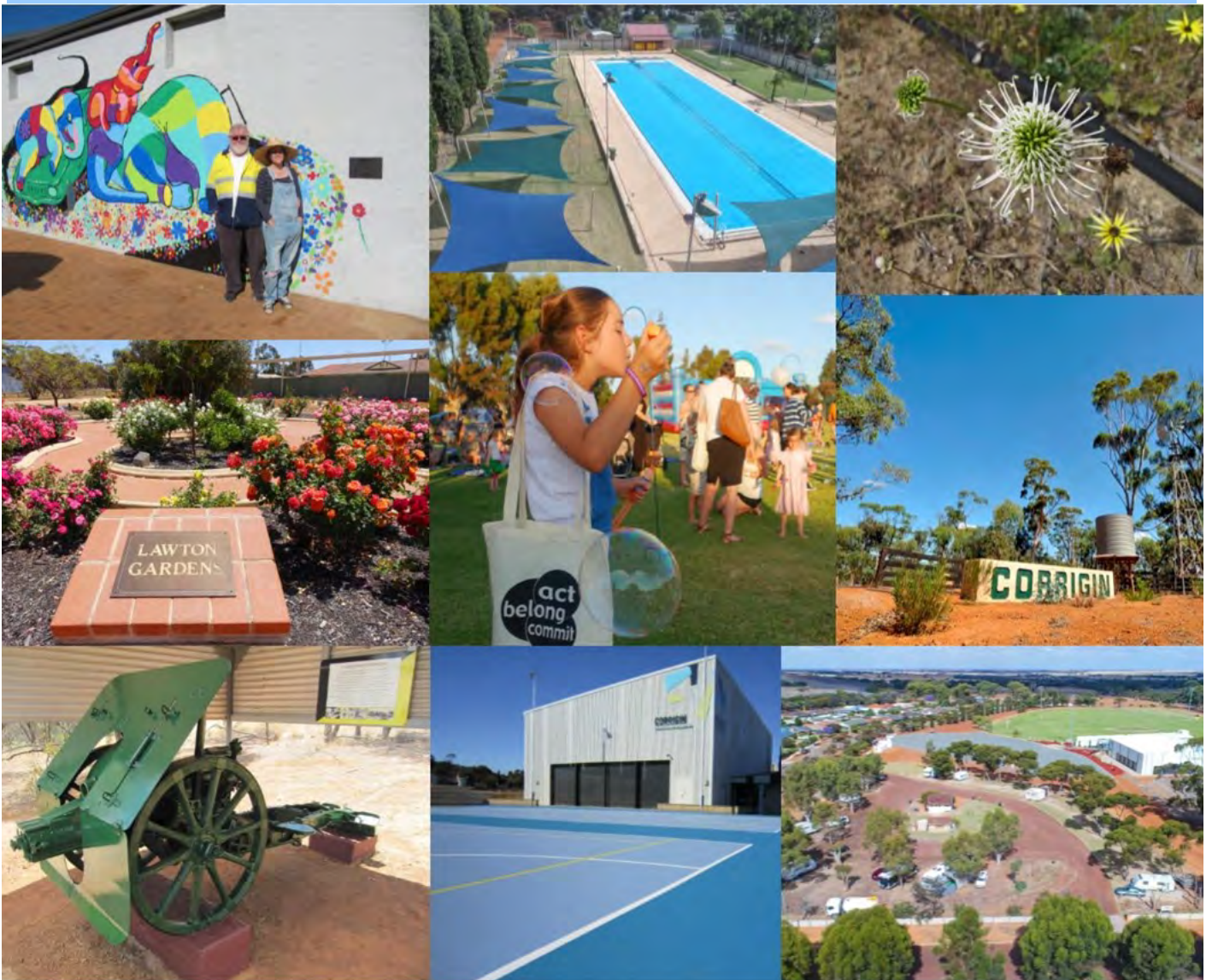


SHIRE OF



# ANNUAL BUDGET 2019-2020



Strengthening our community now to grow and prosper into the future

[www.corrigin.wa.gov.au](http://www.corrigin.wa.gov.au)

**SHIRE OF CORRIGIN**  
**BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**TABLE OF CONTENTS**

Statement of Comprehensive Income by Nature or Type	2
Basis of Preparation	3
Statement of Comprehensive Income by Program	4
Statement of Cash Flows	6
Rate Setting Statement by Program	7
Rate Setting Statement by Nature & Type	8
Rates and Service Charges	9
Net Current Assets	12
Reconciliation of Cash	15
Fixed Assets	16
Asset Depreciation	18
Borrowings	19
Cash Backed Reserves	21
Fees and Charges	23
Grant Revenue	23
Other Information	24
Major Land Transactions	25
Major Trading Undertaking	25
Interests in Joint Arrangements	25
Trust	26
Significant Accounting Policies - Other	27
Significant Accounting Policies - Change in Accounting Policies	28

