



2020/2021 ANNUAL BUDGET



Strengthening our community now to grow and prosper into the future

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SHIRE OF CORRIGIN

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

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

SHIRE OF CORRIGIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	2,621,033	2,600,939	2,600,031
Operating grants, subsidies and contributions	9(a)	0	0	0
		1,445,805	2,460,719	1,483,609
Fees and charges	8	651,506	737,199	637,504
Interest earnings	11(a)	46,660	78,539	59,670
Other revenue	11(b)	55,768	92,324	51,890
		4,820,772	5,969,720	4,832,704
Expenses				
Employee costs		(2,311,075)	(2,075,452)	(2,433,498)
Materials and contracts		(1,678,726)	(1,003,732)	(1,553,092)
Utility charges		(291,785)	(250,857)	(207,361)
Depreciation on non-current assets	5	(2,622,965)	(2,734,895)	(2,541,920)
Interest expenses	11(d)	(72,294)	(75,980)	(87,227)
Insurance expenses		(221,646)	(208,701)	(242,116)
Other expenditure		(135,010)	(124,824)	(100,423)
		(7,333,501)	(6,474,441)	(7,165,637)
Subtotal		(2,512,729)	(504,721)	(2,332,933)
Non-operating grants, subsidies and contributions	9(b)	2,437,989	3,136,039	3,662,952
Profit on asset disposals	4(b)	14,500	63,621	148,893
Loss on asset disposals	4(b)	(78,739)	(3,745)	(41,900)
		2,373,750	3,195,915	3,769,945
Net result		(138,979)	2,691,194	1,437,012
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(138,979)	2,691,194	1,437,012

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

SHIRE OF CORRIGIN

FOR THE YEAR ENDED 30 JUNE 2021

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 14 to the budget.

2019/20 ACTUAL BALANCES

Balances shown in this budget as 2019/20 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 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 is not expected to impact the annual budget. Specific impacts of AASB 2018-7 have not been identified.

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 CORRIGIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		150	1,507	1,904
General purpose funding		3,637,784	4,693,959	3,639,184
Law, order, public safety		53,659	55,651	52,589
Health		212,587	214,001	214,542
Education and welfare		138,469	134,012	167,602
Housing		137,066	136,066	137,754
Community amenities		226,761	227,381	230,478
Recreation and culture		62,500	41,484	57,505
Transport		196,440	192,970	193,845
Economic services		54,856	76,974	45,600
Other property and services		100,500	195,715	91,700
		4,820,772	5,969,720	4,832,703
Expenses excluding finance costs	4(a),5,11(c),(e),(f)			
Governance		(799,192)	(559,350)	(735,166)
General purpose funding		(75,790)	(76,077)	(69,928)
Law, order, public safety		(157,390)	(116,844)	(137,212)
Health		(598,204)	(536,418)	(570,708)
Education and welfare		(338,432)	(297,215)	(332,258)
Housing		(145,493)	(142,512)	(189,047)
Community amenities		(562,724)	(520,313)	(548,667)
Recreation and culture		(1,376,910)	(1,321,484)	(1,443,251)
Transport		(2,729,003)	(2,560,392)	(2,570,687)
Economic services		(347,821)	(329,450)	(312,982)
Other property and services		(130,248)	61,594	(168,503)
		(7,261,207)	(6,398,461)	(7,078,409)
Finance costs	,6(a),11(d)			
Recreation and culture		(72,294)	(75,980)	(87,227)
		(72,294)	(75,980)	(87,227)
Subtotal		(2,512,729)	(504,721)	(2,332,933)
Non-operating grants, subsidies and contributions	9(b)	2,437,989	3,136,039	3,662,952
Profit on disposal of assets	4(b)	14,500	63,621	148,893
(Loss) on disposal of assets	4(b)	(78,739)	(3,745)	(41,900)
		2,373,750	3,195,915	3,769,945
Net result		(138,979)	2,691,194	1,437,012
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(138,979)	2,691,194	1,437,012

