

# SHIRE OF DUMBLEYUNG

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2021

#### LOCAL GOVERNMENT ACT 1995

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#### **SHIRE'S VISION**

"A vibrant shire which is sustainable, which has a high local Community of Interest, & which supports the pursuit of quality lifestyles of the people of the area".

**SHIRE OF DUMBLEYUNG**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	1,750,544	1,704,066	1,697,130
Operating grants, subsidies and contributions	10(a)	1,204,478	2,022,685	1,090,732
Fees and charges	9	507,697	500,846	506,663
Service charges	1(d)	18,745	24,591	18,745
Interest earnings	12(a)	82,502	131,889	178,565
Other revenue	12(b)	86,689	91,514	60,032
		3,650,655	4,475,590	3,551,867
<b>Expenses</b>				
Employee costs		(1,444,571)	(1,293,572)	(1,507,899)
Materials and contracts		(1,621,422)	(724,553)	(1,414,542)
Utility charges		(217,630)	(163,230)	(171,229)
Depreciation on non-current assets	5	(3,228,767)	(3,023,835)	(2,399,831)
Interest expenses	12(d)	(12,097)	(18,033)	(23,545)
Insurance expenses		(171,893)	(183,320)	(182,833)
Other expenditure		(284,569)	(312,063)	(267,535)
		(6,980,949)	(5,718,607)	(5,967,414)
<b>Subtotal</b>		(3,330,294)	(1,243,017)	(2,415,547)
Non-operating grants, subsidies and contributions	10(b)	2,124,528	1,033,738	1,347,922
Profit on asset disposals	4(b)	35,000	78,594	8,146
Loss on asset disposals	4(b)	(29,000)	(204,477)	(95,324)
		2,130,528	907,855	1,260,744
<b>Net result</b>		<b>(1,199,766)</b>	<b>(335,162)</b>	<b>(1,154,803)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(1,199,766)</b>	<b>(335,162)</b>	<b>(1,154,803)</b>

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

# CITY OF SOMEWHERE FOR THE YEAR ENDED 30 JUNE 2021

## 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 (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

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 Dumbleyung 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.

## 2019/20 ACTUAL BALANCES

Balances shown in this budget as 2019/20 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 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 is not expected to impact the annual budget. Specific impacts of AASB 2018-7 have not been identified.

## 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.

**CITY OF SOMEWHERE**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>Revenue</b>	1,9,10(a),12(a),12(b)	\$	\$	\$
Governance		0	6,513	0
General purpose funding		2,653,770	3,531,328	2,711,574
Law, order, public safety		59,691	61,765	47,228
Health		3,300	2,677	250
Education and welfare		3,000	0	0
Housing		122,920	126,024	171,037
Community amenities		249,555	239,001	226,111
Recreation and culture		23,772	23,710	26,059
Transport		163,725	159,959	162,351
Economic services		249,288	176,855	109,381
Other property and services		121,634	147,758	97,876
		3,650,655	4,475,590	3,551,867
<b>Expenses excluding finance costs</b>	4(a),5,12(c),(e),(f)			
Governance		(936,421)	(753,539)	(833,245)
General purpose funding		(98,108)	(94,580)	(85,125)
Law, order, public safety		(177,970)	(169,745)	(232,935)
Health		(80,364)	(41,451)	(96,222)
Education and welfare		(19,702)	(16,053)	(14,727)
Housing		(244,277)	14,693	(310,302)
Community amenities		(555,161)	(417,157)	(585,193)
Recreation and culture		(883,371)	(703,294)	(797,578)
Transport		(3,257,071)	(2,837,580)	(2,442,560)
Economic services		(605,010)	(401,077)	(343,842)
Other property and services		(111,397)	(280,790)	(202,140)
		(6,968,852)	(5,700,574)	(5,943,869)
<b>Finance costs</b>	,7,6(a),12(d)			
Housing		(2,999)	(3,728)	(3,127)
Community amenities		(89)	(291)	(319)
Recreation and culture		(310)	(567)	(478)
Transport		(831)	(3,502)	(11,291)
Economic services		(7,611)	(9,471)	(8,330)
Other property and services		(257)	(475)	0
		(12,097)	(18,033)	(23,545)
<b>Subtotal</b>		(3,330,294)	(1,243,017)	(2,415,547)
Non-operating grants, subsidies and contributions	10(b)	2,124,528	1,033,738	1,347,922
Profit on disposal of assets	4(b)	35,000	78,594	8,146
(Loss) on disposal of assets	4(b)	(29,000)	(204,477)	(95,324)
		2,130,528	907,855	1,260,744
<b>Net result</b>		<b>(1,199,766)</b>	<b>(335,162)</b>	<b>(1,154,803)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(1,199,766)</b>	<b>(335,162)</b>	<b>(1,154,803)</b>

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

**CITY OF SOMEWHERE  
FOR THE YEAR ENDED 30 JUNE 2021**

**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**

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

**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, laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**HEALTH**

To provide an operational framework for the environment 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.

