

# SHIRE OF CUNDERDIN

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2021

#### LOCAL GOVERNMENT ACT 1995

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

A place for people, a place for community.

**SHIRE OF CUNDERDIN**  
**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)	2,135,783	2,109,320	2,133,576
Operating grants, subsidies and contributions	9(a)	864,874	1,846,777	907,126
Fees and charges	8	344,396	398,033	356,180
Interest earnings	11(a)	56,200	69,384	63,200
Other revenue	11(b)	5,500	8,187	5,500
		<b>3,406,753</b>	<b>4,431,701</b>	<b>3,465,582</b>
<b>Expenses</b>				
Employee costs		(1,410,000)	(1,275,361)	(1,578,876)
Materials and contracts		(1,477,327)	(1,197,619)	(1,338,630)
Utility charges		(211,225)	(268,101)	(204,700)
Depreciation on non-current assets	5	(5,293,951)	(5,293,951)	(5,307,150)
Interest expenses	11(d)	(60,625)	(64,943)	(74,081)
Insurance expenses		(177,769)	(171,338)	(162,542)
Other expenditure		(187,250)	(167,003)	(177,750)
		<b>(8,818,146)</b>	<b>(8,438,314)</b>	<b>(8,843,729)</b>
<b>Subtotal</b>				
		<b>(5,411,393)</b>	<b>(4,006,614)</b>	<b>(5,378,147)</b>
Non-operating grants, subsidies and contributions	9(b)	2,299,922	648,571	580,189
Profit on asset disposals	4(b)	0	154,268	299,500
		<b>2,299,922</b>	<b>802,839</b>	<b>879,689</b>
<b>Net result</b>				
		<b>(3,111,471)</b>	<b>(3,203,775)</b>	<b>(4,498,458)</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>(3,111,471)</b>	<b>(3,203,775)</b>	<b>(4,498,458)</b>

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

# SHIRE OF CUNDERDIN

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

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

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

### 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.

**SHIRE OF CUNDERDIN**  
**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>	1,8,9(a),11(a),11(b)	\$	\$	\$
General purpose funding		2,871,483	3,617,132	2,896,276
Law, order, public safety		32,550	33,744	32,239
Health		0	11,772	0
Education and welfare		65,000	145,996	75,800
Housing		11,700	24,695	31,980
Community amenities		166,500	166,352	160,500
Recreation and culture		38,200	117,423	40,200
Transport		171,074	168,838	165,459
Economic services		32,646	36,390	13,000
Other property and services		17,600	109,359	50,128
		<b>3,406,753</b>	<b>4,431,701</b>	<b>3,465,582</b>
<b>Expenses excluding finance costs</b>	4(a),5,11(c),(e),(f)			
Governance		(154,596)	(127,703)	(169,946)
General purpose funding		(226,422)	(207,146)	(161,000)
Law, order, public safety		(144,684)	(120,661)	(94,366)
Health		(120,877)	(78,542)	(95,241)
Education and welfare		(145,931)	(245,349)	(194,468)
Housing		(234,016)	(124,175)	(125,813)
Community amenities		(588,018)	(592,647)	(521,447)
Recreation and culture		(1,693,723)	(1,620,525)	(1,365,699)
Transport		(5,310,588)	(4,978,651)	(4,933,678)
Economic services		(115,335)	(126,628)	(69,182)
Other property and services		(23,331)	(151,344)	(1,038,808)
		<b>(8,757,521)</b>	<b>(8,373,371)</b>	<b>(8,769,648)</b>
<b>Finance costs</b>	,6(a),11(d)			
Recreation and culture		(53,819)	(56,439)	(56,439)
Other property and services		(6,806)	(8,504)	(17,642)
		<b>(60,625)</b>	<b>(64,943)</b>	<b>(74,081)</b>
<b>Subtotal</b>		<b>(5,411,393)</b>	<b>(4,006,613)</b>	<b>(5,378,147)</b>
Non-operating grants, subsidies and contributions	9(b)	2,299,922	648,571	580,189
Profit on disposal of assets	4.(b)	0	154,268	299,500
		<b>2,299,922</b>	<b>802,839</b>	<b>879,689</b>
<b>Net result</b>		<b>(3,111,471)</b>	<b>(3,203,774)</b>	<b>(4,498,458)</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>(3,111,471)</b>	<b>(3,203,774)</b>	<b>(4,498,458)</b>

