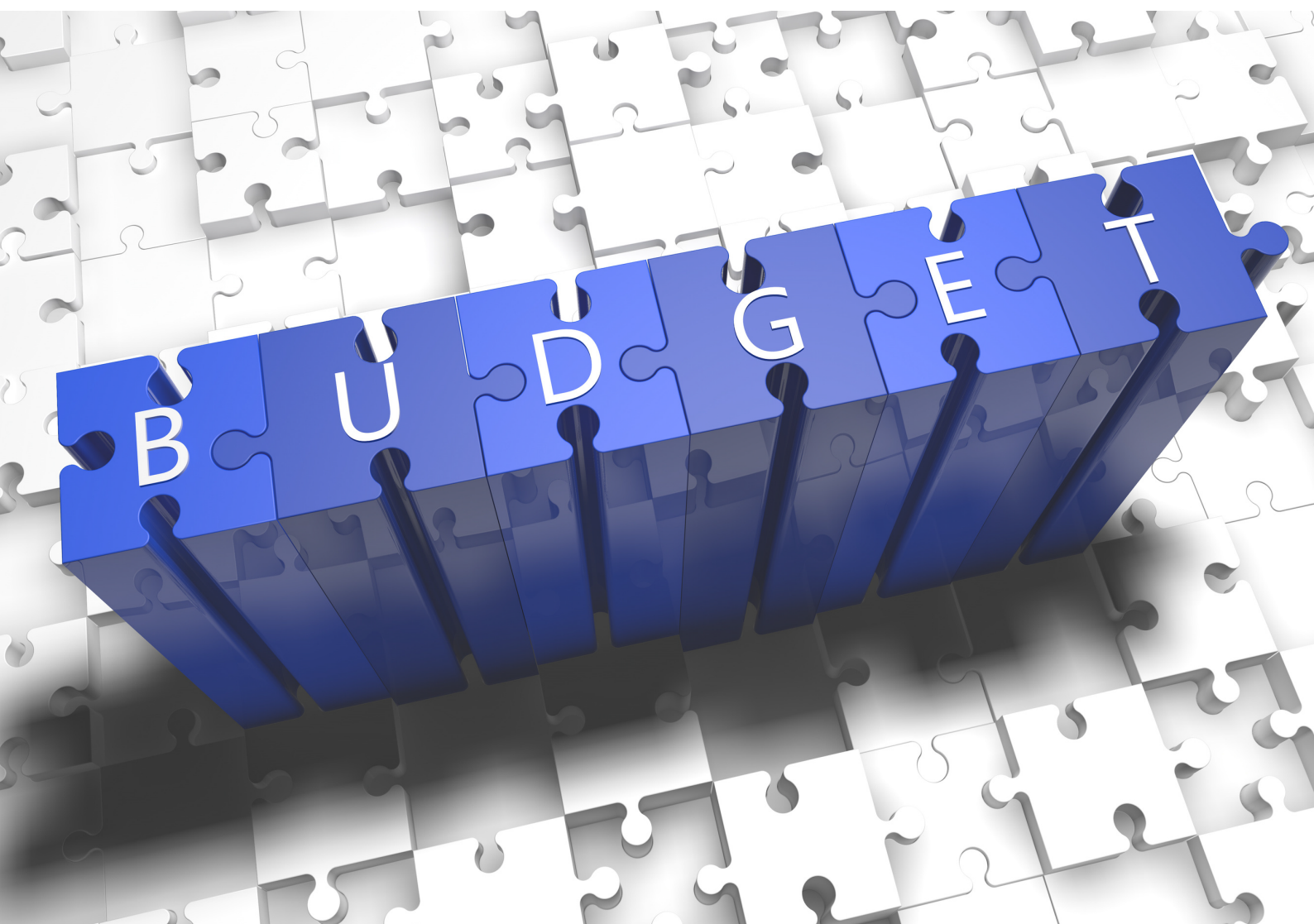


2021-2022

Annual Statutory Budget



SHIRE OF

Chapman Valley

love the rural life!

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SHIRE OF CHAPMAN VALLEY

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A thriving community, making the most of our coastline, ranges and rural settings to support us to grow and prosper.

SHIRE OF CHAPMAN VALLEY
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)	2,937,703	2,854,496	2,817,842
Operating grants, subsidies and contributions	10(a)	2,183,640	2,079,750	1,914,592
Fees and charges	9	305,236	371,177	274,936
Interest earnings	13(a)	13,475	16,053	19,750
Other revenue	13(b)	153,380	39,163	20,834
		5,593,434	5,360,639	5,047,954
Expenses				
Employee costs		(2,246,397)	(1,745,316)	(2,087,811)
Materials and contracts		(2,306,138)	(2,038,814)	(2,475,729)
Utility charges		(52,103)	(52,741)	(53,368)
Depreciation on non-current assets	5	(1,938,889)	(2,051,812)	(1,949,221)
Interest expenses	13(d)	(3,336)	(3,620)	(7,003)
Insurance expenses		(184,419)	(160,363)	(158,910)
Other expenditure		(136,931)	(113,444)	(132,111)
		(6,868,213)	(6,166,110)	(6,864,153)
Subtotal				
		(1,274,779)	(805,471)	(1,816,199)
Non-operating grants, subsidies and contributions	10(b)	1,528,260	1,228,260	1,228,260
Profit on asset disposals	4(b)	60,006	72,554	26,397
Loss on asset disposals	4(b)	0	0	(2,191)
		1,588,266	1,300,814	1,252,466
Net result				
		313,487	495,343	(563,733)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income				
		313,487	495,343	(563,733)

