



Annual Budget 2021/2022



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 2022

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 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	2,730,415	2,624,929	2,621,033
Operating grants, subsidies and contributions	9(a)	1,409,081	2,368,566	1,445,805
Fees and charges	8	694,792	749,248	651,506
Interest earnings	11(a)	41,660	33,637	46,660
Other revenue	11(b)	114,766	148,964	55,768
		4,990,714	5,925,344	4,820,772
Expenses				
Employee costs		(2,332,392)	(2,309,159)	(2,311,075)
Materials and contracts		(1,867,137)	(1,040,576)	(1,678,726)
Utility charges		(288,875)	(256,157)	(291,785)
Depreciation on non-current assets	5	(3,398,229)	(3,214,165)	(2,622,965)
Interest expenses	11(d)	(68,432)	(72,092)	(72,294)
Insurance expenses		(235,165)	(197,043)	(221,646)
Other expenditure		(159,278)	(149,444)	(135,010)
		(8,349,508)	(7,238,636)	(7,333,501)
Subtotal		(3,358,794)	(1,313,292)	(2,512,729)
Non-operating grants, subsidies and contributions	9(b)	4,343,146	2,305,305	2,437,989
Profit on asset disposals	4(b)	88,304	38,889	14,500
Loss on asset disposals	4(b)	(66,977)	(117,891)	(78,739)
		4,364,473	2,226,303	2,373,750
Net result		1,005,679	913,011	(138,979)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		1,005,679	913,011	(138,979)

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

SHIRE OF CORRIGIN

FOR THE YEAR ENDED 30 JUNE 2022

BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of 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.

2020/21 ACTUAL BALANCES

Balances shown in this budget as 2020/21 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

CHANGE IN ACCOUNTING POLICIES

On the 1 July 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		1,500	6,095	150
General purpose funding		3,707,522	4,577,089	3,637,784
Law, order, public safety		56,623	32,899	53,659
Health		220,389	245,131	212,587
Education and welfare		154,819	172,219	138,469
Housing		134,890	130,081	137,066
Community amenities		288,171	281,881	226,761
Recreation and culture		56,510	64,108	62,500
Transport		206,356	197,240	196,440
Economic services		81,834	96,582	54,856
Other property and services		82,100	122,019	100,500
		4,990,714	5,925,344	4,820,772
Expenses excluding finance costs	4(a),5,11(c)(e)(f)(g)			
Governance		(836,098)	(614,390)	(799,192)
General purpose funding		(76,649)	(57,516)	(75,790)
Law, order, public safety		(184,079)	(125,696)	(157,390)
Health		(647,445)	(582,344)	(598,204)
Education and welfare		(383,027)	(338,669)	(338,432)
Housing		(164,313)	(129,489)	(145,493)
Community amenities		(693,600)	(641,214)	(562,724)
Recreation and culture		(1,644,344)	(1,371,578)	(1,376,910)
Transport		(3,043,437)	(2,752,210)	(2,729,003)
Economic services		(470,995)	(355,793)	(347,821)
Other property and services		(137,089)	(197,645)	(130,248)
		(8,281,076)	(7,166,544)	(7,261,207)
Finance costs	7,6(a),11(d)			
Recreation and culture		(68,432)	(72,092)	(72,294)
		(68,432)	(72,092)	(72,294)
Subtotal		(3,358,794)	(1,313,292)	(2,512,729)
Non-operating grants, subsidies and contributions	9(b)	4,343,146	2,305,305	2,437,989
Profit on disposal of assets	4(b)	88,304	38,889	14,500
(Loss) on disposal of assets	4(b)	(66,977)	(117,891)	(78,739)
		4,364,473	2,226,303	2,373,750
Net result		1,005,679	913,011	(138,979)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		1,005,679	913,011	(138,979)

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

GOVERNANCE

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

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

To provide an operational framework for environmental and community health

EDUCATION AND WELFARE

Provide services to the elderly, children, youth and disadvantaged

HOUSING

To provide and maintain staff and rental housing

COMMUNITY AMENITIES

To provide services required by the community

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community

TRANSPORT

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

ECONOMIC SERVICES

To help promote the shire and its economic wellbeing.

OTHER PROPERTY AND SERVICES

To monitor and control council's overhead operating accounts

ACTIVITIES

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.