**SHIRE'S VISION**

**"Strengthening our Community now to grow and prosper into the future"**

**SHIRE OF CORRIGIN  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2020**

**BY NATURE OR TYPE**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	2,600,031	2,529,078	2,532,525
Operating grants, subsidies and contributions	9	1,483,609	2,391,843	1,322,487
Fees and charges	8	637,504	689,905	632,076
Interest earnings	10(a)	59,670	74,902	45,100
Other revenue	10(b)	51,890	49,193	57,798
		<b>4,832,704</b>	<b>5,734,921</b>	<b>4,589,986</b>
<b>Expenses</b>				
Employee costs		(2,124,838)	(1,683,081)	(2,238,250)
Materials and contracts		(1,859,553)	(4,534,478)	(6,524,375)
Utility charges		(209,561)	(252,595)	(215,571)
Depreciation on non-current assets	5	(2,541,920)	(2,797,208)	(3,666,283)
Interest expenses	10(d)	(87,226)	(93,110)	(92,677)
Insurance expenses		(242,116)	(234,420)	(230,901)
Other expenditure		(100,422)	(101,876)	(80,491)
		<b>(7,165,636)</b>	<b>(9,696,768)</b>	<b>(13,048,548)</b>
<b>Subtotal</b>				
		<b>(2,332,932)</b>	<b>(3,961,847)</b>	<b>(8,458,562)</b>
Non-operating grants, subsidies and contributions	9	3,662,952	4,477,811	6,230,098
Profit on asset disposals	4(b)	148,893	111,698	100,848
Loss on asset disposals	4(b)	(41,900)	(29,784)	(118,941)
		<b>3,769,945</b>	<b>4,559,725</b>	<b>6,212,005</b>
<b>Net result</b>				
		<b>1,437,013</b>	<b>597,878</b>	<b>(2,246,557)</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>1,437,013</b>	<b>597,878</b>	<b>(2,246,557)</b>

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

**SHIRE OF CORRIGIN  
FOR THE YEAR ENDED 30TH JUNE 2020**

**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 (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

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 Corrigin 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 13 to the budget.

**2018/19 ACTUAL BALANCES**

Balances shown in this budget as 2018/19 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 2019 the following new accounting policies are to be adopted and have impacted on the preparation of the budget:

- AASB 15 - Revenue from Contracts with Customers;
- AASB 16 - Leases; and
- AASB 1058 - Income of Not-for-Profit Entities.

Explanation of the changes arising from these standards is provided at Note 15.

**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 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 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 CORRIGIN  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2020**

**BY REPORTING PROGRAM**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
<b>Revenue</b>	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		1,904	2,296	650
General purpose funding		3,639,184	4,511,947	3,509,170
Law, order, public safety		52,589	40,798	8,730
Health		214,542	189,673	207,683
Education and welfare		167,602	153,964	144,402
Housing		137,754	136,266	159,148
Community amenities		230,478	218,902	222,175
Recreation and culture		57,505	50,080	57,131
Transport		193,846	186,875	127,445
Economic services		45,600	42,525	37,600
Other property and services		91,700	201,595	115,852
		4,832,704	5,734,921	4,589,986
<b>Expenses excluding finance costs</b>	5,10(c)(e)(f)(g)			
Governance		(735,167)	(607,504)	(707,832)
General purpose funding		(69,928)	(70,951)	(77,830)
Law, order, public safety		(137,212)	(121,182)	(130,843)
Health		(570,707)	(553,882)	(595,316)
Education and welfare		(332,259)	(284,529)	(313,914)
Housing		(189,047)	(121,745)	(227,184)
Community amenities		(548,667)	(549,533)	(517,998)
Recreation and culture		(1,401,352)	(1,494,930)	(1,503,237)
Transport		(2,572,587)	(5,573,593)	(8,419,492)
Economic services		(312,982)	(266,589)	(331,975)
Other property and services		(208,502)	40,780	(130,250)
		(7,078,410)	(9,603,658)	(12,955,871)
<b>Finance costs</b>	6, 10(d)			
Community amenities		0	(1,938)	(11,657)
Recreation and culture		(87,226)	(91,172)	(81,020)
		(87,226)	(93,110)	(92,677)
<b>Subtotal</b>		(2,332,932)	(3,961,847)	(8,458,562)
Non-operating grants, subsidies and contributions	9	3,662,952	4,477,811	6,230,098
Profit on disposal of assets	4(b)	148,893	111,698	100,848
(Loss) on disposal of assets	4(b)	(41,900)	(29,784)	(118,941)
		3,769,945	4,559,725	6,212,005
<b>Net result</b>		<b>1,437,013</b>	<b>597,878</b>	<b>(2,246,557)</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>1,437,013</b>	<b>597,878</b>	<b>(2,246,557)</b>

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

**SHIRE OF CORRIGIN  
FOR THE YEAR ENDED 30TH JUNE 2020**

**KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

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

**OBJECTIVE**

**ACTIVITIES**

**GOVERNANCE**

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

Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services

Rates, general purpose government grants and interest revenue

**LAW, ORDER, PUBLIC SAFETY**

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

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. Administration of the RoeROC health scheme and provision of various medical facilities.

**EDUCATION AND WELFARE**

Provide services to the elderly, children, youth and disadvantaged

Maintenance of the child minding and playgroup facility. Assistance with the occasional Day care centre and playgroup as well as donations to other voluntary services. Provision and/or support of community care programs and youth services and provision of services provided by the Community Resource Centre

**HOUSING**

To provide and maintain staff and rental housing

Provision and maintenance of staff, aged, rental and joint venture housing

**COMMUNITY AMENITIES**

To provide services required by the community

Rubbish collection services, operation of rubbish disposal sites, litter control, administration of town planning schemes. Administration and maintenance of cemetery and public conveniences and Shire water drainage and community bus.

**RECREATION AND CULTURE**

To establish and effectively manage infrastructure and resources which will help the social wellbeing 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 and the support of other heritage and cultural facilities and services.

**TRANSPORT**

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

Construction and maintenance of roads, streets, footpaths, depots, airstrip, bridges and traffic control. Cleaning of streets and maintenance of street trees, street lighting, etc. Provision of police licensing services.

**ECONOMIC SERVICES**

To help promote the shire and its economic wellbeing.

The regulation and provision of tourism, area promotion, building control and noxious weeds.

**OTHER PROPERTY AND SERVICES**

To monitor and control council's overhead operating accounts

Private works, plant repair and operation costs, public works overheads and administration costs.

