

**SHIRE OF WICKEPIN**  
**BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**SHIRE'S VISION**

**A Fortunate Place**

Wickepin offers a safe, pleasant, healthy lifestyle, with a community that has strong sporting and social networks.

**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
		\$	\$	\$
<b>Revenue</b>				
Rates	1	1,352,265	1,359,702	1,357,675
Operating grants, subsidies and contributions	9	857,188	1,645,867	796,304
Fees and charges	8	459,782	522,482	675,786
Interest earnings	10(a)	52,000	61,595	42,400
		<b>2,721,235</b>	<b>3,589,646</b>	<b>2,872,165</b>
<b>Expenses</b>				
Employee costs		(1,322,557)	(1,001,411)	(1,139,806)
Materials and contracts		(1,364,286)	(1,078,494)	(1,695,859)
Utility charges		(175,545)	(134,875)	(172,045)
Depreciation on non-current assets	5	(4,327,930)	(4,327,551)	(4,725,060)
Interest expenses	10(c)	(3,453)	(4,883)	(5,014)
Insurance expenses		(179,158)	(162,193)	(172,911)
		<b>(7,372,929)</b>	<b>(6,709,407)</b>	<b>(7,910,695)</b>
		<b>(4,651,694)</b>	<b>(3,119,761)</b>	<b>(5,038,530)</b>
Non-operating grants, subsidies and contributions	9	552,461	1,332,255	1,248,338
Profit on asset disposals	4(b)	21,680	10,917	155,560
Loss on asset disposals	4(b)	(46,580)	(31,486)	(98,557)
		<b>(4,124,133)</b>	<b>(1,808,075)</b>	<b>(3,733,189)</b>
<b>Net result</b>				
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	1,533,201	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>1,533,201</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(4,124,133)</b>	<b>(274,874)</b>	<b>(3,733,189)</b>

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

## FOR THE YEAR ENDED 30TH JUNE 2019

### 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 WICKEPIN 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
<b>Revenue</b>	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		110	13,011	5,720
General purpose funding		2,171,446	2,932,445	2,072,524
Law, order, public safety		72,887	83,002	68,530
Health		250	236	250
Education and welfare		300	4,292	4,500
Housing		108,150	141,421	92,900
Community amenities		174,710	196,600	166,929
Recreation and culture		32,597	43,682	57,847
Transport		85,120	81,767	288,330
Economic services		42,165	48,381	50,635
Other property and services		33,500	44,809	64,000
		2,721,235	3,589,646	2,872,165
<b>Expenses excluding finance costs</b>	5,10(c),(e),(f)			
Governance		(441,522)	(467,193)	(512,899)
General purpose funding		(87,054)	(79,042)	(84,008)
Law, order, public safety		(208,330)	(167,104)	(191,635)
Health		(25,916)	(22,586)	(30,662)
Education and welfare		(17,842)	(13,299)	(21,304)
Housing		(186,866)	(185,216)	(209,696)
Community amenities		(383,798)	(362,163)	(451,025)
Recreation and culture		(981,394)	(940,044)	(1,234,103)
Transport		(4,777,237)	(4,291,374)	(4,848,070)
Economic services		(241,056)	(210,304)	(306,009)
Other property and services		(18,461)	33,801	(16,270)
		(7,369,476)	(6,704,524)	(7,905,681)
<b>Finance costs</b>	6, 10(d)			
Housing		(2,195)	(3,495)	(3,520)
Recreation and culture		(1,258)	(1,388)	(1,494)
		(3,453)	(4,883)	(5,014)
		(4,651,694)	(3,119,761)	(5,038,530)
Non-operating grants, subsidies and contributions	9	552,461	1,332,255	1,248,338
Profit on disposal of assets	4(b)	21,680	10,917	155,560
(Loss) on disposal of assets	4(b)	(46,580)	(31,486)	(98,557)
<b>Net result</b>		<b>(4,124,133)</b>	<b>(1,808,075)</b>	<b>(3,733,189)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	1,533,201	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>1,533,201</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(4,124,133)</b>	<b>(274,874)</b>	<b>(3,733,189)</b>

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.

