

# SHIRE OF DUMBLEYUNG

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2022

#### 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 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	1,841,286	1,749,397	1,750,544
Operating grants, subsidies and contributions	10(a)	1,141,560	2,044,699	1,204,478
Fees and charges	9	471,864	521,078	507,697
Service charges	1(d)	22,000	22,816	18,745
Interest earnings	13(a)	33,450	54,011	82,502
Other revenue	13(b)	69,724	50,011	86,689
		3,579,884	4,442,012	3,650,655
<b>Expenses</b>				
Employee costs		(1,701,813)	(1,476,095)	(1,444,571)
Materials and contracts		(1,709,706)	(1,143,071)	(1,621,422)
Utility charges		(208,860)	(163,720)	(217,630)
Depreciation on non-current assets	5	(2,426,290)	(2,399,998)	(3,228,767)
Interest expenses	13(d)	(10,282)	(12,938)	(12,097)
Insurance expenses		(177,309)	(173,232)	(171,893)
Other expenditure		(139,551)	(69,064)	(284,569)
		(6,373,811)	(5,438,118)	(6,980,949)
<b>Subtotal</b>				
		(2,793,927)	(996,106)	(3,330,294)
Non-operating grants, subsidies and contributions	10(b)	3,139,590	1,709,506	2,124,528
Profit on asset disposals	4(b)	54,425	562	35,000
Loss on asset disposals	4(b)	(11,475)	(26,169)	(29,000)
		3,182,540	1,683,899	2,130,528
<b>Net result</b>				
		<b>388,613</b>	<b>687,793</b>	<b>(1,199,766)</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>388,613</b>	<b>687,793</b>	<b>(1,199,766)</b>

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

# SHIRE OF DUMBLEYUNG

## NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 30 JUNE 2022

#### BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

#### THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of 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 17 to the budget.

#### 2020/21 ACTUAL BALANCES

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

#### CHANGE IN ACCOUNTING POLICIES

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

#### KEY TERMS AND DEFINITIONS - NATURE OR TYPE

##### REVENUES RATES

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

##### SERVICE CHARGES

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

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

##### PROFIT ON ASSET DISPOSAL

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

#### REVENUES (CONTINUED)

##### OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

##### NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

##### FEES AND CHARGES

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

##### INTEREST EARNINGS

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

##### OTHER REVENUE / INCOME

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

##### EXPENSES

###### EMPLOYEE COSTS

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

###### MATERIALS AND CONTRACTS

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

###### UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

###### INSURANCE

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

###### LOSS ON ASSET DISPOSAL

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

###### DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

###### INTEREST EXPENSES

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

###### OTHER EXPENDITURE

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
<b>Revenue</b>	1,9,10(a),13(a),13(b)	\$	\$	\$
General purpose funding		2,760,480	3,558,957	2,653,770
Law, order and public safety		59,900	51,335	59,691
Health		2,000	0	3,300
Education and welfare		3,000	3,000	3,000
Housing		119,300	119,912	122,920
Community amenities		253,264	259,038	249,555
Recreation and culture		21,800	21,059	23,772
Transport		175,761	165,365	163,725
Economic services		98,260	196,496	249,288
Other property and services		86,119	66,850	121,634
		3,579,884	4,442,012	3,650,655
<b>Expenses excluding finance costs</b>	4(a),5,13(c)(e)(f)			
Governance		(803,410)	(570,571)	(936,421)
General purpose funding		(105,242)	(90,699)	(98,108)
Law, order and public safety		(195,214)	(166,173)	(177,970)
Health		(89,379)	(45,414)	(80,364)
Education and welfare		(31,097)	(23,944)	(19,702)
Housing		(282,614)	(169,613)	(244,277)
Community amenities		(609,912)	(481,600)	(555,161)
Recreation and culture		(925,318)	(727,696)	(883,371)
Transport		(2,645,541)	(2,209,652)	(3,257,071)
Economic services		(551,383)	(621,005)	(605,010)
Other property and services		(124,419)	(318,813)	(111,397)
		(6,363,529)	(5,425,180)	(6,968,852)
<b>Finance costs</b>	7,6(a),13(d)			
Housing		(2,866)	(3,285)	(2,999)
Community amenities		0	(86)	(89)
Recreation and culture		(142)	(340)	(310)
Transport		(360)	(913)	(831)
Economic services		(6,866)	(8,057)	(7,611)
Other property and services		(48)	(257)	(257)
		(10,282)	(12,938)	(12,097)
<b>Subtotal</b>		(2,793,927)	(996,106)	(3,330,294)
Non-operating grants, subsidies and contributions	10(b)	3,139,590	1,709,506	2,124,528
Profit on disposal of assets	4(b)	54,425	562	35,000
(Loss) on disposal of assets	4(b)	(11,475)	(26,169)	(29,000)
		3,182,540	1,683,899	2,130,528
<b>Net result</b>		<b>388,613</b>	<b>687,793</b>	<b>(1,199,766)</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>388,613</b>	<b>687,793</b>	<b>(1,199,766)</b>