Rates, general purpose government grants and interest revenue

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

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.

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

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

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.

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.

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.

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

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 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,730,415	2,634,156	2,621,033
Operating grants, subsidies and contributions		1,409,081	2,843,914	1,221,439
Fees and charges		694,792	749,248	651,506
Interest received		41,660	33,637	46,660
Goods and services tax received		0	(91,528)	0
Other revenue		114,766	148,962	55,768
		4,990,714	6,318,389	4,596,406
Payments				
Employee costs		(2,332,392)	(2,443,919)	(2,311,075)
Materials and contracts		(1,530,650)	(753,133)	(1,203,874)
Utility charges		(288,875)	(256,157)	(291,785)
Interest expenses		(68,432)	(72,292)	(72,294)
Insurance paid		(235,165)	(197,043)	(221,646)
Other expenditure		(219,275)	(516,891)	(135,010)
		(4,674,789)	(4,239,435)	(4,235,684)
Net cash provided by (used in) operating activities	3	315,925	2,078,954	360,722
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at fair value through profit and loss		0	(2,586)	
Payments for purchase of property, plant & equipment	4(a)	(2,102,821)	(1,427,298)	(2,043,280)
Payments for construction of infrastructure	4(a)	(5,126,934)	(2,347,273)	(3,315,352)
Non-operating grants, subsidies and contributions		4,141,580	2,305,305	2,437,989
Proceeds from sale of land held for resale	4(b)	78,900	117,800	0
Proceeds from sale of plant and equipment	4(b)	272,500	117,738	225,500
Net cash provided by (used in) investing activities		(2,736,775)	(1,236,314)	(2,695,143)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(86,121)	(82,260)	(82,261)
Net cash provided by (used in) financing activities		(86,121)	(82,260)	(82,261)
Net increase (decrease) in cash held		(2,506,971)	760,379	(2,416,682)
Cash at beginning of year		6,258,612	5,498,233	5,498,233
Cash and cash equivalents at the end of the year	3	3,751,641	6,258,612	3,081,551