<b>PROGRAM NAME</b>	<b>OBJECTIVE</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b>	To provide a 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.
<b>GENERAL PURPOSE FUNDING</b>	To collect revenue to allow for the provision of services.	Rates, general purpose government grants, and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b>	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<b>HEALTH</b>	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.
<b>EDUCATION AND WELFARE</b>	To provide services to disadvantaged persons, the elderly, children and youth.	Support for childcare, development of services for the aged and rural counselling support.
<b>HOUSING</b>	To provide and maintain staff and other housing.	Provision and maintenance of staff and other housing.
<b>COMMUNITY AMENITIES</b>	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.
<b>RECREATION AND CULTURE</b>	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.
<b>TRANSPORT</b>	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.
<b>ECONOMIC SERVICES</b>	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.
<b>OTHER PROPERTY AND SERVICES</b>	To monitor and control Council's overheads operating accounts.	Private works operations, plant repair and operation costs and engineering operation costs.

**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
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,352,265	1,360,347	1,361,675
Operating grants, subsidies and contributions		857,188	1,652,857	796,304
Fees and charges		459,782	522,482	675,786
Interest earnings		52,000	61,595	42,400
Goods and services tax		0	2,270	0
		<u>2,721,235</u>	<u>3,599,551</u>	<u>2,876,165</u>
<b>Payments</b>				
Employee costs		(1,322,557)	(1,006,190)	(1,139,806)
Materials and contracts		(1,364,286)	(1,137,494)	(1,715,859)
Utility charges		(175,545)	(134,875)	(172,045)
Interest expenses		(3,453)	(5,014)	(5,014)
Insurance expenses		(179,158)	(162,193)	(172,911)
		<u>(3,044,999)</u>	<u>(2,445,766)</u>	<u>(3,205,635)</u>
<b>Net cash provided by (used in) operating activities</b>	3	<u>(323,764)</u>	<u>1,153,785</u>	<u>(329,470)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(492,344)	(1,085,627)	(1,140,749)
Payments for construction of infrastructure	4(a)	(783,376)	(1,543,237)	(1,181,017)
Non-operating grants, subsidies and contributions used for the development of assets	9	552,461	1,332,255	1,248,338
Proceeds from sale of plant & equipment	4(b)	170,594	177,060	425,196
<b>Net cash provided by (used in) investing activities</b>		<u>(552,665)</u>	<u>(1,119,549)</u>	<u>(648,232)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6	(29,837)	(27,804)	(27,804)
Proceeds from self supporting loans	6(a)	6,081	5,844	5,844
<b>Net cash provided by (used in) financing activities</b>		<u>(23,756)</u>	<u>(21,960)</u>	<u>(21,960)</u>
<b>Net increase (decrease) in cash held</b>		<u>(900,185)</u>	<u>12,276</u>	<u>(999,662)</u>
Cash at beginning of year		3,101,215	3,088,940	3,088,941
<b>Cash and cash equivalents at the end of the year</b>	3	<u><b>2,201,030</b></u>	<u><b>3,101,216</b></u>	<u><b>2,089,279</b></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
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2	1,134,092	1,225,237	1,225,239
		1,134,092	1,225,237	1,225,239
<b>Revenue from operating activities (excluding rates)</b>				
Governance		1,110	15,772	5,720
General purpose funding		819,181	1,572,743	714,849
Law, order, public safety		72,887	83,002	68,530
Health		250	236	250
Education and welfare		300	4,292	4,500
Housing		108,150	141,421	244,900
Community amenities		186,040	196,600	170,489
Recreation and culture		32,597	43,682	57,847
Transport		94,470	89,923	288,330
Economic services		42,165	48,381	50,635
Other property and services		33,500	44,809	64,000
		1,390,650	2,240,861	1,670,050
<b>Expenditure from operating activities</b>				
Governance		(444,002)	(467,193)	(516,699)
General purpose funding		(87,054)	(79,042)	(84,008)
Law, order, public safety		(252,430)	(167,104)	(235,735)
Health		(25,916)	(22,586)	(30,662)
Education and welfare		(17,842)	(13,299)	(21,304)
Housing		(189,061)	(188,711)	(213,216)
Community amenities		(383,798)	(362,163)	(451,025)
Recreation and culture		(982,652)	(941,432)	(1,235,597)
Transport		(4,777,237)	(4,322,860)	(4,898,727)
Economic services		(241,056)	(210,304)	(306,009)
Other property and services		(18,461)	33,801	(16,270)
		(7,419,509)	(6,740,893)	(8,009,252)
<b>Operating activities excluded from budget</b>				
(Profit) on asset disposals	4(b)	(21,680)	(10,917)	(155,560)
Loss on disposal of assets	4(b)	46,580	31,486	98,557
Depreciation on assets	5	4,327,930	4,327,551	4,725,060
<b>Amount attributable to operating activities</b>		(541,937)	1,073,325	(445,906)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	552,461	1,332,255	1,248,338
Purchase property, plant and equipment	4(a)	(492,344)	(1,085,627)	(1,140,749)
Purchase and construction of infrastructure	4(a)	(783,376)	(1,543,237)	(1,181,017)
Proceeds from disposal of assets	4(a)	170,594	177,060	425,196
<b>Amount attributable to investing activities</b>		(552,665)	(1,119,549)	(648,232)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(29,837)	(27,804)	(27,804)
Proceeds from self supporting loans	6(a)	6,081	5,844	5,844
Transfers to cash backed reserves (restricted assets)	7(a)	(404,156)	(157,426)	(234,981)
Transfers from cash backed reserves (restricted assets)	7(a)	13,500	0	0
<b>Amount attributable to financing activities</b>		(414,412)	(179,386)	(256,941)
<b>Budgeted deficiency before general rates</b>		(1,509,014)	(225,610)	(1,351,079)
<b>Estimated amount to be raised from general rates</b>	1	1,352,265	1,359,702	1,357,675
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2	<b>(156,749)</b>	<b>1,134,092</b>	<b>6,596</b>