**HOUSING**

To provide and maintain housing for low income earners and aged residents.

Provision and maintenance of housing for low income earners and elderly residents.

**COMMUNITY AMENITIES**

To provide services required by the community.

Rubbish Collection services, operation of rubbish disposal sites, litter control, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

**RECREATION AND CULTURE**

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

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

**TRANSPORT**

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

Construction and maintenance of roads, street, footpaths, depots and traffic control. Cleaning of street and maintenance of street trees.

**ECONOMIC SERVICES**

To help promote the shire and its economic well-being.

Tourism and area promotion including the maintenance and operation of caravan parks. Provision of rural services including Landcare services, weed control, vermin control, and standpipes. Building control.

**OTHER PROPERTY AND SERVICES**

To monitor and control council's overheads operating accounts.

Private works operation, administration costs, public works overheads, plant repair and operation costs.

**CITY OF SOMEWHERE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates	1,745,544	1,701,917	1,712,130
Operating grants, subsidies and contributions	1,132,564	2,103,752	2,140,940
Fees and charges	507,697	500,846	515,202
Service charges	18,745	24,591	18,745
Interest earnings	82,502	131,889	178,565
Goods and services tax	(2,000)	(2,028)	576,343
Other revenue	86,689	91,514	90,855
	<b>3,571,741</b>	<b>4,552,481</b>	<b>5,232,780</b>
<b>Payments</b>			
Employee costs	(1,419,571)	(1,262,936)	(1,484,899)
Materials and contracts	(1,668,422)	414,095	(1,400,342)
Utility charges	(217,630)	(163,230)	(171,229)
Interest expenses	(13,097)	(21,235)	(22,545)
Insurance expenses	(171,893)	(183,320)	(182,833)
Goods and services tax	0	0	(558,343)
Other expenditure	(284,569)	(312,063)	(267,535)
	<b>(3,775,182)</b>	<b>(1,528,690)</b>	<b>(4,087,726)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>3 (203,441)</b>	<b>3,023,791</b>	<b>1,145,054</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	4(a) (1,728,150)	(1,062,246)	(1,044,127)
Payments for construction of infrastructure	4(a) (1,913,946)	(2,000,025)	(1,909,376)
Non-operating grants, subsidies and contributions	2,124,528	1,033,738	1,347,922
Proceeds from sale of plant and equipment	4(b) 414,000	812,736	471,822
<b>Net cash provided by (used in) investing activities</b>	<b>(1,103,568)</b>	<b>(1,215,797)</b>	<b>(1,133,759)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a) (53,069)	(734,759)	(2,233,765)
Principal elements of lease payments	7 (13,760)	(13,542)	0
Proceeds on disposal of financial assets at amortised cost - term deposits	0	3,867,605	0
Proceeds from new borrowings	6(b) 0	994	1,500,000
<b>Net cash provided by (used in) financing activities</b>	<b>(66,829)</b>	<b>3,120,298</b>	<b>(733,765)</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,373,838)</b>	<b>4,928,293</b>	<b>(722,470)</b>
Cash at beginning of year	8,329,963	3,401,671	7,239,757
<b>Cash and cash equivalents at the end of the year</b>	<b>3 6,956,125</b>	<b>8,329,964</b>	<b>6,517,287</b>

