

# SHIRE OF WYALKATCHEM

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2022

#### LOCAL GOVERNMENT ACT 1995

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

In 2023 Wyalkatchem will be sustainable with growth in population, supporting businesses, services and infrastructure: residents will be healthy, safe and caring, surrounded by welcoming public places and a valued natural and built environment.

**SHIRE OF WYALKATCHEM**  
**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
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	1,353,953	1,314,471	1,318,571
Operating grants, subsidies and contributions	10(a)	1,014,703	1,845,435	1,005,669
Fees and charges	9	221,653	232,436	172,479
Interest earnings	13(a)	22,500	21,806	20,490
Other revenue	13(b)	4,600	4,743	4,050
		2,617,409	3,418,892	2,521,259
<b>Expenses</b>				
Employee costs		(1,377,749)	(1,121,070)	(1,152,935)
Materials and contracts		(1,170,764)	(1,009,132)	(1,315,236)
Utility charges		(210,004)	(201,347)	(184,590)
Depreciation on non-current assets	5	(1,399,341)	(1,413,008)	(1,378,678)
Interest expenses	13(d)	(19,114)	(7,166)	(10,707)
Insurance expenses		(148,308)	(139,708)	(142,702)
Other expenditure		(46,135)	(40,047)	(44,378)
		(4,371,415)	(3,931,478)	(4,229,226)
<b>Subtotal</b>		(1,754,006)	(512,587)	(1,707,967)
Non-operating grants, subsidies and contributions	10(b)	1,246,563	1,056,611	1,741,818
Profit on asset disposals	4(b)	37,273	108,391	25,225
Loss on asset disposals	4(b)	0	(3,000)	(9,883)
		1,283,836	1,162,002	1,757,160
<b>Net result</b>		<b>(470,170)</b>	<b>649,416</b>	<b>49,193</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(470,170)</b>	<b>649,416</b>	<b>49,193</b>

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

# SHIRE OF WYALKATCHEM

## FOR THE YEAR ENDED 30 JUNE 2022

### BASIS OF PREPARATION

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

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

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Wyalkatchem 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 15 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 WYALKATCHEM**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
<b>Revenue</b>	1,9,10(a),13(a),13(b)	\$	\$	\$
General purpose funding		2,119,294	2,903,518	2,068,093
Law, order and public safety		52,729	34,436	25,681
Health		77,936	49,505	62,146
Housing		51,638	59,146	67,400
Community amenities		109,120	105,760	111,829
Recreation and culture		14,420	1,813	15,100
Transport		119,622	114,046	112,210
Economic services		47,150	78,320	21,800
Other property and services		25,500	72,348	37,000
		2,617,409	3,418,892	2,521,259
<b>Expenses excluding finance costs</b>	4(a),5,13(c)(e)(f)			
Governance		(569,900)	(471,015)	(597,829)
General purpose funding		(86,533)	(77,620)	(91,511)
Law, order and public safety		(114,846)	(84,723)	(94,735)
Health		(304,977)	(270,506)	(261,669)
Education and welfare		(38,256)	(53,332)	(54,910)
Housing		(136,467)	(145,234)	(181,582)
Community amenities		(181,517)	(175,288)	(190,509)
Recreation and culture		(1,048,752)	(924,104)	(941,238)
Transport		(1,520,572)	(1,229,993)	(1,510,650)
Economic services		(270,416)	(288,665)	(251,552)
Other property and services		(80,065)	(203,832)	(42,334)
		(4,352,301)	(3,924,312)	(4,218,519)
<b>Finance costs</b>	7,6(a),13(d)			
Housing		(16,233)	(4,301)	(6,833)
Economic services		(2,834)	(2,774)	(3,783)
Other property and services		(47)	(91)	(91)
		(19,114)	(7,166)	(10,707)
<b>Subtotal</b>		(1,754,006)	(512,586)	(1,707,967)
Non-operating grants, subsidies and contributions	10(b)	1,246,563	1,056,611	1,741,818
Profit on disposal of assets	4(b)	37,273	108,391	25,225
(Loss) on disposal of assets	4(b)	0	(3,000)	(9,883)
		1,283,836	1,162,002	1,757,160
<b>Net result</b>		<b>(470,170)</b>	<b>649,416</b>	<b>49,193</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(470,170)</b>	<b>649,416</b>	<b>49,193</b>

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

## SHIRE OF WYALKATCHEM FOR THE YEAR ENDED 30 JUNE 2022

### KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

#### PROGRAM NAME AND OBJECTIVES GOVERNANCE

To provide a decision making process for the efficient allocation of scarce resources.