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

## SHIRE OF DUMBLEYUNG FOR THE YEAR ENDED 30 JUNE 2022

### 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.

#### PROGRAM NAME AND OBJECTIVES GOVERNANCE

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

#### ACTIVITIES

Include the activities of members of council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not 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 environmental and community health.

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

#### EDUCATION AND WELFARE

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

Maintenance of child minding centre, playgroup centre.

#### 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 resource which will help the social 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 wellbeing.

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.

**SHIRE OF DUMBLEYUNG**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,841,286	1,736,337	1,745,544
Operating grants, subsidies and contributions		1,109,999	2,075,211	1,132,564
Fees and charges		471,864	521,078	507,697
Service charges		22,000	22,816	18,745
Interest received		33,450	54,011	82,502
Goods and services tax received		250,000	0	(2,000)
Other revenue		69,724	50,011	86,689
		3,798,323	4,459,464	3,571,741
<b>Payments</b>				
Employee costs		(1,701,813)	(1,557,895)	(1,419,571)
Materials and contracts		(1,709,706)	(831,864)	(1,668,422)
Utility charges		(208,860)	(163,720)	(217,630)
Interest expenses		(10,282)	(14,285)	(13,097)
Insurance paid		(177,309)	(173,232)	(171,893)
Goods and services tax paid		(250,000)	(125,804)	0
Other expenditure		(139,551)	(69,064)	(284,569)
		(4,197,521)	(2,935,864)	(3,775,182)
<b>Net cash provided by (used in) operating activities</b>	3	(399,198)	1,523,600	(203,441)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(1,151,305)	(765,943)	(1,728,150)
Payments for construction of infrastructure	4(a)	(3,858,858)	(1,214,597)	(1,913,946)
Non-operating grants, subsidies and contributions	10(b)	3,139,590	1,709,506	2,124,528
Proceeds from sale of plant and equipment	4(b)	203,230	124,991	414,000
<b>Net cash provided by (used in) investing activities</b>		(1,667,342)	(146,043)	(1,103,568)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(53,010)	(53,069)	(53,069)
Principal elements of lease payments	7	(8,680)	(13,759)	(13,760)
<b>Net cash provided by (used in) financing activities</b>		(61,690)	(66,828)	(66,829)
<b>Net increase (decrease) in cash held</b>		(2,128,230)	1,310,730	(1,373,838)
Cash at beginning of year		9,640,693	8,329,963	8,329,963
<b>Cash and cash equivalents at the end of the year</b>	3	<b>7,512,463</b>	<b>9,640,693</b>	<b>6,956,125</b>