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

SHIRE OF CHAPMAN VALLEY
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 Chapman Valley 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 16 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 CHAPMAN VALLEY
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		1,200	23,307	1,200
General purpose funding		3,417,894	3,856,818	3,265,241
Law, order, public safety		263,460	100,430	181,086
Health		5,007	9,808	2,719
Community amenities		184,259	247,839	194,755
Recreation and culture		1,057,644	331,521	480,761
Transport		559,540	687,207	847,387
Economic services		23,430	43,179	16,305
Other property and services		81,000	60,530	58,500
		5,593,434	5,360,639	5,047,954
Expenses excluding finance costs	4(a),5,13(c)(e)(e)			
Governance		(435,202)	(332,086)	(399,029)
General purpose funding		(123,033)	(99,349)	(122,091)
Law, order, public safety		(399,952)	(326,419)	(366,086)
Health		(31,390)	(24,583)	(30,105)
Education and welfare		0	0	(2,000)
Community amenities		(791,886)	(608,127)	(767,390)
Recreation and culture		(1,155,954)	(779,856)	(910,379)
Transport		(3,495,990)	(3,630,515)	(3,845,888)
Economic services		(371,471)	(284,980)	(355,942)
Other property and services		(59,999)	(76,575)	(58,240)
		(6,864,877)	(6,162,490)	(6,857,150)
Finance costs	7,6(a),13(d)			
General purpose funding		(2,500)	(1,602)	(4,500)
Recreation and culture		(836)	(2,018)	(2,503)
		(3,336)	(3,620)	(7,003)
Subtotal		(1,274,779)	(805,471)	(1,816,199)
Non-operating grants, subsidies and contributions	10(b)	1,528,260	1,228,260	1,228,260
Profit on disposal of assets	4(b)	60,006	72,554	26,397
(Loss) on disposal of assets	4(b)	0	0	(2,191)
		1,588,266	1,300,814	1,252,466
Net result		313,487	495,343	(563,733)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		313,487	495,343	(563,733)

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

GOVERNANCE

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

ACTIVITIES

Administration and Operation of facilities and services to members of council; Includes fees, expenses and allowances paid to elected and committee members, election costs, insurance, subscription, conference expenses, council chamber expenses and members' entertainment. Also includes the allocation of administration expenses for the CEO and staff in preparation, administration and attendance at meetings and assisting elected members and other committees of Council. Research, development and preparation of policy documents, development of local laws, strategic planning, principal activity plans, annual budgets, annual financial reports, audit fees and the annual report.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Revenue from rates levied, interest and fees on instalment arrangements and arrears, government subsidy for entitled pensioners and rates deferred, less discounts and concessions relating to rates levied. Expenditures incurred in administration and maintaining rate records, rating valuations, serving notices, postage, stationery, advertising, debt collection, printing, indirect administration costs etc. Income receivable from the WA Grants Commission and any other Government Grant of a general purpose nature. Interest earnings from deposits and investments, including reserve accounts. General overdraft expenses.

LAW, ORDER, PUBLIC SAFETY

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

Administration and operations on fire prevention services, including volunteer fire brigades, outlays on roadside clearing operations and other protective burning. Revenues include fines and penalties imposed under relevant Acts and fines, fees or charges for clearing fire breaks. Administration enforcement and operations relating to the control of animals. Costs of impounding, destroying and disposal of stray animals. Revenues include dog registration fees, fines and penalties relating to straying animals, impounding and destruction fees. Ranger's expenses are collected here and apportioned throughout the various programs to which they relate.

HEALTH

To provide an operational framework for environmental and community health.

Food quality and pest control, inspections of eating houses, lodging and boarding houses, itinerant food vendors, offensive trade, and any other outlays concerned with general health inspections and administration services provided by the Council.

EDUCATION AND WELFARE

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

Operation, improvements and maintenance of pre-school facilities; assistance to playgroups and other voluntary services. Annual awards and prizes to Nabawa and Yuna Primary Schools.

HOUSING

To provide and maintain residential housing for staff, with the surplus available for private rental.

Collection of revenue and expenditure in respect of the administration and operation of residential housing for council staff. The expenditure is reallocated to the relevant programmes using staff duties as a basis.

COMMUNITY AMENITIES

To provide services required by the community.

Administration and operation of domestic refuse collection and disposal services, including delivery to a regional disposal site. Provision and maintenance of rubbish disposal sites. Collection and disposal of public litter bins, special rubbish clean ups, special litter enforcement and control. Includes administration and operation of foreshore protection project. Administration and operation of town planning and regional development services. These include planning control, the preparation of town planning development schemes, zoning and rezoning. Costs associated with resumption of land for recreational purposes. Hosting of a Natural Resource Management Officer to assist community groups and landowners

RECREATION AND CULTURE

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

Administration, provision and operation of public halls, community centre, sporting complex, ovals, swimming areas and beaches. Includes contributions towards operations, subsidies and improvements of sporting clubs, sporting facilities and recreational areas. Administration, provision and operation of local libraries and library services. Contributions towards heritage issues such as municipal inventory, local Historical society operations - museum development/improvement etc.

TRANSPORT

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

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets and maintenance of depots. Purchase of plant used predominantly for the construction and maintenance of streets, roads, bridges etc. Operations relating to the licensing or regulating of traffic under the control of the local government; includes vehicle registration and renewals facilities.