**SHIRE OF CORRIGIN  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2020**

**BY NATURE OR TYPE**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,638,031	2,513,755	2,532,525
Operating grants, subsidies and contributions		1,486,109	2,882,646	1,722,487
Fees and charges		637,504	689,905	632,076
Service charges		0	0	0
Interest earnings		59,670	74,902	45,100
Goods and services tax		735,599	878,442	150,000
Other revenue		51,890	49,193	57,798
		5,608,803	7,088,843	5,139,986
<b>Payments</b>				
Employee costs		(2,124,838)	(1,778,159)	(2,238,250)
Materials and contracts		(1,761,318)	(4,763,015)	(6,286,263)
Utility charges		(209,561)	(252,595)	(215,571)
Interest expenses		(87,226)	(93,110)	(92,677)
Insurance expenses		(242,116)	(234,420)	(230,901)
Goods and services tax		(735,599)	(735,599)	0
Other expenditure		(100,422)	(101,876)	(80,491)
		(5,261,080)	(7,958,774)	(9,144,153)
<b>Net cash provided by (used in) operating activities</b>	3	347,723	(869,931)	(4,004,167)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(1,777,400)	(291,116)	(346,500)
Payments for construction of infrastructure	4(a)	(3,844,651)	(1,566,494)	(1,667,853)
Non-operating grants, subsidies and contributions used for the development of assets	9	3,662,952	4,477,811	6,230,098
Proceeds from sale of plant & equipment	4(b)	210,000	295,248	331,000
<b>Net cash provided by (used in) investing activities</b>		(1,749,099)	2,915,449	4,546,745
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(78,572)	(123,742)	(123,743)
<b>Net cash provided by (used in) financing activities</b>		(78,572)	(123,742)	(123,743)
<b>Net increase (decrease) in cash held</b>		(1,479,948)	1,921,776	418,835
Cash at beginning of year		4,008,681	2,086,905	2,086,905
<b>Cash and cash equivalents at the end of the year</b>	3	<b>2,528,733</b>	<b>4,008,681</b>	<b>2,505,739</b>

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

SHIRE OF CORRIGIN  
RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2020

BY REPORTING PROGRAM

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2 (b)(i)	1,727,085	743,303	976,981
		1,727,085	743,303	976,981
<b>Revenue from operating activities (excluding rates)</b>				
Governance		1,904	2,296	650
General purpose funding		1,039,153	1,982,869	976,645
Law, order, public safety		52,589	40,798	8,730
Health		220,635	220,278	227,227
Education and welfare		167,602	153,964	144,402
Housing		137,754	136,266	159,148
Community amenities		230,478	218,902	222,175
Recreation and culture		57,505	50,080	57,131
Transport		287,906	267,968	208,749
Economic services		45,600	42,525	37,600
Other property and services		140,440	201,595	115,852
		2,381,566	3,317,541	2,158,309
<b>Expenditure from operating activities</b>				
Governance		(735,167)	(607,504)	(707,832)
General purpose funding		(69,928)	(70,951)	(77,830)
Law, order, public safety		(137,212)	(121,182)	(130,843)
Health		(570,707)	(553,882)	(595,316)
Education and welfare		(332,259)	(284,529)	(313,914)
Housing		(189,047)	(121,745)	(227,184)
Community amenities		(548,667)	(551,471)	(529,655)
Recreation and culture		(1,488,578)	(1,586,102)	(1,584,257)
Transport		(2,614,487)	(5,600,978)	(8,533,140)
Economic services		(312,982)	(266,589)	(331,975)
Other property and services		(208,502)	38,381	(135,543)
		(7,207,536)	(9,726,552)	(13,167,489)
Non-cash amounts excluded from operating activities	2 (b)(ii)	2,434,927	2,726,152	3,684,376
<b>Amount attributable to operating activities</b>		(663,958)	(2,939,556)	(6,347,823)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	3,662,952	4,477,811	6,230,098
Purchase property, plant and equipment	4(a)	(1,777,400)	(291,116)	(346,500)
Purchase and construction of infrastructure	4(a)	(3,844,651)	(1,566,494)	(1,667,853)
Proceeds from disposal of assets	4(b)	210,000	295,248	331,000
<b>Amount attributable to investing activities</b>		(1,749,099)	2,915,449	4,546,745
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(78,572)	(123,742)	(123,743)
Transfers to cash backed reserves (restricted assets)	7(a)	(108,626)	(624,144)	(607,705)
Transfers from cash backed reserves (restricted assets)	7(a)	224	0	0
<b>Amount attributable to financing activities</b>		(186,974)	(747,886)	(731,447)
<b>Budgeted deficiency before general rates</b>		(2,600,031)	(771,993)	(2,532,525)
<b>Estimated amount to be raised from general rates</b>	1	2,600,031	2,529,078	2,532,525
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	<b>0</b>	<b>1,757,085</b>	<b>0</b>

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



**SHIRE OF CORRIGIN  
RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2020**

**BY NATURE OR TYPE**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2 (b)(i)	1,727,085	743,303	976,981
		1,727,085	743,303	976,981
<b>Revenue from operating activities (excluding rates)</b>				
Rate revenue other than revenue raised from general rates	1	0	0	0
Operating grants, subsidies and contributions	9	1,483,609	2,391,843	1,322,487
Fees and charges	8	637,504	689,905	632,076
Interest earnings	10(a)	59,670	74,902	45,100
Other revenue	10(b)	51,890	49,193	57,798
Profit on asset disposals	4(b)	148,893	111,698	100,848
		2,381,566	3,317,541	2,158,309
<b>Expenditure from operating activities</b>				
Employee costs		(2,124,838)	(1,683,081)	(2,238,250)
Materials and contracts		(1,859,553)	(4,534,478)	(6,524,375)
Utility charges		(209,561)	(252,595)	(215,571)
Depreciation on non-current assets	5	(2,541,920)	(2,797,208)	(3,666,283)
Interest expenses	10(d)	(87,226)	(93,110)	(92,677)
Insurance expenses		(242,116)	(234,420)	(230,901)
Other expenditure		(100,422)	(101,876)	(80,491)
Loss on asset disposals	4(b)	(41,900)	(29,784)	(118,941)
		(7,207,536)	(9,726,552)	(13,167,489)
<b>Operating activities excluded from budgeted deficiency</b>				
Non-cash amounts excluded from operating activities	2 (b)(ii)	2,434,927	2,726,152	3,684,376
<b>Amount attributable to operating activities</b>		(663,958)	(2,939,556)	(6,347,823)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	3,662,952	4,477,811	6,230,098
Purchase property, plant and equipment	4(a)	(1,777,400)	(291,116)	(346,500)
Purchase and construction of infrastructure	4(a)	(3,844,651)	(1,566,494)	(1,667,853)
Proceeds from disposal of assets	4(b)	210,000	295,248	331,000
<b>Amount attributable to investing activities</b>		(1,749,099)	2,915,449	4,546,745
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(78,572)	(123,742)	(123,743)
Transfers to cash backed reserves (restricted assets)	7(a)	(108,626)	(624,144)	(607,705)
Transfers from cash backed reserves (restricted assets)	7(a)	224	0	0
<b>Amount attributable to financing activities</b>		(186,974)	(747,886)	(731,447)
<b>Budgeted deficiency before general rates</b>		(2,600,031)	(771,993)	(2,532,525)
<b>Estimated amount to be raised from general rates</b>	1	2,600,031	2,529,078	2,532,525
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	<b>0</b>	<b>1,757,085</b>	<b>0</b>

