



Shire of
YILGARN

"good country for hardy people"

2021/2022 Budget



Budget Message from the Shire President

It gives me great pleasure in presenting to the residents and ratepayers of the Shire of Yilgarn the 2021/2022 Budget that was adopted by Council at its Special meeting held on Wednesday, 28 July 2021.



I believe that Council has again prepared a sound and responsible Budget, recognising the continuing potential financial impacts to our residents and ratepayers associated with the COVID19 Pandemic. Therefore, a minimal 0.5% rate increase has been imposed, which recognises the above impacts.

Before I detail some of the major expenditure items contained within the 2021/2022 Budget year, I am pleased to announce that Council has appointed a new Chief Executive Officer to take over the reins of our current CEO who will depart in September 2021. Following a rigorous recruitment process, Council appointed Mr Nic Warren to the position. Nic has been our Executive Manager Regulatory Services for the past 5 years and it was seen as a natural progression to appoint Nic who has displayed a professional approach in all of his dealings with

Council and has built up an excellent rapport with the residents of the district over this period. Council looks forward to working with Nic as he leads Council's Executive team and the entire Shire of Yilgarn workforce throughout the course of his contracted period.

In the past financial year, Council was fortunate to receive funding from the Australian Government under its COVID19 stimulus package, the Local Roads and Community Infrastructure Program. A number of long-awaited projects were able to be completed via this funding program, and I am pleased to advise again that the Australian Government has re-committed to this program in the 2021/2022 financial year. An amount of approximately \$1.8M has been granted to the Shire of Yilgarn for identified projects over the course of 2021/2022 and 2022/2023 however, the Government has yet to introduce Guidelines for this expenditure and we await advice in anticipation of allocating this significant funding to much needed projects. You can be assured that residents and ratepayers will be consulted on the allocation of funds to identified projects once all becomes known.

Council has developed a Budget that continues to provide ongoing services to all residents and ratepayers and additional to these services, the 2021/2022 Budget has a number of significant capital item projects in the coming year which are detailed below:-

- \$46,800 for upgrades to the carports and installation of disabled toilets at the Yilgarn Homes for the Aged.
- \$70,800 for ongoing upgrades to the Shire's Housing stock to ensure that the buildings are maintained to a standard to attract and retain quality staff to the district.
- \$30,000 for undertaking upgrades to Access Chambers associated with the Southern Cross and Marvel Loch sewerage systems.
- \$55,000 to prepare a new Town Planning Scheme Review for the Yilgarn district.
- \$75,000 for new hardwood flooring at the Southern Cross Community Centre.
- \$50,000 for the construction of a dedicated Office for the Shire's Mechanic at the Shire Depot.
- \$32,000 for new carpet to be installed in the Shire Council Chambers

Council continues to ensure that it has a modern fleet of plant and equipment in order that our vast road network is maintained and upgraded to the satisfaction of all road users. In the 2021/2022 Budget \$1,353,000 has been allocated to purchase the following major pieces of plant.

- \$350,000 – New Street Sweeper
- \$200,000 – 2 x new Semi Trailer Tippers (carry over from 2020/2021 due to supply issues)
- \$386,500 – John Deere 670 Grader
- \$359,500 – CAT 950 Loader
- \$57,000 – Toyota Hilux Utility

The above purchases are in line with Council's 10-year Plant Replacement Program which is funded via a well-managed Plant Reserve Fund.

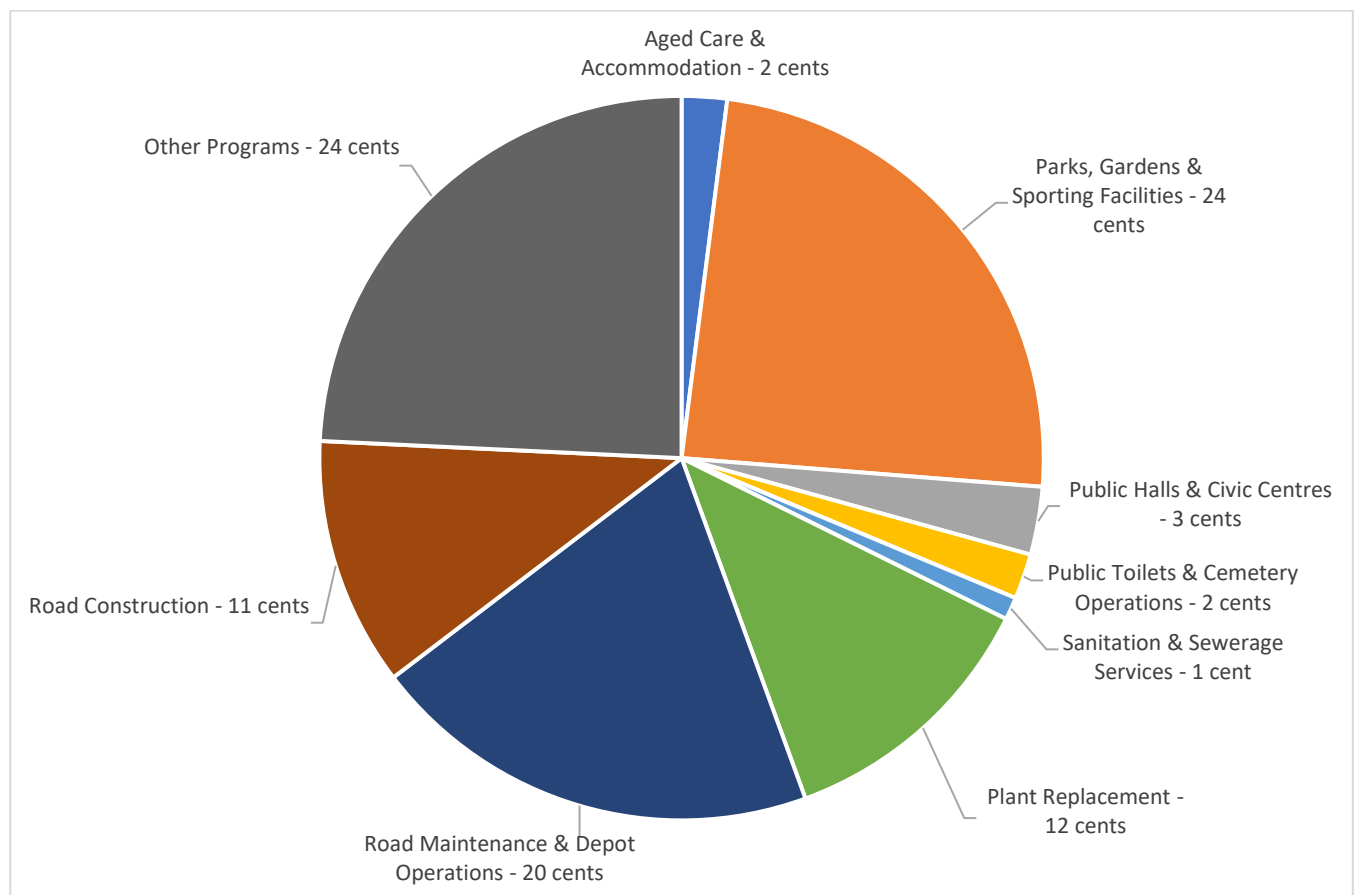
With the development of new mining operations in the district, such as Covalent Lithium's Earl Grey Lithium Mine at Mt. Holland and Mineral Resources Ltd's Parker Range Iron Ore Mine, Council and its Executive team have been busy negotiating transportation routes for the haulage of their product on Shire controlled roads. Whilst the mining companies have been prepared to upgrade these routes at their cost to a standard that can accommodate larger configurations, Council has been mindful that it is not left with a financial burden following the cessation of the haulage campaigns. Therefore, agreements have been negotiated whereby the mining companies will contribute financially for the long term to ensure that the Shire has sufficient funds in its Reserves when these roads eventually require upgrading.