#### ACTIVITIES

Include 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 specific the Shire 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.

Supervision and enforcement of various Acts, regulations and by-laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

#### HEALTH

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance. Provision of various medical facilities.

#### EDUCATION AND WELFARE

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

Maintenance and support of child minding and playgroup centres, senior citizen and aged care facilities. Provision and maintenance of home care programs and youth services

#### HOUSING

To provide and maintain staff and elderly residents housing.

Provision and maintenance of staff, community and joint venture housing

#### COMMUNITY AMENITIES

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery, public conveniences and community bus.

#### RECREATION AND CULTURE

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

Maintenance of public halls, aquatic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens, reserves and playgrounds. Provision of library services (contract). Support of museum and other cultural facilities and services.

#### TRANSPORT

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

Construction and maintenance of roads, streets, footpaths, cycling ways, airstrip, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

#### ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

Tourism and area promotion. Maintenance and operation of the Saleyards. Building Control. Provision of rural services including weed control, vermin control and standpipes.

#### OTHER PROPERTY AND SERVICES

To monitor and control Council's overheads operating accounts.

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

**SHIRE OF WYALKATCHEM**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,353,953	1,315,592	1,322,339
Operating grants, subsidies and contributions		1,014,703	1,898,511	957,082
Fees and charges		221,653	232,436	172,479
Interest received		22,500	21,806	20,490
Goods and services tax received		250,000	307,938	250,000
Other revenue		4,600	4,743	4,050
		2,867,409	3,781,026	2,726,440
<b>Payments</b>				
Employee costs		(1,377,749)	(1,143,990)	(1,152,935)
Materials and contracts		(1,170,764)	(911,854)	(1,315,236)
Utility charges		(210,004)	(201,347)	(184,590)
Interest expenses		(19,114)	(10,719)	(10,707)
Insurance paid		(148,308)	(139,708)	(142,702)
Goods and services tax paid		(250,000)	(335,660)	(250,000)
Other expenditure		(46,135)	(40,047)	(44,378)
		(3,222,074)	(2,783,325)	(3,100,548)
<b>Net cash provided by (used in)</b>				
<b>operating activities</b>	3	(354,665)	997,701	(374,108)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(1,625,000)	(524,799)	(655,533)
Payments for construction of infrastructure	4(a)	(1,716,840)	(1,379,916)	(2,369,917)
Non-operating grants, subsidies and contributions		1,028,474	1,226,113	1,741,818
Proceeds from sale of plant and equipment	4(b)	135,000	184,608	94,000
<b>Net cash provided by (used in)</b>				
<b>investing activities</b>		(2,178,366)	(493,993)	(1,189,632)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(79,205)	(44,810)	(44,821)
Principal elements of lease payments	7	(3,412)	(3,368)	(3,368)
Proceeds from new borrowings	6(a)	1,000,000	0	0
<b>Net cash provided by (used in)</b>				
<b>financing activities</b>		917,383	(48,178)	(48,189)
<b>Net increase (decrease) in cash held</b>		(1,615,648)	455,530	(1,611,929)
Cash at beginning of year		4,771,537	4,316,007	4,307,519
<b>Cash and cash equivalents</b>				
<b>at the end of the year</b>	3	<b>3,155,889</b>	<b>4,771,537</b>	<b>2,695,590</b>