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

**CITY OF SOMEWHERE**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>OPERATING ACTIVITIES</b>			
<b>Net current assets at start of financial year - surplus/(deficit)</b>	1,228,317	1,854,097	1,665,989
	1,228,317	1,854,097	1,665,989
<b>Revenue from operating activities (excluding rates)</b>			
Governance	0	6,513	0
General purpose funding	916,591	1,840,239	1,014,444
Law, order, public safety	59,691	61,765	47,228
Health	3,300	2,677	250
Education and welfare	3,000	0	0
Housing	122,920	126,024	171,037
Community amenities	249,555	239,001	226,111
Recreation and culture	23,772	23,710	26,059
Transport	198,725	230,385	169,331
Economic services	249,288	176,855	109,381
Other property and services	121,634	155,927	99,042
	1,948,476	2,863,095	1,862,883
<b>Expenditure from operating activities</b>			
Governance	(936,421)	(753,539)	(833,245)
General purpose funding	(98,108)	(94,580)	(85,125)
Law, order, public safety	(177,970)	(169,745)	(232,935)
Health	(80,364)	(41,451)	(96,222)
Education and welfare	(19,702)	(16,053)	(14,727)
Housing	(247,276)	(171,067)	(313,429)
Community amenities	(555,250)	(417,449)	(585,512)
Recreation and culture	(883,681)	(703,860)	(798,056)
Transport	(3,280,902)	(2,862,315)	(2,549,175)
Economic services	(612,621)	(410,548)	(352,172)
Other property and services	(117,654)	(282,476)	(202,140)
	(7,009,949)	(5,923,084)	(6,062,738)
Non-cash amounts excluded from operating activities	2 (a)(i) 3,222,767	3,132,469	2,487,009
<b>Amount attributable to operating activities</b>	(610,389)	1,926,577	(46,857)
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	10(b) 2,124,528	1,033,738	1,347,922
Purchase property, plant and equipment	4(a) (1,728,150)	(1,062,246)	(1,044,127)
Purchase and construction of infrastructure	4(a) (1,913,946)	(2,000,025)	(1,909,376)
Proceeds from disposal of assets	4(b) 414,000	812,736	471,822
<b>Amount attributable to investing activities</b>	(1,103,568)	(1,215,797)	(1,133,759)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a) (53,069)	(734,759)	(2,233,765)
Principal elements of finance lease payments	7 (13,760)	(13,542)	0
Proceeds from new borrowings	6(b) 0	994	1,500,000
Transfers to cash backed reserves (restricted assets)	8(a) (301,741)	(862,260)	(335,101)
Transfers from cash backed reserves (restricted assets)	8(a) 345,348	436,015	552,352
<b>Amount attributable to financing activities</b>	(23,222)	(1,173,552)	(516,514)
<b>Budgeted deficiency before general rates</b>	(1,737,179)	(462,772)	(1,697,130)
<b>Estimated amount to be raised from general rates</b>	1 1,737,179	1,691,089	1,697,130
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii) 0	1,228,317	0

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

**CITY OF SOMEWHERE**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

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CITY OF SOMEWHERE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

## 1. RATES AND SERVICE CHARGES

### (a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>General rate</b>									
Gross rental value	0.11111	166	1,214,224	134,911	0	0	134,911	129,771	129,590
Unimproved value	0.01014	285	159,771,625	1,620,723	0	0	1,620,723	1,572,197	1,572,584
<b>Sub-Totals</b>		451	160,985,849	1,755,634	0	0	1,755,634	1,701,968	1,702,174
<b>Minimum</b>									
<b>Minimum payment</b>									
	\$								
Gross rental value	435	73		31,755			31,755	32,190	32,190
Unimproved value	435	34		14,790			14,790	14,355	14,790
<b>Sub-Totals</b>		107	0	46,545	0	0	46,545	46,545	46,980
		558	160,985,849	1,802,179	0	0	1,802,179	1,748,513	1,749,154
Discounts (Refer note 1(e))							(65,000)	(57,424)	(65,000)
<b>Total amount raised from general rates</b>							1,737,179	1,691,089	1,684,154
Ex-gratia rates							13,365	12,976	12,976
<b>Total rates</b>							1,750,544	1,704,065	1,697,130

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

The general rates detailed for the 2020/21 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.

CITY OF SOMEWHERE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES (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
		\$	%	%
<b>Option one</b>				
Single discount payment	11/09/2020	0	0.0%	8.0%
<b>Option two</b>				
Payment in full	2/10/2020	0	0.0%	8.0%
<b>Option three</b>				
First instalment	2/10/2020	15	5.5%	8.0%
Second instalment	2/02/2021	15	5.5%	8.0%
<b>Option four</b>				
First instalment	2/10/2020	15	5.5%	8.0%
Second instalment	2/12/2020	15	5.5%	8.0%
Third instalment	2/02/2021	15	5.5%	8.0%
Fourth instalment	2/04/2021	15	5.5%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	3,000	2,835	3,137
Instalment plan interest earned	3,976	3,619	2,637
Unpaid rates and service charge interest earned	9,000	10,857	7,910
	15,976	17,311	13,684

CITY OF SOMEWHERE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2021.