ECONOMIC SERVICES

To help promote the shire and its economic wellbeing.

Eradication of noxious weeds and control of vermin. The development, promotion, support etc. of tourism and area promotion to attract tourists. Administration, inspection and operations concerned with application of the building standards including examination, processing and inspections services, swimming pool inspections etc. Revenues and outlays associated with water supply - standpipes.

OTHER PROPERTY AND SERVICES

To monitor and control council's overheads operating accounts.

Administration, inspection, and operation of work carried out on property or services not under the care, control and management of the Council. These include road works on private property. Public Works Overheads - Overheads incurred as the result of the use of direct labour, which is subsequently apportioned to the appropriate works and services absorbing the total expenditure. Includes expenditure incurred in the maintenance and operation of plant, Council's hire rate absorbing the total expenditure of plant running costs and usage. The total salaries and wages incurred during the year is recorded here and allocated over the various works and services to which it relates.

SHIRE OF CHAPMAN VALLEY
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		2,937,703	2,847,083	2,817,843
Operating grants, subsidies and contributions		2,183,640	2,051,954	1,614,592
Fees and charges		305,236	371,177	274,936
Interest received		13,475	16,053	19,750
Goods and services tax received		0	(50,219)	0
Other revenue		153,380	36,357	20,835
		5,593,434	5,272,405	4,747,956
Payments				
Employee costs		(2,246,397)	(1,805,117)	(2,087,811)
Materials and contracts		(2,306,138)	(1,255,274)	(2,475,728)
Utility charges		(52,103)	(52,741)	(53,368)
Interest expenses		(3,336)	(3,620)	(7,003)
Insurance paid		(184,419)	(160,363)	(158,910)
Other expenditure		(136,931)	(113,444)	(132,112)
		(4,929,324)	(3,390,559)	(4,914,932)
Net cash provided by (used in) operating activities	3	664,110	1,881,846	(166,976)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(1,781,974)	(898,212)	(1,006,749)
Payments for construction of infrastructure	4(a)	(2,135,830)	(1,674,229)	(1,798,587)
Non-operating grants, subsidies and contributions	10(b)	1,528,260	1,413,716	1,228,260
Proceeds from sale of plant and equipment	4(b)	126,000	102,273	80,000
Net cash provided by (used in) investing activities		(2,263,544)	(1,056,453)	(1,497,076)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	0	(45,995)	(45,995)
Principal elements of lease payments	7	(7,686)	(8,125)	0
Proceeds from new borrowings	6(a)	240,000	0	0
Net cash provided by (used in) financing activities		232,314	(54,120)	(45,995)
Net increase (decrease) in cash held		(1,367,120)	771,273	(1,710,047)
Cash at beginning of year		3,786,799	3,015,526	3,078,024
Cash and cash equivalents at the end of the year	3	2,419,679	3,786,799	1,367,977

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2(a)	1,339,356	1,760,791	1,760,791
		1,339,356	1,760,791	1,760,791
Revenue from operating activities (excluding rates)				
Governance		1,200	23,307	1,200
General purpose funding		480,191	1,002,322	408,001
Law, order, public safety		263,460	100,430	181,086
Health		5,007	9,808	2,719
Community amenities		184,259	247,839	194,755
Recreation and culture		1,057,644	331,521	480,761
Transport		619,546	759,761	873,784
Economic services		23,430	43,179	16,305
Other property and services		81,000	60,530	58,500
		2,715,737	2,578,697	2,217,111
Expenditure from operating activities				
Governance		(435,202)	(332,086)	(399,029)
General purpose funding		(125,533)	(100,951)	(126,591)
Law, order, public safety		(399,952)	(326,419)	(366,086)
Health		(31,390)	(24,583)	(30,105)
Education and welfare		0	0	(2,000)
Community amenities		(791,886)	(608,127)	(767,390)
Recreation and culture		(1,156,790)	(781,874)	(912,882)
Transport		(3,495,990)	(3,630,515)	(3,848,079)
Economic services		(371,471)	(284,980)	(355,942)
Other property and services		(59,999)	(76,575)	(58,240)
		(6,868,213)	(6,166,110)	(6,866,344)
Non-cash amounts excluded from operating activities	2(b)	1,893,922	1,928,545	1,915,625
Amount attributable to operating activities		(919,198)	101,923	(972,817)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,528,260	1,228,260	1,228,260
Payments for property, plant and equipment	4(a)	(1,781,974)	(898,212)	(1,006,749)
Payments for construction of infrastructure	4(a)	(2,135,830)	(1,674,229)	(1,798,587)
Proceeds from disposal of assets	4(b)	126,000	102,273	80,000
		(2,263,544)	(1,241,909)	(1,497,076)
Amount attributable to investing activities		(2,263,544)	(1,241,909)	(1,497,076)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	0	(45,995)	(45,995)
Principal elements of finance lease payments	7	(7,686)	(8,125)	0
Proceeds from new borrowings	6(a)	240,000	0	0
Transfers to cash backed reserves (restricted assets)	8(a)	(365,275)	(355,534)	(381,053)
Transfers from cash backed reserves (restricted assets)	8(a)	378,000	34,500	39,700
Amount attributable to financing activities		245,039	(375,154)	(387,348)
Budgeted deficiency before imposition of general rates		(2,937,703)	(1,515,140)	(2,857,241)
Estimated amount to be raised from general rates	1	2,937,703	2,854,496	2,857,241
Net current assets at end of financial year - surplus/(deficit)	2(a)	0	1,339,356	0