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

**SHIRE OF DUMBLEYUNG**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

		<b>2021/22</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>NOTE</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2	2,413,082	1,267,280	1,228,317
		2,413,082	1,267,280	1,228,317
<b>Revenue from operating activities (excluding rates)</b>				
Specified area and ex gratia rates	1(c)	14,035	13,365	13,365
Operating grants, subsidies and contributions	10(a)	1,141,560	2,044,699	1,204,478
Fees and charges	9	471,864	521,078	507,697
Service charges	1(d)	22,000	22,816	18,745
Interest earnings	13(a)	33,450	54,011	82,502
Other revenue	13(b)	69,724	50,011	86,689
Profit on asset disposals	4(b)	54,425	562	35,000
		1,807,058	2,706,542	1,948,476
<b>Expenditure from operating activities</b>				
Employee costs		(1,701,813)	(1,476,095)	(1,444,571)
Materials and contracts		(1,709,706)	(1,143,071)	(1,621,422)
Utility charges		(208,860)	(163,720)	(217,630)
Depreciation on non-current assets	5	(2,426,290)	(2,399,998)	(3,228,767)
Interest expenses	13(d)	(10,282)	(12,938)	(12,097)
Insurance expenses		(177,309)	(173,232)	(171,893)
Other expenditure		(139,551)	(69,064)	(284,569)
Loss on asset disposals	4(b)	(11,475)	(26,169)	(29,000)
		(6,385,286)	(5,464,287)	(7,009,949)
Non-cash amounts excluded from operating activities	2(b)	2,383,340	2,424,765	3,222,767
<b>Amount attributable to operating activities</b>		218,194	934,300	(610,389)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	10(b)	3,139,590	1,709,506	2,124,528
Payments for property, plant and equipment	4(a)	(1,151,305)	(765,943)	(1,728,150)
Payments for construction of infrastructure	4(a)	(3,858,858)	(1,214,597)	(1,913,946)
Proceeds from disposal of assets	4(b)	203,230	124,991	414,000
<b>Amount attributable to investing activities</b>		(1,667,342)	(146,043)	(1,103,568)
<b>Amount attributable to investing activities</b>		(1,667,342)	(146,043)	(1,103,568)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(53,010)	(53,069)	(53,069)
Principal elements of finance lease payments	6	(8,680)	(13,759)	(13,760)
Transfers to cash backed reserves (restricted assets)	8(a)	(677,617)	(44,379)	(301,741)
Transfers from cash backed reserves (restricted assets)	8(a)	361,204	0	345,348
<b>Amount attributable to financing activities</b>		<b>(378,103)</b>	<b>(111,208)</b>	<b>(23,222)</b>
<b>Budgeted deficiency before general rates</b>		(1,827,251)	677,050	(1,737,179)
<b>Estimated amount to be raised from general rates</b>	1(a)	1,827,251	1,736,032	1,737,179
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2	<b>0</b>	<b>2,413,082</b>	<b>0</b>

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

**SHIRE OF DUMBLEYUNG**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2(a)	2,413,082	1,267,280	1,228,317
		2,413,082	1,267,280	1,228,317
<b>Revenue from operating activities (excluding rates)</b>				
General purpose funding		933,229	1,822,925	916,591
Law, order, public safety		59,900	51,335	59,691
Health		2,000	0	3,300
Education and welfare		3,000	3,000	3,000
Housing		119,300	119,912	122,920
Community amenities		253,264	259,038	249,555
Recreation and culture		21,800	21,059	23,772
Transport		197,863	165,927	198,725
Economic services		98,260	196,496	249,288
Other property and services		118,442	66,850	121,634
		1,807,058	2,706,542	1,948,476
<b>Expenditure from operating activities</b>				
Governance		(803,410)	(570,571)	(936,421)
General purpose funding		(105,242)	(90,699)	(98,108)
Law, order, public safety		(195,214)	(166,173)	(177,970)
Health		(89,379)	(45,414)	(80,364)
Education and welfare		(31,097)	(23,944)	(19,702)
Housing		(285,480)	(172,898)	(247,276)
Community amenities		(609,912)	(481,686)	(555,250)
Recreation and culture		(925,460)	(728,036)	(883,681)
Transport		(2,657,376)	(2,236,383)	(3,280,902)
Economic services		(558,249)	(629,062)	(612,621)
Other property and services		(124,467)	(319,421)	(117,654)
		(6,385,286)	(5,464,287)	(7,009,949)
Non-cash amounts excluded from operating activities	2(b)	2,383,340	2,424,765	3,222,767
<b>Amount attributable to operating activities</b>		218,194	934,300	(610,389)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		3,139,590	1,709,506	2,124,528
Payments for property, plant and equipment	4(a)	(1,151,305)	(765,943)	(1,728,150)
Payments for construction of infrastructure	4(a)	(3,858,858)	(1,214,597)	(1,913,946)
Proceeds from disposal of assets	4(b)	203,230	124,991	414,000
		(1,667,342)	(146,043)	(1,103,568)
<b>Amount attributable to investing activities</b>		(1,667,342)	(146,043)	(1,103,568)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(53,010)	(53,069)	(53,069)
Principal elements of finance lease payments	7	(8,680)	(13,759)	(13,760)
Transfers to cash backed reserves (restricted assets)	8(a)	(677,617)	(44,379)	(301,741)
Transfers from cash backed reserves (restricted assets)	8(a)	361,204	0	345,348
<b>Amount attributable to financing activities</b>		(378,103)	(111,208)	(23,222)
<b>Budgeted deficiency before imposition of general rates</b>		(1,827,251)	677,050	(1,737,179)
<b>Estimated amount to be raised from general rates</b>	1	1,827,251	1,736,032	1,737,179
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2(a)	<b>0</b>	<b>2,413,082</b>	<b>0</b>