(d) Service Charges

	Amount of charge	2020/21 Budgeted revenue	Budget Amount to be applied to costs	Budget Amount to be set aside to reserve	Reserve Amount to be applied to costs	2019/20 Actual revenue	2019/20 Budget revenue
<b>Service charge</b>	\$	\$	\$	\$	\$	\$	\$
Fence Road Drainage Scheme	\$400 per kilometre plus \$50 per kilometre	18,745	17,102	1,643	0	24,591	18,745
		18,745	17,102	1,643	0	24,591	18,745

Nature of the service charge	Objects of the charge	Reasons for the charge	Area/Properties charge to be imposed on
Fence Road Drainage Scheme	To enable Council to continue providing this service into the future.	For the ongoing maintenance, monitoring, inspections and debt obligations relating to the Fence Road Drainage Scheme.	Land access the Fence Road Drainage Scheme, area consisting of the northern part of the Shire of Dumbleyung Local Government Area, south of Boundary Road and north from the Dumbleyung Lake Grace Road.

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Rates discounts

Rate or fee to which discount is granted	Discount %	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which discount is granted
General rates discount	5.0%	\$ 65,000	\$ 57,424	\$ 65,000	When payment of the full amount owing, including arrears and charges, is received in full on or before 4.30pm on the discount due date.
		65,000	57,424	65,000	

(f) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type		Circumstances in which the waiver or concession is granted
Pool entry	Waiver	100.0%	Infants under one year old and school teachers accompanying students during school events and swimming lessons.

## 2 (a). NET CURRENT ASSETS

### 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.

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
<b>(i) Operating activities excluded from budgeted deficiency</b>			
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	4(b) (35,000)	(78,594)	(8,146)
Less: Movement in employee liabilities associated with restricted cash	0	(17,249)	0
Add: Loss on disposal of assets	4(b) 29,000	204,477	95,324
Add: Depreciation on assets	5 3,228,767	3,023,835	2,399,831
<b>Non cash amounts excluded from operating activities</b>	<b>3,222,767</b>	<b>3,132,469</b>	<b>2,487,009</b>
<b>(ii) Current assets and liabilities excluded from budgeted deficiency</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.			
<b>Adjustments to net current assets</b>			
Less: Cash - restricted reserves	3 (6,681,431)	(6,725,038)	(6,081,542)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	53,011	53,069	53,069
- Current portion of lease liabilities	8,679	13,760	0
<b>Total adjustments to net current assets</b>	<b>(6,619,741)</b>	<b>(6,658,209)</b>	<b>(6,028,473)</b>

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
Note	\$	\$	\$
<b>(iii) Composition of estimated net current assets</b>			
<b>Current assets</b>			
Cash and cash equivalents- unrestricted	274,695	1,568,011	435,745
Cash and cash equivalents - restricted			
Cash backed reserves	6,681,431	6,725,038	6,081,542
Unspent grants, subsidies and contributions	0	36,914	0
Receivables	272,010	220,011	140,084
Inventories	17,658	7,658	18,058
	<b>7,245,794</b>	<b>8,557,632</b>	<b>6,675,429</b>
<b>Less: current liabilities</b>			
Trade and other payables	(259,520)	(262,520)	(334,752)
Contract liabilities	(16,132)	(53,046)	0
Lease liabilities	(8,679)	(13,760)	0
Long term borrowings	(53,011)	(53,069)	(53,069)
Provisions	(288,711)	(288,711)	(259,135)
	<b>(626,053)</b>	<b>(671,106)</b>	<b>(646,956)</b>
<b>Net current assets</b>	<b>6,619,741</b>	<b>7,886,526</b>	<b>6,028,473</b>
<b>Less: Total adjustments to net current assets</b>	<b>(6,619,741)</b>	<b>(6,658,209)</b>	<b>(6,028,473)</b>
<b>Closing funding surplus / (deficit)</b>	<b>0</b>	<b>1,228,317</b>	<b>0</b>

**2 (b). NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as 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 Dumbleyung 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.