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

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 30 JUNE 2021

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	2,621,033	2,592,270	2,638,031
Operating grants, subsidies and contributions	1,221,439	2,482,962	1,486,109
Fees and charges	651,506	737,199	637,504
Interest earnings	46,660	78,539	59,670
Goods and services tax	0	191,906	735,599
Other revenue	55,768	92,324	51,890
	4,596,406	6,175,200	5,608,803
Payments			
Employee costs	(2,311,075)	(2,002,598)	(2,124,838)
Materials and contracts	(1,203,874)	(939,130)	(1,761,318)
Utility charges	(291,785)	(250,857)	(209,561)
Interest expenses	(72,294)	(75,980)	(87,226)
Insurance expenses	(221,646)	(208,701)	(242,116)
Goods and services tax	0	(236,582)	(735,599)
Other expenditure	(135,010)	(124,824)	(100,422)
	(4,235,684)	(3,838,672)	(5,261,080)
Net cash provided by (used in) operating activities	3	360,722	2,336,528
			347,723
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	4(a)	(2,043,280)	(581,401)
Payments for construction of infrastructure	4(a)	(3,315,352)	(3,454,273)
Non-operating grants, subsidies and contributions		2,437,989	3,136,039
Proceeds from sale of plant and equipment	4(b)	225,500	119,182
Net cash provided by (used in) investing activities		(2,695,143)	(193,749)
			(1,749,099)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	6(a)	(82,261)	(78,572)
Net cash provided by (used in) financing activities		(82,261)	(78,572)
			(78,572)
Net increase (decrease) in cash held		(2,416,682)	2,064,207
Cash at beginning of year		5,498,233	3,434,026
Cash and cash equivalents at the end of the year	3	3,081,551	5,498,233
			2,528,733

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

SHIRE OF CORRIGIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		1,640,666	1,750,045	1,727,085
		1,640,666	1,750,045	1,727,085
Revenue from operating activities (excluding rates)				
Governance		150	1,507	1,904
General purpose funding		1,016,751	2,093,020	1,039,153
Law, order, public safety		53,659	55,651	52,589
Health		212,587	214,001	220,635
Education and welfare		138,469	134,184	167,602
Housing		137,066	136,066	137,754
Community amenities		226,761	227,381	230,478
Recreation and culture		62,500	41,484	57,505
Transport		210,940	241,874	287,906
Economic services		54,856	76,974	45,600
Other property and services		100,500	210,260	140,440
		2,214,239	3,432,402	2,381,566
Expenditure from operating activities				
Governance		(799,192)	(559,350)	(735,166)
General purpose funding		(75,790)	(76,077)	(69,928)
Law, order, public safety		(205,583)	(116,844)	(137,212)
Health		(606,388)	(540,163)	(570,708)
Education and welfare		(338,432)	(297,215)	(332,258)
Housing		(145,493)	(142,512)	(189,047)
Community amenities		(562,724)	(520,313)	(548,667)
Recreation and culture		(1,449,204)	(1,397,461)	(1,530,478)
Transport		(2,729,001)	(2,560,392)	(2,572,587)
Economic services		(347,819)	(329,450)	(312,982)
Other property and services		(152,614)	61,592	(208,502)
		(7,412,240)	(6,478,186)	(7,207,535)
Non-cash amounts excluded from operating activities	2 (a)(i)	2,745,636	2,671,737	2,434,927
Amount attributable to operating activities		(811,699)	1,375,999	(663,957)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	2,437,989	3,136,039	3,662,952
Purchase property, plant and equipment	4(a)	(2,043,280)	(581,401)	(1,546,400)
Purchase and construction of infrastructure	4(a)	(3,315,352)	(3,454,273)	(4,075,651)
Proceeds from disposal of assets	4(b)	225,500	119,182	210,000
Amount attributable to investing activities		(2,695,143)	(780,453)	(1,749,099)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(82,261)	(78,572)	(78,572)
Transfers to cash backed reserves (restricted assets)	7(a)	(442,610)	(1,477,466)	(108,626)
Transfers from cash backed reserves (restricted assets)	7(a)	1,410,680	220	224
Amount attributable to financing activities		885,809	(1,555,818)	(186,974)
Budgeted deficiency before general rates		(2,621,033)	(960,273)	(2,600,031)
Estimated amount to be raised from general rates	1	2,621,033	2,600,939	2,600,031
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii)	0	1,640,667	0