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

SHIRE OF CORRIGIN  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30TH JUNE 2020

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2019/20 Budgeted rate revenue	2019/20 Budgeted interim rates	2019/20 Budgeted back rates	2019/20 Budgeted total revenue	2018/19 Actual total revenue	2018/19 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>General Rates</b>									
<b>Gross rental valuations</b>									
Corrigin Townsites	0.091332	408	4,390,106	400,957	0	0	400,957	393,160	393,160
Other Townsites	0.091332	3	18,980	1,734	0	0	1,734	2,638	2,638
<b>Unimproved valuations</b>									
Rural	0.014389	343	152,378,000	2,192,567	0	0	2,192,567	2,151,699	2,150,104
<b>Sub-Totals</b>		754	156,787,086	2,595,258	0	0	2,595,258	2,547,497	2,545,902
<b>Minimum</b>									
<b>Minimum payment</b>									
	\$								
<b>Gross rental valuations</b>									
Corrigin Townsites	390	42	80,531	16,380	0	0	16,380	15,990	15,990
Other Townsites	390	10	12,230	3,900	0	0	3,900	1,911	1,911
<b>Unimproved valuations</b>									
Rural	390	14	101,687	5,460	0	0	5,460	4,680	4,680
<b>Sub-Totals</b>		66	194,448	25,740	0	0	25,740	22,581	22,581
		820	156,981,534	2,620,998	0	0	2,620,998	2,570,078	2,568,483
Discounts/concessions (Refer note 1(e))							(20,967)	(41,000)	(35,958)
<b>Total amount raised from general rates</b>							2,600,031	2,529,078	2,532,525
Specified area rates (Refer note 1(c))							0	0	0
<b>Total rates</b>							2,600,031	2,529,078	2,532,525

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

The general rates detailed for the 2019/20 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

**SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**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>				
First Instalment	3/10/2019	0	0.00%	11.00%
<b>Option two</b>				
First instalment	3/10/2019	0	0.00%	11.00%
Second instalment	3/12/2019	10	5.50%	11.00%
Third instalment	3/02/2020	10	5.50%	11.00%
Fourth instalment	3/04/2020	10	5.50%	11.00%

	<b>2019/20 Budget revenue</b>	<b>2018/19 Actual revenue</b>	<b>2018/19 Budget revenue</b>
	\$	\$	\$
Instalment plan admin charge revenue	3,000	3,270	2,800
Instalment plan interest earned	4,600	4,656	4,500
Pensioners deferred rate interest earned	450	418	0
Unpaid rates and service charge interest earned	10,000	19,476	8,500
	<b>18,050</b>	<b>27,820</b>	<b>15,800</b>

**SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

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

**(c) Specified Area Rate**

The Shire did not raise specified area rates for the year ended 30th June 2020.

**(d) Service Charges**

The Shire did not raise service charges for the year ended 30th June 2020.

**(e) Rates discounts**

Rate or fee to which discount is granted	Discount %	Discount (\$)	2019/20 Budget	2018/19 Actual	2018/19 Budget	Circumstances in which discount is granted
Rate Discount	1.0%		\$ 20,967	\$ 41,000	\$ 35,958	Payment of full rates amount owing including arrears, received within 35 days from issuing of rates notices.
			20,967	41,000	35,958	

**(f) Waivers or concessions**

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2020.

SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

2 (a). NET CURRENT ASSETS

	Note	2019/20		2018/19	
		Budget 30 June 2020	Budget 01 July 2019	Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
		\$	\$	\$	\$
<b>Composition of estimated net current assets</b>					
<b>Current assets</b>					
Cash - unrestricted	3	375,599	1,963,949	1,963,949	477,446
Cash - restricted reserves	3	2,153,134	2,044,732	2,044,732	2,028,293
Receivables		143,366	183,866	183,866	247,317
Inventories		89,302	112,537	112,537	108,634
		2,761,401	4,305,084	4,305,084	2,861,690
<b>Less: current liabilities</b>					
Trade and other payables		(241,025)	(136,025)	(136,025)	(317,906)
Contract liabilities		0	(30,000)	0	0
Long term borrowings		0	(78,572)	(78,572)	(78,573)
Provisions		(337,242)	(337,242)	(337,242)	(455,491)
		(578,267)	(581,839)	(551,839)	(851,970)
<b>Net current assets</b>		2,183,134	3,723,245	3,753,245	2,009,720

SHIRE OF CORRIGIN  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30TH JUNE 2020

2 (b). NET CURRENT ASSETS (CONTINUED)

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

Operating activities excluded from 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.