**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.

**PROVISIONS**

Provisions are recognised when the Shire has a 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.

**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 Dumbleyung contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Dumbleyung contributes are defined contribution plans.

**LEASE LIABILITIES**

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

**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.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

Provision is made for the Shire of Dumbleyung'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 of Dumbleyung'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 of Dumbleyung's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**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.

Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

**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.

**CITY OF SOMEWHERE**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	6,956,126	8,329,963	6,517,287
	6,956,126	8,329,963	6,517,287
Unrestricted cash and cash equivalents	274,695	1,568,011	435,745
Restricted cash and cash equivalents	6,681,431	6,761,952	6,081,542
	6,956,126	8,329,963	6,517,287
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Employee Entitlement Reserve - Accumulation	228,898	127,748	97,272
Emergency Response Reserve - Accumulation	159,799	158,383	160,403
IT & Office Equipment Reserve - Accumulation	71,085	29,817	44,414
Plant, Vehicle & Equipment Reserve - Accumulation	358,573	389,071	297,737
Buildings Reserve - Accumulation	705,351	679,229	257,441
Dam Cleaning Reserve - Accumulation	37,902	37,564	17,577
Dumbleyung Sewerage Works Reserve - Accumulation	482,360	449,740	380,096
Landcare Development Reserve - Accumulation	51,447	88,315	65,659
Fence Road Drain Maintenance Reserve - Accumulation	7,885	6,186	2,590
Bain Estate Reserve - Accumulation	4,578,131	4,758,985	4,758,353
Unspent grants, subsidies and contributions	10 0	36,914	0
	6,681,431	6,761,952	6,081,542
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	(1,199,766)	(335,162)	(1,154,803)
Depreciation	5 3,228,767	3,023,835	2,399,831
(Profit)/loss on sale of asset	4(b) (6,000)	125,883	87,178
(Increase)/decrease in receivables	(52,000)	23,844	1,122,570
(Increase)/decrease in inventories	(10,000)	12,600	2,200
Increase/(decrease) in payables	(3,000)	1,141,155	24,668
Increase/(decrease) in contract liabilities	(36,914)	53,046	11,332
Increase/(decrease) in employee provisions	0	12,327	0
Non-operating grants, subsidies and contributions	(2,124,528)	(1,033,738)	(1,347,922)
<b>Net cash from operating activities</b>	(203,441)	3,023,790	1,145,054

**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.

CITY OF SOMEWHERE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program						2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	
<u>Property, Plant and Equipment</u>									
Land - freehold land			30,000	10,000			40,000		5,000
Buildings	125,000		467,200		165,000	39,450	796,650	56,153	70,000
Plant and equipment				605,000	27,000	259,500	891,500	1,006,093	969,127
	125,000	0	497,200	615,000	192,000	298,950	1,728,150	1,062,246	1,044,127
<u>Infrastructure</u>									
Infrastructure - roads				1,569,680			1,569,680	1,763,639	1,837,776
Infrastructure - sewerage		40,184					40,184	0	0
Infrastructure - other			6,000		298,082		304,082	236,386	71,600
	0	40,184	6,000	1,569,680	298,082	0	1,913,946	2,000,025	1,909,376
<u>Right of use assets</u>									
Right of use - plant and equipment						0	0		0
<b>Total acquisitions</b>	<b>125,000</b>	<b>40,184</b>	<b>503,200</b>	<b>2,184,680</b>	<b>490,082</b>	<b>298,950</b>	<b>3,642,096</b>	<b>3,062,271</b>	<b>2,953,503</b>

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.



CITY OF SOMEWHERE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Housing	0	0	0	0	375,353	193,321	0	(182,032)	0	0	0	0
Transport	195,000	207,000	35,000	(23,000)	251,566	300,759	70,426	(21,233)	337,000	248,656	6,980	(95,324)
Other property and services	213,000	207,000	0	(6,000)	311,700	318,656	8,167	(1,211)	222,000	223,166	1,166	0
	408,000	414,000	35,000	(29,000)	938,619	812,736	78,593	(204,476)	559,000	471,822	8,146	(95,324)
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Land - freehold land		0			9,000	9,000	0	0		0		
Buildings		0			366,353	184,321	0	(182,032)		0		
Plant and equipment	408,000	414,000	35,000	(29,000)	563,266	619,415	78,593	(22,444)	559,000	471,822	8,146	(95,324)
	408,000	414,000	35,000	(29,000)	938,619	812,736	78,593	(204,476)	559,000	471,822	8,146	(95,324)