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

**KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

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

**OBJECTIVE**

**ACTIVITIES**

**GOVERNANCE**

To Provide a decision making process for the efficient allocation of resources

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

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**HEALTH**

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, noise control and waste disposal compliance,

**EDUCATION AND WELFARE**

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

Inspection of food outlets and their control, noise control and waste disposal compliance.

**HOUSING**

To provide and maintain housing.

Provision of staff housing and other housing to the community.

**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 social wellbeing of the community.

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

**TRANSPORT**

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

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

**ECONOMIC SERVICES**

To promote the Shire and its economic wellbeing.

Tourism and area promotion including coordination of events. Provision of rural services including weed control, vermin control and standpipes. Building control.

**OTHER PROPERTY AND SERVICES**

To monitor and control the Shires overhead and operating accounts.

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

**SHIRE OF CUNDERDIN**  
**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		2,135,783	2,058,879	2,133,576
Operating grants, subsidies and contributions		864,874	2,002,060	853,998
Fees and charges		344,396	398,033	408,508
Interest earnings		56,200	69,384	63,200
Goods and services tax		0	(5,851)	0
Other revenue		5,500	8,187	0
		<b>3,406,753</b>	<b>4,530,692</b>	<b>3,459,282</b>
<b>Payments</b>				
Employee costs		(1,410,000)	(1,299,148)	(1,577,076)
Materials and contracts		(1,477,327)	(764,101)	(1,285,030)
Utility charges		(211,225)	(268,101)	(208,439)
Interest expenses		(60,625)	(64,943)	(65,081)
Insurance expenses		(177,769)	(171,338)	(166,185)
Other expenditure		(187,250)	(167,003)	(177,750)
		<b>(3,524,196)</b>	<b>(2,734,633)</b>	<b>(3,479,561)</b>
<b>Net cash provided by (used in) operating activities</b>	3	<b>(117,443)</b>	<b>1,796,059</b>	<b>(20,279)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(1,027,000)	(716,770)	(1,057,000)
Payments for construction of infrastructure	4(a)	(2,823,394)	(1,596,125)	(1,420,027)
Non-operating grants, subsidies and contributions		2,299,922	648,571	580,189
Proceeds from sale of plant and equipment	4(b)	104,000	257,779	299,500
Proceeds on disposal of financial assets at fair value through profit and loss		0	(4,186)	0
<b>Net cash provided by (used in) investing activities</b>		<b>(1,446,472)</b>	<b>(1,410,731)</b>	<b>(1,597,338)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(82,850)	(78,344)	(78,344)
Proceeds from new borrowings	6(b)	300,000	0	250,000
<b>Net cash provided by (used in) financing activities</b>		<b>217,150</b>	<b>(78,344)</b>	<b>171,656</b>
<b>Net increase (decrease) in cash held</b>		<b>(1,346,764)</b>	<b>306,984</b>	<b>(1,445,961)</b>
Cash at beginning of year		2,552,174	2,245,190	2,245,188
<b>Cash and cash equivalents at the end of the year</b>	3	<b>1,205,410</b>	<b>2,552,174</b>	<b>799,227</b>