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
	\$		\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>								
GRV	0.070302	194	1,819,215	127,894	0	0	127,894	127,253
UV	0.009958	278	132,731,703	1,321,742	560	0	1,322,302	1,322,756
<b>Sub-Totals</b>		472	134,550,918	1,449,636	560	0	1,450,196	1,450,009
<b>Minimum</b>								
	\$							
<b>Minimum payment</b>								
GRV	400	63	91,032	25,200	0	0	25,200	24,180
UV	400	15	325,246	6,000	0	0	6,000	5,460
<b>Sub-Totals</b>		78	416,278	31,200	0	0	31,200	29,640
		550	134,967,196	1,480,836	560	0	1,481,396	1,479,649
ExGratia Rates							8,454	8,454
Discounts/concessions (Refer note 1(d))							(137,585)	(128,401)
<b>Total amount raised from general rates</b>							1,352,265	1,359,702
Specified area rates (Refer note 1(c))								0
<b>Total rates</b>							1,352,265	1,359,702

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 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.

<b>Instalment options</b>	<b>Date due</b>	<b>Instalment plan admin charge</b>	<b>Instalment plan interest rate</b>	<b>Unpaid rates interest rates</b>
		\$	%	%
<b>Option one</b>	21/09/2018	0	0.00%	11.00%
<b>Option three</b>	21/09/2018	5	0.00%	11.00%
	21/11/2018	5	0.00%	11.00%
	21/01/2019	5	0.00%	11.00%
	21/03/2019	5	0.00%	11.00%

	<b>2018/19 Budget revenue</b>	<b>2017/18 Actual</b>
	\$	\$
Unpaid rates and service charge interest earned	4,000	4,137
	4,000	4,137

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

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) Specified Area Rate**

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

**(d) Service Charges**

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

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2018**

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(e) 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
		\$	\$	
Rate Discount	10%	137,525	128,401	Discount is granted to Ratepayers who pay rates in full within 35
		137,525	128,401	

**(f) Waivers or concessions**

Rate or fee and charge to which the waiver or concession is granted	Type	Disc % or Amount (\$)	2018/19 Budget	2017/18 Actual	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
			\$	\$		
General Rates and Charges	Waiver	\$	(60)		0 Rates Balance less than \$5.00	Write off small balances for administration Efficiency
			(60)	0		

