

SHIRE OF PERENJORI
BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

The Shire of Perenjori will endeavour to provide community services and facilities to meet the needs of members of the community and enable them to enjoy a pleasant and healthy way of life.

SHIRE OF PERENJORI
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)	2,988,225	2,829,167	2,817,722
Operating grants, subsidies and contributions	9(a)	1,967,514	3,138,182	2,017,461
Fees and charges	8	574,000	575,435	575,400
Interest earnings	11(a)	14,620	18,557	15,550
Other revenue	11(b)	184,706	526,866	174,912
		5,729,065	7,088,207	5,601,045
Expenses				
Employee costs		(2,939,661)	(2,613,723)	(2,911,948)
Materials and contracts		(1,226,582)	(761,137)	(940,613)
Utility charges		(279,595)	(220,368)	(291,501)
Depreciation on non-current assets	5	(3,211,087)	(3,340,492)	(2,491,169)
Interest expenses	11(d)	(26,076)	(29,567)	(33,703)
Insurance expenses		(163,494)	(186,063)	(132,878)
Other expenditure		(278,718)	(259,412)	(365,395)
		(8,125,213)	(7,410,762)	(7,167,207)
Subtotal				
		(2,396,148)	(322,555)	(1,566,162)
Non-operating grants, subsidies and contributions	9(b)	1,242,607	1,695,407	1,261,657
Profit on asset disposals	4(b)	73,310	12,901	20,000
Loss on asset disposals	4(b)	(31,026)	(92,022)	(39,540)
		1,284,891	1,616,286	1,242,117
Net result				
		(1,111,257)	1,293,731	(324,045)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income				
		(1,111,257)	1,293,731	(324,045)

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

SHIRE OF PERENJORI

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 Perenjori 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 PERENJORI
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		28,396	333,729	27,000
General purpose funding		4,691,020	5,413,218	4,597,170
Law, order, public safety		153,756	182,748	139,951
Health		2,500	2,936	2,500
Education and welfare		80,000	197,089	61,500
Housing		140,000	163,130	124,800
Community amenities		36,000	44,603	34,500
Recreation and culture		5,050	208,387	11,550
Transport		242,343	228,946	221,924
Economic services		282,000	235,187	295,000
Other property and services		68,000	78,233	85,150
		5,729,065	7,088,206	5,601,045
Expenses excluding finance costs	4(a),5,11(c)(e)(f)(f)			
Governance		(309,856)	(231,458)	(323,860)
General purpose funding		(199,827)	(156,619)	(155,811)
Law, order, public safety		(523,809)	(563,544)	(329,310)
Health		(151,918)	(116,615)	(147,680)
Education and welfare		(552,703)	(530,919)	(525,166)
Housing		(178,205)	(192,761)	(96,345)
Community amenities		(703,836)	(470,735)	(592,951)
Recreation and culture		(1,555,612)	(1,353,349)	(1,196,288)
Transport		(2,899,917)	(2,926,220)	(2,778,272)
Economic services		(986,393)	(786,687)	(975,563)
Other property and services		(37,061)	(52,287)	(12,258)
		(8,099,137)	(7,381,194)	(7,133,504)
Finance costs	7,6(a),11(d)			
Housing		(4,905)	(8,528)	(8,488)
Community amenities		(13,684)	(16,089)	(15,153)
Recreation and culture		(1,555)	(4,369)	(3,549)
Transport		0	(581)	(581)
Economic services		(5,932)	0	(5,932)
		(26,076)	(29,567)	(33,703)
Subtotal		(2,396,148)	(322,555)	(1,566,162)
Non-operating grants, subsidies and contributions	9(b)	1,242,607	1,695,407	1,261,657
Profit on disposal of assets	4(b)	73,310	12,901	20,000
(Loss) on disposal of assets	4(b)	(31,026)	(92,022)	(39,540)
		1,284,891	1,616,286	1,242,117
Net result		(1,111,257)	1,293,731	(324,045)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(1,111,257)	1,293,731	(324,045)

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

Expenses associated with provision of services to members of Council and elections. Also included are costs associated with computer operations, corporate accounting, records and asset management. Costs reported as administrative expenses are redistributed in accordance with the principal of activity based costing (ABC).