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

**SHIRE OF CUNDERDIN**  
**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>	1,301,436	1,423,226	1,393,281
<b>Revenue from operating activities (excluding rates)</b>	1,301,436	1,423,226	1,393,281
General purpose funding	751,687	1,507,812	778,499
Law, order, public safety	32,550	33,744	32,239
Health	0	11,772	0
Education and welfare	65,000	145,996	75,800
Housing	11,700	24,695	31,980
Community amenities	166,500	166,352	160,500
Recreation and culture	38,200	117,423	40,200
Transport	171,074	292,933	165,459
Economic services	32,646	36,390	13,000
Other property and services	17,600	139,531	349,628
	1,286,957	2,476,649	1,647,305
<b>Expenditure from operating activities</b>			
Governance	(154,596)	(127,703)	(169,946)
General purpose funding	(226,422)	(207,146)	(161,000)
Law, order, public safety	(144,684)	(120,661)	(94,366)
Health	(120,877)	(78,542)	(95,241)
Education and welfare	(145,931)	(245,349)	(194,468)
Housing	(234,016)	(124,175)	(125,813)
Community amenities	(588,018)	(592,647)	(521,447)
Recreation and culture	(1,747,542)	(1,676,964)	(1,422,138)
Transport	(5,310,588)	(4,978,651)	(4,933,678)
Economic services	(115,335)	(126,628)	(69,182)
Other property and services	(30,137)	(159,847)	(1,056,450)
	(8,818,146)	(8,438,314)	(8,843,729)
Non-cash amounts excluded from operating activities	5,293,951	5,108,332	5,037,596
<b>Amount attributable to operating activities</b>	(935,803)	569,893	(765,547)
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	9(b)	2,299,922	648,571
Purchase property, plant and equipment	4.(a)	(1,027,000)	(716,770)
Purchase and construction of infrastructure	4.(a)	(2,823,394)	(1,596,125)
Proceeds from disposal of assets	4.(b)	104,000	257,779
<b>Amount attributable to investing activities</b>		(1,446,472)	(1,406,545)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	6.(a)	(82,850)	(78,344)
Proceeds from new borrowings	6.(b)	300,000	0
Transfers to cash backed reserves (restricted assets)	7.(a)	(38,000)	(46,800)
Transfers from cash backed reserves (restricted assets)	7.(a)	78,000	170,000
<b>Amount attributable to financing activities</b>		257,150	44,856
<b>Budgeted deficiency before general rates</b>		(2,125,125)	(791,797)
<b>Estimated amount to be raised from general rates</b>	1.(a)	2,119,696	2,093,233
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii)	<b>(5,429)</b>	<b>(50,451)</b>

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

**SHIRE OF CUNDERDIN**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

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SHIRE OF CUNDERDIN  
 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>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
Residential	0.08697	387	5,480,312	476,634	0	0	476,701	461,897	473,199
<b>Unimproved valuations</b>									
Rural	0.008507	290	173,707,000	1,477,725	0	0	1,477,725	1,482,850	1,482,803
<b>Sub-Totals</b>		677	179,187,312	1,954,359	0	0	1,954,426	1,944,747	1,956,002
<b>Minimum</b>									
<b>Minimum payment</b>									
\$									
<b>Gross rental valuations</b>									
Residential	719	125	415,618	89,875	0	0	89,875	78,033	91,313
<b>Unimproved valuations</b>									
Rural	719	96	4,080,600	69,024	0	0	69,024	64,701	64,710
Mining	719	9	64,120	6,471	0	0	6,471	5,752	5,752
<b>Sub-Totals</b>		230	4,560,338	165,370	0	0	165,370	148,486	161,775
		907	183,747,650	2,119,729	0	0	2,119,796	2,093,233	2,117,777
Concessions (Refer note 1(e))							(100)	0	0
<b>Total amount raised from general rates</b>							2,119,696	2,093,233	2,117,777
Ex-gratia rates							16,087	16,087	15,800
<b>Total rates</b>							2,135,783	2,109,320	2,133,577

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

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.