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

**SHIRE OF WYALKATCHEM**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2(a)	1,793,011	1,747,250	1,743,002
		1,793,011	1,747,250	1,743,002
<b>Revenue from operating activities (excluding rates)</b>				
General purpose funding		773,765	1,597,471	757,946
Law, order, public safety		52,729	34,436	25,681
Health		77,936	59,505	62,146
Housing		51,638	59,146	67,400
Community amenities		109,120	105,760	111,829
Recreation and culture		14,420	1,813	15,100
Transport		124,622	146,746	129,210
Economic services		47,150	78,320	21,800
Other property and services		57,773	138,038	45,225
		1,309,153	2,221,235	1,236,337
<b>Expenditure from operating activities</b>				
Governance		(569,900)	(471,015)	(597,829)
General purpose funding		(86,533)	(77,620)	(91,511)
Law, order, public safety		(114,846)	(84,723)	(94,735)
Health		(304,977)	(270,506)	(266,822)
Education and welfare		(38,256)	(53,332)	(54,910)
Housing		(152,700)	(149,535)	(188,415)
Community amenities		(181,517)	(175,288)	(190,509)
Recreation and culture		(1,048,752)	(924,104)	(941,238)
Transport		(1,520,572)	(1,229,993)	(1,510,650)
Economic services		(273,250)	(291,439)	(255,335)
Other property and services		(80,112)	(206,923)	(47,155)
		(4,371,415)	(3,934,478)	(4,239,109)
Non-cash amounts excluded from operating activities	2(b)	1,362,068	1,302,043	1,363,336
<b>Amount attributable to operating activities</b>		92,817	1,336,050	103,566
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		1,246,563	1,056,611	1,741,818
Payments for property, plant and equipment	4(a)	(1,625,000)	(524,799)	(655,533)
Payments for construction of infrastructure	4(a)	(1,716,840)	(1,379,916)	(2,369,918)
Proceeds from disposal of assets	4(b)	135,000	184,608	94,000
		(1,960,277)	(663,496)	(1,189,633)
<b>Amount attributable to investing activities</b>		(1,960,277)	(663,496)	(1,189,633)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(79,205)	(44,810)	(44,821)
Principal elements of finance lease payments	7	(3,412)	(3,368)	(3,368)
Proceeds from new borrowings	6(a)	1,000,000	0	0
Transfers to cash backed reserves (restricted assets)	8(a)	(728,168)	(137,413)	(175,891)
Transfers from cash backed reserves (restricted assets)	8(a)	332,716	0	0
<b>Amount attributable to financing activities</b>		521,931	(185,591)	(224,080)
<b>Budgeted deficiency before imposition of general rates</b>		(1,345,529)	486,964	(1,310,147)
<b>Estimated amount to be raised from general rates</b>	1	1,345,529	1,306,047	1,310,147
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2(a)	<b>0</b>	<b>1,793,011</b>	<b>0</b>

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

**SHIRE OF WYALKATCHEM**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

		2021/22	2020/21	2020/21
	NOTE	Budget	Actual	Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2	1,793,011	1,747,250	1,743,002
		1,793,011	1,747,250	1,743,002
<b>Revenue from operating activities (excluding rates)</b>				
Specified area and ex gratia rates	1(c)	8,424	8,424	8,424
Operating grants, subsidies and contributions	10(a)	1,014,703	1,845,435	1,005,669
Fees and charges	9	221,653	232,436	172,479
Interest earnings	13(a)	22,500	21,806	20,490
Other revenue	13(b)	4,600	4,743	4,050
Profit on asset disposals	4(b)	37,273	108,391	25,225
		1,309,153	2,221,235	1,236,337
<b>Expenditure from operating activities</b>				
Employee costs		(1,377,749)	(1,121,070)	(1,152,935)
Materials and contracts		(1,170,764)	(1,009,132)	(1,315,236)
Utility charges		(210,004)	(201,347)	(184,590)
Depreciation on non-current assets	5	(1,399,341)	(1,413,008)	(1,378,678)
Interest expenses	13(d)	(19,114)	(7,166)	(10,707)
Insurance expenses		(148,308)	(139,708)	(142,702)
Other expenditure		(46,135)	(40,047)	(44,378)
Loss on asset disposals	4(b)	0	(3,000)	(9,883)
		(4,371,415)	(3,934,478)	(4,239,109)
Non-cash amounts excluded from operating activities	2(b)	1,362,068	1,302,043	1,363,336
<b>Amount attributable to operating activities</b>		92,817	1,336,050	103,566
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	10(b)	1,246,563	1,056,611	1,741,818
Payments for property, plant and equipment	4(a)	(1,625,000)	(524,799)	(655,533)
Payments for construction of infrastructure	4(a)	(1,716,840)	(1,379,916)	(2,369,918)
Proceeds from disposal of assets	4(b)	135,000	184,608	94,000
<b>Amount attributable to investing activities</b>		(1,960,277)	(663,496)	(1,189,633)
<b>Amount attributable to investing activities</b>		(1,960,277)	(663,496)	(1,189,633)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(79,205)	(44,810)	(44,821)
Principal elements of finance lease payments	6	(3,412)	(3,368)	(3,368)
Proceeds from new borrowings	6(b)	1,000,000	0	0
Transfers to cash backed reserves (restricted assets)	8(a)	(728,168)	(137,413)	(175,891)
Transfers from cash backed reserves (restricted assets)	8(a)	332,716	0	0
<b>Amount attributable to financing activities</b>		521,931	(185,591)	(224,080)
<b>Budgeted deficiency before general rates</b>		(1,345,529)	486,964	(1,310,147)
<b>Estimated amount to be raised from general rates</b>	1(a)	1,345,529	1,306,047	1,310,147
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2	0	1,793,011	0