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

SHIRE OF CORRIGIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	1,640,666	1,750,045	1,727,085
	1,640,666	1,750,045	1,727,085
Revenue from operating activities (excluding rates)			
Operating grants, subsidies and contributions	9(a) 1,445,805	2,460,719	1,483,609
Fees and charges	8 651,506	737,199	637,504
Interest earnings	11(a) 46,660	78,539	59,670
Other revenue	11(b) 55,768	92,325	51,890
Profit on asset disposals	4(b) 14,500	63,621	148,893
	2,214,239	3,432,403	2,381,566
Expenditure from operating activities			
Employee costs	(2,311,075)	(2,075,452)	(2,433,498)
Materials and contracts	(1,678,726)	(1,003,732)	(1,553,092)
Utility charges	(291,785)	(250,857)	(207,361)
Depreciation on non-current assets	5 (2,622,965)	(2,734,895)	(2,541,920)
Interest expenses	11(d) (72,294)	(75,980)	(87,227)
Insurance expenses	(221,647)	(208,701)	(242,116)
Other expenditure	(135,009)	(124,825)	(100,422)
Loss on asset disposals	4(b) (78,739)	(3,745)	(41,900)
	(7,412,240)	(6,478,187)	(7,207,536)
Operating activities excluded from budgeted deficiency			
Non-cash amounts excluded from operating activities	2 (a)(i) 2,745,636	2,671,737	2,434,927
Amount attributable to operating activities	(811,699)	1,375,998	(663,958)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	9(b) 2,437,989	3,136,039	3,662,952
Purchase property, plant and equipment	4(a) (2,043,280)	(581,401)	(1,546,400)
Purchase and construction of infrastructure	4(a) (3,315,352)	(3,454,273)	(4,075,651)
Proceeds from disposal of assets	4(b) 225,500	119,182	210,000
Amount attributable to investing activities	(2,695,143)	(780,453)	(1,749,099)
FINANCING ACTIVITIES			
Repayment of borrowings	6(a) (82,261)	(78,572)	(78,572)
Transfers to cash backed reserves (restricted assets)	7(a) (442,610)	(1,477,466)	(108,626)
Transfers from cash backed reserves (restricted assets)	7(a) 1,410,680	220	224
Amount attributable to financing activities	885,809	(1,555,818)	(186,974)
Budgeted deficiency before general rates	(2,621,033)	(960,273)	(2,600,031)
Estimated amount to be raised from general rates	1(a) 2,621,033	2,600,939	2,600,031
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii) 0	1,640,667	0

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

**SHIRE OF CORRIGIN
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FOR THE YEAR ENDED 30 JUNE 2021**

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SHIRE OF CORRIGIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
Townsite	0.09128	411	4,412,034	402,708	0	0	402,708	403,438	402,691
Unimproved valuations									
Rural	0.01393	342	157,355,000	2,192,585	0	0	2,192,585	2,192,302	2,192,567
Sub-Totals		753	161,767,034	2,595,293	0	0	2,595,293	2,595,740	2,595,258
Minimum									
Minimum payment									
\$									
Gross rental valuations									
Townsite	390	52	92,434	20,280	0	0	20,280	20,280	20,280
Unimproved valuations									
Rural	390	14	111,927	5,460	0	0	5,460	4,680	5,460
Sub-Totals		66	204,361	25,740	0	0	25,740	24,960	25,740
		819	161,971,395	2,621,033	0	0	2,621,033	2,620,700	2,620,998
Discounts (Refer note 1(e))							0	(19,761)	(20,967)
Total amount raised from general rates							2,621,033	2,600,939	2,600,031
Ex-gratia rates							33,116	33,116	33,116
Total rates							2,654,149	2,634,055	2,633,147

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 2020/21 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.