## 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 Full Payment	24th August 2020	0	0.0%	8.0%
<b>Option three</b>				
First Installment	24th August 2020	9	5.5%	8.0%
Second Installment	26th October 2020	9	5.5%	8.0%
Third Installment	4th January 2021	9	5.5%	8.0%
Fourth Installment	8th March 2021	9	5.5%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	5,500	5,918	5,500
Instalment plan interest earned	6,200	7,783	8,000
Unpaid rates and service charge interest earned	22,000	34,133	22,000
	33,700	47,834	35,500

SHIRE OF CUNDERDIN  
 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

The Shire did not raise service charges for the year ended 30 June 2021.

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
				\$	\$	\$		
Rates Written Off				(100)				
				(100)	0	0		

SHIRE OF CUNDERDIN  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

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) 0	(154,268)	(299,500)
Less: Movement in employee liabilities associated with restricted cash	0	3,003	29,946
Add: Change in accounting policies	0	(34,353)	
Add: Depreciation on assets	5. 5,293,951	5,293,951	5,307,150
<b>Non cash amounts excluded from operating activities</b>	<b>5,293,951</b>	<b>5,108,332</b>	<b>5,037,596</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 (818,299)	(858,299)	(975,063)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	300,001	82,851	250,001
- Employee benefit provisions	178,442	178,442	205,385
- Bonds and deposits held	0	1,685	0
Add: Movement in provisions between current and non-current provisions	7,375	5,791	(34,153)
<b>Total adjustments to net current assets</b>	<b>(332,481)</b>	<b>(589,530)</b>	<b>(553,830)</b>

SHIRE OF CUNDERDIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2021

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
<b>(iii) Composition of estimated net current assets</b>				
<b>Current assets</b>				
Cash and cash equivalents- unrestricted	3	387,111	1,693,875	(439,049)
Cash and cash equivalents - restricted				
Cash backed reserves	3	818,299	858,299	975,063
Unspent borrowings	6(c)	0	0	263,213
Receivables		212,818	212,818	311,809
Inventories		130	130	130
		1,418,358	2,765,122	1,111,166
<b>Less: current liabilities</b>				
Trade and other payables		(585,920)	(585,920)	(152,402)
Long term borrowings		(300,001)	(82,851)	(250,001)
Provisions		(205,385)	(205,385)	(205,385)
		(1,091,306)	(874,156)	(607,788)
<b>Net current assets</b>		327,052	1,890,966	503,378
<b>Less: Total adjustments to net current assets</b>	2 (a)(ii)	(332,481)	(589,530)	(553,830)
<b>Closing funding surplus / (deficit)</b>		(5,429)	1,301,436	(50,451)

## 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 Cunderdin 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 Cunderdin contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Cunderdin 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 Cunderdin'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 Cunderdin'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 Cunderdin'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.

**SHIRE OF CUNDERDIN**  
**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	954,090	2,300,854	(422,484)
Term deposits	251,320	251,320	1,221,711
	1,205,410	2,552,174	799,227
- Unrestricted cash and cash equivalents	387,111	1,693,875	(175,836)
- Restricted cash and cash equivalents	818,299	858,299	975,063
	1,205,410	2,552,174	799,227
- Restricted financial assets at amortised cost - term deposits	0	0	263,213
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents and financial assets at amortised cost:			
Leave reserve	178,442	178,442	175,439
Plant Reserve	55,085	55,085	225,629
Building Reserve	77,081	77,081	78,443
Airfield Reserve	115,493	115,493	115,772
Community Bus Reserve	20,390	20,390	20,439
Asset Replacement Reserve	221,903	251,903	222,513
Cunderdin Museum Reserve	2,267	42,267	18,978
Surfaces Replacement Reserve	87,638	87,638	87,850
AAA Reserve	60,000	30,000	30,000
Unspent borrowings	0	0	263,213
	818,299	858,299	1,238,276
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	(3,111,471)	(3,203,774)	(4,498,458)
Depreciation	5	5,293,951	5,307,150
(Profit)/loss on sale of asset	4.(b)	0	(154,268)
(Increase)/decrease in receivables		0	98,991
Increase/(decrease) in payables		0	433,518
Increase/(decrease) in employee provisions		0	(23,787)
Non-operating grants, subsidies and contributions		(2,299,922)	(648,571)
<b>Net cash from operating activities</b>	(117,442)	1,796,059	(20,279)