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

SHIRE OF CHAPMAN VALLEY
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	1,339,356	1,760,791	1,760,791
		1,339,356	1,760,791	1,760,791
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates/rates in advance	1(e)	0	0	(39,398)
Operating grants, subsidies and contributions	10(a)	2,183,640	2,079,750	1,914,592
Fees and charges	9	305,236	371,177	274,936
Interest earnings	13(a)	13,475	16,053	19,750
Other revenue	13(b)	153,380	39,163	20,834
Profit on asset disposals	4(b)	60,006	72,554	26,397
		2,715,737	2,578,697	2,217,111
Expenditure from operating activities				
Employee costs		(2,246,397)	(1,745,316)	(2,087,811)
Materials and contracts		(2,306,138)	(2,038,814)	(2,475,729)
Utility charges		(52,103)	(52,741)	(53,368)
Depreciation on non-current assets	5	(1,938,889)	(2,051,812)	(1,949,221)
Interest expenses	13(d)	(3,336)	(3,620)	(7,003)
Insurance expenses		(184,419)	(160,363)	(158,910)
Other expenditure		(136,931)	(113,444)	(132,111)
Loss on asset disposals	4(b)	0	0	(2,191)
		(6,868,213)	(6,166,110)	(6,866,344)
Non-cash amounts excluded from operating activities	2(b)	1,893,922	1,928,545	1,915,625
Amount attributable to operating activities		(919,198)	101,923	(972,817)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10(b)	1,528,260	1,228,260	1,228,260
Payments for property, plant and equipment	4(a)	(1,781,974)	(898,212)	(1,006,749)
Payments for construction of infrastructure	4(a)	(2,135,830)	(1,674,229)	(1,798,587)
Proceeds from disposal of assets	4(b)	126,000	102,273	80,000
Amount attributable to investing activities		(2,263,544)	(1,241,909)	(1,497,076)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	0	(45,995)	(45,995)
Principal elements of finance lease payments	6	(7,686)	(8,125)	0
Proceeds from new borrowings	6(b)	240,000	0	0
Transfers to cash backed reserves (restricted assets)	8(a)	(365,275)	(355,534)	(381,053)
Transfers from cash backed reserves (restricted assets)	8(a)	378,000	34,500	39,700
Amount attributable to financing activities		245,039	(375,154)	(387,348)
Budgeted deficiency before general rates		(2,937,703)	(1,515,140)	(2,857,241)
Estimated amount to be raised from general rates	1(a)	2,937,703	2,854,496	2,857,241
Net current assets at end of financial year - surplus/(deficit)	2	0	1,339,356	0

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

SHIRE OF CHAPMAN VALLEY
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FOR THE YEAR ENDED 30 JUNE 2022

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

(a) Rating Information

			2021/22	2021/22	2021/22	2021/22	2020/21	2020/21	
		Number of properties	Rateable value	Budgeted rate revenue	Budgeted interim rates	Budgeted back rates	Budgeted total revenue	Actual total revenue	Budget total revenue
RATE TYPE	Rate in								
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
General Rate GVR	0.094315	288	4,776,050	450,453	0	0	450,453	449,260	448,564
Unimproved valuations									
General Rate UV - Rural	0.010900	413	198,688,350	2,165,703	0	0	2,165,704	2,074,050	2,077,491
UV - Oakagee Industrial Estate	0.021000	2	8,826,000	185,346	0	0	185,346	193,886	193,886
Sub-Totals		703	212,290,400	2,801,502	0	0	2,801,503	2,717,196	2,719,941
	Minimum								
Minimum payment									
	\$								
Gross rental valuations									
General Rate GVR	700	186		130,200	0	0	130,200	130,900	130,900
Unimproved valuations									
General Rate UV - Rural	400	15		6,000	0	0	6,000	6,400	6,400
Sub-Totals		201	0	136,200	0	0	136,200	137,300	137,300
		904	212,290,400	2,937,702	0	0	2,937,703	2,854,496	2,857,241
Discounts (Refer note 1(e))							0	0	0
Concessions (Refer note 1(f))							0	0	0
Total amount raised from general rates							2,937,703	2,854,496	2,857,241
Ex gratia rates/Rates paid in advance									(39,398)
Total rates							2,937,703	2,854,496	2,817,843

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

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.

The advertised rate in the dollar for differential rates have been amended (reduced) to take into account the overall general increase to values in the annual Unimproved Valuation supplied by Landgate Valuation Services

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

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	10/09/2021	0	0.0%	7.0%
Option two				
First instalment	10/09/2021	0	0.0%	7.0%
Second instalment	10/11/2021	9	5.5%	7.0%
Option three				
First instalment	10/09/2021	9	5.5%	7.0%
Second instalment	10/11/2021	9	5.5%	7.0%
Third instalment	10/01/2022	9	5.5%	7.0%
Fourth instalment	11/03/20022	9	5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	5,000	0	0
Instalment plan interest earned	5,000	3,210	7,000
Unpaid rates and service charge interest earned	7,000	10,023	7,000
	17,000	13,233	14,000

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
UV Oakajee Industrial Estate	This category includes any property zoned Oakajee Industrial Estate and buffer within the Town Planning Scheme No.1	To recover from this sector an equitable share of the rates relating to the land held by Landcorp so that the Shire of Chapman Valley should not be financially disadvantaged due to the acquisition and subsequent development of the land. This follows on from the written commitment made in September 1998, by the then Minister for Resources Development & Energy, the Shire of Chapman Valley would not be financially disadvantaged due to the acquisition and subsequent development of land by Landcorp. In order to reduce the impact of the Oakajee development on other ratepayers Council has sought to introduce a differential rate.