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

SHIRE OF DUMBLEYUNG  
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FOR THE YEAR ENDED 30 JUNE 2022

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## 1. RATES AND SERVICE CHARGES

### (a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$
<b>General rate</b>							
Gross rental value	0.115959	166	1,214,224	140,800	140,800	134,911	134,911
Unimproved valuations	0.009473	286	179,353,000	1,699,011	1,699,011	1,620,348	1,620,723
<b>Sub-Totals</b>		452	180,567,224	1,839,811	1,839,811	1,755,259	1,755,634
	<b>Minimum</b>						
<b>Minimum payment</b>	\$						
Gross rental valuations	456	75	92,412	34,200	34,200	31,755	31,755
Unimproved valuations	456	40	618,869	18,240	18,240	14,215	14,790
<b>Sub-Totals</b>		115	711,281	52,440	52,440	45,970	46,545
		567	181,278,505	1,892,251	1,892,251	1,801,229	1,802,179
Discounts (Refer note 1(e))					(65,000)	(65,197)	(65,000)
<b>Total amount raised from general rates</b>					1,827,251	1,736,032	1,737,179
Ex gratia rates					14,035	13,365	13,365
<b>Total rates</b>					1,841,286	1,749,397	1,750,544

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 2021/22 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

## 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	12/11/2021	0	0.0%	7.0%
<b>Option two</b>				
Payment in full	3/12/2021	0	0.0%	7.0%
<b>Option three</b>				
First instalment	3/12/2021	0	5.5%	7.0%
Second instalment	3/04/2022	15	5.5%	7.0%
<b>Option four</b>				
First instalment	3/12/2021	0	5.5%	7.0%
Second instalment	3/02/2022	15	5.5%	7.0%
Third instalment	3/04/2022	15	5.5%	7.0%
Fourth instalment	3/06/2022	15	5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	3,000	2,145	3,000
Instalment plan interest earned	3,000	2,697	3,976
Unpaid rates and service charge interest earned	9,000	8,167	9,000
	15,000	13,008	15,976

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

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) Specified Area Rate**

The Shire did not raise specified area rates for the year ended 30 June 2022.

The Shire did not raise specified area rates for the year ended 30th June 2022.

**(d) Service Charges**

<b>Service charge</b>	<b>Amount of Charge</b>	<b>2021/22 Budgeted revenue</b>	<b>Budget Amount to be applied to costs</b>	<b>Budget Amount to be set aside to reserve</b>	<b>Reserve Amount to be applied to costs</b>	<b>2020/21 Actual revenue</b>	<b>2020/21 Budget revenue</b>
Fence Road Drainage Scheme		\$	\$	\$	\$	\$	\$
Annual Administration Fee	200						
Maintenance Fee (per kilometre)	400	22,000	17,102	12	0	22,816	18,745
Access Fee for nw landholders	400						
Additional drains - annual access	50						
		22,000	17,102	12	0	22,816	18,745

<b>Nature of the service charge</b>	<b>Objects of the charge</b>	<b>Reasons for the charge</b>	<b>Area/Properties charge to be imposed on</b>
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**

<b>Rate or fee to which discount is granted</b>	<b>Discount %</b>	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>	<b>Circumstances in which discount is granted</b>
General rates discount	5.0%	\$ 65,000	\$ 65,197	\$ 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	65,197	65,000	

\*The reduced fee for eligible pensioners is included in fees and charges at the reduced rate. As such no budget for any discount is required.

**(f) Waivers/Exemptions/Concessions**

<b>Rate or fee and charge to which the waiver or concession is granted</b>	<b>Type</b>	<b>Discount %</b>	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>	<b>Circumstances in which the waiver or concession is granted</b>
Pool entry	Waiver	100.0%	\$ 0	\$ 0	\$ 0	Infants under one year old and school teachers accompanying students during school events and swimming lessons.