#### 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 CUNDERDIN  
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
	Education and welfare	Housing	Recreation and culture	Transport	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>								
Land - freehold land	70,000	0	0	0	0	70,000	0	60,000
Buildings - non-specialised	0	300,000	5,000	0	0	305,000	105,510	436,000
Buildings - specialised	0	0	0	0	0	0	0	4,000
Furniture and equipment	0	0	0	5,000	49,000	54,000	9,931	42,000
Plant and equipment	0	0	0	598,000	0	598,000	601,328	515,000
	70,000	300,000	5,000	603,000	49,000	1,027,000	716,770	1,057,000
<i>Infrastructure</i>								
Infrastructure - roads	0	0	0	2,349,963	0	2,349,963	1,254,813	1,420,027
Infrastructure - Other Infrastructure	0	0	473,431	0	0	473,431	341,311	0
	0	0	473,431	2,349,963	0	2,823,394	1,596,125	1,420,027
<b>Total acquisitions</b>	70,000	300,000	478,431	2,952,963	49,000	3,850,394	2,312,894	2,477,027

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

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 CUNDERDIN  
 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	45,804	59,791	13,987	0	0	0	0	0
Transport	104,000	104,000	0	0	57,706	197,988	140,281	0	0	299,500	299,500	0
	104,000	104,000	0	0	103,510	257,779	154,268	0	0	299,500	299,500	0
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Land - freehold land	0	0	0	0	17,000	17,000	0	0	0	0	0	0
Buildings - specialised	0	0	0	0	28,804	42,791	13,987	0	0	0	0	0
Plant and equipment	104,000	104,000	0	0	57,706	197,988	140,281	0	0	299,500	299,500	0
	104,000	104,000	0	0	103,510	257,779	154,268	0	0	299,500	299,500	0

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

**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 CUNDERDIN**  
**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
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Other property and services

**By Class**

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - Airfield
Infrastructure - Other Infrastructure
Infrastructure - Bridges

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
24,952	24,952	25,150
24,160	24,160	24,100
36,400	36,400	36,500
66,333	66,333	63,700
38,106	38,106	39,500
15,365	15,365	15,600
732,302	732,302	671,400
4,112,288	4,112,288	4,218,400
244,045	244,045	212,800
<b>5,293,951</b>	<b>5,293,951</b>	<b>5,307,150</b>
691,007	688,921	643,550
4,479	4,479	9,550
244,228	244,228	269,800
3,766,036	3,766,036	3,750,000
17,856	17,856	17,550
97,717	97,717	202,500
365,228	367,314	289,200
107,400	107,400	125,000
<b>5,293,951</b>	<b>5,293,951</b>	<b>5,307,150</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.

Major depreciation periods used for each class of depreciable asset are:

Buildings - non-specialised	5 to 56 years
Furniture and equipment	5 to 20 years
Plant and equipment	4 to 15 years
Infrastructure - roads	
- formation	not depreciated
- pavement	19 years
- bituminous seals	18 years
- asphalt surfaces	18 years
- gravel road formation	not depreciated
- gravel road pavement	19 years
Infrastructure - Bridges	60 Years
Infrastructure - footpaths	16 to 50 years
Infrastructure - Airfield	15 to 75 years
Infrastructure - Drainage	18 years
Infrastructure - Other Infrastructure	15 to 75 years