The development of the 2021/2022 Budget has been a team effort between Councillors and staff, but I would like to pay particular thanks to our Executive Manager Corporate Services for the work that he has put in to present this Budget to Councillors for their deliberation and final presentation to the residents and ratepayers of the Shire.

As always, I would encourage all residents and ratepayers to take ownership of this document and should you require clarification on any matters of income or expenditure, please do not hesitate to contact one of our senior managers who would be more than happy to provide the necessary information.

Cr Wayne Della Bosca
SHIRE PRESIDENT

Where your Rate Dollar Goes



Road Construction and Maintenance

Approximately \$4.379m has been allocated to the construction and maintenance of our vast road network. Funding assistance is received from Main Roads WA (State Government) of approximately \$1.149m and from the Roads to Recovery (Federal Government) program of approximately \$0.9m.

Scheduled Projects for 2021/22 include:

PROJECT			BUDGET	FUNDING SOURCE
Road / Street	Proposed Works	Section(SLK)		
Koolyanobbing Road	Construct to 7m Seal	14.0 to 17.0	\$ 616,817	Main Roads WA / Shire
Koolyanobbing Road	10mm Bitumen Reseal	11.0 to 14.0	\$ 102,253	Main Roads WA / Shire
Moorine South Road	10mm Bitumen Reseal	25.5 to 39.0	\$ 446,273	Main Roads WA / Shire
Cramphorne Road	Construct to 7m Seal	8.5 to 10.0	\$ 220,225	Roads to Recoveries
Bodallin North Road	10mm Bitumen Reseal	0.0 to 11.0	\$ 328,576	Roads to Recoveries
Bodallin South Road	Construct to 7m Seal	7.7 to 9.2	\$ 388,463	Roads to Recoveries
Bodallin South Road	10mm Bitumen Reseal	6.5 to 7.7	\$ 42,157	Roads to Recoveries
Southern Cross South Road	Formation & Gravel Overlay	19.6 to 21.1	\$ 71,812	Roads to Recoveries
Gatley Road	Formation & Gravel Overlay	0.0 to 2.0	\$ 96,766	Roads to Recoveries
Kent Road	Formation & Gravel Overlay	18.3 to 20.3	\$ 92,784	Shire
Nulla Nulla South Road	Formation & Gravel Overlay	30.0 to 32.5	\$ 98,401	Shire
Moorine Rocks Rd	Formation & Gravel Overlay	0.0 to 2.0	\$ 82,268	Shire
Emu Fence Road	Formation & Gravel Overlay	139.5 to 141.5	\$ 84,756	Shire
Koolyanobbing Road	10mm Bitumen Reseal	34.6 to 36.6	\$ 56,406	Shire
Brennand Road	Formation & Gravel Overlay	11.5 to 13.5	\$ 106,360	Shire
Southern Cross South Road	10mm Bitumen Reseal	0.0 to 2.6	\$ 97,684	Shire
Beaton Road	Construct to 7m Seal	Bullfinch Rd to Three Boys Rd	\$ 19,330	Local Roads & Community Infrastructure Program (LRCI)
Achenear Street	Bitumen Reseal	Antaries St to Sirius St	\$ 49,772	Shire
Beaton Road	Bitumen Reseal	Bullfinch Rd to Three Boys Rd	\$ 42,450	Shire
Arcturus Street	Bitumen Reseal	0.0 to 1.2	\$ 52,412	Shire
Pegasi Street	Bitumen Reseal	Carparks	\$ 14,924	Shire
Sirius Street	Bitumen Reseal	Truck Parking	\$ 67,541	Shire
Spica Street	Footpath Construction	Centaur to Pheonix St's	\$ 60,453	LRCI
General Road Maintenance	Various	Various	\$ 1,139,782	Shire
			<u>\$ 4,378,665</u>	