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2(a)	597,236	1,503,085	1,640,666
		597,236	1,503,085	1,640,666
Revenue from operating activities (excluding rates)				
Governance		1,500	6,095	150
General purpose funding		977,107	1,952,160	1,016,751
Law, order, public safety		56,623	32,899	53,659
Health		220,389	246,220	212,587
Education and welfare		154,819	172,219	138,469
Housing		134,890	130,081	137,066
Community amenities		307,071	319,681	226,761
Recreation and culture		56,510	64,108	62,500
Transport		275,760	197,240	210,940
Economic services		81,834	96,582	54,856
Other property and services		82,100	122,019	100,500
		2,348,603	3,339,304	2,214,239
Expenditure from operating activities				
Governance		(836,098)	(614,390)	(799,192)
General purpose funding		(76,649)	(57,516)	(75,790)
Law, order, public safety		(228,699)	(125,696)	(205,583)
Health		(664,802)	(582,344)	(606,388)
Education and welfare		(383,027)	(338,669)	(338,432)
Housing		(164,313)	(129,489)	(145,493)
Community amenities		(693,600)	(641,214)	(562,724)
Recreation and culture		(1,712,776)	(1,443,670)	(1,449,204)
Transport		(3,043,437)	(2,825,280)	(2,729,003)
Economic services		(470,995)	(398,349)	(347,821)
Other property and services		(142,089)	(199,910)	(152,610)
		(8,416,485)	(7,356,527)	(7,412,240)
Non-cash amounts excluded from operating activities	2(b)	3,427,358	3,213,167	2,745,636
Amount attributable to operating activities		(2,043,288)	699,029	(811,699)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		4,343,146	2,305,305	2,437,989
Payments for property, plant and equipment	4(a)	(2,102,821)	(1,427,298)	(2,043,280)
Payments for construction of infrastructure	4(a)	(5,126,934)	(2,347,273)	(3,315,352)
Payments for financial assets at fair value through profit and loss		0	(2,586)	
Proceeds from disposal of assets	4(b)	351,400	235,538	225,500
		(2,535,209)	(1,236,314)	(2,695,143)
Amount attributable to investing activities		(2,535,209)	(1,236,314)	(2,695,143)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(86,121)	(82,260)	(82,261)
Transfers to cash backed reserves (restricted assets)	7(a)	(164,900)	(2,697,158)	(442,610)
Transfers from cash backed reserves (restricted assets)	7(a)	2,099,103	1,289,011	1,410,680
Amount attributable to financing activities		1,848,082	(1,490,407)	885,809
Budgeted deficiency before imposition of general rates		(2,730,415)	(2,027,693)	(2,621,033)
Estimated amount to be raised from general rates	1	2,730,415	2,624,929	2,621,033
Net current assets at end of financial year - surplus/(deficit)	2(a)	0	597,236	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 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	597,236	1,503,085	1,640,666
		597,236	1,503,085	1,640,666
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	9(a)	1,409,081	2,368,566	1,445,805
Fees and charges	8	694,792	749,248	651,506
Interest earnings	11(a)	41,660	33,637	46,660
Other revenue	11(b)	114,766	148,964	55,768
Profit on asset disposals	4(b)	88,304	38,889	14,500
		2,348,603	3,339,304	2,214,239
Expenditure from operating activities				
Employee costs		(2,332,392)	(2,309,159)	(2,311,075)
Materials and contracts		(1,867,137)	(1,040,576)	(1,678,726)
Utility charges		(288,875)	(256,157)	(291,785)
Depreciation on non-current assets	5	(3,398,229)	(3,214,165)	(2,622,965)
Interest expenses	11(d)	(68,432)	(72,092)	(72,294)
Insurance expenses		(235,165)	(197,043)	(221,646)
Other expenditure		(159,278)	(149,444)	(135,010)
Loss on asset disposals	4(b)	(66,977)	(117,891)	(78,739)
		(8,416,485)	(7,356,527)	(7,412,240)
Non-cash amounts excluded from operating activities	2(b)	3,427,358	3,213,167	2,745,636
Amount attributable to operating activities		(2,043,288)	699,029	(811,699)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	4,343,146	2,305,305	2,437,989
Payments for property, plant and equipment	4(a)	(2,102,821)	(1,427,298)	(2,043,280)
Payments for construction of infrastructure	4(a)	(5,126,934)	(2,347,273)	(3,315,352)
Payments for financial assets at fair value through profit and loss		0	(2,586)	0
Proceeds from disposal of assets	4(b)	351,400	235,538	225,500
Amount attributable to investing activities		(2,535,209)	(1,236,314)	(2,695,143)
Amount attributable to investing activities		(2,535,209)	(1,236,314)	(2,695,143)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(86,121)	(82,260)	(82,261)
Transfers to cash backed reserves (restricted assets)	7(a)	(164,900)	(2,697,158)	(442,610)
Transfers from cash backed reserves (restricted assets)	7(a)	2,099,103	1,289,011	1,410,680
Amount attributable to financing activities		1,848,082	(1,490,407)	885,809
Budgeted deficiency before general rates		(2,730,415)	(2,027,693)	(2,621,033)
Estimated amount to be raised from general rates	1(a)	2,730,415	2,624,929	2,621,033
Net current assets at end of financial year - surplus/(deficit)	2	0	597,236	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 2022

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SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
1. RATES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
Townsites	0.09395	410	4,421,914	415,426	0	0	415,426	406,622	402,708
Unimproved valuations									
Rural	0.01278	344	178,401,735	2,279,439	0	0	2,279,439	2,192,567	2,192,585
Sub-Totals		754	182,823,649	2,694,865	0	0	2,694,865	2,599,189	2,595,293
Minimum									
Minimum payment									
\$									
Gross rental valuations									
Townsites	450	55	102,259	24,750	0	0	24,750	20,280	20,280
Unimproved valuations									
Rural	450	24	293,598	10,800	0	0	10,800	5,460	5,460
Sub-Totals		79	395,857	35,550	0	0	35,550	25,740	25,740
		833	183,219,506	2,730,415	0	0	2,730,415	2,624,929	2,621,033
Total amount raised from general rates							2,730,415	2,624,929	2,621,033
Ex gratia rates							41,128	33,116	33,116
Total rates							2,771,543	2,658,045	2,654,149

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 2021/22 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