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
First Instalment	4 September 2020	0	0.0%	5.5%
Option two				
First instalment	4 September 2020	0	0.0%	5.5%
Second instalment	4 November 2020	10	2.0%	5.5%
Third instalment	4 January 2021	10	2.0%	5.5%
Fourth instalment	4 March 2021	10	2.0%	5.5%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	2,000	3,400	3,000
Instalment plan interest earned	4,600	5,625	4,600
Pensioners deferred rate interest earned	450	100	450
Unpaid rates and service charge interest earned	10,000	18,379	10,000
	17,050	27,504	18,050

SHIRE OF CORRIGIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2021.

(d) Service Charges

The Shire did not raise service charges for the year ended 30 June 2021.

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which discount is granted
Rate Discount	0.0%		\$ 0	\$ 19,761	\$ 20,967	Payment of full rates amount owing including arrears, received within 35 days from issuing of rate notices.
			0	19,761	20,967	

(f) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30 June 2021.

SHIRE OF CORRIGIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

2 (a). NET CURRENT ASSETS

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.

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
(i) Operating activities excluded from budgeted deficiency			
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.			
Adjustments to operating activities			
Less: Profit on asset disposals	4(b) (14,500)	(63,621)	(148,893)
Less: Movement in employee liabilities associated with restricted cash	58,432	0	
Less: Movement in deferred pensioner rates	0	(3,282)	
Add: Loss on disposal of assets	4(b) 78,739	3,745	41,900
Add: Depreciation on assets	5 2,622,965	2,734,895	2,541,920
Non cash amounts excluded from operating activities	2,745,636	2,671,737	2,434,927
(ii) 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.			
Adjustments to net current assets			
Less: Cash - restricted reserves	3 (2,553,908)	(3,521,978)	(2,153,134)
- Land held for resale	(60,000)	(60,000)	(30,000)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	82,261	82,260	0
- Employee benefit provisions	58,432	0	
Total adjustments to net current assets	(2,473,215)	(3,499,718)	(2,183,134)

SHIRE OF CORRIGIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
(iii) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents- unrestricted	3	527,643	1,857,975	375,599
Cash and cash equivalents - restricted				
Cash backed reserves	3	2,553,908	3,521,978	2,153,134
Unspent grants, subsidies and contributions	9	0	118,280	0
Receivables		452,721	442,721	143,366
Inventories		145,990	145,990	89,302
		3,680,262	6,086,944	2,761,401
Less: current liabilities				
Trade and other payables		(787,544)	(312,692)	(241,025)
Contract liabilities		0	(214,366)	0
Long term borrowings		(82,261)	(82,260)	0
Provisions		(337,242)	(337,242)	(337,242)
		(1,207,047)	(946,560)	(578,267)
Net current assets		2,473,215	5,140,384	2,183,134
Less: Total adjustments to net current assets	2 (a)(ii)	(2,473,215)	(3,499,718)	(2,183,134)
Closing funding surplus / (deficit)		0	1,640,667	0

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021**

2 (b). 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.

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.

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.

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.

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.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	527,642	1,976,254	2,528,733
Term deposits	2,553,909	3,521,979	0
	<u>3,081,551</u>	<u>5,498,233</u>	<u>2,528,733</u>
- Unrestricted cash and cash equivalents	527,643	1,857,975	375,599
- Restricted cash and cash equivalents	2,553,908	3,640,258	2,153,134
	<u>3,081,551</u>	<u>5,498,233</u>	<u>2,528,733</u>

The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents and financial assets at amortised cost:

Employee Entitlements Reserve	171,333	154,938	155,475
Community Bus Reserve	46,177	45,765	45,937
Staff Housing Reserve	337,756	314,921	316,059
Office Equipment Reserve	16,619	6,560	6,566
Plant Replacement Reserve	1,060,102	1,025,872	1,029,726
Swimming Pool Reserve	131,160	30,882	30,960
Roadworks Reserve	297,957	265,566	266,526
Land Subdivision Reserve	53,901	53,420	53,620
Townscape Reserve	12,741	2,717	7,727
Medical Reserve	14,878	4,834	4,852
LGCHP Long Term Maintenance Reserve	14,044	4,008	4,023
Rockview Land Reserve	6,934	5,881	4,991
Financial Assistance Grant	0	1,028,266	0
Senior Citizens Units	13,473	150,330	43,246
Town Hall Reserve	109,979	99,087	99,460
Recreation and Events Centre Reserve	207,790	275,311	30,388
Bendering Tip Reserve	59,064	53,620	53,578
Unspent grants, subsidies and contributions not held in reserve	9	0	118,280
	<u>2,553,908</u>	<u>3,640,258</u>	<u>2,153,134</u>