Building Maintenance and Renewals

The Shire of Yilgarn owns numerous community buildings throughout the Shire and has allocated \$0.934m for their maintenance and/or replacement. Some of the major maintenance / renewal works budgeted to be completed in 2021/22 include:

PROJECT		BUDGET	FUNDING SOURCE
Facility	Proposed Works		
Homes for the Aged	Carport Replacement & Disabled Toilet Upgrades	\$ 46,800	LRCI & Shire
Staff & General Housing	Flooring, Fencing & General Improvements	\$ 70,868	Shire
Southern Cross Community Centre	Replace Hardwood Flooring	\$ 75,000	Shire
Sporting Facilities	CCTV, Resurfacing Playing Surfaces & Toilet Upgrades	\$ 185,821	LRCI & Shire
		<u>\$ 378,489</u>	



BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

We are a proud agricultural and mining based economy, providing opportunities for our residents that will build an inclusive and prosperous community in the future. We are a resilient community best described by our moto "Good Country for Hardy People".

SHIRE OF YILGARN
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)	4,070,680	4,036,628	4,051,369
Operating grants, subsidies and contributions	9(a)	1,994,276	3,986,034	2,308,247
Fees and charges	8	1,696,992	1,571,326	1,656,208
Interest earnings	12(a)	74,875	77,761	93,160
Other revenue	12(b)	677,326	419,605	200,700
		8,514,149	10,091,354	8,309,684
Expenses				
Employee costs		(3,381,903)	(3,135,740)	(3,263,092)
Materials and contracts		(2,534,448)	(1,356,056)	(2,168,145)
Utility charges		(864,715)	(837,360)	(788,282)
Depreciation on non-current assets	5	(3,851,940)	(3,861,212)	(4,790,250)
Interest expenses	12(d)	(10,589)	(6,478)	(5,902)
Insurance expenses		(317,697)	(323,057)	(315,486)
Other expenditure		(816,803)	(206,032)	(245,718)
		(11,778,095)	(9,725,935)	(11,576,875)
Subtotal		(3,263,946)	365,419	(3,267,191)
Non-operating grants, subsidies and contributions	9(b)	3,599,775	3,556,247	3,958,468
Profit on asset disposals	4(b)	11,987	0	5,387
Loss on asset disposals	4(b)	(174,167)	(63,387)	(119,976)
		3,437,595	3,492,860	3,843,879
Net result		173,649	3,858,279	576,688
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		173,649	3,858,279	576,688

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

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 13 to the budget.

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 YILGARN
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),12(a),12(b)	\$	\$	\$
General purpose funding		5,648,896	7,511,552	5,718,859
Law, order, public safety		82,776	75,756	82,799
Health		1,500	1,854	1,500
Education and welfare		176,489	167,823	172,651
Housing		75,920	67,698	65,000
Community amenities		649,459	678,759	719,044
Recreation and culture		24,816	116,563	110,730
Transport		703,250	160,719	183,300
Economic services		994,770	1,036,228	1,116,337
Other property and services		156,273	279,073	139,464
		8,514,149	10,096,025	8,309,684
Expenses excluding finance costs	4(a),5,12(c)(e)(f)			
Governance		(470,913)	(366,394)	(497,923)
General purpose funding		(325,351)	(244,574)	(286,084)
Law, order, public safety		(358,153)	(292,889)	(332,694)
Health		(313,734)	(237,509)	(292,890)
Education and welfare		(395,524)	(341,405)	(443,295)
Housing		(137,546)	(186,337)	(290,691)
Community amenities		(1,196,649)	(807,094)	(1,110,245)
Recreation and culture		(1,698,993)	(1,532,297)	(1,710,600)
Transport		(5,235,174)	(4,383,708)	(5,185,846)
Economic services		(1,563,635)	(1,335,985)	(1,428,695)
Other property and services		(71,834)	2,760	7,990
		(11,767,506)	(9,725,432)	(11,570,973)
Finance costs	7,6(a),12(d)			
Recreation and culture		(10,589)	(5,713)	(5,902)
		(10,589)	(5,713)	(5,902)
Subtotal		(3,263,946)	364,880	(3,267,191)
Non-operating grants, subsidies and contributions	9(b)	3,599,775	3,556,247	3,958,468
Profit on disposal of assets	4(b)	11,987	0	5,387
(Loss) on disposal of assets	4(b)	(174,167)	(63,387)	(119,976)
		3,437,595	3,492,860	3,843,879
Net result		173,649	3,857,740	576,688
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		173,649	3,857,740	576,688

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

ACTIVITIES

GOVERNANCE

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

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

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

Supervision and enforcement of various local laws relating to fire prevention and animal control.

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

To provide services to disadvantaged persons, the elderly, children and youth.

Maintenance of child minding centre, playgroup centre, senior citizen centre. Provision and maintenance of Homes for the Aged.

HOUSING

To provide and maintain Staff and general housing.

Provision and maintenance of Staff and general housing.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

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

Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

To help promote the shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control, standpipes and building control.