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

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	3/09/2021	0	0.0%	7.0%
First instalment	3/11/2021			
Second instalment	3/01/2022			
Option three				
First instalment	3/09/2021	0		7.0%
Second instalment	3/11/2021	10	5.5%	7.0%
Third instalment	3/01/2022	10	5.5%	7.0%
Fourth instalment	3/03/2022	10	5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	5,000	3,690	2,000
Instalment plan interest earned	4,600	2,429	4,600
Pensioners deferred rate interest	450	63	450
Unpaid rates and service charge interest earned	10,000	9,698	10,000
	20,050	15,881	17,050

1. RATES (CONTINUED)

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

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

1. RATES (CONTINUED)

(c) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2022.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
2. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents- unrestricted	3	450,995	822,197	527,643
Cash and cash equivalents - restricted	3	3,300,646	5,436,415	2,553,908
Receivables		290,751	277,370	452,721
Inventories		162,704	162,704	145,990

Less: current liabilities

Trade and other payables		(730,845)	(540,237)	(787,544)
Contract liabilities		(304,723)	(506,289)	0
Unspent non-operating grant, subsidies and contributions liability		201,566	0	0
Long term borrowings	6	0	(86,121)	(82,261)
Employee provisions		(345,627)	(345,627)	(337,242)

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement	2.(c)	(3,025,467)	(4,623,176)	(2,473,215)
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		0	597,236	0
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		3,025,467	5,220,412	2,473,215
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EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

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

(b) Operating activities excluded from budgeted deficiency

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

Adjustments to operating activities

Less: Profit on asset disposals	4(b)	(88,304)	(38,889)	(14,500)
Add: Loss on disposal of assets	4(b)	66,977	117,891	78,739
Add: Depreciation on assets	5	3,398,229	3,214,165	2,622,965
Movement of non-current inventory		0	(80,000)	0
Movement in current employee provisions associated with restricted cash		50,456	0	58,432

Non cash amounts excluded from operating activities

(c) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - restricted reserves	7	(2,995,923)	(4,930,126)	(2,553,908)
Less: Current assets not expected to be received at end of year				
- Land held for resale		(80,000)	(80,000)	(60,000)
- Other liabilities [describe]		0	300,829	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		0	86,121	82,261
- Current portion of employee benefit provisions held in reserve		50,456	0	58,432

Total adjustments to net current assets

		(3,025,467)	(4,623,176)	(2,473,215)
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SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of 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.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

INVENTORIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Superannuation

The Shire of 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.

LAND HELD FOR RESALE

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

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

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

PROVISIONS

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

CONTRACT LIABILITIES

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

3. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget	
	\$	\$	\$	
Cash at bank and on hand	755,718	1,328,486	527,642	
Term deposits	2,995,923	4,930,126	2,553,909	
Total cash and cash equivalents	3,751,641	6,258,612	3,081,551	
Held as				
- Unrestricted cash and cash equivalents	450,995	822,197	527,643	
- Restricted cash and cash equivalents	3,300,646	5,436,415	2,553,908	
	3,751,641	6,258,612	3,081,551	
Restrictions				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3,300,646	5,436,415	2,553,908	
	3,300,646	5,436,415	2,553,908	
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Reserves - cash/financial asset backed	7	2,995,923	4,930,126	2,553,908
Contract liabilities		506,289	506,289	0
Unspent non-operating grants, subsidies and contribution liabilities		(201,566)	0	0
		3,300,646	5,436,415	2,553,908
Reconciliation of net cash provided by operating activities to net result				
Net result		1,005,679	913,011	(138,979)
Depreciation	5	3,398,229	3,214,165	2,622,965
(Profit)/loss on sale of asset	4(b)	(21,327)	79,002	64,239
(Increase)/decrease in receivables		0	(266,303)	(10,000)
(Increase)/decrease in inventories		(60,000)	5,552	0
Increase/(decrease) in payables		336,490	146,931	474,852
Increase/(decrease) in contract liabilities		0	291,901	(214,366)
Increase/(decrease) in unspent non-operating grants		(201,566)	0	0
Non-operating grants, subsidies and contributions		(4,141,580)	(2,305,305)	(2,437,989)
Net cash from operating activities		315,925	2,078,954	360,722

