

SHIRE OF PINGELLY

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

Pingelly, a sustainable community, where a natural beauty and economic diversity provide opportunities for all.

SHIRE OF PINGELLY
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)	2,229,216	2,092,830	2,093,429
Operating grants, subsidies and contributions	10(a)	1,197,984	1,535,199	743,227
Fees and charges	9	346,754	369,815	319,818
Interest earnings	13(a)	31,391	33,294	36,447
Other revenue	13(b)	77,284	167,846	54,004
		<u>3,882,629</u>	<u>4,198,984</u>	<u>3,246,925</u>
Expenses				
Employee costs		(1,852,934)	(1,294,498)	(1,701,628)
Materials and contracts		(1,612,092)	(1,118,087)	(1,084,488)
Utility charges		(164,138)	(160,012)	(147,800)
Depreciation on non-current assets	5	(2,608,552)	(2,592,566)	(2,577,232)
Interest expenses	13(d)	(117,916)	(107,034)	(114,996)
Insurance expenses		(191,769)	(167,200)	(165,661)
Other expenditure		(108,833)	(94,521)	(105,580)
		<u>(6,656,234)</u>	<u>(5,533,918)</u>	<u>(5,897,385)</u>
Subtotal		<u>(2,773,605)</u>	<u>(1,334,934)</u>	<u>(2,650,460)</u>
Non-operating grants, subsidies and contributions	10(b)	1,394,658	2,556,752	2,907,667
Profit on asset disposals	4(b)	25,050	24,162	57,000
Loss on asset disposals	4(b)	(5,000)	(13,968)	(20,500)
Fair value adjustments to financial assets at fair value through profit or loss		0	1,940	0
		<u>1,414,708</u>	<u>2,568,886</u>	<u>2,944,167</u>
Net result		(1,358,897)	1,233,952	293,707
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(1,358,897)	1,233,952	293,707

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

SHIRE OF PINGELLY

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 Pingelly controls resources to carry on its functions have been included in the financial statements forming part of this budget.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 15 to the budget.

2020/21 ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

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

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,9,10(a),13(a),13(b)	\$	\$	\$
Governance		58,025	68,685	38,685
General purpose funding		2,890,027	3,427,725	2,732,800
Law, order, public safety		319,089	77,139	59,829
Health		1,900	1,992	1,636
Education and welfare		18,270	22,872	13,713
Community amenities		211,250	207,969	199,740
Recreation and culture		29,116	66,740	23,290
Transport		269,675	173,958	91,455
Economic services		45,050	48,489	45,550
Other property and services		40,227	103,415	40,227
		3,882,629	4,198,984	3,246,925
Expenses excluding finance costs	4(a),5,13(c)(e)(f)			
Governance		(420,987)	(481,101)	(513,139)
General purpose funding		(207,821)	(163,513)	(149,696)
Law, order, public safety		(497,159)	(231,855)	(204,950)
Health		(176,477)	(140,677)	(144,759)
Education and welfare		(105,067)	(58,765)	(39,896)
Community amenities		(398,447)	(374,378)	(379,875)
Recreation and culture		(1,421,241)	(1,342,068)	(1,201,891)
Transport		(2,897,952)	(2,317,894)	(2,853,496)
Economic services		(410,577)	(247,460)	(286,465)
Other property and services		(2,590)	(69,173)	(8,222)
		(6,538,318)	(5,426,884)	(5,782,389)
Finance costs	7,6(a),13(d)			
Governance		(4,470)	(2,319)	(3,139)
Education and welfare		(8,261)	(9,408)	(9,414)
Recreation and culture		(88,601)	(93,203)	(93,219)
Other property and services		(16,584)	(2,104)	(9,224)
		(117,916)	(107,034)	(114,996)
Subtotal		(2,773,605)	(1,334,934)	(2,650,460)
Non-operating grants, subsidies and contributions	10(b)	1,394,658	2,556,752	2,907,667
Profit on disposal of assets	4(b)	25,050	24,162	57,000
(Loss) on disposal of assets	4(b)	(5,000)	(13,968)	(20,500)
Fair value adjustments to financial assets at fair value through profit or loss		0	1,940	0
		1,414,708	2,568,886	2,944,167
Net result		(1,358,897)	1,233,952	293,707
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(1,358,897)	1,233,952	293,707

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

Effective leadership and governance

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

GENERAL PURPOSE FUNDING

A financially sustainable Shire.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

A safe community.