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

OTHER PROPERTY AND SERVICES

To monitor and control council’s overheads operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF YILGARN
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		4,170,680	3,984,977	4,051,369
Operating grants, subsidies and contributions		1,994,276	3,989,139	2,308,247
Fees and charges		1,696,992	1,571,326	1,656,208
Interest received		74,875	77,761	93,160
Goods and services tax received		0	136,251	0
Other revenue		677,326	419,605	200,700
		8,614,149	10,179,059	8,309,684
Payments				
Employee costs		(3,381,903)	(3,087,832)	(3,263,092)
Materials and contracts		(2,524,448)	(2,262,253)	(2,168,145)
Utility charges		(864,715)	(837,360)	(788,282)
Interest expenses		(10,589)	(6,478)	(5,902)
Insurance paid		(317,697)	(323,057)	(315,486)
Other expenditure		(816,803)	(206,032)	(245,718)
		(7,916,155)	(6,723,012)	(6,786,625)
Net cash provided by (used in) operating activities	3	697,994	3,456,047	1,523,059
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(1,909,027)	(1,823,379)	(2,660,947)
Payments for construction of infrastructure	4(a)	(3,829,402)	(4,887,507)	(5,826,958)
Non-operating grants, subsidies and contributions		3,249,475	3,906,547	3,958,468
Proceeds from sale of plant and equipment	4(b)	351,818	166,590	308,000
Net cash provided by (used in) investing activities		(2,137,136)	(2,637,749)	(4,221,437)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(95,504)	(49,508)	(49,507)
Proceeds from new borrowings	6(a)	0	1,000,000	1,000,000
Net cash provided by (used in) financing activities		(95,504)	950,492	950,493
Net increase (decrease) in cash held		(1,534,646)	1,768,790	(1,747,885)
Cash at beginning of year		10,633,094	9,511,759	8,362,243
Cash and cash equivalents at the end of the year	3	9,098,448	11,280,549	6,614,358

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

SHIRE OF YILGARN
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	4,139,858	3,111,852	2,330,012
		4,139,858	3,111,852	2,330,012
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	1(f)	35,572	33,248	33,104
Operating grants, subsidies and contributions	9(a)	1,994,276	3,986,034	2,308,247
Fees and charges	8	1,696,992	1,571,326	1,656,208
Interest earnings	12(a)	74,875	77,761	93,160
Other revenue	12(b)	677,326	419,605	200,700
Profit on asset disposals	4(b)	11,987	0	5,387
		4,491,028	6,087,974	4,296,806
Expenditure from operating activities				
Employee costs		(3,381,903)	(3,135,740)	(3,263,092)
Materials and contracts		(2,534,448)	(1,356,056)	(2,168,145)
Utility charges		(864,715)	(837,360)	(788,282)
Depreciation on non-current assets	5	(3,851,940)	(3,861,212)	(4,790,250)
Interest expenses	12(d)	(10,589)	(6,478)	(5,902)
Insurance expenses		(317,697)	(323,057)	(315,486)
Other expenditure		(816,803)	(206,032)	(245,718)
Loss on asset disposals	4(b)	(174,167)	(63,387)	(119,976)
		(11,952,262)	(9,789,322)	(11,696,851)
Non-cash amounts excluded from operating activities	2(b)	4,014,120	3,927,900	4,904,839
Amount attributable to operating activities		692,744	3,338,404	(165,194)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	3,599,775	3,556,247	3,958,468
Payments for property, plant and equipment	4(a)	(1,909,027)	(1,823,379)	(2,660,947)
Payments for construction of infrastructure	4(a)	(3,829,402)	(4,887,507)	(5,826,958)
Proceeds from disposal of assets	4(b)	351,818	166,590	308,000
Amount attributable to investing activities		(1,786,836)	(2,988,049)	(4,221,437)
Amount attributable to investing activities		(1,786,836)	(2,988,049)	(4,221,437)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(95,504)	(49,508)	(49,507)
Proceeds from new borrowings	6(b)	0	1,000,000	1,000,000
Transfers to cash backed reserves (restricted assets)	7(a)	(2,884,563)	(1,141,679)	(1,212,327)
Transfers from cash backed reserves (restricted assets)	7(a)	15,000	0	641,841
Amount attributable to financing activities		(2,965,067)	(191,187)	380,007
Budgeted deficiency before general rates		(4,059,159)	159,168	(4,006,624)
Estimated amount to be raised from general rates	1(a)	4,035,108	4,004,580	4,017,065
Net current assets at end of financial year - surplus/(deficit)	2	(24,051)	4,163,748	10,441

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

SHIRE OF YILGARN
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FOR THE YEAR ENDED 30 JUNE 2022

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SHIRE OF YILGARN
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									
Residential / Industrial	11.28940	389	3,399,109	383,739	0	0	383,739	389,735	382,556
Commercial	7.94690	34	981,205	77,975	0	0	77,975	77,588	77,588
Mine Sites	15.89380	4	529,565	84,168	0	0	84,168	83,750	83,750
Single Persons Quarters	15.89380	10	816,219	129,728	0	0	129,728	128,683	122,504
Unimproved valuations									
Rural	1.76630	353	103,935,117	1,835,806	0	0	1,835,806	1,826,660	1,830,465
Mining	17.47930	340	8,648,469	1,511,692	0	0	1,511,692	1,491,444	1,490,102
Sub-Totals		1,130	118,309,684	4,023,108	0	0	4,023,108	3,997,860	3,986,965
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
Residential / Industrial	500	116	152,317	58,000	0	0	58,000	57,500	58,500
Commercial	400	7	20,061	2,800	0	0	2,800	2,800	2,800
Mine Sites	400	3	2,408	1,200	0	0	1,200	1,200	1,200
Single Persons Quarters	400	2	1,075	800	0	0	800	1,200	1,200
Unimproved valuations									
Rural	400	40	282,645	16,000	0	0	16,000	16,000	16,000
Mining	400	233	259,902	93,200	0	0	93,200	91,600	90,400
Sub-Totals		401	718,408	172,000	0	0	172,000	170,300	170,100
		1,531	119,028,092	4,195,108	0	0	4,195,108	4,168,160	4,157,065
Discounts (Refer note 1(f))							(160,000)	(163,580)	(140,000)
Total amount raised from general rates							4,035,108	4,004,580	4,017,065
Ex gratia rates							35,572	33,248	33,104
Total rates							4,070,680	4,037,828	4,050,169