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



SHIRE OF WYALKATCHEM  
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FOR THE YEAR ENDED 30 JUNE 2022

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>							
<b>Gross rental valuations</b>							
GRV - Wyalkatchem	0.10877	197	1,361,837	148,132	148,132	142,063	141,569
<b>Unimproved valuations</b>							
UV-Rural	0.01474	210	81,049,000	1,194,662	1,194,662	1,161,558	1,162,108
UV-Mining	0.01474	0	0	0	0	0	0
<b>Sub-Totals</b>		407	82,410,837	1,342,794	1,342,794	1,303,621	1,303,677
<b>Minimum</b>							
<b>Minimum payment</b>							
\$							
<b>Gross rental valuations</b>							
GRV - Wyalkatchem	495	53	68,317	26,235	26,235	27,018	27,720
<b>Unimproved valuations</b>							
UV-Rural	550	18	357,600	9,900	9,900	9,350	8,800
UV-Mining	550	12	35,329	6,600	6,600	6,355	4,950
<b>Sub-Totals</b>		83	461,246	42,735	42,735	42,723	41,470
		490	82,872,083	1,385,529	1,385,529	1,346,344	1,345,147
Discounts (Refer note 1(e))					(40,000)	(40,297)	(34,505)
Concessions (Refer note 1(f))					0	0	(495)
<b>Total amount raised from general rates</b>					1,345,529	1,306,047	1,310,147
Ex gratia rates					8,424	8,424	8,424
<b>Total rates</b>					1,353,953	1,314,471	1,318,571

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

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.

## 1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Single full payment	13/09/2021	0	0.0%	7.0%
<b>Option three</b>				
First instalment	13/09/2021	0	0.0%	0.0%
Second instalment	15/11/2021	5	5.5%	7.0%
Third instalment	17/01/2022	5	5.5%	7.0%
Fourth instalment	17/03/2022	5	5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	1,110	1,110	1,000
Instalment plan interest earned	4,500	4,484	3,600
Unpaid rates and service charge interest earned	5,000	4,287	5,000
Pensioner Deferred Interest	0	146	0
	10,610	10,026	9,600

## 1. RATES AND SERVICE CHARGES (CONTINUED)

### (c) Specified Area Rate

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

### (d) Service Charges

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

### (e) Rates discounts

Rate or fee to which discount is granted	Discount %	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which discount is granted
Rates - Early Payment	5.0%	\$ 40,000	\$ 40,297	\$ 27,305	Payment of all rates owing, received on or before 21 days after service date of rate
Rubbish Service - 1st Service Pensioners	<i>*Reduced fee included in fees and charges</i> 30.0%	0	0	7,200	A discount of 30% on the 1st Rubbish Service to pensioner concession holders who have registered and are eligible for a rebate on their rates under the Rates and Charges (Rebates). This provides an affordable service to those who are on a pension.
		40,000	40,297	34,505	

*\*The reduced fee for eligible pensioners is included in fees and charges at the reduced rate. As such no budget for any discount is required.*

### (f) Waivers/Exemptions/Concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which the waiver or concession is granted
Returned Soldiers League	Rate Exemption	100.0%	\$ 0	\$ 0	\$ 495	Not Rateable S6.26(g) of the Local Government Act
Roman Catholic Church	Rate Exemption	100.0%	0	0	0	Not Rateable - S6.26(d) of the Local Government Act
Roman Catholic Church	Rate Exemption	100.0%	0	0	0	Not Rateable - S6.26(d) of the Local Government Act
St Savours Anglican Church	Rate Exemption	100.0%	0	0	0	Not Rateable - S6.26(d) of the Local Government Act
Senior Citizens Home Trust	Rate Exemption	100.0%	0	0	0	Not Rateable S6.26(g) of the Local Government Act
St John Ambulance	Rate Exemption	100.0%	0	0	0	Not Rateable S6.26(g) of the Local Government Act
			0	0	495	

