure - Bridges	10 to 60 Years

AMORTISATION

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

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

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

SHIRE OF WICKEPIN
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				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff Housing	103	WATC	0.91%	388,491		(39,292)	349,199	(3,541)		408,000	(19,509)	388,491	(2,146)		440,000	(25,892)	414,108	(7,378)
Recreation and culture				388,491	0	(39,292)	349,199	(3,541)	0	408,000	(19,509)	388,491	(2,146)	0	440,000	(25,892)	414,108	(7,378)
Self Supporting Loans																		
Recreation and culture																		
WDSC Bowling Greens	102	WATC	0.04	13,972	0	(6,847)	7,125	(491)	20,554	0	(6,582)	13,972	(475)	20,554	0	(6,582)	13,972	(1,258)
				13,972	0	(6,847)	7,125	(491)	20,554	0	(6,582)	13,972	(475)	20,554	0	(6,582)	13,972	(1,258)
				402,463	0	(46,139)	356,324	(4,032)	20,554	408,000	(26,091)	402,463	(2,621)	20,554	440,000	(32,474)	428,080	(8,636)

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 WICKEPIN
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			
Bank overdraft at balance date			
Credit card limit	5,000	5,000	5,000
Credit card balance at balance date			
Total amount of credit unused	5,000	5,000	5,000
Loan facilities			
Loan facilities in use at balance date	356,324	402,463	428,080

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 WICKEPIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening	2021/22 Budget Transfer	2021/22 Budget Closing	2020/21 Actual Opening	2020/21 Actual Transfer	2020/21 Actual Closing	2020/21 Budget Opening	2020/21 Budget Transfer	2020/21 Budget Closing	2020/21 Actual Opening	2020/21 Actual Transfer	2020/21 Actual Closing
	Balance	Transfer to	(from)	Balance	Transfer to	(from)	Balance	Balance	Transfer to	(from)	Balance	
(a) Reserves cash backed - Leave reserve	\$ 99,103	\$ 281	\$	\$ 99,384	\$	\$	\$ 99,103	\$	\$	\$	\$ 99,497	
(b) Plant Reserve	498,505	1,412	(231,000)	268,917	337,504	161,001	498,505	337,504	43,551		381,055	
(c) Building Reserve	499,119	57,414		556,533	494,855	4,264	499,119	494,856	3,741		498,597	
(d) Fire Fighters Reserve	22,618	64		22,682	22,538	80	22,618	22,538	170		22,708	
(e) Cottage Homes Reserve	61,933	175		62,108	54,160	7,773	61,933	54,160	5,409		59,569	
(f) Special Events Reserve	14,881	42		14,923	14,828	53	14,881	14,828	112		14,940	
(g) Computer Reserve	41,437	10,117		51,554	31,325	10,112	41,437	31,325	10,237		41,562	
(h) Young Singles Accom Reserve	95,716	5,271		100,987	90,394	5,322	95,716	90,394	5,683		96,077	
(i) Saleyards Reserve	44,685	85,127		129,812	39,544	5,141	44,685	39,544	5,299		44,843	
(j) Sewerage Reserve	297,103	30,842		327,945	266,154	30,949	297,103	266,154	32,012		298,166	
(k) Aged Persons Accom Reserve	272,557	772	(52,000)	221,329	271,589	968	272,557	271,589	2,053	(51,321)	222,321	
(l) Swimming Pool Reserve	201,812	25,572		227,384	201,095	717	201,812	201,095	1,520		202,615	
(m) Albert Facey Homestead Reserve	9,947	28		9,975	9,912	35	9,947	9,911	75		9,986	
(n) Fuel Facility Reserve	133,994	25,380		159,374	74,489	59,505	133,994	74,488	45,563		120,051	
(o) Land Development Reserve	118,657	87,336		205,993	118,236	421	118,657	118,236	894		119,130	
(p) Refuse Site Reserve	123,958	351		124,309	123,518	440	123,958	123,518	934		124,452	
(q) Caravan Park & Accommodation Reserve	88,380	230,250		318,630	0	88,380	88,380				0	
(r) WANDRA Events & Emergency Road Repairs Reserve	200,000	566		200,566	0	200,000	200,000				0	
	2,824,405	561,000	(283,000)	3,102,405	2,248,892	575,513	0	2,824,405	2,248,891	157,999	(51,321)	2,355,569