**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.

**CITY OF SOMEWHERE**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**5. ASSET DEPRECIATION**

**By Program**

Governance
Law, order, public safety
Health
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

**By Class**

Buildings
Plant and equipment
Infrastructure - roads
Infrastructure - sewerage
Infrastructure - other
Right of use - plant and equipment

<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
\$	\$	\$
18,320	18,317	16,716
49,200	49,110	103,788
2,650	3,527	2,638
77,558	65,188	69,204
145,510	151,046	190,441
195,289	194,522	159,720
2,500,250	2,250,206	1,565,129
22,990	22,999	23,772
217,000	268,919	268,423
<b>3,228,767</b>	<b>3,023,835</b>	<b>2,399,831</b>
332,738	290,994	294,226
236,040	327,500	390,185
2,468,380	2,218,605	1,536,035
44,000	44,000	44,000
133,910	128,999	135,385
13,699	13,737	0
<b>3,228,767</b>	<b>3,023,835</b>	<b>2,399,831</b>

**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.

asset are:

Buildings	30 to 50 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal - bituminous	20 years
seal - asphalt	25 years
Gravel roads	
formation	not depreciated
pavement	50-75 years
gravel sheet	25 years
Footpaths - slab	20 years
Sewerage piping	50 years

**CITY OF SOMEWHERE**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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	Budget	2020/21	2020/21	Budget	2020/21	Actual	2019/20	2019/20	Actual	2019/20	Budget	2019/20	2019/20	Budget	2019/20
		Principal 1 July 2020	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2021	Budget Interest Repayments	Principal 1 July 2019	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2020	Actual Interest Repayments	Principal 1 July 2019	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2020	Budget Interest Repayments
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Education and welfare</b>																
Aged Care Housing	93	84,673	0	3,694	80,979	2,999	88,238	0	3,565	84,673	3,728	88,238	0	3,565	84,673	3,127
<b>Community amenities</b>																
Sewerage	38	0	0	0	0	0	3,690	0	3,690	0	110	3,690	0	3,690	0	120
Sewerage	40	1,583	0	1,583	0	89	3,056	0	1,473	1,583	181	3,056	0	1,473	1,583	199
<b>Recreation and culture</b>																
Mens Shed Contribution	89	9,251	0	4,538	4,713	310	13,621	0	4,370	9,251	567	13,621	0	4,370	9,251	478
<b>Transport</b>																
WANDRRA Contribution	94	41,370	0	20,450	20,920	831	61,360	19,990	41,370	1,639	61,360	0	19,990	41,370	1,291	
WANDRRA Short Term Lending Facility		0	0	0	0	0	678,592	994	679,586	0	1,863	678,592	1,500,000	2,178,592	0	10,000
<b>Economic services</b>																
Fence Rd Drainage Repairs	95	41,222	0	6,617	34,605	6,696	57,018	0	15,796	41,222	1,642	57,018	0	15,796	41,222	1,306
28 Absolon Street	92	131,646	0	16,187	115,459	915	137,935	0	6,289	131,646	7,829	137,935	0	6,289	131,646	7,024
		309,745	0	53,069	256,676	11,840	1,043,510	994	734,759	309,745	17,559	1,043,510	1,500,000	2,233,765	309,745	23,545

All borrowing repayments will be financed by general purpose revenue.

The Shire of Dumbleyung had a Short Term Lending Facility with the Western Australian Treasury Corporation for the purpose of managing cash flow while undertaking repairs to roads under the WANDRRA scheme which was terminated 30 June 2020.

**CITY OF SOMEWHERE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2021**

**6. INFORMATION ON BORROWINGS**

**(b) New borrowings - 2020/21**

The Shire does not intend to undertake any new borrowings for the year ended 30 June 2021

**(c) Unspent borrowings**

The Shire had no unspent borrowing funds as at 30 June 2020 nor is it expected to have unspent borrowing funds as at 30 June 2021.