GENERAL PURPOSE FUNDING

Rates and associated revenues, general purpose Government grants, interest revenue and other miscellaneous revenues such as commission on Police licensing. The costs associated with raising the above mentioned revenue, eg: valuation expenses, debt collection and overheads.

LAW, ORDER, PUBLIC SAFETY

Enforcement of local laws, fire prevention, animal control and provision of Ranger services.

HEALTH

Health inspection services, food quality and mosquito control and contributions towards the provision of medical health services.

EDUCATION AND WELFARE

Donations to local education facilities, Perenjori Early Childhood Centre.

HOUSING

Provision of maintenance of staff and non staff housing.

COMMUNITY AMENITIES

Rubbish collection services, operation and maintenance of refuse sites, cemetery maintenance and improvements, flood mitigation, public convenience maintenance.

RECREATION AND CULTURE

Maintenance of halls, swimming pool, recreational centres, parks and gardens, ovals and various reserves, operation of library services.

TRANSPORT

Maintenance of roads and drainage, footpaths, parking facilities, traffic control, street cleaning, maintenance of airstrip.

ECONOMIC SERVICES

Tourism, community development, pest control, building services, caravan park and private works.

OTHER PROPERTY AND SERVICES

Plant works and overheads and stock of materials.

SHIRE OF PERENJORI
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		2,988,225	2,854,862	2,817,722
Operating grants, subsidies and contributions		1,967,514	3,100,794	2,017,461
Fees and charges		574,000	575,435	575,400
Interest received		14,620	18,557	15,550
Goods and services tax received		0	0	
Other revenue		184,706	524,329	174,912
		5,729,065	7,073,977	5,601,045
Payments				
Employee costs		(2,939,661)	(2,692,608)	(2,841,865)
Materials and contracts		(1,226,582)	(567,428)	(940,613)
Utility charges		(279,595)	(220,368)	(291,501)
Interest expenses		(26,076)	(31,709)	(33,703)
Insurance paid		(163,494)	(186,063)	(132,878)
Other expenditure		(278,718)	(259,412)	(369,895)
		(4,914,126)	(3,957,588)	(4,610,455)
Net cash provided by (used in) operating activities	3	814,939	3,116,389	990,590
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(3,307,756)	(1,264,302)	(996,360)
Payments for construction of infrastructure	4(a)	(2,855,359)	(2,218,204)	(3,822,624)
Non-operating grants, subsidies and contributions	9(b)	1,242,607	1,695,407	1,261,657
Proceeds from sale of plant and equipment	4(b)	189,000	148,107	247,628
Net cash provided by (used in) investing activities		(4,731,508)	(1,638,992)	(3,309,699)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(185,833)	(175,255)	(222,562)
Proceeds from new borrowings	6(a)	500,000	0	500,000
Net cash provided by (used in) financing activities		314,167	(175,255)	277,438
Net increase (decrease) in cash held		(3,602,402)	1,302,142	(2,041,671)
Cash at beginning of year		6,737,285	5,435,142	5,417,127
Cash and cash equivalents at the end of the year	3	3,134,883	6,737,284	3,375,456