(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	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave reserve	Ongoing	to be used to fund annual and long service leave requirements
(b) Plant Reserve	Ongoing	to be used for the purchase of road plant, machinery and equipment
(c) Building Reserve	Ongoing	to be used for the construction of new buildings, predominantly staff housing
(d) Fire Fighters Reserve	Ongoing	to be used to fund the provision of bushfire equipment for brigades
(e) Cottage Homes Reserve	Ongoing	to be used for the purchase of road plant, machinery and equipment
(f) Special Events Reserve	Ongoing	to be used to fund special events and celebrations
(g) Computer Reserve	Ongoing	purchase, upgrade or replacement of hardware as necessary
(h) Young Singles Accom Reserve	Ongoing	additional income over expenditure held for future repairs or improvements
(i) Saleyards Reserve	Ongoing	additional income over expenditure held for future repairs or improvements
(j) Sewerage Reserve	Ongoing	additional income over expenditure held for future repairs or improvements
(k) Aged Persons Accom Reserve	Ongoing	to be used for the construction and future maintenance requirements for Aged Person Accommodation units
(l) Swimming Pool Reserve	Ongoing	to be used to fund major repairs or improvements at the Wickepin Swimming Pool
(m) Albert Facey Homestead Reserve	Ongoing	to be used for the refurbishment and future maintenance requirements of Albert Facey Homestead
(n) Fuel Facility Reserve	Ongoing	to be used for future maintenance and upgrade of Wickepin Fuel Facility
(o) Land Development Reserve	Ongoing	income received from the sale of the English House held for future development of the English Land.
(p) Refuse Site Reserve	Ongoing	additional income over expenditure held for the future creation or maintenance of the refuse site
(q) Caravan Park & Accommodation Reserve	Ongoing	to be used for the upgrade of caravan parks and accommodation units in the Wickepin Shire
(r) WANDRA Events & Emergency Road Repairs Reserve	Ongoing	to be used in the event of emergency road repairs

8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Governance	25	3,632	105
General purpose funding	2,500	5,641	4,050
Law, order, public safety	52,598	52,478	51,748
Health	700	740	300
Education and welfare	300	4,041	100
Housing	75,450	80,109	69,650
Community amenities	178,373	187,755	172,970
Recreation and culture	13,200	22,333	16,073
Transport	11,000	11,352	11,000
Economic services	73,785	82,459	88,645
Other property and services	5,000	300,707	5,000
	412,931	751,247	419,641

9. GRANT REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
By Program:			
(a) Operating grants, subsidies and contributions			
Governance	1,700		
General purpose funding	762,961	1,604,366	739,195
Law, order, public safety	44,686	63,478	35,363
Education and welfare			3,750
Housing	12,547	1,300,000	1,313,158
Community amenities	33,260	31,595	
Transport	135,645	127,500	127,500
Other property and services	29,000		
	1,019,799	3,126,939	2,218,966
(b) Non-operating grants, subsidies and contributions			
Housing	680,134	470,071	1,300,205
Community amenities	150,000	0	363,866
Recreation and culture	149,307	0	0
Transport	1,721,546	831,961	571,569
Economic services	260,350	227,988	0
	2,961,337	1,530,020	2,235,640
Total grants, subsidies and contributions	3,981,136	4,656,959	4,454,606

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
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
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
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