Reconciliation of net cash provided by operating activities to net result

Net result		(138,979)	2,691,194	1,437,012
Depreciation	5	2,622,965	2,734,895	2,541,920
(Profit)/loss on sale of asset	4(b)	64,239	(59,876)	(106,993)
Loss on revaluation of non current assets		0	0	0
(Increase)/decrease in receivables		(10,000)	(245,468)	40,500
(Increase)/decrease in contract assets		0	0	0
(Increase)/decrease in inventories		0	(3,453)	23,235
Increase/(decrease) in payables		474,852	140,909	75,000
Increase/(decrease) in contract liabilities		(214,366)	214,366	0
Non-operating grants, subsidies and contributions		(2,437,989)	(3,136,039)	(3,662,952)
Net cash from operating activities		<u>360,722</u>	<u>2,336,528</u>	<u>347,722</u>

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

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 CORRIGIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program								2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Law, order, public safety	Health	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Property, Plant and Equipment</u>											
Buildings - specialised	0	250,000	610,200	30,000	81,680	0	0	0	971,880	134,642	910,400
Furniture and equipment	0	0	0	0	0	0	0	5,900	5,900	0	0
Plant and equipment	450,000	35,000	0	0	0	450,000	0	130,500	1,065,500	446,759	636,000
	450,000	285,000	610,200	30,000	81,680	450,000	0	136,400	2,043,280	581,401	1,546,400
<u>Infrastructure</u>											
Infrastructure - roads	0	0	0	0	0	1,999,994	0	0	1,999,994	3,302,895	3,464,151
Infrastructure - footpaths	0	0	0	0	0	35,358	0	0	35,358	63,516	64,000
Infrastructure - Parks and Ovals	0	0	0	0	220,000	0	0	0	220,000	0	220,000
Infrastructure - Other	0	0	0	10,000	25,000	0	1,025,000	0	1,060,000	87,862	327,500
	0	0	0	10,000	245,000	2,035,352	1,025,000	0	3,315,352	3,454,273	4,075,651
Total acquisitions	450,000	285,000	610,200	40,000	326,680	2,485,352	1,025,000	136,400	5,358,632	4,035,674	5,622,051

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

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

SHIRE OF CORRIGIN
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Law, order, public safety	48,193	0	0	(48,193)		0	0	0		0	0	0
Health	33,184	25,000	0	(8,184)	26,475	22,730	0	(3,745)	23,907	30,000	6,093	0
Education and welfare	0	0	0	0	0	173	173	0	0	0	0	0
Transport	136,000	150,500	14,500	0	32,831	81,734	48,903	0	67,840	160,000	94,060	(1,900)
Other property and services	72,362	50,000	0	(22,362)	0	14,545	14,545	0	11,260	20,000	48,740	(40,000)
	289,739	225,500	14,500	(78,739)	59,306	119,182	63,621	(3,745)	103,007	210,000	148,893	(41,900)
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	289,739	225,500	14,500	(78,739)	59,306	119,182	63,621	(3,745)	103,007	210,000	148,893	(41,900)
	289,739	225,500	14,500	(78,739)	59,306	119,182	63,621	(3,745)	103,007	210,000	148,893	(41,900)

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

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

5. ASSET DEPRECIATION

By Program

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

By Class

Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - Drainage
Infrastructure - Parks and Ovals
Infrastructure - Other