	Note	2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
		\$	\$	\$	\$
<b>(i) Current assets and liabilities excluded from budgeted deficiency</b>					
<b>Net current assets</b>	2	2,183,134	3,723,245	3,753,245	2,009,720
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.					
<b>Adjustments to net current assets</b>					
Less: Cash - restricted reserves	3	(2,153,134)	(2,044,732)	(2,044,732)	(2,028,293)
Less: Current assets not expected to be received at end of year					
- Land held for resale		(30,000)	(30,000)	(30,000)	(60,000)
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings		0	78,572	78,572	78,573
<b>Adjusted net current assets - surplus/(deficit)</b>		0	1,727,085	1,757,085	0
<b>(ii) Operating activities excluded from budgeted deficiency</b>					
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.					
<b>Adjustments to operating activities</b>					
Less: Profit on asset disposals	4(b)	(148,893)	(111,698)	(111,698)	(100,848)
Less: Non-cash grants and contributions for assets		0	(30,000)		
Add: Movement in provisions between current and non-current provisions		0	0	8,646	0
Less: Movement in deferred pensioner rates		0	0	2,212	0
Add: Loss on disposal of assets	4(b)	41,900	29,784	29,784	118,941
Add: Change in accounting policies	15	0	30,000	0	0
Add: Depreciation on assets	5	2,541,920	2,797,208	2,797,208	3,666,283
<b>Non cash amounts excluded from operating activities</b>		2,434,927	2,715,294	2,726,152	3,684,376

(iii) Reason for adjustment to Adjusted net current assets - surplus/(deficit) on 1 July 2019

The Shire has elected to retrospectively apply the cumulative effect of applying AASB 1058 Income of Not-for-Profit Entities at the date of initial application of the standard, being 1 July 2019. The impact of applying the standard was to recognise unspent grants and contributions for construction of recognisable non-financial assets controlled by the Shire as a liability. The opening budgeted surplus/deficit on 1 July 2019 has been amended accordingly from the estimated actual closing surplus/deficit. Refer to note 15 for further explanation of the impact of the changes in accounting policies

**2 (c). NET CURRENT ASSETS (CONTINUED)**

**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'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 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'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 Corrigin 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.

**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.

**PROVISIONS**

Provisions are recognised when the Shire 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 Corrigin contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Corrigin contributes are defined contribution plans.

**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.

**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.

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

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

**LAND HELD FOR RESALE**

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

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

Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

**SHIRE OF CORRIGIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2020**

**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>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
Cash - unrestricted	375,599	1,963,949	477,446
Cash - restricted	2,153,134	2,044,732	2,028,293
	<b>2,528,733</b>	<b>4,008,681</b>	<b>2,505,739</b>
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Employee Entitlement Reserve	155,475	140,748	137,208
Community Bus Reserve	45,936	45,063	43,930
Staff Housing Reserve	316,060	298,280	292,465
Office Equipment Reserve	6,566	1,536	1,498
Plant Replacement Reserve	1,029,727	1,010,153	1,016,912
Swimming Pool Reserve	30,960	20,562	20,548
Roadworks Reserve	266,526	251,650	245,321
Land Subdivision Reserve	53,621	52,602	51,279
Townscape Reserve	7,728	2,676	2,608
Medical Reserve	4,852	4,760	4,640
LGCHP Long Term Maintenance Reserve	4,022	3,946	3,847
Community Development Reserve	0	179	175
Rockview Land Reserve	4,990	4,895	4,772
Senior Citizens Units	43,246	42,424	41,357
Town Hall Reserve	99,459	97,568	95,114
Child Care Reserve	0	41	40
Bendering Tip	53,578	47,649	46,576
Recreation & Events Centre	30,388	20,000	20,000
	<b>2,153,134</b>	<b>2,044,732</b>	<b>2,028,290</b>
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	1,437,013	597,878	(2,246,557)
Depreciation	2,541,920	2,797,208	3,666,283
(Profit)/loss on sale of asset	(106,993)	(81,914)	18,093
(Increase)/decrease in receivables	40,500	618,323	550,000
(Increase)/decrease in contract assets	0	0	0
(Increase)/decrease in inventories	23,235	137,971	420,000
Increase/(decrease) in payables	75,000	(364,405)	(181,888)
Increase/(decrease) in contract liabilities	(30,000)	0	0
Increase/(decrease) in employee provisions	0	(97,181)	0
Grants/contributions for the development of assets	(3,662,952)	(4,477,811)	(6,230,098)
<b>Net cash from operating activities</b>	<b>347,723</b>	<b>(869,931)</b>	<b>(4,004,167)</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.



SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program											2019/20 Budget total	2018/19 Actual total	2018/19 Budget total
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>														
Buildings - specialised	0	0	0	15,000	665,400	52,000	156,000	32,000	0	200,000	0	1,120,400	83,016	112,500
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	0	0	5,413	0
Plant and equipment	30,000	0	0	40,000	0	0	0	21,000	566,000	0	0	657,000	202,687	234,000
	30,000	0	0	55,000	665,400	52,000	156,000	53,000	566,000	200,000	0	1,777,400	291,116	346,500
<i>Infrastructure</i>														
Infrastructure - Roads	0	0	0	0	0	0	0	0	3,464,151	0	0	3,464,151	1,446,464	1,543,453
Infrastructure - Footpaths	0	0	0	0	0	0	0	0	64,000	0	0	64,000	90,394	80,000
Infrastructure - Parks & Ovals	0	0	0	0	0	0	0	0	0	0	0	0	3,500	0
Infrastructure - Other	0	0	0	0	0	0	19,500	283,000	0	14,000	0	316,500	26,136	44,400
	0	0	0	0	0	0	19,500	283,000	3,528,151	14,000	0	3,844,651	1,566,494	1,667,853
<b>Total acquisitions</b>	30,000	0	0	55,000	665,400	52,000	175,500	336,000	4,094,151	214,000	0	5,622,051	1,857,610	2,014,353