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

SHIRE OF PERENJORI
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)	3,022,228	2,217,428	2,256,095
		3,022,228	2,217,428	2,256,095
Revenue from operating activities (excluding rates)				
Governance		28,396	333,729	27,000
General purpose funding		1,702,795	2,600,640	1,779,448
Law, order, public safety		153,756	182,748	139,951
Health		2,500	2,936	2,500
Education and welfare		80,000	197,089	61,500
Housing		140,000	163,130	124,800
Community amenities		36,000	44,603	34,500
Recreation and culture		5,050	208,387	13,550
Transport		315,653	241,847	231,924
Economic services		282,000	235,187	303,000
Other property and services		68,000	78,233	85,150
		2,814,150	4,288,529	2,803,323
Expenditure from operating activities				
Governance		(309,856)	(231,458)	(323,860)
General purpose funding		(199,827)	(156,619)	(155,811)
Law, order, public safety		(523,809)	(563,544)	(329,310)
Health		(151,918)	(116,615)	(147,680)
Education and welfare		(552,703)	(530,919)	(525,166)
Housing		(183,110)	(201,289)	(110,085)
Community amenities		(717,520)	(486,824)	(608,104)
Recreation and culture		(1,557,167)	(1,357,718)	(1,199,837)
Transport		(2,930,943)	(3,018,823)	(2,818,393)
Economic services		(992,325)	(786,687)	(976,243)
Other property and services		(37,061)	(52,287)	(12,258)
		(8,156,239)	(7,502,783)	(7,206,747)
Non-cash amounts excluded from operating activities	2(b)	3,253,371	3,230,084	2,439,228
Amount attributable to operating activities		933,510	2,233,258	291,899
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,242,607	1,695,407	1,261,657
Payments for property, plant and equipment	4(a)	(3,307,756)	(1,264,302)	(996,360)
Payments for construction of infrastructure	4(a)	(2,855,359)	(2,218,204)	(3,822,624)
Proceeds from disposal of assets	4(b)	189,000	148,107	247,628
		(4,731,508)	(1,638,992)	(3,309,699)
Amount attributable to investing activities		(4,731,508)	(1,638,992)	(3,309,699)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(185,833)	(175,255)	(222,562)
Proceeds from new borrowings	6(a)	500,000	0	500,000
Transfers to cash backed reserves (restricted assets)	7(a)	(429,394)	(208,234)	(8,365)
Transfers from cash backed reserves (restricted assets)	7(a)	925,000	0	0
Amount attributable to financing activities		809,773	(383,489)	269,073
Budgeted deficiency before imposition of general rates		(2,988,225)	210,777	(2,748,727)
Estimated amount to be raised from general rates	1	2,988,225	2,812,578	2,817,722
Net current assets at end of financial year - surplus/(deficit)	2(a)	0	3,023,355	68,995

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

SHIRE OF PERENJORI
INDEX OF NOTES TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

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SHIRE OF PERENJORI
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									
GRV Townsite	8.43660	106	11,579	97,691	0	0	97,691	94,380	95,777
GRV Mining	8.43660	1	31,440	265,247	0	0	265,247	260,047	260,047
Unimproved valuations									
UV Rural	1.93800	254	1,054,010	2,042,671	9,000	0	2,051,671	1,962,652	1,950,003
UV Mining	34.94010	39	20,975	732,884	0	0	732,884	708,573	708,667
Exploration (UV)	26.01000	36	2,044	53,168	0	0	53,168	16,847	16,847
Sub-Totals		436	1,120,049	3,191,661	9,000	0	3,200,661	3,042,499	3,031,340
Minimum payment	\$								
Gross rental valuations									
GRV Townsite	356	32		11,392	0	0	11,392	12,564	12,564
GRV Mining	356	1		356	0	0	356	349	349
Unimproved valuations									
UV Rural	356	11		3,916	0	0	3,916	3,490	3,490
UV Mining	356	7		2,492	0	0	2,492	1,745	1,745
Exploration (UV)	356	18		6,408	0	0	6,408	5,235	5,235
Sub-Totals		69	0	24,564	0	0	24,564	23,383	23,383
		505	1,120,049	3,216,225	9,000	0	3,225,225	3,065,882	3,054,723
Discounts (Refer note 1(e))							(250,000)	(253,304)	(250,000)
Total amount raised from general rates							2,975,225	2,812,578	2,804,723
Ex gratia rates							13,000	16,589	13,000
Total rates							2,988,225	2,829,167	2,817,723

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

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 PERENJORI
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
Single full payment	11th October 2021	\$ 0	0.0%	0.0%
Option two				
First instalment	11th October 2021	10.00%	5.5%	7.0%
Second instalment	13th December 2021	10.00%	5.5%	7.0%
Option three				
First instalment				
Second instalment				
Third instalment	14th February 2022	10.00%	5.5%	7.0%
Fourth instalment	19th April 2022	10.00%	5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
Instalment plan interest earned	\$ 0	\$ 2,681	\$ 0
Unpaid rates and service charge interest earned	200	5,539	0
	200	8,220	0

1. RATES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects	Reasons
UV - Rural Pastoral	Properties within the Shire that are for broad acre farming.	Require a fair contribution to the revenue requirements of the Shire whilst not risking additional financial pressure.	The level of rates set for UV Rural is that this allows for a fair contribution to the revenue requirements of the Shire at the highest sustainable level. The level reflects the present financial vulnerability of ratepayers on this category
UV - Mining	Properties within the Shire with a mining exploration or prospecting tenement lease.	To ensure that mining contributions to the maintenance of the Shire's assets and services to the extent that the mining operators and their connections use them.	To assist the Shire to make up the deficiency in its revenues at a level which is fair in all circumstances.
UV - Exploration	Properties within the Shire with a mining exploration or prospecting tenement lease.	To ensure that mining contributions to the maintenance of the Shire's assets and services to the extent that the mining operators and their connections use them.	To assist the Shire to make up the deficiency in its revenues at a level which is fair in all circumstances.