1. RATES (CONTINUED)

(d) 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
UV Oakajee Industrial Estate	2.23300	2.10000	The advertised rate in the dollar for differential rates have been amended (reduced) to take into account the overall general increase to values in the annual Unimproved Valuation
Unimproved Value Rural	1.12530	1.09000	The advertised rate in the dollar for differential rates have been amended (reduced) to take into account the overall general increase to values in the annual Unimproved Valuation

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

(e) Specified Area Rate
The Shire did not raise specified area rates for the year ended 30th June 2022.

(e) Service Charges
The Shire did not raise service charges for the year ended 30th June 2022.

1. RATES (CONTINUED)

(e) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which discount is granted
			\$	\$	\$	
Rates	100.0%	0	0	0		Council has granted a waiver of rates to the Yuna CWA for the 2021/2022 rating year on the basis it is a non-profit community organisation.
			0	0	0	

SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
(f) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Venue Hire; Photocopy Charges & Private Works	"Waiver"	100.0%	0	\$ 0	\$ 0	\$	0 Council may grant a waiver to community groups who reside in the shire who wish to use the facilities in association with a community event.	Council considers support of these groups necessary for the overall benefit of the community.
Pool Inspections & Water Testing Charges	"Waiver"	100.0%	0	0	0		0 Council will grant a waiver to Yuna Primary School for pool inspection and water testing at the Yuna Primary School pool under the condition the school has the pool open outside of school hours during summer.	Council considers support of these groups necessary for the overall benefit of the community.
Venue Hire Recreation Facilities	"Waiver"	100.0%	0	0	0		0 Council will grant a waiver to Yuna and Nabawa Parents and Citizens Association for the use of recreation facilities within the Shire.	Council considers support of these groups necessary for the overall benefit of the community.
Venue Hire Recreation Facilities	"Waiver"		1,172	1,172	586		0 Council resolved to grant a concession to community group For a Better Chapman Valley for the use of Community Centres within the Shire.	Council considers support of these groups necessary for the overall benefit of the community.
				1,172	586	0		

SHIRE OF CHAPMAN VALLEY
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

Cash and cash equivalents - restricted

Receivables

Inventories

Less: current liabilities

Trade and other payables

Contract liabilities

Unspent non-operating grant, subsidies and contributions liability

Lease liabilities

Long term borrowings

Employee provisions

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
	\$	\$	\$
3	926,947	2,281,342	187,172
3	1,492,732	1,505,457	1,180,804
	180,789	180,789	177,837
	5,141	5,141	1,170
	2,605,609	3,972,729	1,546,983
	(1,009,028)	(1,009,028)	(101,383)
	0	0	9,500
	(185,456)	(185,456)	0
7	0	(7,686)	0
6	(282,125)	(42,125)	(42,125)
	(394,118)	(394,118)	(380,584)
	(1,870,727)	(1,638,413)	(514,592)
	734,882	2,334,316	1,032,391
2.(c)	(734,882)	(994,960)	(1,032,391)
	0	1,339,356	0

SHIRE OF CHAPMAN VALLEY
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: Movement in non-current lease liabilities
Add: Depreciation on assets
Movement in non-current pensioner deferred rates
Movement in non-current employee provisions
Movement in non-current contract liability
Movement in current contract liabilities associated with restricted cash
Movement in current employee provisions associated with restricted cash
Movement in contract liabilities (non-current)

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)	(60,006)	(72,554)	(26,397)
	0	(2,804)	0
4(b)	0	0	2,191
	0	(7,686)	0
5	1,938,889	2,051,812	1,949,221
	0	113	0
	0	(373)	0
	0	554	0
	0	0	(9,500)
	15,039	(41,071)	110
	0	554	0
	1,893,922	1,928,545	1,915,625

(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
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
- Current portion of lease liabilities
- Current portion of contract liability held in reserve
- Current portion of employee benefit provisions held in reserve

Total adjustments to net current assets

8	(1,147,761)	(1,160,486)	(1,180,804)
	282,125	42,125	42,125
	0	7,686	0
	0	0	(9,500)
	130,754	115,715	115,788
	(734,882)	(994,960)	(1,032,391)

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 Chapman Valley becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

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

All funds to which the Shire of Chapman Valley 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 CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
3. RECONCILIATION OF CASH

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

	Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Cash at bank and on hand		2,419,679	3,786,799	1,367,976
Total cash and cash equivalents		2,419,679	3,786,799	1,367,976
Held as				
- Unrestricted cash and cash equivalents		926,947	2,281,342	187,172
- Restricted cash and cash equivalents		1,492,732	1,505,457	1,180,804
		2,419,679	3,786,799	1,367,976
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		1,492,732	1,505,457	1,180,804
		1,492,732	1,505,457	1,180,804
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Reserves - cash/financial asset backed	8	1,147,761	1,160,486	1,180,804
Contract liabilities		159,515	159,515	0
Unspent non-operating grants, subsidies and contribution liabilities		185,456	185,456	0
		1,492,732	1,505,457	1,180,804
Reconciliation of net cash provided by operating activities to net result				
Net result		313,486	495,343	(563,733)
Depreciation	5	1,938,889	2,051,812	1,949,221
(Profit)/loss on sale of asset	4(b)	(60,006)	(72,554)	(24,206)
(Increase)/decrease in receivables		0	(85,982)	(5,780)
(Increase)/decrease in inventories		0	(3,971)	0
Increase/(decrease) in payables		0	766,743	70,282
Increase/(decrease) in contract liabilities		0	554	(9,500)
Increase/(decrease) in unspent non-operating grants		0	185,456	0
Increase/(decrease) in employee provisions		0	(41,839)	(55,000)
Non-operating grants, subsidies and contributions		(1,528,260)	(1,413,716)	(1,528,260)
Net cash from operating activities		664,109	1,881,846	(166,976)