**(d) Credit Facilities**

	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Credit card limit	13,500	13,500	0
Credit card balance at balance date	(2,000)	(3,067)	0
<b>Total amount of credit unused</b>	<b>11,500</b>	<b>10,433</b>	<b>0</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	256,676	309,745	309,745

**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.

**CITY OF SOMEWHERE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2021**

**7. LEASE LIABILITIES**

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal	2020/21 Budget Lease Principal	Budget Lease Principal outstanding	2020/21 Budget Lease Interest	Actual Principal	2019/20 Actual New Leases	Actual Lease repayments	Actual Lease Principal outstanding	2019/20 Actual Lease repayments	Budget Principal	2019/20 Budget New Leases	Budget Lease repayments	Budget Lease Principal outstanding	2019/20 Budget Lease Interest
					1 July 2020	2020/21 Budget Lease Principal	30 June 2021	2020/21 Budget Lease Interest	1 July 2019	2019/20 Actual New Leases	Actual Lease repayments	30 June 2020	2019/20 Actual Lease repayments	1 July 2019	2019/20 Budget New Leases	Budget Lease repayments	30 June 2020	2019/20 Budget Lease Interest
<b>Other property and services</b>					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Phone System		Telstra			25,891	6,788	32,679	150	19,210		6,681	25,891	257	0	0	0	0	0
Computer System		Wallis Computing Solutions			23,632	6,971	30,603	107	16,771		6,861	23,632	217	0	0	0	0	0
					49,523	0	13,760	257	35,981	0	13,542	49,523	474	0	0	0	0	0

**SIGNIFICANT ACCOUNTING POLICIES**

**LEASES**

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

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

CITY OF SOMEWHERE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2021

8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlement Reserve - Accumulation	127,748	101,150	0	228,898	45,430	82,318	0	127,748	45,430	51,842	0	97,272
(b) Emergency Response Reserve - Accumulation	158,383	1,416	0	159,799	157,517	866	0	158,383	156,491	3,912	0	160,403
(c) IT & Office Equipment Reserve - Accumulation	29,817	41,268	0	71,085	0	54,373	(24,556)	29,817	0	44,414	0	44,414
(d) Plant, Vehicle & Equipment Reserve - Accumulation	389,071	53,502	(84,000)	358,573	402,667	63,380	(76,977)	389,071	402,667	63,675	(168,605)	297,737
(e) Buildings Reserve - Accumulation	679,229	26,122	0	705,351	274,527	404,702	0	679,229	275,552	6,889	(25,000)	257,441
(f) Dam Cleaning Reserve - Accumulation	37,564	338	0	37,902	17,147	20,417	0	37,564	17,148	429	0	17,577
(g) Dumbleyung Sewerage Works Reserve - Accumulation	449,740	32,620	0	482,360	349,278	100,462	0	449,740	349,278	30,818	0	380,096
(h) Landcare Development Reserve - Accumulation	88,315	795	(37,663)	51,447	97,559	10,268	(19,512)	88,315	97,559	7,612	(39,512)	65,659
(i) Fence Road Drain Maintenance Reserve - Accumulation	6,186	1,699	0	7,885	924	5,262	0	6,186	924	1,666	0	2,590
(j) Bain Estate Reserve - Accumulation	4,758,985	42,831	(223,685)	4,578,131	4,910,412	119,177	(270,604)	4,758,985	4,910,413	122,761	(274,821)	4,758,353
(k) Gravel Pit Rehabilitation Reserve - Accumulation	0	0	0	0	26,619	636	(27,255)	0	26,619	665	(27,284)	0
(l) Drainage Maintenance Reserve - Accumulation	0	0	0	0	16,712	399	(17,111)	0	16,712	418	(17,130)	0
	6,725,038	301,741	(345,348)	6,681,431	6,298,792	862,260	(436,015)	6,725,038	6,298,793	335,101	(552,352)	6,081,542