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 2022
4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program								2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
	Law, order, public safety	Health	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>											
Buildings - specialised	0	207,760	51,153	0	515,000	0	3,908	0	777,821	980,094	971,880
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	5,900
Plant and equipment	450,000	80,000	0	0	0	700,000	0	95,000	1,325,000	447,205	1,065,500
	450,000	287,760	51,153	0	515,000	700,000	3,908	95,000	2,102,821	1,427,298	2,043,280
<i>Infrastructure</i>											
Infrastructure - roads	0	0	0	0	0	3,156,759	0	0	3,156,759	1,927,131	1,999,994
Infrastructure - Footpaths	0	0	0	0	0	84,336	0	0	84,336	36,208	35,358
Infrastructure - Drainage	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Parks and Ovals	0	0	0	0	374,240	0	0	0	374,240	35,002	220,000
Infrastructure - Other	0	0	0	25,000	1,486,599	0	0	0	1,511,599	348,932	1,060,000
	0	0	0	25,000	1,860,839	3,241,095	0	0	5,126,934	2,347,273	3,315,352
Total acquisitions	450,000	287,760	51,153	25,000	2,375,839	3,941,095	3,908	95,000	7,229,755	3,774,571	5,358,632

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

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 2022
 4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Law, order, public safety	44,620	0	0	(44,620)	0	0	0	0	48,193	0	0	(48,193)
Health	77,357	60,000	0	(17,357)	24,365	25,454	1,089	0	33,184	25,000	0	(8,184)
Community amenities	60,000	78,900	18,900	0	80,000	117,800	37,800	0	0	0	0	0
Transport	85,596	155,000	69,404	0	144,180	71,110	0	(73,070)	136,000	150,500	14,500	0
Economic services		0	0	0	42,556	0	0	(42,556)	0	0	0	0
Other property and services	62,500	57,500	0	(5,000)	23,439	21,174	0	(2,265)	72,362	50,000	0	(22,362)
	330,073	351,400	88,304	(66,977)	314,540	235,538	38,889	(117,891)	289,739	225,500	14,500	(78,739)
By Class												
<u>Property, Plant and Equipment</u>												
Buildings - specialised	0	0	0	0	42,556	0	0	(42,556)	0	0	0	0
Plant and equipment	270,073	272,500	69,404	(66,977)	191,984	117,738	1,089	(75,335)	289,739	225,500	14,500	(78,739)
<u>Land Held for Resale</u>												
Land held for resale	60,000	78,900	18,900	0	80,000	117,800	37,800	0	0	0	0	0
	330,073	351,400	88,304	(66,977)	314,540	235,538	38,889	(117,891)	289,739	225,500	14,500	(78,739)

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

- Staff housing programme
- Plant replacement programme

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 2022
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 - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - Footpaths
Infrastructure - Drainage
Infrastructure - Parks and Ovals
Infrastructure - Other

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
1,011	1,011	828
15,153	15,153	8,773
40,982	44,064	31,752
92,684	78,137	69,680
101,659	101,660	92,887
27,127	25,440	20,137
739,884	701,837	580,563
1,736,435	1,684,306	1,412,950
147,519	93,981	66,981
495,775	468,577	338,414
3,398,229	3,214,165	2,622,965
820,534	780,291	648,736
31,938	31,695	22,521
380,193	353,300	241,252
1,307,478	1,243,181	997,169
38,260	26,247	33,687
338,894	338,894	318,345
196,768	177,485	139,162
284,166	263,072	222,093
3,398,229	3,214,165	2,622,965

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:

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 2022

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2021/22	Budget	2021/22	Actual	2020/21	Actual	2020/21	Budget	2020/21	Budget	2020/21	
				Principal 1 July 2021	Budget Principal Repayments	Principal outstanding 30 June 2022	Budget Interest Repayments	Principal 1 July 2020	Actual Principal Repayments	Principal outstanding 30 June 2021	Actual Interest Repayments	Principal 1 July 2020	Budget Principal Repayments	Principal outstanding 30 June 2021	Budget Interest Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Recreation and culture																
Community Recreation & Events Centre	102	WATC	4.6%	1,496,092	(86,121)	1,409,971	(68,432)	1,578,353	(82,260)	1,496,092	(72,292)	1,578,353	(82,261)	1,496,092	(72,294)	
				1,496,092	(86,121)	1,409,971	(68,432)	1,578,353	(82,260)	1,496,092	(72,292)	1,578,353	(82,261)	1,496,092	(72,294)	
				1,496,092	(86,121)	1,409,971	(68,432)	1,578,353	(82,260)	1,496,092	(72,292)	1,578,353	(82,261)	1,496,092	(72,294)	

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
6. INFORMATION ON BORROWINGS

(b) New borrowings - 2021/22

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2022

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2021 nor is it expected to have unspent borrowing funds as at 30th June 2022.