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

**SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**4. FIXED ASSETS (CONTINUED)**

**(b) Disposals of Assets**

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

	<b>2019/20 Budget Net Book Value</b>	<b>2019/20 Budget Sale Proceeds</b>	<b>2019/20 Budget Profit</b>	<b>2019/20 Budget Loss</b>	<b>2018/19 Actual Net Book Value</b>	<b>2018/19 Actual Sale Proceeds</b>	<b>2018/19 Actual Profit</b>	<b>2018/19 Actual Loss</b>	<b>2018/19 Budget Net Book Value</b>	<b>2018/19 Budget Sale Proceeds</b>	<b>2018/19 Budget Profit</b>	<b>2018/19 Budget Loss</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Health	23,907	30,000	6,093	0	30,013	60,618	30,605	0	35,456	55,000	19,544	0
Transport	67,840	120,000	94,060	(41,900)	142,703	196,411	81,093	(27,385)	268,344	236,000	81,304	(113,648)
Other property and services	11,260	60,000	48,740	0	40,618	38,219	0	(2,399)	45,293	40,000	0	(5,293)
	103,007	210,000	148,893	(41,900)	213,334	295,248	111,698	(29,784)	349,093	331,000	100,848	(118,941)
<b>By Class</b>												
<u>Property, Plant and Equipment</u>												
Plant and equipment	103,007	210,000	148,893	(41,900)	213,334	295,248	111,698	(29,784)	349,093	331,000	100,848	(118,941)
	103,007	210,000	148,893	(41,900)	213,334	295,248	111,698	(29,784)	349,093	331,000	100,848	(118,941)

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

- Plant replacement programme

**SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**5. ASSET DEPRECIATION**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
<b>By Program</b>			
Governance	1,271	1,888	965
Law, order, public safety	11,200	11,411	10,500
Health	39,341	43,454	40,193
Education and welfare	76,393	78,947	71,410
Housing	93,989	103,083	100,536
Community amenities	12,564	20,267	9,674
Recreation and culture	612,937	666,161	676,555
Transport	1,288,080	1,338,435	2,210,699
Economic services	65,455	87,163	74,569
Other property and services	340,690	446,399	471,182
	<b>2,541,920</b>	<b>2,797,208</b>	<b>3,666,283</b>
<b>By Class</b>			
Buildings - specialised	697,642	767,707	755,364
Furniture and equipment	21,765	23,951	21,152
Plant and equipment	309,963	341,093	373,867
Infrastructure - Roads	970,795	1,068,293	1,716,899
Infrastructure - Footpaths	19,674	21,650	36,498
Infrastructure - Drainage	156,523	172,243	328,050
Infrastructure - Parks & Ovals	136,425	150,126	353,544
Infrastructure - Other	229,133	252,145	80,909
	<b>2,541,920</b>	<b>2,797,208</b>	<b>3,666,283</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.

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

Buildings - non-specialised	30-50 Years
Buildings - specialised	30-50 Years
Furniture and equipment	10 Years
Plant and equipment	5-15 Years
Infrastructure - Roads	12-50 Years
Infrastructure - Footpaths	20 Years
Infrastructure - Drainage	75 Years
Infrastructure - Parks & Ovals	20 - 40 Years
Infrastructure - Other	20 - 40 Years
Infrastructure - Sewerage	100 Years

**DEPRECIATION (CONTINUED)**

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.

**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.

SHIRE OF CORRIGIN  
 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	Budget Principal 1 July 2019	2019/20 Budget New loans	2019/20 Budget Principal repayments	2019/20 Budget Interest repayments	Budget Principal outstanding 30 June 2020	Actual Principal 1 July 2018	2018/19 Actual New loans	2018/19 Actual Principal repayments	2018/19 Actual Interest repayments	Actual Principal outstanding 30 June 2019	Budget Principal 1 July 2018	2018/19 Budget New loans	2018/19 Budget Principal repayments	2018/19 Budget Interest repayments	Budget Principal outstanding 30 June 2019
		\$	\$	\$	\$			\$	\$	\$			\$	\$	\$
<b>Community amenities</b>															
Loan 101 - Land Subdivision	0	0	0	0	0	48,693	0	48,693	1,938	0	48,693	0	48,693	1,517	0
<b>Recreation and culture</b>															
Loan 102 - Corrigin Recreation Centre	1,656,925	0	78,572	87,226	1,578,353	1,731,974	0	75,049	91,172	1,656,925	1,731,974	0	75,050	91,160	1,656,924
	1,656,925	0	78,572	87,226	1,578,353	1,780,667	0	123,742	93,110	1,656,925	1,780,667	0	123,743	92,677	1,656,924

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

**SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**6. INFORMATION ON BORROWINGS (CONTINUED)**

**(b) New borrowings - 2019/20**

The Shire had no unspent borrowing funds as at 30th June 2019 nor is it expected to have unspent borrowing funds as at 30th June 2020.

**(d) Credit Facilities**

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit	100,000	100,000	1,500,000
Bank overdraft at balance date	0	0	0
Credit card limit	20,000	20,000	20,000
Credit card balance at balance date	0	(333)	(1,642)
<b>Total amount of credit unused</b>	<b>120,000</b>	<b>119,667</b>	<b>1,518,358</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	1,578,353	1,656,925	1,656,924
Unused loan facilities at balance date	0	0	0

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2019	2019/20 Budgeted Increase/ (Decrease)	Amount as at 30th June 2020
			\$	\$	\$
NAB	To cover shortfalls in cash flows when required	2012	100,000	0	100,000
			100,000	0	100,000