**AMORTISATION**

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

SHIRE OF CUNDERDIN  
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	Institution	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	Budget	Budget	Principal	Actual		Actual	Actual	Actual	Principal		Budget	Budget	Budget	Principal
			1 July 2020	New	Principal	outstanding	Budget	1 July 2019	New	Principal	outstanding	Actual	1 July 2019	New	Principal	outstanding	Actual
			\$	Loans	Repayments	30 June 2021	Interest	\$	Loans	Repayments	30 June 2020	\$	\$	Loans	Repayments	30 June 2020	\$
<b>Housing</b>																	
Housing	77	WATC	0	300,000	0	300,000	0	0	0	0	0	0	0	250,000	0	250,000	0
<b>Recreation and culture</b>																	
Recreation Centre	76	WATC	1,041,892	0	(52,100)	989,792	(53,819)	1,091,342	0	(49,450)	1,041,892	(56,439)	1,091,342	0	(49,450)	1,041,892	(59,439)
<b>Other property and services</b>																	
Ettamogah Pub	73	WATC	68,555	0	(18,100)	50,455	(4,026)	85,568	0	(17,013)	68,555	(5,029)	85,568	0	(17,013)	68,555	(8,111)
Ettamogah Pub	74	WATC	47,812	0	(12,650)	35,162	(2,781)	59,693	0	(11,881)	47,812	(3,474)	59,693	0	(11,881)	47,812	(6,531)
			1,158,259	300,000	(82,850)	1,375,409	(60,626)	1,236,603	0	(78,344)	1,158,259	(64,943)	1,236,603	250,000	(78,344)	1,408,259	(74,081)
			1,158,259	300,000	(82,850)	1,375,409	(60,626)	1,236,603	0	(78,344)	1,158,259	(64,943)	1,236,603	250,000	(78,344)	1,408,259	(74,081)

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Housing Project	WATC	Debenture		%	\$ 300,000	\$ 0	\$ 300,000	\$ 0
					300,000	0	300,000	0

(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

	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>Undrawn borrowing facilities credit standby arrangements</b>	\$	\$	\$
Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit			
Credit card balance at balance date			
<b>Total amount of credit unused</b>	0	0	0
<b>Loan facilities</b>			
Loan facilities in use at balance date	1,375,409	1,158,259	1,408,259

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

## 7. 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) Leave reserve	178,442	0	0	178,442	175,439	3,003	0	178,442	175,439	3,435	0	178,874
(b) Plant Reserve	55,085	0	0	55,085	221,297	3,788	(170,000)	55,085	221,296	4,333	0	225,629
(c) Building Reserve	77,081	0	0	77,081	75,784	1,297	0	77,081	75,784	2,659	0	78,443
(d) Airfield Reserve	115,493	0	0	115,493	113,549	1,944	0	115,493	113,549	2,223	0	115,772
(e) Community Bus Reserve	20,390	0	0	20,390	20,047	343	0	20,390	20,047	392	0	20,439
(f) Asset Replacement Reserve	251,903	0	(30,000)	221,903	247,664	4,239	0	251,903	247,664	4,849	(30,000)	222,513
(g) Cunderdin Museum Reserve	42,267	8,000	(48,000)	2,267	41,556	711	0	42,267	41,556	422	(23,000)	18,978
(h) Surfaces Replacement Reserve	87,638	0	0	87,638	86,163	1,475	0	87,638	86,163	1,687	0	87,850
(i) AAA Reserve	30,000	30,000	0	60,000	0	30,000	0	30,000	0	30,000	0	30,000
	858,299	38,000	(78,000)	818,299	981,499	46,800	(170,000)	858,299	981,498	50,000	(53,000)	978,498

### (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	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant Reserve	Ongoing	To be used to fund acquisition, disposal and maintenance of plant and equipment.
(c) Building Reserve	Ongoing	To be used to fund acquisition, disposal and maintenance of land and buildings.
(d) Airfield Reserve	Ongoing	To be used to fund acquisition, maintenance and funding of property, buildings, plant and equipment associated with cunderdin airfield.
(e) Community Bus Reserve	Ongoing	To be used to fund acquisition, disposal and maintenance of community bus.
(f) Asset Replacement Reserve	Ongoing	To provide for the replacement of necessary equipment, furniture and infrastructure comprising of road, drains, footpaths and recreation
(g) Cunderdin Museum Reserve	Ongoing	To be used to fund exhibitions and upgrades to the Cunderdin Musuem.
(h) Surfaces Replacement Reserve	Ongoing	To be used to fund the replacement of the tennis and bowling surfaces in Cunderdin and Meckering.
(i) AAA Reserve	Ongoing	To be used to fund the ongoing maintenance and upgrades of Sandalwood Village and other Aged Accomodation.