**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
		\$	\$
<b>Composition of estimated net current assets</b>			
<b>Current assets</b>			
Cash - unrestricted	3	5,519	1,296,360
Cash - restricted reserves	3	2,195,511	1,804,855
Receivables		56,353	62,434
		2,257,383	3,163,649
<b>Less: current liabilities</b>			
Trade and other payables		(17,872)	(17,872)
Long term borrowings		472	(29,365)
Provisions		(200,749)	(200,749)
		(218,149)	(247,986)
<b>Unadjusted net current assets</b>		2,039,234	2,915,663
<b>Adjustments</b>			
Less: Cash - restricted reserves	3	(2,195,511)	(1,804,855)
Less: Current loans - clubs / institutions		0	(6,081)
Add: Current portion of borrowings		(472)	29,365
<b>Adjusted net current assets - surplus/(deficit)</b>		(156,749)	1,134,092

**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 WICKEPIN's operational cycle. In the case of liabilities where the SHIRE OF WICKEPIN 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 WICKEPIN'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 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.

#### **PROVISIONS**

Provisions are recognised when the SHIRE OF WICKEPIN 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 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.

#### **EMPLOYEE BENEFITS**

##### **Short-term employee benefits**

Provision is made for the SHIRE OF WICKEPIN'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 WICKEPIN'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 WICKEPIN's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**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:

	<b>2018/19 Budget</b>	<b>2017/18 Actual</b>	<b>2017/18 Budget</b>
	\$	\$	\$
Cash - unrestricted	5,519	1,296,360	206,871
Cash - restricted	2,195,511	1,804,855	1,882,408
	<b>2,201,030</b>	<b>3,101,215</b>	<b>2,089,279</b>

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

Reserves cash backed - Leave Reserve	83,532	95,446	94,831
Reserves cash backed - Plant Reserve	332,235	205,371	202,876
Reserves cash backed - Building Reserve	513,496	505,100	490,494
Reserves cash backed - Fire Fighters Reserve	22,152	21,790	21,407
Reserves cash backed - Cottage Homes	38,473	37,844	37,672
Reserves cash backed - Speccil Events Reserve	14,570	14,332	14,199
Reserves cash backed - Computer Reserve	35,891	20,549	45,694
Reserves cash backed - Young Singles Accommodation Reserve	85,947	74,705	87,458
Reserves cash backed - Saleyards Reserve	38,967	28,493	28,569
Reserves cash backed - Sewerage Reserve	221,582	179,259	176,355
Reserves cash backed - Refuse Site Reserve	121,368	119,384	118,274
Reserves cash backed - Land Development Reserve	116,179	114,279	113,217
Reserves cash backed - Aged Persons Accommodation Reserve	271,548	188,416	237,336
Reserves cash backed - Swimming Pool Reserve	218,055	165,307	179,200
Reserves cash backed - Albert Facey Reserve	9,739	9,580	9,491
Reserves cash backed - Fuel Facility Reserve	71,778	25,000	25,337
	<b>2,195,511</b>	<b>1,804,855</b>	<b>1,882,410</b>

**Reconciliation of net cash provided by operating activities to net result**

<b>Net result</b>	(4,124,133)	(1,808,075)	(3,733,189)
Depreciation	4,327,930	4,327,551	4,725,060
(Profit)/loss on sale of asset	24,900	20,569	(57,003)
(Increase)/decrease in receivables	0	9,905	4,000
Increase/(decrease) in payables	0	(63,910)	(20,000)
Grants/contributions for the development of assets	(552,461)	(1,332,255)	(1,248,338)
<b>Net cash from operating activities</b>	<b>(323,764)</b>	<b>1,153,785</b>	<b>(329,470)</b>