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
828	928	1,271
8,773	10,473	11,200
31,752	36,279	39,341
69,680	70,311	76,393
92,887	95,297	93,989
20,137	20,754	12,564
580,563	599,784	612,937
1,412,950	1,429,639	1,288,080
66,981	78,207	65,455
338,414	393,223	340,690
2,622,965	2,734,895	2,541,920
648,736	703,900	700,328
22,521	15,712	18,827
241,252	292,480	249,435
997,169	1,017,641	1,013,744
33,687	32,456	21,016
318,345	311,040	169,590
139,162	348,160	294,392
222,093	13,506	74,588
2,622,965	2,734,895	2,541,920

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	30 to 50 years
Furniture and equipment	10 years
Plant and equipment	5 to 15 years
- Heavy	15 years
- Light	7.5 years
Infrastructure Parks & Ovals	30 to 50 years
Infrastructure Other	30 to 50 years
Sealed roads and streets	not depreciated
Clearing and earthworks	not depreciated
Construction/roadbase	50 years
Original surfacings and major resurfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
Gravel sheet	15 years
Formed Roads (Unsealed)	
Footpaths - slab	40 years
Sewerage piping systems	100 years
	75 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 CORRIGIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal	2020/21 Budget New Loans	2020/21 Budget Principal Repayments	Budget Principal outstanding 30 June 2021	2020/21 Budget Interest Repayments	Actual Principal 1 July 2019	2019/20 Actual New Loans	2019/20 Actual Principal Repayments	Actual Principal outstanding 30 June 2020	2019/20 Actual Interest Repayments	Budget Principal 1 July 2019	2019/20 Budget New Loans	2019/20 Budget Principal Repayments	Budget Principal outstanding 30 June 2020	2019/20 Budget Interest Repayments	
				1 July 2020	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture																			
Community Recreation & Events Centre	102	WATC	4.6%	1,578,353	0	(82,261)	1,496,092	(72,294)	1,656,925	0	(78,572)	1,578,353	(75,980)	1,656,925	0	(78,572)	1,578,353	(87,226)	
				1,578,353	0	(82,261)	1,496,092	(72,294)	1,656,925	0	(78,572)	1,578,353	(75,980)	1,656,925	0	(78,572)	1,578,353	(87,226)	

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 30 JUNE 2021

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

The Shire does not intend to undertake any new borrowings for the year ended 30 June 2021

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30 June 2020 nor is it expected to have unspent borrowing funds as at 30 June 2021.

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	100,000	100,000	100,000
Bank overdraft at balance date	0	0	0
Credit card limit	20,000	20,000	20,000
Credit card balance at balance date	0	(1,409)	0
Total amount of credit unused	120,000	118,591	120,000
Loan facilities			
Loan facilities in use at balance date	1,496,092	1,578,353	1,578,353
Unused loan facilities at balance date	0	0	0

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2020	2020/21 Budgeted Increase/ (Decrease)	Amount as at 30th June 2021
			\$	\$	\$
National Australia Bank	To cover shortfalls in cash flow 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 30 JUNE 2021