(d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	100,000	100,000	100,000
Bank overdraft at balance date	0		0
Credit card limit	20,000	20,000	20,000
Credit card balance at balance date	0	(1,260)	0
Total amount of credit unused	120,000	118,740	120,000
Loan facilities			
Loan facilities in use at balance date	1,409,971	1,496,092	1,496,092

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 2022
7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlements Reserve	171,090	0	0	171,090	154,939	16,151	0	171,090	154,938	16,395	0	171,333
(b) Community Bus Reserve	0	0	0	0	45,765	0	(45,765)	0	45,765	412	0	46,177
(c) Staff Housing Reserve	347,261	20,000	0	367,261	314,921	32,340	0	347,261	314,921	22,835	0	337,756
(d) Office Equipment Reserve	21,609	10,000	0	31,609	6,560	15,049	0	21,609	6,560	10,059	0	16,619
(e) Plant Replacement Reserve	1,229,600	0	0	1,229,600	1,025,872	203,728	0	1,229,600	1,025,872	59,230	(25,000)	1,060,102
(f) Swimming Pool Reserve	181,112	30,000	0	211,112	30,883	150,229	0	181,112	30,882	100,278	0	131,160
(g) Roadworks Reserve	297,539	0	0	297,539	265,566	31,973	0	297,539	265,566	32,391	0	297,957
(h) Land Subdivision Reserve	91,617	18,900	0	110,517	53,420	38,197	0	91,617	53,420	481	0	53,901
(i) Townscape Reserve	12,738	5,000	0	17,738	2,718	10,020	0	12,738	2,717	10,024	0	12,741
(j) Medical Reserve	24,870	10,000	0	34,870	4,834	20,036	0	24,870	4,834	10,044	0	14,878
(k) LGCHP Long Term Maintenance Res	10,269	0	0	10,269	4,008	6,261	0	10,269	4,008	10,036	0	14,044
(l) Rockview Land Reserve	6,924	1,000	0	7,924	5,880	1,044	0	6,924	5,881	1,053	0	6,934
(m) Financial Assistance Grant	0	0	0	0	1,028,266	592	(1,028,858)	0	1,028,266	169	(1,028,435)	0
(n) Senior Citizens Units	43,549	0	0	43,549	150,329	107,609	(214,389)	43,549	150,330	388	(137,245)	13,473
(o) Town Hall Reserve	109,823	0	0	109,823	99,087	10,736	0	109,823	99,087	10,892	0	109,979
(p) Recreation and Events Centre Reser	423,726	60,000	(220,000)	263,726	275,311	148,415	0	423,726	275,311	152,479	(220,000)	207,790
(q) Bendering Tip Reserve	79,296	10,000	0	89,296	53,620	25,676	0	79,296	53,620	5,444	0	59,064
(r) Grants & Contributions Reserve	1,879,103	0	(1,879,103)	0	0	1,879,103	0	1,879,103	0	0	0	0
	4,930,126	164,900	(2,099,103)	2,995,923	3,521,979	2,697,158	(1,289,011)	4,930,126	3,521,978	442,610	(1,410,680)	2,553,908