**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		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Property, Plant and Equipment</b>													
Buildings - non-specialised	0	0	0	0	0	8,200	0	0	0	0	0	8,200	151,051
Buildings - specialised	0	0	0	0	0	0	15,000	10,000	36,000	0	0	61,000	24,730
Furniture and equipment	0	0	0	0	0	0	14,000	0	0	0	0	14,000	10,806
Plant and equipment	70,364	0	0	0	0	0	0	12,000	326,780	0	0	409,144	899,040
	70,364	0	0	0	0	8,200	29,000	22,000	362,780	0	0	492,344	1,085,627
<b>Infrastructure</b>													
Infrastructure - Roads	0	0	0	0	0	0	0	0	677,876	0	0	677,876	1,439,578
Infrastructure - Footpaths	0	0	0	0	0	0	0	0	35,000	0	0	35,000	27,707
Infrastructure - Drainage/Sewerage	0	0	0	0	0	0	0	0	0	0	0	0	12,927
Infrastructure - Parks and ovals	0	0	0	0	0	0	45,500	25,000	0	0	0	70,500	63,025
	0	0	0	0	0	0	45,500	25,000	712,876	0	0	783,376	1,543,237
<b>Total acquisitions</b>	70,364	0	0	0	0	8,200	74,500	47,000	1,075,656	0	0	1,275,720	2,628,864

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

- Plant Replacement Program
- Other Property and Plant
- Road Replacement Program
- Other Parks and Ovals

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
<b>By Program</b>								
Governance	65,844	64,364	1,000	(2,480)	2,761	0	0	(3,800)
Law, order, public safety	44,100	0	0	(44,100)	0	0	0	(44,100)
Housing	0	0	0	0	0	0	152,000	0
Community amenities	31,685	43,015	11,330	0	0	0	3,560	0
Transport	53,865	63,215	9,350	0	8,156	(31,486)	0	(50,657)
	<u>195,494</u>	<u>170,594</u>	<u>21,680</u>	<u>(46,580)</u>	<u>10,917</u>	<u>(31,486)</u>	<u>155,560</u>	<u>(98,557)</u>
<b>By Class</b>								
<i>Property, Plant and Equipment</i>								
Buildings - specialised	0	0	0	0	0	0	152,000	0
Plant and equipment	195,494	170,594	21,680	(46,580)	10,917	(31,486)	3,560	(98,557)
	<u>195,494</u>	<u>170,594</u>	<u>21,680</u>	<u>(46,580)</u>	<u>10,917</u>	<u>(31,486)</u>	<u>155,560</u>	<u>(98,557)</u>

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

**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  
Furniture and equipment  
Plant and equipment  
Infrastructure - Roads  
Infrastructure - Footpaths  
Infrastructure - Drainage/Sewerage  
Infrastructure - Parks and ovals  
Infrastructure - Other-Main St

	<b>2018/19 Budget</b>	<b>2017/18 Actual</b>	<b>2017/18 Budget</b>
	\$	\$	\$
	27,000	26,923	38,000
	53,600	53,644	54,000
	41,600	43,738	77,500
	55,900	60,433	84,750
	417,700	431,032	654,350
	3,679,730	3,659,201	3,721,310
	46,100	46,331	90,000
	6,300	6,248	5,150
	<b>4,327,930</b>	<b>4,327,551</b>	<b>4,725,060</b>
	290,000	276,347	912,000
	22,130	18,195	20,060
	350,000	348,970	320,000
	3,336,300	3,373,946	3,400,500
	14,000	11,784	10,500
	16,500	15,239	15,000
	292,000	276,437	40,000
	7,000	6,633	7,000
	<b>4,327,930</b>	<b>4,327,551</b>	<b>4,725,060</b>

**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	30 to 50 Years
Buildings - specialised	30 to 50 Years
Furniture and equipment	4 to 10 Years
Plant and equipment	5 to 15 Years
Infrastructure - Roads	0 to 50 Years
Infrastructure - Footpaths	20 Years
Infrastructure - Drainage/Sewerage	100 Years
Infrastructure - Parks and ovals	30 to 50 Years
Infrastructure - Other-Main St	30 to 50 Years
Infrastructure - Water Supply	75 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
			\$	\$	\$	\$	\$	\$
<b>Housing</b>								
Loan 100 CEO Residence	47,972	0	23,756	21,960	24,216	47,972	2,195	3,495
	47,972	0	23,756	21,960	24,216	47,972	2,195	3,495
<b>Self Supporting Loans</b>								
<b>Recreation and culture</b>								
Loan 102 WDSC Bowling Gr	32,961	0	6,081	5,844	26,880	32,961	1,258	1,388
	32,961	0	6,081	5,844	26,880	32,961	1,258	1,388
	80,933	0	29,837	27,804	51,096	80,933	3,453	4,883