Fire prevention, animal control and assistance to emergency services.

HEALTH

Health and family support services that are accessible and meet the needs of the community.

Food quality control, provision of doctor services.

EDUCATION AND WELFARE

Quality of life for the aged and disabled.
Development and participation of young people.

Maintenance of a daycare centre and assistance to the provision of aged care accommodation.

COMMUNITY AMENITIES

Appropriate development which is diverse in nature and protects local heritage.

Rubbish and recyclables collection and disposal services, operation of the refuse site, administration of the town planning scheme, maintenance of the cemetery, maintenance of public toilets and maintenance of storm water drainage.

RECREATION AND CULTURE

Access to recreation, sporting and leisure opportunities.

Maintenance of the Town Hall, Pingelly Recreation and Cultural Centre, recreation ground, swimming pool complex, reserves, operation of the library together with support of cultural events.

TRANSPORT

Safe and reliable transport infrastructure.

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets and depot maintenance.

ECONOMIC SERVICES

Support the promotion and marketing of local businesses and tourism initiatives.

The regulation and provision of building control, control of noxious weeds and vermin, standpipe water supplies and area promotion.

OTHER PROPERTY AND SERVICES

Provide support services for works and plant operations.

Private works operations, plant repairs and operation costs.

SHIRE OF PINGELLY
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		2,234,216	2,087,790	2,113,429
Operating grants, subsidies and contributions		1,123,266	1,363,197	441,396
Fees and charges		346,754	369,815	319,818
Interest received		31,391	33,294	36,447
Goods and services tax received		393,698	412,050	236,401
Other revenue		77,284	167,846	54,004
		4,206,609	4,433,992	3,201,495
Payments				
Employee costs		(1,852,934)	(1,362,095)	(1,701,628)
Materials and contracts		(1,507,092)	(924,806)	(744,043)
Utility charges		(164,138)	(160,012)	(147,800)
Interest expenses		(117,916)	(107,058)	(114,996)
Insurance paid		(191,769)	(167,200)	(165,661)
Goods and services tax paid		(393,698)	(393,698)	(236,401)
Other expenditure		(108,833)	(94,521)	(105,580)
		(4,336,380)	(3,209,390)	(3,216,109)
Net cash provided by (used in) operating activities	3	(129,771)	1,224,602	(14,614)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(630,016)	(617,720)	(447,024)
Payments for construction of infrastructure	4(a)	(1,169,138)	(2,485,541)	(3,031,227)
Non-operating grants, subsidies and contributions	10(b)	1,394,658	2,556,752	2,907,667
Proceeds from sale of plant and equipment	4(b)	62,000	170,457	195,000
Proceeds on financial assets at amortised cost - self supporting loans	6(a)	18,692	17,539	17,539
Net cash provided by (used in) investing activities		(323,804)	(358,513)	(358,045)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(175,091)	(169,319)	(169,320)
Principal elements of lease payments	7	(144,508)	(47,878)	(96,540)
Proceeds on disposal of financial assets at amortised cost - term deposits		(511,105)	(32,272)	
Net cash provided by (used in) financing activities		(830,704)	(249,469)	(265,860)
Net increase (decrease) in cash held		(1,284,279)	616,620	(638,519)
Cash at beginning of year		1,321,737	705,117	867,937
Cash and cash equivalents at the end of the year	3	37,458	1,321,737	229,418