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

2. NET CURRENT ASSETS

	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
Note	\$	\$	\$
<b>(a) Composition of estimated net current assets</b>			
<b>Current assets</b>			
Cash and cash equivalents- unrestricted	426,633	2,839,715	274,695
Cash and cash equivalents - restricted	7,085,830	6,800,978	6,681,431
Receivables	327,673	327,673	272,010
Inventories	12,807	12,807	17,658
	7,852,943	9,981,173	7,245,794
<b>Less: current liabilities</b>			
Trade and other payables	(552,055)	(552,055)	(259,520)
Contract liabilities	0	(31,561)	(16,132)
Lease liabilities	0	(8,680)	(8,679)
Long term borrowings	0	(53,010)	(53,011)
Employee provisions	(215,058)	(215,058)	(288,711)
	(767,113)	(860,364)	(626,053)
<b>Net current assets</b>	7,085,830	9,120,809	6,619,741
<b>Less: Total adjustments to net current assets</b>	(7,085,830)	(6,707,727)	(6,619,741)
<b>Net current assets used in the Rate Setting Statement</b>	0	2,413,082	0

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

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

**Items excluded from calculation of budgeted deficiency**

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

**(b) Operating activities excluded from budgeted deficiency**

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

**Adjustments to operating activities**

Less: Profit on asset disposals

Add: Loss on disposal of assets

Add: Depreciation on assets

Movement in non-current employee provisions

**Non cash amounts excluded from operating activities**

**(c) Current assets and liabilities excluded from budgeted deficiency**

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

**Adjustments to net current assets**

Less: Cash - restricted reserves

Add: Current liabilities expected to be cleared at end of year

- Current portion of borrowings

- Current portion of lease liabilities

**Total adjustments to net current assets**

Note	2021/22 Budget 44,742	2020/21 Actual 44,377	2020/21 Budget 44,377
	\$	\$	\$
4(b)	(54,425)	(562)	(35,000)
4(b)	11,475	26,169	29,000
5	2,426,290	2,399,998	3,228,767
	0	(840)	0
	2,383,340	2,424,765	3,222,767
8	(7,085,830)	(6,769,417)	(6,681,431)
	0	53,010	53,011
	0	8,680	8,679
	(7,085,830)	(6,707,727)	(6,619,741)

**2 (d) NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

**TRADE AND OTHER PAYABLES**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of 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 present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**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.

**PREPAID RATES**

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

**TRADE AND OTHER RECEIVABLES**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

Provision is made for the Shire's obligations for short-term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**LAND HELD FOR RESALE**

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

**CONTRACT 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.

### 3. RECONCILIATION OF CASH

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

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Cash at bank and on hand	7,512,463	9,640,693	6,956,126
<b>Total cash and cash equivalents</b>	<b>7,512,463</b>	<b>9,640,693</b>	<b>6,956,126</b>
Held as			
- Unrestricted cash and cash equivalents	426,633	2,839,715	274,695
- Restricted cash and cash equivalents	7,085,830	6,800,978	6,681,431
	7,512,463	9,640,693	6,956,126
<b>Restrictions</b>			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	7,085,830	6,800,978	6,681,431
	7,085,830	6,800,978	6,681,431
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	8	7,085,830	6,769,417
Contract liabilities from contracts with customers		0	31,561
		7,085,830	6,800,978
			6,681,431
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>		388,613	687,793
			(1,199,766)
Depreciation	5	2,426,290	2,399,998
(Profit)/loss on sale of asset	4(b)	(42,950)	25,607
(Increase)/decrease in receivables		0	(91,732)
(Increase)/decrease in inventories		0	(5,149)
Increase/(decrease) in payables		0	284,475
Increase/(decrease) in contract liabilities		(31,561)	(5,353)
Increase/(decrease) in employee provisions		0	(62,533)
Non-operating grants, subsidies and contributions		(3,139,590)	(1,709,506)
<b>Net cash from operating activities</b>		<b>(399,198)</b>	<b>1,523,600</b>
			(203,441)

#### 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 DUMBLEYUNG  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2022