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

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	17/09/2021	10	0.0%	7.0%
Option two				
First instalment	17/09/2021	10	0.0%	7.0%
Second instalment	26/01/2022	10	0.0%	7.0%
Option three				
First instalment	17/09/2021	10	0.0%	7.0%
Second instalment	22/11/2021	10	0.0%	7.0%
Third instalment	26/01/2022	10	0.0%	7.0%
Fourth instalment	1/04/2022	10	0.0%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	11,500	0	0
Unpaid rates and service charge interest earned	40,000	38,150	40,000
	51,500	38,150	40,000

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
GRV Residential / Industrial	Properties within the town site boundaries with a land use that does not fall within the category	This rate to contribute to the services desired by the community	This is considered to be the base rate above which all other GRV rated properties are assessed.
GRV Commercial	Properties used for commercial purposes and	This category is rated lower than Residential /	To keep rates to a minimum to encourage local businesses to
GRV Mine Sites	Applies to properties with a mining land use.	This rate reflects the cost of servicing mining activity	This rate category reflects the greater impact on roads by way
GRV Single Persons Quarters	Applies to properties with a transient workforce accommodation land use.	To maintain relativity comparative to residential properties from a unit of accommodation perspective.	Council preferred option is that workers be housed in normal residential accommodation located within the town boundary.
UV Rural	Consists of properties used predominantly for	This rate to contribute to the services desired by the	This is considered to be the base rate above which all other
UV Mining	Properties with land use associated with	This rate reflects the cost of servicing mining activity	This rate category reflects the greater impact on roads by way

(d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
GRV Residential / Industrial	Properties within the town site boundaries with a land use that does not fall within the category	This rate to contribute to the services desired by the community	This is considered to be the base rate above which all other GRV rated properties are assessed.
GRV Commercial	Properties used for commercial purposes and	This category is rated lower than Residential /	To keep rates to a minimum to encourage local businesses to
GRV Mine Sites	Applies to properties with a mining land use.	This rate reflects the cost of servicing mining activity	This rate category reflects the greater impact on roads by way
GRV Single Persons Quarters	Applies to properties with a transient workforce accommodation land use.	To maintain relativity comparative to residential properties from a unit of accommodation perspective.	Council preferred option is that workers be housed in normal residential accommodation located within the town boundary.
UV Rural	Consists of properties used predominantly for	This rate to contribute to the services desired by the	This is considered to be the base rate above which all other
UV Mining	Properties with land use associated with	This rate reflects the cost of servicing mining activity	This rate category reflects the greater impact on roads by way

1. RATES (CONTINUED)

(e) Variation in Adopted Differential Rates to Local Public Notice

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

Differential general rate or general rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the difference
GRV - Mine Sites	15.89390	15.89380	The Rate in the Dollar was reduced by 0.0001 cents to comply with the s6.33 (3) of the Local Government Act 1995
GRV - Single Persons Quarters	15.89390	15.89380	The Rate in the Dollar was reduced by 0.0001 cents to comply with the s6.33 (3) of the Local Government Act 1995

SHIRE OF YILGARN
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.

(f) 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
All GRV & UV Rate Types (Excluding Sewerage, ESL and Waste & Recycling Collection Charges).	5.0%	0	\$ 160,000	\$ 163,580	\$ 140,000	Full payment of Rates, Sewerage , ESL & Waste Collection charges including areas on or before the 35th day from the date of issue shown on the rates notice.
			160,000	163,580	140,000	

(g) Waivers or concessions

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

SHIRE OF YILGARN
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	517,543	4,571,452	262,373
Cash and cash equivalents - restricted	3	8,580,905	6,061,642	5,728,505
Financial assets - unrestricted		0	0	70,068
Receivables		666,621	766,621	162,894
Inventories		25,592	35,592	27,554

Less: current liabilities

Trade and other payables		(683,356)	(683,356)	(528,107)
Contract liabilities		(32,820)	(32,820)	0
Unspent non-operating grant, subsidies and contributions liability		0	(350,300)	0
Long term borrowings	6	45,996	(49,508)	(92,428)
Employee provisions		(550,451)	(550,451)	(550,451)

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
	\$	\$	\$
	9,790,661	11,435,307	6,251,394
	(683,356)	(683,356)	(528,107)
	(32,820)	(32,820)	0
	0	(350,300)	0
6	45,996	(49,508)	(92,428)
	(550,451)	(550,451)	(550,451)
	(1,220,631)	(1,666,435)	(1,170,986)
	8,570,030	9,768,872	5,080,408
2.(c)	(8,594,081)	(5,629,014)	(5,636,077)
	(24,051)	4,139,858	(555,669)

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)	(11,987)	0	(5,387)
Add: Loss on disposal of assets	4(b)	174,167	63,387	119,976
Add: Depreciation on assets	5	3,851,940	3,861,212	4,790,250
Movement in non-current pensioner deferred rates		0	3,301	0
Non cash amounts excluded from operating activities		4,014,120	3,927,900	4,904,839

(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	(8,548,085)	(5,678,522)	(5,728,505)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		(45,996)	49,508	92,428
Total adjustments to net current assets		(8,594,081)	(5,629,014)	(5,636,077)

2 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES	
<p>CURRENT AND NON-CURRENT CLASSIFICATION</p> <p>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.</p>	<p>TRADE AND OTHER RECEIVABLES</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<p>TRADE AND OTHER PAYABLES</p> <p>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 Yilgarn 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.</p>	<p>PROVISIONS</p> <p>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.</p> <p>Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.</p>
<p>PREPAID RATES</p> <p>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.</p>	<p>EMPLOYEE BENEFITS</p> <p>Short-term employee benefits</p> <p>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.</p> <p>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.</p>
<p>INVENTORIES</p> <p>General</p> <p>Inventories are measured at the lower of cost and net realisable value.</p> <p>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.</p>	<p>CONTRACT LIABILITIES</p> <p>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.</p>
<p>Superannuation</p> <p>The Shire of Yilgarn contributes to a number of superannuation funds on behalf of employees.</p> <p>All funds to which the Shire of Yilgarn contributes are defined contribution plans.</p>	
<p>LAND HELD FOR RESALE</p> <p>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.</p> <p>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.</p>	
<p>CONTRACT ASSETS</p> <p>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.</p>	