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 CHAPMAN VALLEY
 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						
	Governance	Law, order, public safety	Recreation and culture	Transport	2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
Asset class	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>							
Buildings - specialised	25,500		780,874	21,000	827,374	376,199	407,949
Furniture and equipment	15,000				15,000	9,252	9,300
Plant and equipment		68,600	150,000	684,000	902,600	491,732	579,500
Tools and equipment			20,000	17,000	37,000	21,029	10,000
	40,500	68,600	950,874	722,000	1,781,974	898,212	1,006,749
<i>Infrastructure</i>							
Infrastructure - roads				2,135,830	2,135,830	1,674,229	1,798,587
	0	0	0	2,135,830	2,135,830	1,674,229	1,798,587
Total acquisitions	40,500	68,600	950,874	2,857,830	3,917,804	2,572,442	2,805,336

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

- Plant replacement programme
- Roadworks programme
- Building programme

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 CHAPMAN VALLEY
 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												
Transport	45,994	106,000	60,006	0	29,719	102,273	72,554	0	55,794	80,000	26,397	(2,191)
Other property and services	20,000	20,000	0	0		0	0	0		0	0	0
	65,994	126,000	60,006	0	29,719	102,273	72,554	0	55,794	80,000	26,397	(2,191)
By Class												
<u>Property, Plant and Equipment</u>												
Land - freehold land	20,000	20,000	0	0		0				0		
Plant and equipment	45,994	106,000	60,006	0	29,719	102,273	72,554		55,794	80,000	26,397	(2,191)
	65,994	126,000	60,006	0	29,719	102,273	72,554	0	55,794	80,000	26,397	(2,191)

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

- Plant replacement programme

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
5. ASSET DEPRECIATION

By Program

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

By Class

Buildings - specialised
 Furniture and equipment
 Plant and equipment
 Tools and equipment
 Infrastructure - roads
 Other Infrastructure - Footpaths
 Right of use - land and buildings
 Right of use - plant and equipment

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
36,875	39,062	53,000
80,852	85,648	67,000
20,314	21,519	27,400
235,007	248,948	249,500
1,210,209	1,282,001	1,215,000
11,790	12,490	12,600
343,842	362,143	324,721
1,938,889	2,051,812	1,949,221
225,824	239,221	247,893
3,996	4,233	3,820
533,954	565,630	528,166
8,026	8,502	7,170
1,153,262	1,219,579	1,156,446
5,453	5,776	5,726
7,773	8,234	0
602	638	0
1,938,889	2,051,812	1,949,221

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
Tools and equipment	5 to 15 years
Infrastructure - roads	
Other Infrastructure - Footpaths	20 years
Other Infrastructure - Drainage	80 years
Other Infrastructure - Carparks	30 to 75 years
Right of use - land and buildings	Based on the remaining lease
Right of use - plant and equipment	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 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 CHAPMAN VALLEY

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 Principal 1 July 2021	2021/22 Budget New Loans	2021/22 Budget Principal Repayments	Budget Principal outstanding 30 June 2022	2021/22 Budget Interest Repayments	Actual Principal 1 July 2020	2020/21 Actual New Loans	2020/21 Actual Principal Repayments	Actual Principal outstanding 30 June 2021	2020/21 Actual Interest Repayments	Budget Principal 1 July 2020	2020/21 Budget New Loans	2020/21 Budget Principal Repayments	Budget Principal outstanding 30 June 2021	2020/21 Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture																		
Nabawa Stadium Upgrade	89	WA Treasury	6.0%	0	0		0	0	4,960	0	(4,960)	0	(151)	4,960	0	(4,960)	0	(181)
Bill Hemsley Park	98	WA Treasury	2.6%	42,125	0		42,125	(836)	83,160	0	(41,035)	42,125	(1,547)	83,160	0	(41,035)	42,125	(2,321)
Transport																		
Replacement Grader	99	WA Treasury	1.2%	0	240,000	0	240,000	0	0	0	0	0	0	0	0	0	0	0
				42,125	240,000	0	282,125	(836)	88,120	0	(45,995)	42,125	(1,698)	88,120	0	(45,995)	42,125	(2,502)

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

(b) New borrowings - 2021/22

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Replacement Grader	WA Treasury	Fixed Rate	4	1.2%	\$ 240,000	\$ 5,650	\$ 240,000	\$ 0
					240,000	5,650	240,000	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

	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	0	0	0
Credit card limit	10,000	10,000	10,000
Credit card balance at balance date	0	299	0
Total amount of credit unused	510,000	510,299	510,000
Loan facilities			
Loan facilities in use at balance date	282,125	42,125	42,125