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

**2. NET CURRENT ASSETS**

**(a) Composition of estimated net current assets**

**Current assets**

Cash and cash equivalents- unrestricted

Cash and cash equivalents - restricted

Receivables

Inventories

**Less: current liabilities**

Trade and other payables

Contract liabilities

Lease liabilities

Long term borrowings

Employee provisions

**Net current assets**

**Less: Total adjustments to net current assets**

**Net current assets used in the Rate Setting Statement**

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
	202,404	1,995,415	100,938
3	2,953,485	2,776,122	2,594,652
	118,102	118,102	145,087
	7,874	7,874	3,626
	3,281,865	4,897,513	2,844,303
	(213,550)	(213,550)	(134,821)
	0	(218,089)	0
7	0	(3,412)	0
6	(12)	(50,274)	(44,822)
	(114,830)	(114,830)	(114,830)
	(328,392)	(600,155)	(294,473)
	2,953,473	4,297,358	2,549,830
2.(c)	(2,953,473)	(2,504,347)	(2,549,830)
	0	1,793,011	0

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**2. NET CURRENT ASSETS (CONTINUED)**

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

**Items excluded from calculation of budgeted deficiency**

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

**(b) Operating activities excluded from budgeted deficiency**

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

**Adjustments to operating activities**

Less: Profit on asset disposals

Add: Loss on disposal of assets

Add: Depreciation on assets

Movement in non-current pensioner deferred rates

**Non cash amounts excluded from operating activities**

**(c) Current assets and liabilities excluded from budgeted deficiency**

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

**Adjustments to net current assets**

Less: Cash - restricted reserves

Add: Current liabilities expected to be cleared at end of year

- Current portion of borrowings

- Current portion of lease liabilities

**Total adjustments to net current assets**

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	(37,273)	(108,391)	(25,225)
4(b)	0	3,000	9,883
5	1,399,341	1,413,008	1,378,678
	0	(5,574)	
	1,362,068	1,302,043	1,363,336
8	(2,953,485)	(2,558,033)	(2,594,652)
	12	50,274	44,822
	0	3,412	0
	(2,953,473)	(2,504,347)	(2,549,830)

## 2 (d) NET CURRENT ASSETS (CONTINUED)

### SIGNIFICANT ACCOUNTING POLICIES

#### CURRENT AND NON-CURRENT CLASSIFICATION

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

#### TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of Wyalkatchem 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 Wyalkatchem contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Wyalkatchem 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	3,155,889	4,771,537	2,695,590
<b>Total cash and cash equivalents</b>	<b>3,155,889</b>	<b>4,771,537</b>	<b>2,695,590</b>
Held as			
- Unrestricted cash and cash equivalents	202,404	1,995,415	100,938
- Restricted cash and cash equivalents	2,953,485	2,776,122	2,594,652
	3,155,889	4,771,537	2,695,590
<b>Restrictions</b>			
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	2,953,485	2,776,122	2,594,652
	2,953,485	2,776,122	2,594,652
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	8	2,953,485	2,558,033
		2,953,485	2,776,122
			2,594,652
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	(470,170)	649,415	49,193
Depreciation	5	1,399,341	1,413,008
(Profit)/loss on sale of asset	4(b)	(37,273)	(105,391)
(Increase)/decrease in receivables		0	28,210
(Increase)/decrease in contract assets		0	0
(Increase)/decrease in inventories		0	(4,248)
Increase/(decrease) in payables		0	73,318
Increase/(decrease) in unspent non-operating grants		(218,089)	169,502
Non-operating grants, subsidies and contributions		(1,028,474)	(1,226,113)
<b>Net cash from operating activities</b>		<b>(354,665)</b>	<b>997,701</b>
			<b>(374,108)</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.