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 intend 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
	\$	\$	\$
<b>Undrawn borrowing facilities</b>			
<b>credit standby arrangements</b>			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	5,000	5,000	5,000
<b>Total amount of credit unused</b>	5,000	5,000	5,000
<b>Loan facilities</b>			
Loan facilities in use at balance date	51,096	80,933	80,933

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserves cash backed - Leave Reserve	95,446	1,586	(13,500)	83,532	81,572	13,874	0	95,446	81,572	13,259	0	94,831
Reserves cash backed - Plant Reserve	205,371	126,864	0	332,235	200,182	5,189	0	205,371	200,182	2,694	0	202,876
Reserves cash backed - Building Reserve	505,100	8,396	0	513,496	483,980	21,120	0	505,100	483,980	6,514	0	490,494
Reserves cash backed - Fire Fighters Reserve	21,790	362	0	22,152	21,123	667	0	21,790	21,123	284	0	21,407
Reserves cash backed - Cottage Homes	37,844	629	0	38,473	37,172	672	0	37,844	37,172	500	0	37,672
Reserves cash backed - Special Events Reserve	14,332	238	0	14,570	14,010	322	0	14,332	14,010	189	0	14,199
Reserves cash backed - Computer Reserve	20,549	15,342	0	35,891	20,088	462	0	20,549	20,087	25,607	0	45,694
Reserves cash backed - Young Singles Account	74,705	11,242	0	85,947	61,296	13,408	0	74,705	61,296	26,162	0	87,458
Reserves cash backed - Saleyards Reserve	28,493	10,474	0	38,967	13,190	15,303	0	28,493	13,190	15,379	0	28,569
Reserves cash backed - Sewerage Reserve	179,259	42,323	0	221,582	141,033	38,226	0	179,259	141,033	35,322	0	176,355
Reserves cash backed - Refuse Site Reserves	119,384	1,984	0	121,368	116,703	2,567	0	119,384	116,703	1,571	0	118,274
Reserves cash backed - Land Development	114,279	1,900	0	116,179	111,712	2,681	0	114,279	111,713	1,504	0	113,217
Reserves cash backed - Aged Persons Account	188,416	83,132	0	271,548	184,184	4,232	0	188,416	184,184	53,152	0	237,336
Reserves cash backed - Swimming Pool Reserve	165,307	52,748	0	218,055	151,819	13,488	0	165,307	151,819	27,381	0	179,200
Reserves cash backed - Albert Facey Reserve	9,580	159	0	9,739	9,365	215	0	9,580	9,365	126	0	9,491
Reserves cash backed - Fuel Facility Reserve	25,000	46,778	0	71,778	0	25,000	0	25,000	0	25,337	0	25,337
	1,804,855	404,156	(13,500)	2,195,511	1,647,429	157,426	0	1,804,855	1,647,429	234,981	0	1,882,410