(d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
UV - Rural Pastoral	Properties within the Shire that are for broad acre farming.	The object of the minimums is to raise a reasonable contribution from all ratepayers towards the cost of providing municipal services.	The minimum is a realistic contribution that any property should make towards the cost of the services provided.
UV - Mining	Properties within the Shire with a mining exploration or prospecting tenement lease.		
UV - Exploration	Properties within the Shire with a mining exploration or prospecting tenement lease.		

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

(e) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which discount is granted
Current Rates & Charges (excluding Interim Rates and Minimum Rates).	10%		\$ 250,000	\$ 253,304	\$ 250,000	A discount is offered to ratepayers who pay the full amount of rates and charges including any previous outstanding amounts on or before the due date as stated on the rates notice: this date is at least 35 days after the notice is issued. This discount does not apply to interim rates levied and those properties to which a minimum rate applies.
			250,000	253,304	250,000	

(f) Waivers or concessions

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

SHIRE OF PERENJORI
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	430,900	3,537,696	375,736
Cash and cash equivalents - restricted	3	2,703,983	3,199,589	2,999,720
Receivables		110,856	100,185	87,382
Inventories		12,021	12,021	8,562
		3,257,760	6,849,491	3,471,400

Less: current liabilities

Trade and other payables		(294,177)	(295,304)	(94,246)
Long term borrowings	6	(211,321)	(211,321)	(452,705)
Employee provisions		(259,600)	(259,600)	(429,168)
		(765,098)	(766,225)	(976,119)

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement	2.(c)	(2,492,662)	(3,061,038)	(2,426,286)
		0	3,022,228	68,995

2. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

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

(b) Operating activities excluded from budgeted deficiency

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

Adjustments to operating activities

Less: Profit on asset disposals	4(b)	73,310	12,901	(20,000)
Add: Loss on disposal of assets	4(b)	(31,026)	(92,022)	(39,540)
Add: Depreciation on assets	5	3,211,087	3,340,492	2,491,169
Movement in non-current employee provisions		0	(31,287)	
Movement in current employee provisions associated with restricted cash		0		7,599
Non cash amounts excluded from operating activities		3,253,371	3,230,084	2,439,228

(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	(2,703,983)	(3,199,589)	(2,999,720)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		211,321	138,551	452,705
- Current portion of employee benefit provisions held in reserve		0	0	84,267
Movement in provisions between current and non current provisions				36,462
Total adjustments to net current assets		(2,492,662)	(3,061,038)	(2,426,286)

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

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of Perenjori becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

The Shire of Perenjori contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Perenjori 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.

SHIRE OF PERENJORI
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022
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	2,434,883	6,037,285	3,375,456
Term deposits	700,000	700,000	0
Total cash and cash equivalents	3,134,883	6,737,285	3,375,456
Held as			
- Unrestricted cash and cash equivalents	430,900	3,537,696	375,736
- Restricted cash and cash equivalents	2,703,983	3,199,589	2,999,720
	3,134,883	6,737,285	3,375,456
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	2,703,983	3,199,589	2,999,720
	2,703,983	3,199,589	2,999,720
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	7	2,703,983	3,199,589
		2,703,983	2,999,720
Reconciliation of net cash provided by operating activities to net result			
Net result		(1,111,257)	1,293,731
			(324,045)
Depreciation	5	3,211,087	3,340,492
(Profit)/loss on sale of asset	4(b)	(42,284)	79,121
(Increase)/decrease in receivables		0	(11,693)
Increase/(decrease) in payables		0	179,834
Increase/(decrease) in employee provisions		0	(69,689)
Non-operating grants, subsidies and contributions		(1,242,607)	(1,695,407)
Net cash from operating activities		814,939	3,116,389
			990,590