**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 CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2019/20 Budget Opening Balance	2019/20 2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance	2018/19 Actual Opening Balance	2018/19 2018/19 Actual Transfer to	2018/19 Actual Transfer (from)	2018/19 Actual Closing Balance	2018/19 Budget Opening Balance	2018/19 2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Employee Entitlement Reserve	140,748	14,727	0	155,475	134,308	6,440	0	140,748	134,308	2,900	0	137,208
Community Bus Reserve	45,063	873	0	45,936	43,005	2,058	0	45,063	43,005	925	0	43,930
Staff Housing Reserve	298,280	17,780	0	316,060	220,612	77,668	0	298,280	220,610	71,855	0	292,465
Office Equipment Reserve	1,536	5,030	0	6,566	1,467	69	0	1,536	1,468	30	0	1,498
Plant Replacement Reserve	1,010,153	19,574	0	1,029,727	540,313	469,840	0	1,010,153	540,312	476,600	0	1,016,912
Swimming Pool Reserve	20,562	10,398	0	30,960	538	20,024	0	20,562	538	20,010	0	20,548
Roadworks Reserve	251,650	14,876	0	266,526	240,121	11,529	0	251,650	240,121	5,200	0	245,321
Land Subdivision Reserve	52,602	1,019	0	53,621	50,180	2,422	0	52,602	50,179	1,100	0	51,279
Townscape Reserve	2,676	5,052	0	7,728	2,554	122	0	2,676	2,553	55	0	2,608
Medical Reserve	4,760	92	0	4,852	4,540	220	0	4,760	4,540	100	0	4,640
LGCHP Long Term Maintenance Res	3,946	76	0	4,022	3,767	179	0	3,946	3,767	80	0	3,847
Community Development Reserve	179	3	(182)	0	171	8	0	179	172	3	0	175
Rockview Land Reserve	4,895	95	0	4,990	4,672	223	0	4,895	4,672	100	0	4,772
Senior Citizens Units	42,424	822	0	43,246	40,487	1,937	0	42,424	40,487	870	0	41,357
Town Hall Reserve	97,568	1,891	0	99,459	93,113	4,455	0	97,568	93,113	2,001	0	95,114
Child Care Reserve	41	1	(42)	0	39	2	0	41	39	1	0	40
Bendering Tip	47,649	5,929	0	53,578	40,701	6,948	0	47,649	40,701	5,875	0	46,576
Recreation & Events Centre	20,000	10,388	0	30,388	0	20,000	0	20,000	0	20,000	0	20,000
	2,044,732	108,626	(224)	2,153,134	1,420,588	624,144	0	2,044,732	1,420,585	607,705	0	2,028,290

**SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**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:

<b>Reserve name</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
Employee Entitlement Reserve	Ongoing	To be used to fund employee Entitlement requirements.
Community Bus Reserve	Ongoing	To be used to fund the continual purchase of a community bus.
Staff Housing Reserve	Ongoing	To be used for the construction and maintenance of staff housing.
Office Equipment Reserve	Ongoing	To be used for the purchase of office equipment
Plant Replacement Reserve	Ongoing	To be used to the purchase of major plant items
Swimming Pool Reserve	Ongoing	To be used for the construction and maintenance of the swimming pool facility.
Roadworks Reserve	Ongoing	To be used to fund the construction of roads and or verge / footpaths within the Shire of Corrigin.
Land Subdivision Reserve	Ongoing	To be used to fund the purchase and development of land for sub division and other purposes that benefits the community.
Townscape Reserve	Ongoing	To be used for the continual upgrade of townscape facilities
Medical Reserve	Ongoing	To be used for the continual upgrade of medical facilities within the Shire of Corrigin
LGCHP Long Term Maintenance Re:	Ongoing	To be used to fund the long term maintenance of the joint venture housing.
Community Development Reserve	30/06/2020	To be used for the continual upgrade of various community facilities in Corrigin
Rockview Land Reserve	Ongoing	To be used to fund the development of the Rockview land project.
Senior Citizens Units	Ongoing	To be used to construction of aged care accomodation and facilities within Corrigin
Town Hall Reserve	Ongoing	To be used for the planning, maintenance and upgrade of the Corrigin Town Hall Building
Child Care Reserve	30/06/2020	To be used for the provision of child care facilities and services.
Bendering Tip	Ongoing	To be used for the continual upgrade and expansion of the Bendering Tip site.
Recreation & Events Centre	Ongoing	To be used for the planning, maintenance abnd upgrade of the recreation and events centre.

**SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**8. FEES & CHARGES REVENUE**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
General purpose funding	39,366	38,344	37,767
Law, order, public safety	9,430	8,516	8,730
Health	24,061	23,828	24,045
Education and welfare	28,550	25,663	30,050
Housing	137,754	135,221	145,344
Community amenities	230,478	218,902	222,175
Recreation and culture	47,205	39,450	44,805
Transport	25,200	25,513	24,200
Economic services	40,760	41,855	32,760
Other property and services	54,700	132,613	62,200
	<b>637,504</b>	<b>689,905</b>	<b>632,076</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**

Governance	854	854	500
General purpose funding	940,117	1,869,622	893,778
Law, order, public safety	43,159	32,283	0
Health	190,481	165,845	180,312
Education and welfare	137,052	123,894	108,852
Housing	0	1,045	500
Recreation and culture	6,300	7,230	5,000
Transport	165,646	161,363	101,545
Other property and services	0	29,707	32,000
	<b>1,483,609</b>	<b>2,391,843</b>	<b>1,322,487</b>

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

Law, order, public safety	0	9,548	27,687
Education and welfare	496,000	0	0
Recreation and culture	0	0	100
Transport	3,166,952	4,463,618	6,202,311
Economic services	0	4,645	0
	<b>3,662,952</b>	<b>4,477,811</b>	<b>6,230,098</b>



**SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**10. OTHER INFORMATION**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
<b>The net result includes as revenues</b>	\$	\$	\$
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	39,620	37,440	30,600
- Other funds	5,000	12,912	1,500
Other interest revenue (refer note 1b)	15,050	24,550	13,000
	<b>59,670</b>	<b>74,902</b>	<b>45,100</b>
<b>(b) Other revenue</b>			
Reimbursements and recoveries	51,890	7,599	57,798
Other	0	41,594	0
	<b>51,890</b>	<b>49,193</b>	<b>57,798</b>
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	53,000	22,699	20,000
Other services	0	0	30,000
	<b>53,000</b>	<b>22,699</b>	<b>50,000</b>
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	87,226	93,110	92,677
	<b>87,226</b>	<b>93,110</b>	<b>92,677</b>
<b>(e) Elected members remuneration</b>			
Meeting fees	28,534	28,318	28,318
President's allowance	7,500	7,500	7,500
Deputy President's allowance	1,875	1,875	1,875
Travelling expenses	2,500	896	1,000
Telecommunications allowance	7,000	7,000	7,000
	<b>47,409</b>	<b>45,589</b>	<b>45,693</b>
<b>(f) Write offs</b>			
General rate	200	193	100
Fees and charges	2,000	1,273	0
	<b>2,200</b>	<b>1,466</b>	<b>100</b>

**SHIRE OF CORRIGIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2020**

**11. MAJOR LAND TRANSACTIONS AND TRADING UNDERTAKINGS**

It is not anticipated the Shire will be party to any Major Land Transactions or Trading Undertakings during 2019/20.

**12. INTERESTS IN JOINT ARRANGEMENTS**

The Shire together with the Shires of Narembeen, Kulin and Kondinin have a joint venture arrangement with regard to the provision of an environmental health service. The only assets are a motor vehicle, Bending Tip site and miscellaneous equipment.

The Shire's one-third share of these assets are included in Property, Plant & Equipment is as follows:

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
<b>Non-current assets</b>			
Land - Independent Valuation 2017	15,750	15,750	15,750
	<b>15,750</b>	<b>15,750</b>	<b>15,750</b>
Light vehicles -Management Valuation 2016	33,812	33,812	40,000
Less: accumulated depreciation	(10,690)	(3,928)	(8,000)
	<b>23,122</b>	<b>29,884</b>	<b>32,000</b>

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

**SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**13. TRUST FUNDS**

Funds held at balance date over which the local government has no control and which are not included in the financial statements are as follows:

Detail	Balance 1 July 2019	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2020
	\$	\$	\$	\$
B.C.I.T.F	100	300	(300)	100
BRB	69	850	(810)	109
Bus Ticketing	0	1,300	(1,300)	0
Nomination Fees	0	240	(240)	0
Police Licensing	4,391	522,000	(522,391)	4,000
Single Persons Units - Bonds	6,560	2,400	(8,960)	0
Corrigin Community Development Fund	50,235	21,500	(15,000)	56,735
Friends of the Cemetery	2,510	0	(2,510)	0
Edna Stevenson Educational Trust	940,251	9,360	(8,300)	941,311
Corrigin Disaster Fund	10,929	0	(10,929)	0
Facility Bonds	5,325	0	(5,325)	0
Bendering Tip	16,707	7,500	(16,707)	7,500
	1,037,077	565,450	(592,772)	1,009,755

**SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**14. SIGNIFICANT ACCOUNTING POLICIES - OTHER  
INFORMATION**

**GOODS AND SERVICES TAX (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of a budget in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**ROUNDING OFF FIGURES**

All figures shown in this statement are rounded to the nearest dollar.

**COMPARATIVE FIGURES**

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**BUDGET COMPARATIVE FIGURES**

Unless otherwise stated, the budget comparative figures shown in the budget relate to the original budget estimate for the relevant item of disclosure.

**REVENUE RECOGNITION**

Accounting Policies for the recognition of income and revenue from contracts with customers is described in Note 15.

**SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**15. SIGNIFICANT ACCOUNTING POLICIES - CHANGE  
IN ACCOUNTING POLICIES**

This note explains the impact of the adoption of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income for Not-for-Profit Entities.

**REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Shire of Corrigin adopted AASB 15 on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire of Corrigin has adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

	AASB 118 carrying amount 30 June 19	Reclassification	AASB 15 carrying amount 01 July 19
	\$	\$	\$
Contract assets	0		0
Contract liabilities - current			
Unspent grants, contributions and reimbursements	0	30,000	30,000
Developer contributions	0		0
Contract liabilities non-current			
Developer contributions	0		0
Cash in lieu of parking	0		0
Adjustment to retained surplus from adoption of AASB 15		(30,000)	

**LEASES**

On adoption of AASB 16, for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire of Corrigin is not required to make any adjustments on transition for leases for which the underlying asset is of low value. 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).

**SHIRE OF CORRIGIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**15. SIGNIFICANT ACCOUNTING POLICIES - CHANGE  
IN ACCOUNTING POLICIES (Continued)**

**INCOME FOR NOT-FOR-PROFIT ENTITIES**

The Shire of Corrigin has adopted AASB 1058 from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire of Corrigin has adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB as compared to AASB 1004 Contributions before the change:

	AASB 1004 carrying amount 30 June 19	Reclassification	AASB 1058 carrying amount 01 July 19
	\$	\$	\$
Trade and other payables			
Adjustment to retained surplus from adoption of AASB 1058		0	

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised by the Shire of Corrigin. When the taxable event occurs the financial liability is extinguished and the Shire of Corrigin recognises income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration that was significantly less than fair value principally to enable the Shire of Corrigin to further its objectives may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services in relation to Volunteer Fire Services have been recognised in budgeted revenue and budgeted expenditure as the fair value of the services can be reliably estimated and the services would have been purchased if they had not been donated.

The impact on the Shire of Corrigin of the changes as at 1 July 2019 is as follows:

	2019
	\$
Retained surplus - 30/06/2019	
Adjustment to retained surplus from adoption of AASB 15	(30,000)
Adjustment to retained surplus from adoption of AASB 1058	0
Retained surplus - 01/07/2019	(30,000)