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
(a) Employee Entitlements Reserve	\$ 154,938	\$ 16,395	\$	\$ 171,333	\$ 140,748	\$ 14,190	\$	\$ 154,938	\$ 140,748	\$ 14,727	\$	\$ 155,475
(b) Community Bus Reserve	45,765	412		46,177	45,064	701		45,765	45,064	873		45,937
(c) Staff Housing Reserve	314,921	22,835		337,756	298,279	16,642		314,921	298,279	17,780		316,059
(d) Office Equipment Reserve	6,560	10,059		16,619	1,536	5,024		6,560	1,536	5,030		6,566
(e) Plant Replacement Reserve	1,025,872	59,230	(25,000)	1,060,102	1,010,152	15,720		1,025,872	1,010,152	19,574		1,029,726
(f) Swimming Pool Reserve	30,882	100,278		131,160	20,562	10,320		30,882	20,562	10,398		30,960
(g) Roadworks Reserve	265,566	32,391		297,957	251,650	13,916		265,566	251,650	14,876		266,526
(h) Land Subdivision Reserve	53,420	481		53,901	52,601	819		53,420	52,601	1,019		53,620
(i) Townscape Reserve	2,717	10,024		12,741	2,675	42		2,717	2,675	5,052		7,727
(j) Medical Reserve	4,834	10,044		14,878	4,760	74		4,834	4,760	92		4,852
(k) LGCHP Long Term Maintenance Reserve	4,008	10,036		14,044	3,947	61		4,008	3,947	76		4,023
(l) Community Development Reserve	0	-		0	179		(179)	0	179	3	(182)	0
(m) Rockview Land Reserve	5,881	1,053		6,934	4,896	985		5,881	4,896	95		4,991
(n) Financial Assistance Grant	1,028,266	169	(1,028,435)	0	0	1,028,266		1,028,266	0	0		0
(o) Senior Citizens Units	150,330	388	(137,245)	13,473	42,424	107,906		150,330	42,424	822		43,246
(p) Town Hall Reserve	99,087	10,892		109,979	97,569	1,518		99,087	97,569	1,891		99,460
(q) Child Care Reserve	0	0		0	41	0	(41)	0	41	1	(42)	0
(r) Recreation and Events Centre Reserve	275,311	152,479	(220,000)	207,790	20,000	255,311		275,311	20,000	10,388		30,388
(s) Bendering Tip Reserve	53,620	5,444		59,064	47,649	5,971		53,620	47,649	5,929		53,578
	3,521,978	442,610	(1,410,680)	2,553,908	2,044,732	1,477,466	(220)	3,521,978	2,044,732	108,626	(224)	2,153,134

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7. CASH BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves - Purposes

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlements Reserve	Ongoing	To be used to fund employee Entitlement requirements.
(b) Community Bus Reserve	Ongoing	To be used to fund the continual purchase of a community bus.
(c) Staff Housing Reserve	Ongoing	To be used for the construction and maintenace of staff housing.
(d) Office Equipment Reserve	Ongoing	To be used for the purchase of office equipment
(e) Plant Replacement Reserve	Ongoing	To be used to the purchase of major plant items
(f) Swimming Pool Reserve	Ongoing	To be used for the construction and maintenace of the swimming pool facility.
(g) Roadworks Reserve	Ongoing	To be used to fund the construction of roads and or verge / footpaths within the Shire of Corrigin.
(h) 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.
(i) Townscape Reserve	Ongoing	To be used for the continual upgrade of townscape facilities
(j) Medical Reserve	Ongoing	To be used for the continual upgrade of medical facilities within the Shire of Corrigin
(k) LGCHP Long Term Maintenance Re	Ongoing	To be used to fund the long term maintenance of the joint venture housing.
(l) Community Development Reserve	Ongoing	To be used for the continual upgrade of various community facilities in Corrigin
(m) Rockview Land Reserve	Ongoing	To be used to fund the development of the Rockview land project.
(n) Royalties for Regions Funds	Ongoing	To be used to fund identified Royalties for Regions projects as adopted
(n) Financial Assistance Grant	Ongoing	to be used in accordance to the Local Government Grants Commission for funding of operating and capital requirements
(o) RLCIP Grant	Ongoing	to be used for the upgrade of the Corrigin Public Swimming Pool.
(o) Senior Citizens Units	Ongoing	To be used to construction of aged care accomodation and facilities within Corrigin
(p) Centenary Celebrations Reserve	Ongoing	To be used to fund future projects in conjunction of Corrigin Centenary Celebration
(p) Town Hall Reserve	Ongoing	To be used for the planning, maintenance and upgrade of the Corrigin Town Hall Building
(q) Child Care Reserve	Ongoing	To be used for the provision of child care facilities and services.
(r) Recreation and Events Centre Reser	Ongoing	To be used for the planning, maintenance abnd upgrade of the recreation and events centre.
(s) Bendering Tip Reserve	Ongoing	To be used for the continual upgrade and expansion of the Bendering Tip site.