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 PERENJORI
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program						2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
	Governance	Housing	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>									
Buildings - non-specialised	0	377,803	408,000	0	1,504,500	0	2,290,303	83,280	465,360
Furniture and equipment	150,000	0	0	0	0	0	150,000	0	0
Plant and equipment	0	0	0	855,453	0	12,000	867,453	1,181,022	531,000
	150,000	377,803	408,000	855,453	1,504,500	12,000	3,307,756	1,264,302	996,360
<i>Infrastructure</i>									
Infrastructure - roads	0	0	0	2,455,289	0	0	2,455,289	1,975,260	2,528,347
Infrastructure - Footpaths	0	0	0	250,070	0	0	250,070	242,944	0
Infrastructure - Other	0	0	0	150,000	0	0	150,000	0	1,294,277
	0	0	0	2,855,359	0	0	2,855,359	2,218,204	3,822,624
Total acquisitions	150,000	377,803	408,000	3,710,812	1,504,500	12,000	6,163,115	3,482,506	4,818,984

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 PERENJORI
 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												
Recreation and culture	0	0	0	0	0	0	0	0	2,000	4,000	2,000	0
Transport	146,716	189,000	73,310	(31,026)	227,228	148,107	12,901	(92,022)	257,168	227,628	10,000	(39,540)
Economic services	0	0	0	0	0	0	0	0	8,000	16,000	8,000	0
	146,716	189,000	73,310	(31,026)	227,228	148,107	12,901	(92,022)	267,168	247,628	20,000	(39,540)
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	146,716	189,000	73,310	(31,026)	227,228	148,107	12,901	(92,022)	267,168	247,628	20,000	(39,540)
	146,716	189,000	73,310	(31,026)	227,228	148,107	12,901	(92,022)	267,168	247,628	20,000	(39,540)

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 PERENJORI
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
 Furniture and equipment
 Plant and equipment
 Infrastructure - roads
 Infrastructure - Footpaths
 Infrastructure - Airfield
 Infrastructure - Parks & Ovals
 Infrastructure - Other

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
	110,258	187,648	64,636
	189,560	194,005	47,348
	8,881	9,076	6,500
	115,820	115,884	105,150
	121,806	133,259	72,056
	47,800	47,929	8,682
	337,717	349,374	252,441
	1,670,581	1,675,410	1,610,489
	114,404	117,373	75,794
	494,260	510,533	248,073
	3,211,087	3,340,492	2,491,169
	578,402	594,404	334,479
	2,000	88,295	0
	822,315	849,298	154,435
	1,528,982	1,528,567	1,722,497
	16,189	16,198	16,212
	26,806	25,273	48,245
	191,385	192,192	177,923
	45,008	46,264	37,378
	3,211,087	3,340,492	2,491,169

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:

Buildings - non-specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	
Infrastructure - Footpaths	20 years
Infrastructure - Airfield	80 years
Infrastructure - Parks & Ovals	30 to 75 years
Infrastructure - Other	10 to 60 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 PERENJORI
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Budget			2021/22	2021/22	Budget	2021/22	Actual	2020/21	2020/21	Actual	2020/21	Budget	2020/21	2020/21	Budget	2020/21	
	Loan	Interest	Principal	Budget	Budget	Principal	Budget		Principal	Actual	Actual	Principal	Actual	Principal	Budget	Budget	Budget	Principal
	Number	Institution	Rate	1 July 2021	New	outstanding	Repayments	1 July 2020	New	Principal	30 June 2021	Repayments	1 July 2020	New	Principal	30 June 2021	Repayments	Interest
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																		
CHA Housing	96	WATC	6.4%	48,509		33,324	(2,883)	62,701		(14,192)	48,509	(3,864)	62,701		(14,196)	48,505	(3,872)	
Flat Pack Housing	97	WATC	4.7%	26,853	(26,853)	0	(946)	52,493	(25,640)	26,853	(2,393)		52,406	(25,644)	26,762	(2,160)		
Duplex Construction	101	WATC	4.7%	30,514	(30,514)	(0)	(1,075)	59,652	(29,138)	30,514	(2,272)		59,452	(29,145)	30,307	(2,456)		
Community amenities																		
John Street Subdivision	98	WATC	7.0%	201,990		178,937	(13,684)	223,564	(21,574)	201,990	(16,089)		222,703	(21,584)	201,119	(15,153)		
Recreation and culture																		
Perenjori Aquatic Centre	100	WATC	4.8%	42,946	(42,946)	(0)	(1,555)	83,898	(40,952)	42,946	(4,369)		83,898	(40,952)	42,946	(3,549)		
Transport																		
John Deere Grader	102	WATC	2.7%	0		0	0	43,759	(43,759)	0	(581)		43,759	(43,759)	0	(581)		
Economic services																		
Caravan Park Units	103	WATC		0	500,000	(47,282)	(5,932)			0				500,000	(47,282)	(5,932)		
				350,812	500,000	(185,833)	(26,076)	526,067	0	(175,255)	350,812	(29,567)	524,919	500,000	(222,562)	802,357	(33,703)	
				350,812	500,000	(185,833)	(26,076)	526,067	0	(175,255)	350,812	(29,567)	524,919	500,000	(222,562)	802,357	(33,703)	