##### 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 WYALKATCHEM  
 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	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>										
Buildings	35,000	1,026,000	0	0	0	0	280,000	1,341,000	149,321	245,283
Plant and equipment	0	0	0	0	123,000	0	161,000	284,000	375,478	410,250
	35,000	1,026,000	0	0	123,000	0	441,000	1,625,000	524,799	655,533
<i>Infrastructure</i>										
Infrastructure Roads	0	0	0	0	845,083	0	0	845,083	879,085	1,246,223
Infrastructure Other	0	0	77,000	40,000	555,083	199,674	0	871,757	500,831	1,123,695
	0	0	77,000	40,000	1,400,166	199,674	0	1,716,840	1,379,916	2,369,918
<b>Total acquisitions</b>	<b>35,000</b>	<b>1,026,000</b>	<b>77,000</b>	<b>40,000</b>	<b>1,523,166</b>	<b>199,674</b>	<b>441,000</b>	<b>3,341,840</b>	<b>1,904,715</b>	<b>3,025,451</b>

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

SHIRE OF WYALKATCHEM  
 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Asset</b>												
10165 - Ceo Vehicle	50,958	58,000	7,042	0	0	0	0	0	0	0	0	0
10135 - MCS Ford Everest	5,756	18,000	12,244	0	2,323	11,818	9,495	0	5,775	14,000	8,225	0
LH Town Utility	0	0	0	0	2,787	11,818	9,031	0	0	0	0	0
10163 - Works Manager - Hilux	41,013	54,000	12,987	0	28,618	42,727	14,109	0	29,730	25,000	0	(4,730)
Doctors Mazda	0	0	0	0	24,544	34,545	10,001	0	25,153	20,000	0	(5,153)
Isuzu Crewcab Tipper Truck	0	0	0	0	1,945	35,000	33,055	0	5,000	20,000	15,000	0
New Holland Tractor	0	0	0	0	13,000	45,700	32,700	0	13,000	15,000	2,000	0
Lot 19 Honour Ave	0	0	0	0	6,000	3,000	0	(3,000)	0	0	0	0
10141 - Dolly	0	5,000	5,000	0	0	0	0	0	0	0	0	0
	97,727	135,000	37,273	0	79,217	184,608	108,391	(3,000)	78,658	94,000	25,225	(9,883)
<b>By Program</b>												
Health	0	0	0	0	24,544	34,545	10,000	0	25,153	20,000	0	(5,153)
Transport	0	5,000	5,000	0	13,000	45,700	32,700	0	0	0	0	0
Other property and services	97,727	130,000	32,273	0	41,673	104,363	65,690	(3,000)	53,505	74,000	25,225	(4,730)
	97,727	135,000	37,273	0	79,217	184,608	108,390	(3,000)	78,658	94,000	25,225	(9,883)
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Land	0	0	0	0	6,000	3,000	0	(3,000)	0	0	0	0
Plant and equipment	97,727	135,000	37,273	0	73,217	181,608	108,391	0	78,658	94,000	25,225	(9,883)
	97,727	135,000	37,273	0	79,217	184,608	108,391	(3,000)	78,658	94,000	25,225	(9,883)

**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

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

### By Class

Buildings
Furniture and equipment
Plant and equipment
Infrastructure Roads
Infrastructure - drainage
Infrastructure - footpaths
Infrastructure - parks and ovals
Infrastructure - airports
Infrastructure Other
Right of use - furniture and fittings

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
2,330	2,324	2,330
9,620	9,613	9,620
4,476	23,314	23,320
43,930	43,905	43,930
5,970	5,967	5,980
271,420	271,401	270,680
692,800	692,735	678,410
44,820	44,766	44,690
323,975	318,983	299,718
<b>1,399,341</b>	<b>1,413,008</b>	<b>1,378,678</b>
202,461	220,942	220,240
19,200	17,911	19,420
289,100	289,064	265,520
506,600	506,561	492,210
47,380	47,368	47,370
16,320	16,312	16,320
48,415	48,414	48,420
111,555	111,554	111,560
154,935	154,882	154,340
3,375	0	3,278
<b>1,399,341</b>	<b>1,413,008</b>	<b>1,378,678</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 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:

Asset Class	Useful life
Buildings - non specialised	12 to 50 years
Furniture and equipment	2 to 5 years
Plant and equipment	3 to 16 years
Infrastructure - Roads	15 to 50 years
Drainage	50 years
Footpaths	25 years
Park & Ovals	6 to 12 years
Infrastructure - Airport	15 to 50 years
Infrastructure - Other	30 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 WYALKATCHEM**  
**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	2021/22	2021/22	Budget	2021/22	Actual	2020/21	Actual	2020/21	Budget	2020/21	Budget	2020/21
				Principal	Budget	Budget	Principal	Principal		Actual	Actual	Principal		Budget	Budget	Principal
				1 July 2021	New Loans	Principal Repayments	outstanding 30 June 2022	Interest Repayments	1 July 2020	Principal Repayments	outstanding 30 June 2021	Interest Repayments	1 July 2020	Principal Repayments	outstanding 30 June 2021	Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>																
Loan 68 - 43 & 45 Wilson St	68	NAB	6.89%	81,319	0	(25,288)	56,031	5,176	104,938	(23,619)	81,319	4,302	104,939	(23,631)	81,308	6,833
Nurses Accomodation		*WATC	1.91%	0	1,000,000	(28,943)	971,057	11,057	0	0	0	0	0	0	0	0
<b>Economic services</b>																
Loan 73 - CRC Building	73	*WATC	4.43%	69,440	0	(24,974)	44,466	2,834	90,630	(21,190)	69,440	2,774	90,628	(21,190)	69,438	3,783
				150,758	1,000,000	(79,205)	1,071,553	19,067	195,568	(44,810)	150,758	7,075	195,567	(44,821)	150,746	10,616
				150,758	1,000,000	(79,205)	1,071,553	19,067	195,568	(44,810)	150,758	7,075	195,567	(44,821)	150,746	10,616

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

\*WATC - WA Treasury Corporation

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

**6. INFORMATION ON BORROWINGS**

**(b) New borrowings - 2021/22**

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Nurses Accomodation	*WATC	Debenture	15	1.1%	\$ 1,000,000	\$ 156,355	\$ 1,000,000	\$ 0
					1,000,000	156,355	1,000,000	0

**(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
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit	150,000	150,000	150,000
Bank overdraft at balance date	0	0	0
Credit card limit	13,000	13,000	13,000
Credit card balance at balance date	(9)	(1,398)	(9)
<b>Total amount of credit unused</b>	<b>162,991</b>	<b>161,602</b>	<b>162,991</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	1,071,553	150,758	150,746

**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 WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**7. LEASE LIABILITIES**

Purpose	Institution	Lease Term	Budget	2021/22	Budget	2021/22	Actual	2020/21	Actual	2020/21	Budget	2020/21	Budget	2020/21
			Lease Principal	Lease Principal	Lease Principal	Lease Interest		Actual Lease Principal	Actual Lease Interest	Lease Principal		Lease Principal	Lease Principal	Lease Interest
			1 July 2021	Repayments	30 June 2022	Repayments	1 July 2020	repayments	30 June 2021	repayments	1 July 2020	repayments	30 June 2021	repayments
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Other property and services</b>														
Fuji Photocopier	Fuji Xerox	60 Months	5,134	(3,412)	1,722	47	8,502	(3,368)	5,134	91	8,502	(3,368)	5,134	91
			5,134	(3,412)	1,722	47	8,502	(3,368)	5,134	91	8,502	(3,368)	5,134	91

**SIGNIFICANT ACCOUNTING POLICIES**

**LEASES**

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

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

**LEASE LIABILITIES**

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

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

8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
(a) Leave Reserve	\$ 0	\$ 20,000	\$ 0	\$ 20,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(b) Building Reserve	300,659	20,067	0	320,726	299,125	1,534	0	300,659	298,901	1,346	0	300,247
(c) Waste Management Reserve	57,555	50,281	0	107,836	57,261	294	0	57,555	57,217	258	0	57,475
(d) Plant & Equipment Reserve	225,425	287,402	(58,000)	454,827	199,402	26,023	0	225,425	199,248	65,897	0	265,145
(e) Community Bus Reserve	82,611	404	0	83,015	82,189	422	0	82,611	82,126	370	0	82,496
(f) Government Joint Venture Housing Reserve	18,508	0	(18,508)	0	18,413	95	0	18,508	18,399	83	0	18,482
(g) Sport & Recreation Facilities Reserve	176,686	150,863	0	327,549	135,989	40,697	0	176,686	135,884	40,612	0	176,496
(h) Community Development Reserve	320,272	192,425	0	512,697	258,945	61,327	0	320,272	258,745	61,165	0	319,910
(i) Community Health Reserve	1,078,205	5,269	0	1,083,474	1,072,704	5,501	0	1,078,205	1,071,878	4,826	0	1,076,704
(j) Airport Development Reserve	43,150	211	0	43,361	42,930	220	0	43,150	42,897	193	0	43,090
(k) Depot Reserve	254,962	1,246	(256,208)	0	253,661	1,301	0	254,962	253,466	1,141	0	254,607
	2,558,033	728,168	(332,716)	2,953,485	2,420,620	137,413	0	2,558,033	2,418,761	175,891	0	2,594,652