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	Anticipated date of use	Purpose of the reserve
Reserves cash backed - Leave Reserve	ongoing	to be used to fund annual and long service leave requirements
Reserves cash backed - Plant Reserve	ongoing	to be used for the purchase of road plant, machinery and equipment
Reserves cash backed - Building Reserve	ongoing	to be used for the construction of new buildings, predominantly staff housing
Reserves cash backed - Fire Fighters Reserve	ongoing	to be used to fund the provision of bushfire equipment for brigades
Reserves cash backed - Cottage Homes	ongoing	to be used for the future maintenance and construction of new Cottage Home Units
Reserves cash backed - Special Events Reserve	ongoing	to be used to fund special events and celebrations
Reserves cash backed - Computer Reserve	ongoing	purchase, upgrade or replacement of hardware as necessary
Reserves cash backed - Young Singles Account	ongoing	additional income over expenditure held for future repairs or improvements
Reserves cash backed - Saleyards Reserve	ongoing	additional income over expenditure held for future repairs or improvements
Reserves cash backed - Sewerage Reserve	ongoing	additional income over expenditure held for future repairs or improvements
Reserves cash backed - Refuse Site Reserves	ongoing	additional income over expenditure held for the future creation or maintenance of the refuse site
Reserves cash backed - Land Development	ongoing	income received from the sale of the English House held for future development of the English Land.
Reserves cash backed - Aged Persons Account	ongoing	to be used for the construction and future maintenance requirements for Aged Person Accommodation units
Reserves cash backed - Swimming Pool Reserve	ongoing	to be used to fund major repairs or improvements at the Wickepin Swimming Pool
Reserves cash backed - Albert Facey Reserve	ongoing	to be used for the refurbishment and future maintenance requirements of Albert Facey Homestead
Reserves cash backed - Fuel Facility Reserve	ongoing	to be used for future maintenance and upgrade of Wickepin Fuel Facility

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

**8. FEES & CHARGES REVENUE**

	<b>2018/19 Budget</b>	<b>2017/18 Actual</b>
	\$	\$
Governance	110	13,011
General purpose funding	4,450	5,139
Law, order, public safety	50,550	46,186
Health	300	236
Education and welfare	250	4,292
Housing	108,150	112,880
Community amenities	174,710	196,601
Recreation and culture	32,597	37,682
Transport	13,000	13,265
Economic services	42,165	48,381
Other property and services	33,500	44,809
	<b>459,782</b>	<b>522,482</b>

**9. GRANT REVENUE**

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

**By Program:**

**Operating grants, subsidies and contributions**

	<b>2018/19 Budget</b>	<b>2017/18 Actual</b>
	\$	\$
General purpose funding	762,731	1,506,009
Law, order, public safety	22,337	36,816
Housing	0	28,541
Recreation and culture	0	6,000
Transport	72,120	68,502
	<b>857,188</b>	<b>1,645,867</b>

**Non-operating grants, subsidies and contributions**

Law, order, public safety	0	377,727
Transport	552,461	954,528
	<b>552,461</b>	<b>1,332,255</b>

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

**10. OTHER INFORMATION**

**The net result includes as revenues**

**(a) Interest earnings**

Investments			
- Reserve funds			
- Other funds			
Other interest revenue (refer note 1b)			

2018/19 Budget	2017/18 Actual	2017/18 Budget
\$	\$	\$
30,000	37,850	6,450
18,000	19,608	13,000
4,000	4,137	22,950
<b>52,000</b>	<b>61,595</b>	<b>42,400</b>

**The net result includes as expenses**

**(b) Auditors remuneration**

Audit services

35,000	9,968	12,000
<b>35,000</b>	<b>9,968</b>	<b>12,000</b>

**(c) Interest expenses (finance costs)**

Borrowings (refer note 6(a))

3,453	4,883	5,014
<b>3,453</b>	<b>4,883</b>	<b>5,014</b>

**(d) Elected members remuneration**

Meeting fees  
President's allowance  
Deputy President's allowance  
Travelling expenses  
Telecommunications allowance

13,700	13,660	12,500
4,500	4,500	4,500
1,000	1,000	1,000
6,000	5,435	7,000
4,500	4,205	4,500
<b>29,700</b>	<b>28,800</b>	<b>29,500</b>

**(e) Write offs**

General rate

60	0	0
<b>60</b>	<b>0</b>	<b>0</b>

**(f) Operating lease expenses**

Office equipment

4,000	3,586	4,000
<b>4,000</b>	<b>3,586</b>	<b>4,000</b>

**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 WICKEPIN 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.

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

**13. INTERESTS IN JOINT ARRANGEMENTS**

The Shire of Wickepin jointly owns a Speed Alert Trailer with the Shire of Cuballing.  
An outdoor movie screen and projector is jointly owned by the Shires of Wickepin, Cuballing and Pingelly.  
The movie screen and project are stored at the Wickepin Community Centre