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

SHIRE OF PINGELLY
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	1,319,560	718,732	718,736
		1,319,560	718,732	718,736
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	10(a)	1,197,984	1,535,199	743,227
Fees and charges	9	346,754	369,815	319,818
Interest earnings	13(a)	31,391	33,294	36,447
Other revenue	13(b)	77,284	167,846	54,004
Gain on revaluation financial Asset at FV through P & L		0	1,940	0
Profit on asset disposals	4(b)	25,050	24,162	57,000
		1,678,463	2,132,256	1,210,496
Expenditure from operating activities				
Employee costs		(1,852,934)	(1,294,498)	(1,701,628)
Materials and contracts		(1,612,092)	(1,118,087)	(1,084,488)
Utility charges		(164,138)	(160,012)	(147,800)
Depreciation on non-current assets	5	(2,608,552)	(2,592,566)	(2,577,232)
Interest expenses	13(d)	(117,916)	(107,034)	(114,996)
Insurance expenses		(191,769)	(167,200)	(165,661)
Other expenditure		(108,833)	(94,521)	(105,580)
Loss on asset disposals	4(b)	(5,000)	(13,968)	(20,500)
		(6,661,234)	(5,547,886)	(5,917,885)
Non-cash amounts excluded from operating activities	2(b)	2,588,502	2,531,609	2,540,732
Amount attributable to operating activities		(1,074,709)	(165,289)	(1,447,921)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10(b)	1,394,658	2,556,752	2,907,667
Payments for property, plant and equipment	4(a)	(630,016)	(617,720)	(447,024)
Payments for construction of infrastructure	4(a)	(1,169,138)	(2,485,541)	(3,031,227)
Proceeds from disposal of assets	4(b)	62,000	170,457	195,000
Proceeds from financial assets at amortised cost - self supporting loans	6(a)	18,692	17,539	17,539
Amount attributable to investing activities		(323,804)	(358,513)	(358,045)
Amount attributable to investing activities		(323,804)	(358,513)	(358,045)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(175,091)	(169,319)	(169,320)
Principal elements of finance lease payments	6	(144,508)	(47,878)	(96,540)
Transfers to cash backed reserves (restricted assets)	8(a)	(540,804)	(173,276)	(173,803)
Transfers from cash backed reserves (restricted assets)	8(a)	29,700	141,005	152,200
Amount attributable to financing activities		(830,703)	(249,468)	(287,463)
Budgeted deficiency before general rates		(2,229,216)	(773,270)	(2,093,429)
Estimated amount to be raised from general rates	1(a)	2,229,216	2,092,830	2,093,429
Net current assets at end of financial year - surplus/(deficit)	2	0	1,319,560	0

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

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

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SHIRE OF PINGELLY
 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 - Residential	0.128950	317	3,608,332	465,294	0	0	465,294	437,491	438,868
GRV - Rural Residential	0.128950	65	808,184	104,215	0	0	104,215	100,282	99,248
GRV - Commercial/Industrial	0.128950	28	396,080	51,075	0	0	51,075	49,194	50,043
GRV - Townsites	0.128950	12	144,560	18,641	0	0	18,641	17,548	17,548
Unimproved valuations									
UV - Broadacre Rural	0.009470	221	149,640,000	1,417,091	0	0	1,417,091	1,340,715	1,340,122
Sub-Totals		643	154,597,156	2,056,316	0	0	2,056,316	1,945,230	1,945,829
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
GRV - Residential	950	62	85,646	58,900	0	0	58,900	55,800	55,800
GRV - Rural Residential	950	23	55,170	21,850	0	0	21,850	21,600	21,600
GRV - Commercial/Industrial	950	14	58,080	13,300	0	0	13,300	9,900	9,900
GRV - Townsites	950	8	17,185	7,600	0	0	7,600	7,200	7,200
Unimproved valuations									
UV - Broadacre Rural	950	75	5,167,140	71,250	0	0	71,250	53,100	53,100
Sub-Totals		182	5,383,221	172,900	0	0	172,900	147,600	147,600
		825	159,980,377	2,229,216	0	0	2,229,216	2,092,830	2,093,429
Total amount raised from general rates							2,229,216	2,092,830	2,093,429
Ex gratia rates							0	0	220
Total rates							2,229,216	2,092,830	2,093,649

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

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.