SHIRE OF CUNDERDIN  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
General purpose funding	4,000	4,890	4,000
Law, order, public safety	2,550	4,311	2,500
Education and welfare	65,000	74,844	67,000
Housing	11,700	24,695	31,980
Community amenities	166,500	163,217	160,500
Recreation and culture	26,200	28,599	28,200
Transport	40,000	43,379	40,000
Economic services	28,346	33,097	10,000
Other property and services	100	21,001	12,000
	344,396	398,033	356,180

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability				Grants, subsidies and contributions revenue		
	Liability	Increase	Liability	Total	2020/21	2019/20	2019/20
	1 July 2020	in Liability	Reduction (As revenue)	Liability 30 June 2021	Budget	Actual	Budget
By Program:	\$	\$	\$	\$	\$	\$	\$
<b>(a) Operating grants, subsidies and contributions</b>							
General purpose funding	0	0	0	0	670,000	1,427,604	690,000
Law, order, public safety	0	0	0	0	30,000	29,433	29,739
Health	0	0	0	0	0	11,772	0
Education and welfare	0	0	0	0	0	71,153	8,800
Community amenities	0	0	0	0	0	3,135	0
Recreation and culture	0	0	0	0	12,000	88,824	12,000
Transport	0	0	0	0	131,074	125,459	125,459
Economic services	0	0	0	0	4,300	3,293	3,000
Other property and services	0	0	0	0	17,500	86,105	38,128
	0	0	0	0	864,874	1,846,777	907,126
<b>(b) Non-operating grants, subsidies and contributions</b>							
General purpose funding				0	366,491	0	0
Transport	0	0	0	0	1,933,431	648,571	580,189
	0	0	0	0	2,299,922	648,571	580,189
<b>Total</b>	0	0	0	0	3,164,796	2,495,348	1,487,315

**SHIRE OF CUNDERDIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**10. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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

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

## 11. 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	20,000	16,800	25,000
- Other funds	8,000	10,669	8,200
Other interest revenue (refer note 1b)	28,200	41,916	30,000
	56,200	69,385	63,200
<b>(b) Other revenue</b>			
Reimbursements and recoveries	5,500	8,187	5,500
	5,500	8,187	5,500
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	35,000	31,000	32,000
	35,000	31,000	32,000
<b>(d) Interest expenses (finance costs)</b>			
Borrowing repayments	60,626	64,943	74,081
	60,626	64,943	74,081
<b>(e) Elected members remuneration</b>			
Meeting fees	30,000	25,158	30,000
Mayor/President's allowance	1,500	868	1,500
Deputy Mayor/President's allowance	750	0	750
	32,250	26,026	32,250
<b>(f) Write offs</b>			
General rate	120,000	26,667	120,000
Fees and charges		200	
	120,000	26,867	120,000



### 13. TRUST FUNDS

Funds held at balance date over which the local government has no control and which are not included in the financial statements are as follows:

Detail	Balance 30 June 2020	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2021
	\$	\$	\$	\$
Working Trust	1,098	0	0	1,098
	1,098	0	0	1,098

#### 14. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

##### GOODS AND SERVICES TAX (GST)

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

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

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

##### CRITICAL ACCOUNTING ESTIMATES

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

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

##### ROUNDING OFF FIGURES

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

##### COMPARATIVE FIGURES

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

##### BUDGET COMPARATIVE FIGURES

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