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		9,098,448	10,633,094	5,990,878
Total cash and cash equivalents		9,098,448	10,633,094	5,990,878
Held as				
- Unrestricted cash and cash equivalents		517,543	4,571,452	262,373
- Restricted cash and cash equivalents		8,580,905	6,061,642	5,728,505
		9,098,448	10,633,094	5,990,878
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		8,580,905	6,061,642	5,728,505
		8,580,905	6,061,642	5,728,505
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Reserves - cash/financial asset backed	7	8,548,085	5,678,522	5,728,505
Contract liabilities		32,820	32,820	0
Unspent non-operating grants, subsidies and contribution liabilities		0	350,300	0
		8,580,905	6,061,642	5,728,505
Reconciliation of net cash provided by operating activities to net result				
Net result		173,649	3,858,279	576,688
Depreciation	5	3,851,940	3,861,212	4,790,250
(Profit)/loss on sale of asset	4(b)	162,180	63,387	114,589
(Increase)/decrease in receivables		100,000	87,705	0
(Increase)/decrease in inventories		10,000	(8,038)	0
Increase/(decrease) in payables		0	(850,251)	0
Increase/(decrease) in unspent non-operating grants		(350,300)	350,300	0
Non-operating grants, subsidies and contributions		(3,249,475)	(3,906,547)	(3,299,122)
Net cash from operating activities		697,994	3,456,047	2,182,405

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.

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
	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Property, Plant and Equipment</u>									
Buildings - non-specialised	46,800	0	0	0	0	0	46,800	0	0
Buildings - specialised	0	0	206,821	68,885	26,821	32,000	334,527	1,297,890	1,509,677
Furniture and equipment	0	7,000	0	20,500	2,000	0	29,500	4,817	15,000
Plant and equipment	0	9,500	3,000	1,353,000	17,500	115,200	1,498,200	520,672	1,136,270
	46,800	16,500	209,821	1,442,385	46,321	147,200	1,909,027	1,823,379	2,660,947
<u>Infrastructure</u>									
Infrastructure - roads	0	0	0	3,226,022	0	0	3,226,022	2,682,039	3,194,421
Infrastructure - Sewerage	0	28,000	0	0	0	0	28,000	18,233	28,000
Infrastructure - Parks & Ovals	0	0	374,000	0	0	0	374,000	309,853	642,095
Infrastructure - Drainage	0	14,427	0	0	0	0	14,427	12,086	14,172
Infrastructure - Refuse	0	7,500	0	0	0	0	7,500	12,166	24,500
Infrastructure - Footpaths	0	0	0	60,453	0	0	60,453	188,918	256,264
Infrastructure - Other inc Digital Equipment	0	0	119,000	0	0	0	119,000	1,664,212	1,667,506
	0	49,927	493,000	3,286,475	0	0	3,829,402	4,887,507	5,826,958
Total acquisitions	46,800	66,427	702,821	4,728,860	46,321	147,200	5,738,429	6,710,886	8,487,905

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.

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												
Transport	421,631	250,000	0	(171,631)	229,438	166,590	0	(62,848)	293,272	208,000	5,387	(90,659)
Other property and services	92,367	101,818	11,987	(2,536)		0	0	0	129,317	100,000	0	(29,317)
	513,998	351,818	11,987	(174,167)	229,438	166,590	0	(62,848)	422,589	308,000	5,387	(119,976)
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	513,998	351,818	11,987	(174,167)	229,438	166,590	0	(62,848)	422,589	308,000	5,387	(119,976)
	513,998	351,818	11,987	(174,167)	229,438	166,590	0	(62,848)	422,589	308,000	5,387	(119,976)

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	18,500	18,451	60,500
Law, order, public safety	115,700	115,514	122,300
Health	9,500	9,463	12,500
Education and welfare	94,400	93,561	113,700
Housing	49,850	49,658	61,350
Community amenities	78,940	80,311	99,250
Recreation and culture	344,550	358,677	379,450
Transport	2,827,300	2,823,559	3,375,600
Economic services	62,900	62,706	66,600
Other property and services	250,300	249,311	499,000
	3,851,940	3,861,211	4,790,250

By Class

Buildings - non-specialised	88,086	88,298	109,543
Buildings - specialised	392,501	393,446	488,112
Furniture and equipment	9,830	9,854	12,225
Plant and equipment	309,516	310,261	384,912
Infrastructure - roads	2,747,197	2,753,809	3,416,398
Infrastructure - Sewerage	11,765	11,793	14,630
Infrastructure - Parks & Ovals	14,298	14,332	17,780
Infrastructure - Drainage	39,536	39,631	49,167
Infrastructure - Aerodromes	25,287	25,348	31,447
Infrastructure - Footpaths	34,627	34,710	43,062
Infrastructure - Other inc Digital Equipment	169,166	169,573	210,374
Infrastructure - Laneways	566	567	703
Infrastructure - Townscape	872	874	1,084
Right of use - furniture and fittings	8,693	8,715	10,813
	3,851,940	3,861,211	4,790,250

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
Buildings - specialised	50 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	
Infrastructure - Sewerage	20 years
Infrastructure - Parks & Ovals	80 years
Infrastructure - Drainage	30 to 75 years
Infrastructure - Aerodromes	
Infrastructure - Footpaths	
Infrastructure - Other inc Digital Equipment	
Infrastructure - Laneways	
Infrastructure - Townscape	
Right of use - furniture and fittings	