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	15/09/2021			7.0%
Option two				
First instalment	15/09/2021			7.0%
Second instalment	24/01/2022	10	5.5%	7.0%
Option three				
First instalment	15/09/2021	10	5.5%	7.0%
Second instalment	19/11/2021	10	5.5%	7.0%
Third instalment	24/01/2022	10	5.5%	7.0%
Fourth instalment	4/04/2022	10	5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	4,500	4,470	4,500
Instalment plan interest earned	7,750	7,795	7,500
Unpaid rates and service charge interest earned	12,380	12,712	12,180
ESL Penalty Interest	800	618	800
	25,430	25,595	24,980

SHIRE OF PINGELLY
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.

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 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 PINGELLY
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	37,458	927,019	44,999
Cash and cash equivalents - restricted	3	0	394,718	184,419
Financial assets - unrestricted		5,000	23,692	23,692
Financial assets - restricted	3	706,194	195,089	0
Receivables		363,298	688,297	233,294
Inventories		3,378	13,378	3,704

Less: current liabilities

Trade and other payables		(404,135)	(309,135)	(281,997)
Contract liabilities		0	(394,718)	0
Lease liabilities	7	(280,499)	(95,007)	(20,366)
Long term borrowings	6	0	(175,091)	(169,910)
Employee provisions		(391,607)	(391,607)	(374,554)
Other provisions		(25,743)	(25,743)	0

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
	1,115,328	2,242,193	490,108
	(404,135)	(309,135)	(281,997)
	0	(394,718)	0
7	(280,499)	(95,007)	(20,366)
6	0	(175,091)	(169,910)
	(391,607)	(391,607)	(374,554)
	(25,743)	(25,743)	0
	(1,101,984)	(1,391,301)	(846,827)
	13,344	850,892	(356,719)
2.(c)	(13,344)	468,668	356,719
	0	1,319,560	0

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

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

Items excluded from calculation of budgeted deficiency

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

(b) Operating activities excluded from budgeted deficiency

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

Adjustments to operating activities

Less: Profit on asset disposals
 Less: Fair value adjustments to financial assets at fair value through profit and loss
 Add: Loss on disposal of assets
 Add: Depreciation on assets
 Movement in non-current pensioner deferred rates
 Movement in employee provisions

Non cash amounts excluded from operating activities

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	(25,050)	(24,162)	(57,000)
	0	(1,939)	0
4(b)	5,000	13,968	20,500
5	2,608,552	2,592,566	2,577,232
	0	(10,309)	0
	0	(38,515)	0
	2,588,502	2,531,609	2,540,732
(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 <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
8	(706,193)	(195,089)	(184,419)
Less: Current assets not expected to be received at end of year			
- Current portion of self supporting loans receivable	0	(18,691)	(18,692)
- Financial assets at Fair Value through profit and loss	(5,000)	(5,000)	(5,000)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	0	175,091	169,910
- Current portion of lease liabilities	280,499	95,007	20,366
- Employee benefit provisions	417,350	417,350	374,554
Total adjustments to net current assets	(13,344)	468,668	356,719

SHIRE OF PINGELLY
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 Pingelly 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 Pingelly contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Pingelly 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.