(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) Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Building Reserve	Ongoing	To be used for the continual upgrade and maintenance of council buildings within the Shire of Wyalkatchem
(c) Waste Management Reserve	Ongoing	To be used for the continual upgrade and expansion of the Wyalkatchem Waste Disposal Site
(d) Plant & Equipment Reserve	Ongoing	To be used for the continual purchase of Major Plant items
(e) Community Bus Reserve	Ongoing	To be used to fund the continual purchase of a community bus
(f) Government Joint Venture Housing Reserve	30/06/2022	Balance to be transferred to Building Reserve, and Government JV Housing reserve closed
(g) Sport & Recreation Facilities Reserve	Ongoing	To be used for the continual upgrade and/or maintenance of various Sport & Recreation facilities in Wyalkatchem
(h) Community Development Reserve	Ongoing	To be used for the continual upgrade and/or development of various community facilities in Wyalkatchem
(i) Community Health Reserve	Ongoing	To be used for the continual upgrade and maintenance of council buildings within the Shire of Wyalkatchem
(j) Airport Development Reserve	Ongoing	To be used for the long term maintenance, upgrades, development and/or expansion of the Wyalkatchem Airport
(k) Depot Reserve	30/06/2022	To be used for the continual upgrade and expansion of the Wyalkatchem Depot

## 9. FEES & CHARGES REVENUE

General purpose funding
Law, order, public safety
Health
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
	2,810	4,277	2,000
	1,930	2,662	1,500
	236	472	0
	46,175	50,434	23,400
	109,120	105,633	111,829
	4,420	1,813	2,100
	7,412	3,436	0
	46,550	60,782	21,650
	3,000	2,927	10,000
	221,653	232,436	172,479

## 10. GRANT REVENUE

### By Program:

#### (a) Operating grants, subsidies and contributions

General purpose funding
Law, order, public safety
Health
Housing
Recreation and culture
Transport
Economic services
Other property and services

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
	740,031	1,562,963	727,032
	46,799	27,774	20,181
	77,700	49,032	62,146
	5,463	8,712	44,000
	10,000	0	13,000
	112,210	110,610	112,210
	0	16,935	100
	22,500	69,409	27,000
	1,014,703	1,845,435	1,005,669

#### (b) Non-operating grants, subsidies and contributions

General purpose funding
Community amenities
Recreation and culture
Transport

	434,802	112,688	320,734
	171,439	8,320	204,000
	0	339,096	401,347
	640,322	596,507	815,737
	1,246,563	1,056,611	1,741,818

Total grants, subsidies and contributions

	2,261,266	2,902,046	2,747,487
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**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**11. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
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 contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Payment in line with inspection	None	Set by State legislation	Applied fully on timing of inspection	No refunds	Revenue recognised after inspection event occurs
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	When taxable event occurs	Not applicable	When rates notice is issued
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
Fees and charges for other goods and services	Cemetery services, library fees, rental income, 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	On- charge of expenses & 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

## 12. ELECTED MEMBERS REMUNERATION

	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
	\$	\$	\$
President's allowance	6,090	6,090	6,090
Deputy President's allowance	1,523	1,523	1,523
Meeting attendance fees	28,758	19,172	28,758
Training expenses	7,500	0	7,500
Travel and accommodation expenses	3,264	12,850	3,808
Annual allowance for travel and accommodation expenses	1,000	0	1,000
	<b>48,135</b>	<b>39,635</b>	<b>48,679</b>

### 13. OTHER INFORMATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	500	477	1,000
- Other funds	12,500	12,413	10,890
Other interest revenue (refer note 1b)	9,500	8,916	8,600
	22,500	21,806	20,490
<b>(b) Other revenue</b>			
Other	4,600	4,743	4,050
	4,600	4,743	4,050
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	29,000	36,100	28,170
	29,000	36,100	28,170
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	19,067	7,075	10,616
Interest expense on lease liabilities	47	91	91
	19,114	7,166	10,707
<b>(e) Write offs</b>			
General rate	1,000	941	0
	1,000	941	0

## 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.