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

(b) New borrowings - 2021/22

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Caravan Park Villas	WATC		5	%	\$ 500,000	\$ 0	\$ 0	\$ 0
					500,000	0	0	0

(c) Unspent borrowings

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

(d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Loan facilities			
Loan facilities in use at balance date	664,979	350,812	802,357

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 PERENJORI
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) Reserves cash backed - Leave reserve	84,303	337	0	84,640	84,014	289	0	84,303	84,015	252	0	84,267
(b) Reserves cash backed - Plant reserve	570,348	2,281	(100,000)	472,629	568,395	1,953	0	570,348	568,395	1,705	0	570,100
(c) Reserves cash backed - Refuse reserve	204,141	817	0	204,958	203,442	699	0	204,141	203,442	0	0	203,442
(d) Reserves cash backed - Swimming Pool reserve	88,204	20,353	0	108,557	87,902	302	0	88,204	87,902	264	0	88,166
(e) Reserves cash backed - Road & Rehabilitation reserve	33,526	134	0	33,660	33,411	115	0	33,526	33,411	100	0	33,511
(f) Reserves cash backed - Housing reserve	438,057	1,752	0	439,809	436,557	1,500	0	438,057	436,557	1,310	0	437,867
(g) Reserves cash backed - Mt Gibson Infrastructure reserve	1,350,992	2,000	(725,000)	627,992	1,149,089	201,903	0	1,350,992	1,149,088	3,447	0	1,152,535
(h) Reserves cash backed - Toursim Accommodation reserve	64,728	259	0	64,987	64,506	222	0	64,728	64,506	194	0	64,700
(i) Reserves cash backed - Water reserve	164,095	656	0	164,751	163,533	562	0	164,095	163,533	491	0	164,024
(j) Reserves cash backed - IT Communication reserve	201,195	805	(100,000)	102,000	200,506	689	0	201,195	200,506	602	0	201,108
(k) Reserves cash backed - Cyclone Seroja Recovery reserve	0	400,000		400,000	0			0				0
	3,199,589	429,394	(925,000)	2,703,983	2,991,355	208,234	0	3,199,589	2,991,356	8,365	0	2,999,720

(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) Reserves cash backed - Leave reserve		Fund annual and long service leave requirements.
(b) Reserves cash backed - Plant reserve		Major plant purchases.
(c) Reserves cash backed - Refuse reserve		Future landfill sites.
(d) Reserves cash backed - Swimming Pool reserve		Refurbish and upgrade the swimming pool facilities.
(e) Reserves cash backed - Road & Rehabilitation reserve		Roads, gravel rehabilitation and airport infrastructure.
(f) Reserves cash backed - Housing reserve		Maintenance, upgrade of additional housing requirements.
(g) Reserves cash backed - Mt Gibson Infrastructure reserve		Supporting the acquisition, restoration, extension or improvement of infrastructure assets limited to public buildings, recreational facilities, parks and gardens, power and water supply, land drainage or roads as per agreement.
(h) Reserves cash backed - Toursim Accommodation reserve		Costs associated with the Caravan Park.
(i) Reserves cash backed - Water reserve		Increasing and maintaining all aspects of water capacity requirements within the Shire.
(j) Reserves cash backed - IT Communication reserve		IT costs associated with future requirements.
(k) Reserves cash backed - Cyclone Seroja Recovery reserve		Cyclone recovery costs associated with cyclone event.