SHIRE OF PINGELLY
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	37,458	1,321,737	229,418
Total cash and cash equivalents	37,458	1,321,737	229,418
Held as			
- Unrestricted cash and cash equivalents	37,458	927,019	44,999
- Restricted cash and cash equivalents	0	394,718	184,419
	37,458	1,321,737	229,418
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	0	394,718	184,419
- Restricted financial assets at amortised cost - term deposits	706,193	195,089	0
	706,193	589,807	184,419
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	8	706,193	195,089
Contract liabilities		0	394,718
		706,193	589,807
			184,419
Reconciliation of net cash provided by operating activities to net result			
Net result	(1,358,897)	1,233,952	293,707
Depreciation	5	2,608,552	2,577,232
(Profit)/loss on sale of asset	4(b)	(20,050)	(10,194)
Adjustments to fair value of financial assets at fair value through profit and loss		0	(1,940)
(Increase)/decrease in receivables		325,000	(402,022)
(Increase)/decrease in contract assets		0	180,445
(Increase)/decrease in inventories		10,000	(9,674)
(Increase)/decrease in other assets		0	1,827
Increase/(decrease) in payables		95,000	172,022
Increase/(decrease) in contract liabilities		(394,718)	62,887
Increase/(decrease) in employee provisions		0	(38,515)
Non-operating grants, subsidies and contributions		(1,394,658)	(2,907,667)
Net cash from operating activities		(129,771)	1,224,602
			(14,614)

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 PINGELLY
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.

Reporting program

Asset class	Reporting program			2021/22	2020/21	2020/21
	Governance	Recreation and culture	Transport	Budget total	Actual total	Budget total
	\$	\$	\$	\$	\$	\$
<u>Property, Plant and Equipment</u>						
Land - freehold land				0	26,275	30,000
Buildings - specialised		561,316		561,316	325,422	
Furniture and equipment	9,700	15,000	10,000	34,700	25,068	34,081
Plant and equipment			34,000	34,000	240,955	294,500
Other property, plant and equipment [describe]				0		88,443
	9,700	576,316	44,000	630,016	617,720	447,024
<u>Infrastructure</u>						
Infrastructure - roads			937,673	937,673	1,416,964	1,793,554
Infrastructure -footpaths			12,215	12,215	188,766	237,673
Other Infrastructure		219,250		219,250	879,811	1,000,000
	0	219,250	949,888	1,169,138	2,485,541	3,031,227
<u>Right of use assets</u>						
Right of use - buildings				0	13,900	21,279
Right of use - plant and equipment			330,000	330,000	310,000	337,468
Right of use - furniture and fittings				0	66,906	40,187
	0	0	330,000	330,000	390,806	398,934
Total acquisitions	9,700	795,566	1,323,888	2,129,154	3,494,067	3,877,185

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 PINGELLY
 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												
Governance		0	0	0	16,078	12,727	0	(3,351)	15,000	12,000	0	(3,000)
Recreation and culture		0	0	0	0	0	0	0	0	7,000	7,000	0
Transport	41,950	62,000	25,050	(5,000)	117,910	131,455	24,162	(10,617)	113,500	146,000	50,000	(17,500)
Economic services		0	0	0	26,275	26,275	0	0	30,000	30,000	0	0
	41,950	62,000	25,050	(5,000)	160,263	170,457	24,162	(13,968)	158,500	195,000	57,000	(20,500)
By Class												
<i>Property, Plant and Equipment</i>												
Land - freehold land		0			26,275	26,275	0	0	30,000	30,000	0	0
Furniture and equipment		0			100	0	0	(100)	0	0	0	0
Plant and equipment	41,950	62,000	25,050	(5,000)	133,888	144,182	24,162	(13,868)	128,500	165,000	57,000	(20,500)
	41,950	62,000	25,050	(5,000)	160,263	170,457	24,162	(13,968)	158,500	195,000	57,000	(20,500)

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.