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8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
General purpose funding	\$ 46,866	\$ 62,990	\$ 39,366
Law, order, public safety	10,500	9,751	9,430
Health	26,838	27,091	24,061
Education and welfare	23,700	31,553	28,550
Housing	137,066	135,214	137,754
Community amenities	226,761	227,381	230,478
Recreation and culture	47,705	34,009	47,205
Transport	25,300	23,240	25,200
Economic services	51,270	74,376	40,760
Other property and services	55,500	111,594	54,700
	651,506	737,199	637,504

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
Governance	0	0	0	0	0		855	854
General purpose funding	0	0	0	0	0	923,225	1,951,491	940,117
Law, order, public safety	0	0	0	0	0	43,159	45,900	43,159
Health	0	0	0	0	0	185,749	186,910	190,481
Education and welfare	0	0	0	0	0	108,237	96,914	137,052
Housing	0	0	0	0	0		0	0
Community amenities	0	0	0	0	0		0	0
Recreation and culture	0	0	0	0	0	12,295	6,162	6,300
Transport	0	0	0	0	0	168,140	169,730	165,646
Economic services	0	0	0	0	0		1,000	0
Other property and services	0	0	0	0	0	5,000	1,757	0
	0	0	0	0	0	1,445,805	2,460,719	1,483,609
(b) Non-operating grants, subsidies and contributions								
Law, order, public safety	0	0	0	0	0	450,000	0	0
Health	0	0	0	0	0	250,000	0	0
Education and welfare	214,366	185,610	(399,976)	0	0	185,714	0	496,000
Recreation and culture	0	0	0	0	0	25,000	0	0
Transport	0	0	0	0	0	802,275	3,136,039	3,166,952
Economic services	0	0	0	0	0	725,000	0	0
	214,366	185,610	(399,976)	0	0	2,437,989	3,136,039	3,662,952
Total	214,366	185,610	(399,976)	0	0	3,883,794	5,596,758	5,146,561

(c) Unspent grants, subsidies and contributions were restricted as follows:

	Budget Closing Balance 30 June 2021	Actual Balance 30 June 2020
Financial Assistance Grant	0	1,028,266
Senior Citizens Units	0	107,245
Unspent grants, subsidies and contributions	0	118,280
	0	1,253,791

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10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no 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	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

11. OTHER INFORMATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	21,610	31,820	39,620
- Other funds	10,000	22,615	5,000
Other interest revenue (refer note 1b)	15,050	24,104	15,050
	46,660	78,539	59,670
(b) Other revenue			
Reimbursements and recoveries	55,768	56,324	51,890
Other	0	36,000	0
	55,768	92,324	51,890
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	53,000	50,000	50,000
Other services	5,000	3,100	3,000
	58,000	53,100	53,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	72,294	75,980	87,226
	72,294	75,980	87,226
(e) Elected members remuneration			
Meeting fees	28,734	27,936	28,534
President's allowance	7,500	7,500	7,500
Deputy President's allowance	1,875	1,875	1,875
Travelling expenses	4,500	551	2,500
Telecommunications allowance	7,000	6,833	10,000
	49,609	44,695	50,409
(f) Write offs			
General rate	200	122	200
Fees and charges	1,000	0	2,000
	1,200	122	2,200

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated the Shire will be party to any Major Land Transactions or Trading Undertakings during 2020/2021

13 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, Bendinging Tip site and miscellaneous equipment.

The Shires one-third share of these assets are included in Property Plant and Equipment is as follows:

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Non-current assets			
Land - Independent Valuation 2017	15,750	15,750	15,750
Plant and equipment	33,184	33,811	33,812
Less: accumulated depreciation	(6,637)	(7,337)	(10,690)
	26,547	26,474	23,122

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.

14 TRUST FUNDS

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

Detail	Balance 30 June 2020	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2021
	\$	\$	\$	\$
Community Funds Held	61,749.69	0	0	61,750
Edna Stevenson Educational	926,076.42	9,261	(8,300)	927,037
Police Licensing	6,683.30	522,000	(522,683)	6,000
Westrail Ticketing	40.40	1,300	(1,340)	0
Kidsports	-	0	0	0
Bendering Tip	33,661.09	7,500	0	41,161
	1,028,211	540,061	(532,324)	1,035,948

2. 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.