(b) Cash Backed Reserves - Purposes

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlement Reserve - Accumulation	Ongoing	To fund current and past employee leave entitlements.
(b) Emergency Response Reserve - Accumulation	Not known	To fund expenses arising for unforeseen circumstances, or other urgent expenditure.
(c) IT & Office Equipment Reserve - Accumulation	Ongoing	To fund the purchase and upgrade of computer equipment, software and office equipment.
(d) Plant, Vehicle & Equipment Reserve - Accumulation	Ongoing	To support the purchase/replacement of motor vehicles and heavy plant and equipment.
(e) Buildings Reserve - Accumulation	Not known	To support the maintenance, acquisition, upgrade, enhancement or future renewal of buildings within the district.
(f) Dam Cleaning Reserve - Accumulation	Not known	To fund the cleaning of the Kukerin Dam.
(g) Dumbleyung Sewerage Works Reserve - Accumulation	Not known	To fund maintenance, upgrades and future renewal of the Dumbleyung Sewerage Scheme.
(h) Landcare Development Reserve - Accumulation	Ongoing	To contribute to Landcare development.
(i) Fence Road Drain Maintenance Reserve - Accumulation	Not known	To fund maintenance on the Fence Road Drainage Scheme.
(j) Bain Estate Reserve - Accumulation	Ongoing	To hold funds from the Bain Estate prior to distribution to the community through the Bain Estate Future Funds and the annual budget.
(k) Gravel Pit Rehabilitation Reserve - Accumulation	n/a	No longer required.
(l) Drainage Maintenance Reserve - Accumulation	n/a	No longer required.

CITY OF SOMEWHERE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2021

9. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
General purpose funding	\$ 4,500	\$ 4,525	\$ 4,183
Law, order, public safety	7,600	6,161	3,231
Health	1,500	950	250
Housing	121,920	125,716	169,513
Community amenities	242,555	239,001	226,111
Recreation and culture	21,772	16,491	19,971
Transport	500	182	0
Economic services	74,100	79,689	33,985
Other property and services	33,250	28,130	49,419
	507,697	500,846	506,663

10. GRANT REVENUE

	Unspent grants, subsidies and contributions liability				Grants, subsidies and contributions revenue			
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>By Program:</b>	\$	\$	\$	\$	\$	\$	\$	\$
<b>(a) Operating grants, subsidies and contributions</b>								
Governance				0	0	0	6,513	0
General purpose funding				0	0	816,224	1,702,180	831,696
Law, order, public safety	12,023	48,901	(60,924)	0	0	48,091	51,354	39,997
Education and welfare				0	0	3,000	0	0
Housing				0	0	0	308	1,524
Recreation and culture				0	0	2,000	5,975	5,572
Transport	0	151,225	(151,225)	0	0	151,225	149,102	149,102
Economic services	24,891	39,880	(64,771)	0	0	156,393	70,575	55,114
Other property and services				0	0	27,545	36,679	7,727
	36,914	240,006	(276,920)	0	0	1,204,478	2,022,685	1,090,732
<b>(b) Non-operating grants, subsidies and contributions</b>								
General purpose funding	0	1,028,622	(1,028,622)	0	0	1,028,622	0	0
Transport	0	1,095,906	(1,095,906)	0	0	1,095,906	891,178	1,347,922
Economic services				0	0	0	142,560	0
	0	2,124,528	(2,124,528)	0	0	2,124,528	1,033,738	1,347,922
<b>Total</b>	36,914	2,364,534	(2,401,448)	0	0	3,329,006	3,056,423	2,438,654

(c) Unspent grants, subsidies and contributions were restricted as follows:

	Budget Closing Balance 30 June 2021	Actual Balance 30 June 2020
Unspent grants, subsidies and contributions	0	36,914
	0	36,914

**CITY OF SOMEWHERE**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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 contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed



## 12. OTHER INFORMATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	60,526	104,908	157,471
- Other funds	9,000	12,505	10,547
Other interest revenue (refer note 1b)	12,976	14,476	10,547
	82,502	131,889	178,565
<b>(b) Other revenue</b>			
Reimbursements and recoveries	86,689	91,514	60,032
	86,689	91,514	60,032
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	27,000	8,028	15,000
Other services	15,000	0	8,500
	42,000	8,028	23,500
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	11,840	17,559	23,545
Interest expense on lease liabilities	257	474	0
	12,097	18,033	23,545
<b>(e) Elected members remuneration</b>			
Meeting fees	20,000	15,515	20,450
Mayor/President's allowance	7,000	7,000	7,000
Deputy Mayor/President's allowance	1,750	1,750	1,750
Travelling expenses	6,000	5,347	5,000
	34,750	29,612	34,200
<b>(f) Write offs</b>			
General rate	500	396	0
	500	396	0

### 13. MAJOR LAND TRANSACTIONS

It is not anticipated the Shire will be party to any Major Land Transactions during 2020/21.

### 14. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated the Shire will be party to any Trading Undertakings and Major Trading Undertakings during 2020/21.

### 15. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture arrangements during 2020/21.

### 16. 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.