5. ASSET DEPRECIATION

By Program

Governance
Law, order, public safety
Health
Education and welfare
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
Other infrastructure Kerbs and Drains
Other Infrastructure
Other infrastructure Bridges
Right of use - buildings
Right of use - plant and equipment
Right of use - furniture and fittings

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
85,375	86,181	65,000
46,333	46,260	50,000
0	0	4,000
39,778	39,800	19,000
24,864	24,878	24,000
542,029	544,116	410,000
1,711,357	1,714,601	1,875,732
54,353	54,383	55,000
104,463	82,347	74,500
2,608,552	2,592,566	2,577,232
60,000	59,914	35,000
335,000	331,498	160,000
4,000	3,919	16,000
170,000	169,429	135,000
1,156,552	1,162,572	1,340,000
40,000	38,181	36,000
220,000	216,941	200,000
301,500	312,429	284,383
275,000	274,014	290,000
6,000	1,723	5,316
20,500	1,677	67,496
20,000	20,269	8,037
2,608,552	2,592,566	2,577,232

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	5 to 50 years
Buildings - specialised	5 to 50 years
Furniture and equipment	1 to 10 years
Plant and equipment	2 to 50 years
Infrastructure - roads	15 to 80 years
Infrastructure -footpaths	20 to 80 years
Other infrastructure Kerbs and Drains	8 to 100 years
Other Infrastructure	0 to 75 years
Other infrastructure Bridges	10 to 65 Years
Right of use - buildings	Based on the remaining lease
Right of use - plant and equipment	Based on the remaining lease
Right of use - furniture and fittings	Based on the remaining lease

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

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2021/22	2021/22	Budget	2021/22	Actual	2020/21	2020/21	Actual	2020/21	Budget	2020/21	2020/21	Budget	2020/21	
				Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2022	Budget Interest Repayments	Principal 1 July 2020	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2021	Actual Interest Repayments	Principal 1 July 2020	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2021	Actual Interest Repayments	Principal 1 July 2020
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Education and welfare																			
Recreation and culture																			
Recreation and Culture Centre	123	WATC	4.2%	1,954,191		(104,983)	1,849,208	(81,178)	2,054,890		(100,699)	1,954,191	(85,450)	2,054,890		(100,699)	1,954,191	(85,462)	
Recreation and Culture Centre	124	WATC	0.7%	1,148,918		(51,416)	1,097,502	(7,423)	1,200,000		(51,082)	1,148,918	(7,752)	1,200,000		(51,082)	1,148,918	(7,757)	
				3,103,109	0	(156,399)	2,946,710	(88,601)	3,254,890	0	(151,781)	3,103,109	(93,202)	3,254,890	0	(151,781)	3,103,109	(93,219)	
Self Supporting Loans																			
Education and welfare																			
				132,281	0	(18,692)	113,589	(8,261)	149,819	0	(17,538)	132,281	(9,408)	149,819	0	(17,539)	132,280	(9,414)	
				132,281	0	(18,692)	113,589	(8,261)	149,819	0	(17,538)	132,281	(9,408)	149,819	0	(17,539)	132,280	(9,414)	
				3,235,390	0	(175,091)	3,060,299	(96,862)	3,404,709	0	(169,319)	3,235,390	(102,610)	3,404,709	0	(169,320)	3,235,389	(102,633)	

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 PINGELLY
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	500,000	500,000	500,000
Bank overdraft at balance date			
Credit card limit	20,000	15,000	15,000
Credit card balance at balance date		17	
Total amount of credit unused	520,000	515,017	515,000
Loan facilities			
Loan facilities in use at balance date	3,060,299	3,235,390	3,235,389