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Non-current assets</b>		
Plant and equipment	21,000	21,000
Less: accumulated depreciation	(5,400)	(2,700)
	<u>15,600</u>	<u>18,300</u>

**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.

**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:

<b>Detail</b>	<b>Balance 30-Jun-18</b>	<b>Estimated amounts received</b>	<b>Estimated amounts paid</b>	<b>Estimated balance 30-Jun-19</b>
	\$	\$	(\$)	\$
Master Key Deposits	1,200	0	(1,200)	0
Cat/Dog Trap	100	0	(100)	0
WDSC Replacement Greens	85,770	15,000	0	100,770
Yealering Bowling Club	23,700	7,900	0	31,600
Miscellaneous	3,762	0	(1,432)	2,329
	<u>114,531</u>	<u>22,900</u>	<u>(2,732)</u>	<u>134,699</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 WICKEPIN 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**

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>
Operating Surplus	(0.78)	(0.41)	(0.48)	(1.25)
Funds After Operations	0.97	0.70	0.85	0.38
PPE	(0.03)	(0.05)	0.01	(0.02)
Infrastructure	(0.02)	0.01	(0.01)	(0.03)
Cash Reserves	0.53	0.41	0.54	0.89
Borrowings	0.07	0.03	0.03	0.02
Debt Servicing	0.03	0.01	0.01	0.02
Average Rates (UV)	626.51	644.22	652.58	659.25
Average Rates (GRV)	4,681.34	4,771.52	4,810.02	4,754.47

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



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

**BY NATURE OR TYPE**

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2	1,134,092	1,225,237	1,225,239
		1,134,092	1,225,237	1,225,239
<b>Revenue from operating activities (excluding rates)</b>				
Operating grants, subsidies and contributions	9	857,188	1,645,867	796,304
Fees and charges	8	459,782	522,482	675,786
Interest earnings	10(a)	52,000	61,595	42,400
Profit on asset disposals	4(b)	21,680	10,917	155,560
		1,390,650	2,240,861	1,670,050
<b>Expenditure from operating activities</b>				
Employee costs		(1,322,557)	(1,001,411)	(1,139,806)
Materials and contracts		(1,364,286)	(1,078,494)	(1,695,859)
Utility charges		(175,545)	(134,875)	(172,045)
Depreciation on non-current assets	5	(4,327,930)	(4,327,551)	(4,725,060)
Interest expenses	10(c)	(3,453)	(4,883)	(5,014)
Insurance expenses		(179,158)	(162,193)	(172,911)
Loss on asset disposals	4(b)	(46,580)	(31,486)	(98,557)
		(7,419,509)	(6,740,893)	(8,009,252)
<b>Operating activities excluded from budget</b>				
(Profit) on asset disposals	4(b)	(21,680)	(10,917)	(155,560)
Loss on disposal of assets	4(b)	46,580	31,486	98,557
Depreciation on assets	5	4,327,930	4,327,551	4,725,060
<b>Amount attributable to operating activities</b>		(541,937)	1,073,325	(445,906)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	552,461	1,332,255	1,248,338
Purchase property, plant and equipment	4(a)	(492,344)	(1,085,627)	(1,140,749)
Purchase and construction of infrastructure	4(a)	(783,376)	(1,543,237)	(1,181,017)
Proceeds from disposal of assets	4(b)	170,594	177,060	425,196
<b>Amount attributable to investing activities</b>		(552,665)	(1,119,549)	(648,232)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(29,837)	(27,804)	(27,804)
Proceeds from self supporting loans	6(a)	6,081	5,844	5,844
Transfers to cash backed reserves (restricted assets)	7(a)	(404,156)	(157,426)	(234,981)
Transfers from cash backed reserves (restricted assets)	7(a)	13,500	0	0
<b>Amount attributable to financing activities</b>		(414,412)	(179,386)	(256,941)
<b>Budgeted deficiency before general rates</b>		(1,509,014)	(225,610)	(1,351,079)
<b>Estimated amount to be raised from general rates</b>	1	1,352,265	1,359,702	1,357,675
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2	(156,749)	1,134,092	6,596

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