8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
General purpose funding	300	1,899	300
Law, order, public safety	1,150	5,043	1,350
Health	2,500	2,936	2,500
Education and welfare	80,000	97,089	60,000
Housing	136,000	154,484	120,800
Community amenities	35,000	43,183	34,500
Recreation and culture	4,450	6,461	8,350
Transport	5,600	7,196	5,600
Economic services	282,000	235,187	303,000
Other property and services	27,000	21,956	39,000
	574,000	575,435	575,400

9. GRANT REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
By Program:			
(a) Operating grants, subsidies and contributions			
General purpose funding	1,697,271	2,568,321	1,773,598
Law, order, public safety	33,500	46,159	37,539
Education and welfare	0	100,000	0
Recreation and culture	0	200,000	0
Transport	236,743	223,702	206,324
	1,967,514	3,138,182	2,017,461
(b) Non-operating grants, subsidies and contributions			
Law, order, public safety	0	485,751	0
Community amenities	0	1,000	1,000
Transport	1,242,607	1,208,656	1,260,657
	1,242,607	1,695,407	1,261,657
Total grants, subsidies and contributions	3,210,121	4,833,589	3,279,118

SHIRE OF PERENJORI
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 dependent 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	Accounting standard
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	AASB 15 AASB 1058
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	AASB 15 AASB 1058
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	AASB 15 AASB 1058
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	AASB 15
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	AASB 15
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled	AASB 1058
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	AASB 1058
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	AASB 1058
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	AASB 1058
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	AASB 15 AASB 1058
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	AASB 1058
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	AASB 1058
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	AASB 15
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	AASB 15
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	AASB 1058
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	AASB 1058
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	AASB 15
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	AASB 15

11. OTHER INFORMATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	9,396	4,726	10,000
- Other funds	5,024	5,611	5,550
Other interest revenue (refer note 1b)	200	8,220	0
	14,620	18,557	15,550
* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at .			
(b) Other revenue			
Reimbursements and recoveries	184,706	526,866	174,912
	184,706	526,866	174,912
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	50,000	1,800	50,000
	50,000	1,800	50,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	26,076	29,567	33,703
	26,076	29,567	33,703
(e) Elected members remuneration			
Meeting fees	30,339	16,273	34,916
Mayor/President's allowance	20,063	15,047	20,063
Deputy Mayor/President's allowance	5,016	3,762	5,016
Travelling expenses	8,500	5,542	2,000
Telecommunications allowance	5,000	11,836	0
	68,918	52,460	61,995

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

12. MAJOR LAND TRANSACTIONS

John /Hirshauer Street Residential Subdivision

(a) Details

Council commenced this 21 Lot subdivision on Council owned land in 2007/2008. The subdivision currently comprises of the following Lots: 3 Lots have been sold to others and 18 are owned by the Shire of Perenjori.

It is proposed to review the market value on an annual basis for the Lots and develop a marketing plan based on the outcome of the annual market value in order to determine the viability of disposing of the Lots not required by the Shire.

No major land transactions occurred for the financial year ended 30th June 2021.

(b) Expected future cash flows

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	\$	\$	\$	\$	\$	\$
Cash outflows						
	23,141	24,782	24,782	24,782	24,782	122,269
	23,141	24,782	24,782	24,782	24,782	122,269
Cash Inflows						
	50,000	50,000	50,000	50,000	50,000	250,000
	50,000	50,000	50,000	50,000	50,000	250,000
Net cash flows						
	73,141	74,782	74,782	74,782	74,782	372,269

SHIRE OF PERENJORI
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
13. INTERESTS IN JOINT ARRANGEMENTS

The Shire of Perenjori has a joint arrangement with the Department of Housing for the provision of four (4) family houses and two (2) aged care units. The assets reflect capital works carried out by Council staff. All revenue and expenditure, as well as liabilities, of the joint arrangement are recognised in the relevant financial statements of Council.

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Non-current assets			
Buildings	108,392	112,883	128,484
Less: accumulated depreciation	(4,100)	(4,491)	(14,273)
	104,292	108,392	114,211

Shire of Perenjori Ownership

Lot 28 Livingstone Street	21%
Lot 58 Hesford Street	14.85%
79 Russell Street	21%

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 Perenjori'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 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
	\$	\$	\$	\$
Mt Gibson Public Benefit Fund	246,881	0	(100,000)	146,881
	246,881	0	(100,000)	146,881

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.