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2021	2021/22 Budgeted Increase/ (Decrease)	Amount as at 30th June 2022
Westpac Banking Corporation	To continue day to day processing with an agreed available balance	20/05/2020	\$ 500,000	\$ 0	\$ 500,000
			500,000	0	500,000

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

SHIRE OF CHAPMAN VALLEY

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 Principal 1 July 2021	2021/22 Budget New Leases	2021/22 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2022	2021/22 Budget Lease Interest Repayments	Actual Principal 1 July 2020	2020/21 Actual New Leases	2020/21 Actual Lease Principal repayments	Actual Lease Principal outstanding 30 June 2021	2020/21 Actual Lease Interest repayments	Budget Principal 1 July 2020	2020/21 Budget New Leases	2020/21 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2021	2020/21 Budget Lease Interest repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																			
Konica Minolta Printer	LE13	De lage Landen Pty Limited	2.0%	48 Months	0	0	0	0	0	634	0	(634)	0	(2)	634	0	0	634	0
Community amenities																			
Nabawa Fuel Station	LE01	Nevill & Co Pty Ltd	2.6%	120 Months	58,180	0	(7,686)	50,494	(1,405)	65,671	0	(7,491)	58,180	(1,476)	65,671	0	0	65,671	0
					58,180	0	(7,686)	50,494	(1,405)	66,305	0	(8,125)	58,180	(1,478)	66,305	0	0	66,305	0

SIGNIFICANT ACCOUNTING POLICIES

<p>LEASES</p> <p>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.</p> <p>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.</p>	<p>LEASE LIABILITIES</p> <p>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.</p>
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SHIRE OF CHAPMAN VALLEY
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 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	115,715	15,040	0	130,755	115,678	37	0	115,715	115,678	25,458	0	141,136
(b) Water Strategy Reserve	14,245	5	0	14,250	14,240	5	0	14,245	14,240	15	0	14,255
(c) Plant/Light Vehicle Reserve	547,211	150,080	(278,000)	419,291	256,877	290,334	0	547,211	256,877	290,250	0	547,127
(d) Unspent Grant Reserve	0			0	9,500	0	(9,500)	0	9,500	0	(9,500)	0
(e) Computer & Office Equipment Reserve	39,764	15	0	39,779	39,751	13	0	39,764	39,751	40	(5,200)	34,591
(f) Legal Reserve	40,036	15	0	40,051	40,024	12	0	40,036	40,024	40	0	40,064
(g) Land Development Reserve	52,101	20,020	0	72,121	52,085	16	0	52,101	52,085	0	0	52,085
(h) Infrastructure Reserve	167,224	80,035	0	247,259	102,171	65,053	0	167,224	102,170	65,100	0	167,270
(i) Building Reserve	184,190	100,065	(100,000)	184,255	209,126	64	(25,000)	184,190	209,126	150	(25,000)	184,276
	1,160,486	365,275	(378,000)	1,147,761	839,452	355,534	(34,500)	1,160,486	839,451	381,053	(39,700)	1,180,804

(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) Leave Reserve	30/06/2022	To be used to fund annual and long service leave requirements.
(b) Water Strategy Reserve	N/A	To be used for the construction and operational costs of facilities for fire fighting purposes.
(c) Plant/Light Vehicle Reserve	30/06/2022	To be used for the purchase of and/or major repair of major plant and light vehicles.
(e) Computer & Office Equipment Reserve	N/A	To be used to replace Information and Communications Technology equipment.
(f) Legal Reserve	N/A	To be used to fund legal expenses incurred as a result of tribunals, hearings, litigation etc.
(g) Land Development Reserve	30/06/2022	To be used for further subdivisional development in the Shire of Chapman Valley.
Infrastructure Reserve	30/06/2022	To be used to fund road and building infrastructure projects, including yet not limited to, natural disasters upfront or insurance excess costs, annual roadworks maintenance and construction works.
(h)		
Building Reserve	30/06/2022	To be used for the construction of shire buildings or capital upgrades of existing buildings, including yet not limited to, covering insurance excess component of claims for repair/replace buildings.
(i)		

(c) Cash Backed Reserves - Change in Use

The Shire has resolved to make the following changes in the use of part of the money in a reserve account. This money is to be used or set aside for a purpose other than the purpose for which the account was established.

Cash Backed Reserve	Proposed new purpose of the reserve	Reasons for changing the use of the reserve	2021/22 Budget amount to be used	2021/22 Budget amount change of purpose
			\$	\$
Infrastructure Reserve	To be used to fund road and building infrastructure projects, including yet not limited to, natural disasters upfront or insurance excess costs, annual roadworks maintenance and construction works.	To accommodate upfront costs required by the Shire to undertake reinstatement works to road infrastructure due to natural disasters, ensuring current year budget are not significantly burdened during such events.	167,224	167,224
Building Reserve	To be used for the construction of shire buildings or capital upgrades of existing buildings, including yet not limited to, covering insurance excess component of claims for repair/replace buildings.	To accommodate excess funds required by insurers during natural disasters to undertake reinstatement works to Shire building assets, ensuring current year budget are not significantly burdened during such events.	184,190	184,190
			351,414	351,414

9. FEES & CHARGES REVENUE

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

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
12,200	9,959	3,580
11,600	17,352	11,400
5,007	9,808	2,719
177,059	204,865	166,595
72,620	86,739	73,172
15,750	33,630	9,470
11,000	8,825	8,000
305,236	371,177	274,936

10. GRANT REVENUE

By Program:

(a) Operating grants, subsidies and contributions

Governance
General purpose funding
Law, order, public safety
Community amenities
Recreation and culture
Transport
Other property and services

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
0	13,935	1,200
454,516	976,310	424,070
251,860	83,078	169,686
2,200	32,725	28,160
985,024	244,782	407,589
450,040	680,593	843,887
40,000	48,327	40,000
2,183,640	2,079,750	1,914,592
1,528,260	1,228,260	1,228,260
1,528,260	1,228,260	1,228,260
3,711,900	3,308,010	3,142,852

(b) Non-operating grants, subsidies and contributions

Transport

Total grants, subsidies and contributions

SHIRE OF CHAPMAN VALLEY

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

SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
12. ELECTED MEMBERS REMUNERATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Cr Farrell			
President's allowance	10,000	10,000	10,000
Meeting attendance fees	9,410	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	19,960	19,960	19,960
Cr Warr			
Deputy President's allowance	2,500	2,500	2,500
Meeting attendance fees	9,410	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	12,460	12,460	12,460
Cr Batten			
Meeting attendance fees	9,410	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	9,960	9,960	9,960
Cr Davidson			
Meeting attendance fees	9,410	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	9,960	9,960	9,960
Cr Forth			
Meeting attendance fees	9,410	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	9,960	9,960	9,960
Cr Humphrey			
Meeting attendance fees	9,410	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	9,960	9,960	9,960
Cr Royce			
Meeting attendance fees	9,410	9,410	9,410
Annual allowance for ICT expenses	500	500	500
Annual allowance for travel and accommodation expenses	50	50	50
	9,960	9,960	9,960
Councillor Position Vacant			
Meeting attendance fees	9,410	1,341	9,410
Annual allowance for ICT expenses	500	71	500
Annual allowance for travel and accommodation expenses	50	7	50
	9,960	1,419	9,960
Total Elected Member Remuneration	92,180	83,639	92,180
President's allowance	10,000	10,000	10,000
Deputy President's allowance	2,500	2,500	2,500
Meeting attendance fees	75,280	67,211	75,280
Annual allowance for ICT expenses	4,000	3,571	4,000
Annual allowance for travel and accommodation expenses	400	357	400
	92,180	83,639	92,180

13. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

Investments			
- Reserve funds	275	264	645
- Other funds	1,200	2,556	5,105
Other interest revenue (refer note 1b)	12,000	13,233	14,000
	13,475	16,053	19,750

(b) Other revenue

Reimbursements and recoveries	153,380	39,163	20,834
	153,380	39,163	20,834

The net result includes as expenses

(c) Auditors remuneration

Audit services	42,800	42,000	42,000
Other services	0	3,800	5,000
	42,800	45,800	47,000

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	836	1,698	2,502
Interest expense on lease liabilities	1,405	1,478	0
Other	1,095	444	4,501
	3,336	3,620	7,003

It is not anticipated the Shire will be party to any Major Land Transactions or Trading Undertakings during 2021/22

It is not anticipated the Shire will be party to any joint venture arrangements during 2021/22.

SIGNIFICANT ACCOUNTING POLICIES
INTERESTS IN JOINT ARRANGEMENTS
Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire of Chapman Valley’s interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

16. 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
	\$	\$	\$	\$
Bonds - Hall Hire	4,330	17,000	(20,000)	1,330
Nomination Deposits	0	240	(240)	0
Post Office Deposit	1,581	500	(400)	1,681
Contributions from Sub Divider	150,357	0	0	150,357
Refundable Deposit	11,580	5,000	(7,000)	9,580
CTF Levy	4,349	20,000	(22,000)	2,349
Building Commission	3,688	17,000	(18,500)	2,188
Unclaimed Monies	250	0	(250)	0
Standpipe Card Bond	100	0	0	100
	176,235	59,740	(68,390)	167,585

17. 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.

OTHER

(i) Budget Variations - Variations to operational budgets within the programs may be approved by the Chief Executive Officer, on the recommendation of the Manager Finance and Corporate Services. Variations to budgets between programs require approval from Council.

(ii) Signatories to Accounts - Two (2) signatories are required for the operation of all Shire accounts. Authority is vested in the Chief Executive Officer to sign all cheques.

(a) The Chief Executive Office may delegate to the Manager Finance and Corporate Services and the Deputy Chief Executive Officer, in that order of precedence, on all cheques and direct entry payments.

(b) The Chief Executive Officer may also delegate to any one of either the Manager Finance and Corporate Services or Deputy Chief Executive Officer as secondary signatories to sign all cheques and direct entry payments.

(c) In the absence of these staff members, the President or Deputy President may sign as either the primary or secondary signature.

(d) In the absence of any of the authorised signatories, officers acting in those positions are also authorised to sign all cheques.

(e) The authorised signatories are only authorised to approve payment of accounts on the condition that such expenditure has been incurred in compliance with Section 6.8 of the Local Government Act 1995.

(f) Lists of all payments made are to be included in the agenda of the next Ordinary Meeting of Council to be received and included in the Minutes of the Meeting.

(g) The lists of all cheques and direct entry payments are to be signed and certified by the Chief Executive Officer and Manager of Finance and Corporate Services (or those person acting in those positions) to the effect that all accounts paid have been certified as true and correct, correctly authorised and is approved expenditure.

(h) Vouchers, supporting invoices and other relevant documentation will be made available for inspection by Councillors at any time following the date of payment and at the next Ordinary Meeting of Council.

(i) The Capital Threshold has been determined at \$5,000