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 PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2021/22 Budget	2021/22 Budget	2021/22 Budget	Actual Principal	2020/21 Actual	2020/21 Actual	2020/21 Actual	Budget Principal	2020/21 Budget	2020/21 Budget	Budget Lease	2020/21 Budget	2020/21 Budget	
					Principal 1 July 2021	New Leases	Lease Principal	Lease Principal		Lease Interest	Principal	Lease repayments		Lease outstanding	Lease repayments	Lease outstanding	Lease Principal	Lease repayments	Lease Principal
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance																			
Photocopier	001	Classic Funding Group	3.0%	5	37,136		(20,983)	16,153	(825)	57,502	0	(20,366)	37,136	(1,617)	57,502	0	(20,366)	37,136	(1,442)
Computer Server	002	Vestone Capital	5.4%	5	41,153		(8,355)	32,798	(1,933)	0	45,748	(4,595)	41,153	(548)	0	40,187	(7,566)	32,621	(1,117)
Solar System - Admin	003	Vestone Capital	5.4%	5	12,157		(3,244)	8,913	(593)	0	13,900	(1,743)	12,157	(154)	0	21,279	(5,084)	16,195	(580)
CCTV Server	005	Vestone Capital	6.0%	5	19,942		(3,741)	16,201	(1,119)	0	21,157	(1,215)	19,942	0	0	0	0	0	0
Transport																			
Motor Grader	004		3.1%		290,041		(58,685)	231,356	(8,136)	0	310,000	(19,959)	290,041	(2,104)	0	337,468	(63,524)	273,944	(9,224)
Tip Truck	006		5.8%		0	230,000	(34,500)	195,500	(5,888)	0	0	0	0	0	0	0	0	0	0
Loader	007		5.8%		0	100,000	(15,000)	85,000	(2,560)	0	0	0	0	0	0	0	0	0	0
					400,429	330,000	(144,508)	585,922	(21,054)	57,502	390,805	(47,878)	400,429	(4,424)	57,502	398,934	(96,540)	359,896	(12,363)

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

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

LEASE LIABILITIES

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

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
(a) Reserves cash backed - Leave reserve	\$ 36,295	\$ 186	\$ (10,000)	\$ 26,481	\$ 36,061	\$ 234	\$ 0	\$ 36,295	\$ 36,061	\$ 799	\$ (10,000)	\$ 26,860
(b) Reserves cash backed - Plant reserve	33,295	13,171	0	46,466	48,978	119,317	(135,000)	33,295	48,977	120,085	(133,500)	35,562
(c) Reserves cash backed - Building reserve	23,962	421,027	0	444,989	23,808	154	0	23,962	23,808	348	0	24,156
(d) Reserves cash backed - Electronic Equipment reserve	32,344	40,166	(19,700)	52,810	3,242	35,107	(6,005)	32,344	3,242	35,006	(8,700)	29,548
(e) Reserves cash backed - Community Bus reserve	23,914	20,123	0	44,037	11,808	12,106	0	23,914	11,807	12,086	0	23,893
(f) Reserves cash backed - Swimming Pool reserve	27,995	5,143	0	33,138	22,835	5,160	0	27,995	22,835	5,320	0	28,155
(g) Reserves cash backed - Refuse Site Rehab/Closure reserve	16,190	83	0	16,273	16,086	104	0	16,190	16,086	159	0	16,245
(h) Reserves cash backed - Tutanning Nature reserve	1,094	905	0	1,999	0	1,094	0	1,094	0	0	0	0
(i) Reserves cash backed - Wheatbelt secondary Freight reserve	0	40,000	0	40,000	0	0	0	0	0	0	0	0
	195,089	540,804	(29,700)	706,193	162,818	173,276	(141,005)	195,089	162,816	173,803	(152,200)	184,419