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 YILGARN

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		2020/21	2020/21	Actual	2020/21		2020/21	2020/21	Budget	2020/21	
	Loan		Interest	Principal	New	Principal	Principal	Budget	Actual	New	Principal	Principal	Principal	Interest	Principal	New	Principal	Principal	Budget
	Number	Institution	Rate	1 July 2021	Loans	Repayments	outstanding	Repayments	Principal	Loans	Repayments	outstanding	Repayments	Principal	Loans	Repayments	outstanding	Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Recreation and culture																			
Southern Cross Aquatic Centre	98	WA Treasury	1.14%	950,492	0	(95,504)	854,988	(10,589)	0	1,000,000	(49,508)	950,492	(5,713)	0	1,000,000	(49,507)	950,493	(5,902)	
				950,492	0	(95,504)	854,988	(10,589)	0	1,000,000	(49,508)	950,492	(5,713)	0	1,000,000	(49,507)	950,493	(5,902)	
				950,492	0	(95,504)	854,988	(10,589)	0	1,000,000	(49,508)	950,492	(5,713)	0	1,000,000	(49,507)	950,493	(5,902)	

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.

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
				%	\$	\$	\$	\$
Southern Cross Aquatic Centre	WA Treasury Corp	Debenture	10	1.14%	1,000,000	60,927	1,000,000	0
					1,000,000	60,927	1,000,000	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

Undrawn borrowing facilities credit standby arrangements

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities in use at balance date

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
15,000	15,000	15,000
0	(1,116)	0
15,000	13,884	15,000
854,988	950,492	950,493

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 YILGARN
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 (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to (from)	2020/21 Actual Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Leave reserve	295,955	1,036	0	296,991	294,168	1,787	0	295,955	294,167	6,720	0	300,887
(b) Reserves cash backed - Aerodrome	295,258	1,033	0	296,291	243,777	51,481	0	295,258	243,777	55,569	0	299,346
(c) Reserves cash backed - Yilgarn Bowls & Tennis Club Sinking Fund	40,577	6,808	0	47,385	40,332	245	0	40,577	40,332	7,587	0	47,919
(d) Reserves cash backed - Building	1,144,991	1,504,007	0	2,648,998	690,794	454,197	0	1,144,991	690,794	465,780	0	1,156,574
(e) Reserves cash backed - Community Bus	128,574	450	0	129,024	127,798	776	0	128,574	127,798	2,919	0	130,717
(f) Reserves cash backed - Unspent Grants	0	943,522	0	943,522	0	0	0	0	0	0	0	0
(g) Reserves cash backed - Health Services - Operation	108,577	380	0	108,957	107,921	656	0	108,577	107,921	2,465	0	110,386
(h) Reserves cash backed - Health Services - Capital	238,984	836	0	239,820	237,541	1,443	0	238,984	237,541	5,426	0	242,967
(i) Reserves cash backed - Homes for the Aged	400,326	1,401	0	401,727	397,908	2,418	0	400,326	397,909	9,089	0	406,998
(j) Reserves cash backed - Heavy Vehicle Road Improvement	443,051	155,551	0	598,602	287,984	155,067	0	443,051	310,984	152,104	0	463,088
(k) Reserves cash backed - Mt Hampton/Dulyalbin Water Supply	48,845	7,671	0	56,516	42,483	6,362	0	48,845	42,483	8,470	0	50,953
(l) Reserves cash backed - Museum	35,433	3,124	(15,000)	23,557	30,554	4,879	0	35,433	33,054	755	0	33,809
(m) Reserves cash backed - Plant	891,352	3,120	0	894,472	885,969	5,383	0	891,352	885,969	20,238	0	906,207
(n) Reserves cash backed - Recreation Facilities	346,486	251,213	0	597,699	46,205	300,281	0	346,486	641,880	300,000	(641,841)	300,039
(o) Reserves cash backed - Refuse Disposal Site	241,971	847	0	242,818	240,510	1,461	0	241,971	240,510	5,494	0	246,004
(p) Reserves cash backed - Sewerage	654,153	2,290	0	656,443	550,806	103,347	0	654,153	550,806	112,582	0	663,388
(q) Reserves cash backed - Tourism	252,894	885	0	253,779	201,669	51,225	0	252,894	201,669	54,607	0	256,276
(r) Reserves cash backed - Youth Development	111,095	389	0	111,484	110,424	671	0	111,095	110,425	2,522	0	112,947
	5,678,522	2,884,563	(15,000)	8,548,085	4,536,843	1,141,679	0	5,678,522	5,158,019	1,212,327	(641,841)	5,728,505