11. ELECTED MEMBERS REMUNERATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Elected member Cr J Russell			
President's allowance	4,500	4,500	4,500
Meeting attendance fees	1,750	2,000	1,562
Annual allowance for ICT expenses	563	526	563
Travel and accommodation expenses	1,000		
	7,813	7,026	6,625
Elected member Cr W Astbury			
Deputy President's allowance	1,000	1,000	1,000
Meeting attendance fees	1,750	1,250	1,562
Annual allowance for ICT expenses	563	526	563
Travel and accommodation expenses	1,000	1,241	1,125
	4,313	4,017	4,250
Elected member Cr S Martin			
Meeting attendance fees		600	1,562
Annual allowance for ICT expenses		263	563
Travel and accommodation expenses		263	1,125
	0	1,126	3,250
Elected member Cr A Lansdell			
Meeting attendance fees	1,750	1,600	1,562
Annual allowance for ICT expenses	563	526	563
Travel and accommodation expenses	1,000		
	3,313	2,126	2,125
Elected member Cr F Allan			
Meeting attendance fees	1,750	1,800	1,562
Annual allowance for ICT expenses	563	526	563
Travel and accommodation expenses	1,000	1,278	1,125
	3,313	3,604	3,250
Elected member Cr S Hyde			
Meeting attendance fees	1,750	1,150	1,562
Annual allowance for ICT expenses	563	526	563
Travel and accommodation expenses	1,000	255	
	3,313	1,931	2,125
Elected member Cr N Astbury			
Meeting attendance fees	1,750	850	1,562
Annual allowance for ICT expenses	563	526	563
Travel and accommodation expenses	1,000		1,125
	3,313	1,376	3,250
Elected member Cr J Mearns			
Meeting attendance fees	1,750	1,400	1,562
Annual allowance for ICT expenses	563	526	563
Travel and accommodation expenses	1,000		
	3,313	1,926	2,125
Elected member (elect)			
Meeting attendance fees	1,750		
Annual allowance for ICT expenses	563		
Travel and accommodation expenses	1,000		
	3,313	0	0
Total Elected Member Remuneration	32,004	23,132	27,000

11. ELECTED MEMBERS RENUMERATION (CONTINUED)

	2021/22 Budget	2020/21 Actual	2020/21 Budget
President's allowance	4,500	4,500	4,500
Deputy President's allowance	1,000	1,000	1,000
Meeting attendance fees	14,000	10,650	12,500
Annual allowance for ICT expenses	4,500	3,945	4,500
Travel and accommodation expenses	8,000	3,037	4,500
	32,000	23,132	27,000

12. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

Investments			
- Reserve funds	8,100	8,015	17,000
- Other funds	5,000	4,998	15,000
Late payment of fees and charges *	4,200	4,300	3,500
	17,300	17,313	35,500

* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5%

(b) Other revenue

Reimbursements and recoveries	0	2,048	0
	0	2,048	0

The net result includes as expenses

(c) Auditors remuneration

Audit services	17,000	17,100	22,000
Other services	5,000		
	22,000	17,100	22,000

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	4,032	2,621	8,636
	4,032	2,621	8,636

(e) Write offs

General rate	25	29	25
	25	29	25

(f) Low Value lease expenses

Office equipment	4,000	9,648	9,648
	4,000	9,648	9,648

13. INTERESTS IN JOINT ARRANGEMENTS

An outdoor Movie Screen and projector is jointly owned by the Shire of Wickepin, Cuballing and Pingelly
The Movie Screen and Projector are stored at the Wickepin Community Centre

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Non-current assets			
Plant and equipment	0	1,200	6,000
Less: accumulated depreciation	0	(1,200)	(4,800)

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 Wickepin's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

SHIRE OF WICKEPIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
14. TRUST FUNDS

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

Detail	Balance 30 June 2021	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2022
	\$	\$	\$	\$
WDSC Replacement Greens	134,755	15,000		149,755
Yealering Replacement Greens	63,806	7,900		71,706
Miscellaneous	2,619			2,619
	201,180	22,900	0	224,080

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 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.