(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	Ongoing	to fund annual and long service leave requirements.
(b) Reserves cash backed - Plant reserve	Ongoing	for the purchase of major plant.
(c) Reserves cash backed - Building reserve	Ongoing	to fund the renovation/purchase of Shire of Pingelly buildings and Recreation Infrastructure.
(d) Reserves cash backed - Electronic Equipment reserve	Ongoing	to fund the purchase of information technology hardware and software equipment.
(e) Reserves cash backed - Community Bus reserve	Ongoing	to fund the change-over of the community bus.
(f) Reserves cash backed - Swimming Pool reserve	Ongoing	to fund the upgrading of the swimming pool complex
(g) Reserves cash backed - Refuse Site Rehab/Closure reserve	Ongoing	to facilitate the rehabilitation/closure of the town refuse site.
(h) Reserves cash backed - Tutanning Nature reserve	Ongoing	for the operations, improvements and promotion of the Tutanning Nature Reserve
(i) Reserves cash backed - Wheatbelt secondary Freight reserve	Ongoing	for the Shire of Pingelly's contribution for Infrastructure renewal for future Wheatbelt Secondary Freight network capital renewal.

9. FEES & CHARGES REVENUE

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

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
35,600	35,700	18,300
9,000	9,540	8,600
6,525	7,560	4,575
1,900	1,992	1,636
2,000	2,273	2,000
211,250	207,968	199,740
15,202	19,752	19,190
45,050	43,389	45,550
20,227	41,641	20,227
346,754	369,815	319,818

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

Governance
General purpose funding
Law, order, public safety
Education and welfare
Recreation and culture
Transport
Economic services

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
0	25	0
613,745	1,278,537	593,518
312,564	69,579	55,254
1,000	1,000	1,000
3,000	7,000	2,000
267,675	173,958	91,455
0	5,100	0
1,197,984	1,535,199	743,227

(b) Non-operating grants, subsidies and contributions

Recreation and culture
Transport

467,496	834,003	1,000,000
927,162	1,722,749	1,907,667
1,394,658	2,556,752	2,907,667
2,592,642	4,091,951	3,650,894

Total grants, subsidies and contributions

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

SIGNIFICANT ACCOUNTING POLICIES

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

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

12. ELECTED MEMBERS REMUNERATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Elected member President			
President's allowance	1,200	1,200	1,200
Meeting attendance fees	10,000	10,000	10,000
Annual allowance for ICT expenses	100	0	1,000
	11,300	11,200	12,200
Elected member Deputy President			
Deputy President's allowance	300	300	300
Meeting attendance fees	4,400	4,400	4,400
	4,700	4,700	4,700
Elected member Councillor 1			
Meeting attendance fees	4,000	4,000	4,000
	4,000	4,000	4,000
Elected member Councillor 2			
Meeting attendance fees	4,000	4,000	4,000
	4,000	4,000	4,000
Elected member Councillor 3			
Meeting attendance fees	4,000	4,000	4,000
	4,000	4,000	4,000
Elected member Councillor 4			
Meeting attendance fees	4,000	4,000	4,000
	4,000	4,000	4,000
Elected member Councillor 5			
Meeting attendance fees	4,000	4,000	4,000
	4,000	4,000	4,000
Elected member Councillor 6			
Meeting attendance fees	4,000	4,000	4,000
	4,000	4,000	4,000
	40,000	39,900	40,900
President's allowance	1,200	1,200	1,200
Deputy President's allowance	300	300	300
Meeting attendance fees	38,400	38,400	38,400
Annual allowance for ICT expenses	100	0	1,000
	40,000	39,900	40,900

13. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Investments			
- Reserve funds	1,000	1,183	2,803
- Other funds	10,261	11,604	13,964
Late payment of fees and charges *	7,750	7,795	7,500
Other interest revenue (refer note 1b)	12,380	12,712	12,180
	31,391	33,294	36,447

* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5.5%.

(b) Other revenue

Reimbursements and recoveries	77,284	167,846	54,004
	77,284	167,846	54,004

The net result includes as expenses

(c) Auditors remuneration

Audit services	24,000	24,500	23,000
Other services	3,300	17,510	18,500
	27,300	42,010	41,500

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	96,862	102,610	102,633
Interest expense on lease liabilities	21,054	4,424	12,363
	117,916	107,034	114,996

(e) Write offs

General rate	200	133	0
	200	133	0

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
14. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2021/22.

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.