(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 be used to fund Long Service Leave requirements. Council approves the fixing of this Reserve to the level of Long Service Leave liability, recognised as at the 30th June each year, totalling the combined balance of the Current and Non-Current Long Service Leave Liability.
(b) Reserves cash backed - Aerodrome	Ongoing	To be used for the upkeep and any major upgrade works to the Southern Cross Airport.
(c) Reserves cash backed - Yilgarn Bowls & Tennis Club Sinking Fund	Ongoing	To recognise the Yilgarn Bowls & tennis Clubs contribution to future playing surface upgrades.
(d) Reserves cash backed - Building	Ongoing	To be used for major construction and improvements to Council's Buildings.
(e) Reserves cash backed - Community Bus	Ongoing	To provide a conduit Reserve for the proceeds from the hire of the Yilgarn Community Bus.
(f) Reserves cash backed - Unspent Grants	Ongoing	To recognise unspent grants.
(g) Reserves cash backed - Health Services - Operation	Ongoing	To be used when the Shire of Yilgarn is required to take operational control of the Southern Cross GP practice.
(h) Reserves cash backed - Health Services - Capital	Ongoing	To be used to maintain the Health Service GP practice and associated assets.
(i) Reserves cash backed - Homes for the Aged	Ongoing	To be used as a conduit for the placement of rental income from all twelve units, providing funding for future redevelopment works at this facility.
(j) Reserves cash backed - Heavy Vehicle Road Improvement	Ongoing	To provide adequate disclosure of funds received under the HVRIC and the relevant road funds are expended on.
(k) Reserves cash backed - Mt Hampton/Dulyalbin Water Supply	Ongoing	To be used To fund future maintenance works at the Mt Hampton Dam and Dulyalbin Water Supply Tank via annual contributions from the sale of water from these facilities.
(l) Reserves cash backed - Museum	Ongoing	Monies held on behalf of the Yilgarn Historical Museum for their purpose and use as required.
(m) Reserves cash backed - Plant	Ongoing	To be used for the purchase of major plant.
(n) Reserves cash backed - Recreation Facilities	Ongoing	To be used To fund any major projects relating To Recreation within the community.
(o) Reserves cash backed - Refuse Disposal Site	Ongoing	To be used To meet future costs of major works to be carried out at Refuse Disposal Sites within the Shire of Yilgarn. Funds held in this Reserve will provide a buffer in the event of an emergency where a substantial, catastrophic or undesired Refuse Disposal incident was to occur and could not be accommodated within the confines of Council's facilities.
(p) Reserves cash backed - Sewerage	Ongoing	To be used to fund any major maintenance or future construction works required for the Southern Cross Sewerage and Marvel Loch Effluent Waste Water Schemes.
(q) Reserves cash backed - Tourism	Ongoing	To be used to fund tourism in the Yilgarn District.
(r) Reserves cash backed - Youth Development	Ongoing	To be used for the development of Youth in the Yilgarn District.

8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
General purpose funding	5,000	2,982	5,000
Law, order, public safety	4,600	3,625	4,600
Health	1,500	1,854	1,500
Education and welfare	62,480	45,908	60,880
Housing	75,920	67,198	65,000
Community amenities	637,959	676,716	654,344
Recreation and culture	15,150	17,840	15,150
Transport	16,000	12,503	5,500
Economic services	824,770	719,228	789,770
Other property and services	53,613	23,472	54,464
	1,696,992	1,571,326	1,656,208

9. GRANT REVENUE

By Program:

(a) Operating grants, subsidies and contributions

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
General purpose funding	1,481,841	3,387,943	1,555,330
Law, order, public safety	64,146	58,660	64,199
Education and welfare	113,009	115,700	110,771
Community amenities	1,000	1,996	1,000
Recreation and culture	0	95,489	95,580
Transport	164,250	10,246	154,800
Economic services	170,000	316,000	326,567
	1,994,246	3,986,034	2,308,247

(b) Non-operating grants, subsidies and contributions

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
General purpose funding	1,512,847	1,165,922	1,602,846
Law, order, public safety	0	42,663	42,600
Recreation and culture	0	175,000	175,000
Transport	2,086,928	2,172,662	2,138,022
	3,599,775	3,556,247	3,958,468
	5,594,021	7,542,281	6,266,715

Total grants, subsidies and contributions

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

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no 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

11. ELECTED MEMBERS REMUNERATION

Cr Wayne Della Bosca

President's allowance
Meeting attendance fees
Annual allowance for ICT expenses

Cr Bryan Close

Deputy President's allowance
Meeting attendance fees
Annual allowance for ICT expenses

Cr Suzy Shaw

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr Jodie Cobden

Meeting attendance fees
Annual allowance for ICT expenses

Cr Linda Rose

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr Phil Nolan

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr Garry Guerini

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Total Elected Member Remuneration

President's allowance
Deputy President's allowance
Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
12,000	12,000	12,000
9,000	10,200	9,000
1,180	1,180	1,180
22,180	23,380	22,180
3,000	3,000	3,000
6,200	8,000	6,200
1,180	1,180	1,180
10,380	12,180	10,380
6,200	4,800	6,200
1,180	1,180	1,180
	158	
7,380	6,138	7,380
6,200	5,600	6,200
1,180	1,180	1,180
7,380	6,780	7,380
6,200	5,000	6,200
1,180	1,180	1,180
2,500	2,376	2,500
9,880	8,556	9,880
6,200	4,400	6,200
1,180	1,180	1,180
1,900	1,782	1,900
9,280	7,362	9,280
6,200	5,600	6,200
1,180	1,180	1,180
1,100	1,058	1,100
8,480	7,838	8,480
74,960	72,234	74,960
12,000	12,000	12,000
3,000	3,000	3,000
46,200	43,600	46,200
8,260	8,260	8,260
5,500	5,374	5,500
74,960	72,234	74,960

12. OTHER INFORMATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	19,875	27,303	33,160
- Other funds	15,000	12,308	20,000
Other interest revenue (refer note 1b)	40,000	38,150	40,000
	74,875	77,761	93,160
(b) Other revenue			
Reimbursements and recoveries	69,234	227,228	104,000
Other	608,092	192,317	96,700
	677,326	419,545	200,700
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	31,000	46,672	60,000
Other services	4,500	8,809	12,000
	35,500	55,481	72,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	10,589	5,713	5,902
	10,589	5,713	5,902
(e) Write offs			
General rate	222		
Fees and charges	8,800		
	9,022	0	0

13. 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
	\$	\$	\$	\$
Police Licensing	5,757	0	(5,757)	0
Builders Levy	28,143	22,629	(28,143)	22,629
Transwa Bookings	3,575	9,057	(3,460)	9,172
Staff Personal Dedns	45,770	36,578	(45,770)	36,578
Housing Tenancy Bonds	7,280	0	(7,280)	0
Security Key System Bonds	1,830	0	(1,830)	0
Clubs & Groups	219	0	0	219
Third Party Contributions	6,338	0	0	6,338
Rates Overpaid	17,711	0	(17,711)	0
Retention Monies	153,034	0	0	153,034
	269,657	68,264	(109,951)	227,970

14. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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