(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	Closed	To be used to fund the continual purchase of a community bus.
(c) Staff Housing Reserve	Ongoing	To be used for the construction and maintenance 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 for the purchase of major plant items
(f) Swimming Pool Reserve	Ongoing	To be used for the construction and maintenance 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 subdivision 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 with the Shire of Corrigin.
(k) LGCHP Long Term Maintenance Res	Ongoing	To be used to fund the long term maintenance of the joint venture housing.
(l) Rockview Land Reserve	Ongoing	To be used to fund the development of the Rockview land project.
(m) Financial Assistance Grant	Closed	To be used in accordance to the Local Government Grants Commission for funding of operating and capital requirements.
(n) Senior Citizens Units	Ongoing	To be used for the construction of aged care accomodation and facilities within Corrigin.
(o) Town Hall Reserve	Ongoing	To be used for the planning, maintenance and upgrade of the Corrigin Town Hall building.
(p) Recreation and Events Centre Reser	Ongoing	To be used for the planning, maintenance and upgrade of the Recreation and Events Centre.
(q) Bendering Tip Reserve	Ongoing	To be used for the continual upgrade and expansion of the Bendering Tip site.
(r) Grants & Contributions Reserve	Ongoing	To be used to quarantine any unspent grant and contribution funds received during the financial year until funds are required.

8. FEES & CHARGES REVENUE

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

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
	59,128	45,953	46,866
	9,600	8,033	10,500
	31,298	79,979	26,838
	36,050	49,283	23,700
	134,890	130,081	137,066
	233,171	241,577	226,761
	47,155	44,632	47,705
	25,300	22,552	25,300
	77,700	92,457	51,270
	40,500	34,701	55,500
	694,792	749,248	651,506

9. GRANT REVENUE**By Program:****(a) Operating grants, subsidies and contributions**

General purpose funding
Law, order, public safety
Health
Education and welfare
Recreation and culture
Transport

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
	876,319	1,872,569	923,225
	47,023	24,866	43,159
	189,091	165,153	185,749
	111,737	115,549	108,237
	6,855	18,118	12,295
	178,056	172,310	168,140
	1,409,081	2,368,566	1,445,805

(b) Non-operating grants, subsidies and contributions

Law, order, public safety
Education and welfare
Recreation and culture
Transport
Economic services

	450,000	0	450,000
	0	400,103	185,714
	324,115	91,275	25,000
	2,134,647	1,251,583	802,275
	1,434,384	562,344	725,000
	4,343,146	2,305,305	2,437,989
	5,752,227	4,673,870	3,883,794

Total grants, subsidies and contributions

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

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	when obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
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

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

	2021/22	2020/21	2020/21
	Budget	Actual	Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	21,610	18,469	21,610
- Other funds	5,000	2,977	10,000
Other interest revenue (refer note 1b)	15,050	12,191	15,050
	41,660	33,637	46,660
(b) Other revenue			
Reimbursements and recoveries	114,766	148,964	55,768
	114,766	148,964	55,768
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	50,900	0	53,000
Other services		3,309	5,000
	50,900	3,309	58,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	68,432	72,292	72,294
Other - Accrual Reversal	0	(200)	0
	68,432	72,092	72,294
(e) Elected members remuneration			
Meeting fees	29,500	28,534	28,734
Mayor/President's allowance	7,500	7,500	7,500
Deputy Mayor/President's allowance	1,875	1,875	1,875
Travelling expenses	4,500	641	4,500
Telecommunications allowance	7,000	7,000	7,000
	50,375	45,550	49,609
(f) Write offs			
General rate	200	113	200
Fees and charges	1,000	0	1,000
	1,200	113	1,200

12. MAJOR LAND TRANSACTIONS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated the Shire will be party to any Major Land Transactions or Trading Undertakings during 2021/2022

13. INTERESTS IN JOINT ARRANGEMENTS

The Shire together with the Shire's Kondinin, Kulin and Narembeen have a joint venture arrangement with regard to the provision of an environmental health service.

The only assets are a motor vehicle, Bendering Tip site and miscellaneous equipment.

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

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Non-current assets			
Land - Independent Valuation 2017	15,750	15,750	15,750
Plant and equipment	40,667	33,184	33,184
Less: accumulated depreciation	(8,133)	(8,819)	(6,637)
	32,534	24,365	26,547

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 30 JUNE 2022
14. TRUST FUNDS

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

Detail	Balance 30 June 2021	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2022
	\$	\$	\$	\$
Community Funds Held	64,607	100	(10,000)	54,707
Edna Stevenson Educational	902,767	500	(5,000)	898,267
Police Licensing	1,282	509,738	(511,020)	0
Westrail Ticketing	219	1,247	(1,466)	0
	968,875	511,585	(527,486)	952,974

15. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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