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#### 4. FIXED ASSETS

##### (a) Acquisition of Assets

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

Asset class	Reporting program								2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
	Governance	Housing	Community amenities	Recreation & Culture	Transport	Economic services	Law, Order & Public Safety	Other property & services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>											
Land	0	0	0	0	0	0	0	0	0	0	40,000
Buildings - specialised	0	0	0	172,455	100,000	181,123	0	15,000	468,578	649,446	796,650
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	0
Plant & Equipment	0	0	0	0	549,120	0	0	133,607	682,727	116,497	891,500
	0	0	0	172,455	649,120	181,123	0	148,607	1,151,305	765,943	1,728,150
<i>Infrastructure</i>											
Infrastructure Bridges	0	0	0	0	0	0	0	0	0	1,192	0
Infrastructure Footpaths	0	0	0	0	0	0	0	0	0	66,761	164,025
Infrastructure Other	0	0	0	7,699	0	201,965	0	0	209,664	62,060	304,082
Infrastructure Roads	0	0	0	0	3,649,194	0	0	0	3,649,194	1,046,365	1,405,655
Infrastructure Sewerage	0	0	0	0	0	0	0	0	0	38,218	40,184
<b>Total acquisitions</b>	0	0	0	180,153	4,298,314	383,088	0	148,607	5,010,162	1,980,540	3,642,096

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

4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>By Asset</b>													
Asset 4008 - Volvo Grader	74,000	85,000	11,000	0	0	0	0	0	0	0	0	0	
Asset 4202 - CEO Vehicle	31,369	38,000	6,631	0									
Asset 4193 - Supervisors's Utility	20,398	31,500	11,102	0									
Asset 4168 - 80 Channel Radio Communications	0	0	0	0									
Asset 4121 - Volvo Skidsteer	21,475	10,000	0	11,475									
Asset 4201 - Isuzu 4x4 SUV WAGON	0	0	0	0	39,082	38,731	0	(351)			0	0	
Asset 4205 - Isuzu 4x4 Wagon	0	0	0	0	37,517	38,078	562	0			0	0	
Asset 4207 - ISUZU MU-X 4X4 WAGON DIESEL 202	13,038	38,730	25,692	0									
Asset 3087 - Volvo Grader	0	0	0	0	74,000	48,182	0	(25,818)			0	0	
	160,280	203,230	54,425	11,475	150,599	124,991	562	(26,169)	0	0	0	0	
<b>By Program</b>													
Transport	115,873	126,500	22,102	(11,475)	63,335	38,078	562	(25,818)	195,000	207,000	35,000	(23,000)	
Other property and services	44,407	76,730	32,323	0	87,264	86,913	0	(351)	213,000	207,000	0	(6,000)	
	160,280	203,230	54,425	(11,475)	150,599	124,991	562	(26,169)	408,000	414,000	35,000	(29,000)	
<b>By Class</b>													
<u>Property, Plant and Equipment</u>													
Plant and equipment	160,280	203,230	54,425	(11,475)	0	150,599	124,991	562	(26,169)	408,000	414,000	35,000	(29,000)
	160,280	203,230	54,425	(11,475)	150,599	124,991	562	(26,169)	408,000	414,000	35,000	(29,000)	

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

## 5. ASSET DEPRECIATION

### By Program

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

### By Class

Buildings
Furniture and equipment
Plant and equipment
Infrastructure Roads
Infrastructure - footpaths
Infrastructure - parks and ovals
Infrastructure - sewerage
Infrastructure Other
Right of use - furniture and fittings

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
20,000	19,144	18,320
48,000	49,111	49,200
4,000	3,527	2,650
78,000	76,736	77,558
155,000	157,602	145,510
208,200	192,404	195,289
1,633,500	1,624,472	2,500,250
24,000	22,616	22,990
255,590	254,386	217,000
<b>2,426,290</b>	<b>2,399,998</b>	<b>3,228,767</b>
304,200	288,446	332,738
1,320	1,316	0
322,200	321,164	236,040
1,530,000	1,523,164	2,468,380
3,500	3,531	0
0	0	33,000
45,000	44,001	44,000
212,000	210,307	100,910
8,070	8,069	13,699
<b>2,426,290</b>	<b>2,399,998</b>	<b>3,228,767</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:

Asset Class	Useful life
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

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

**6. INFORMATION ON BORROWINGS**

**(a) Borrowing repayments**

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2021/22	2021/22	Budget	2021/22	Actual	2020/21	Actual	2020/21	Budget	2020/21	Budget	2020/21
				Principal	Budget	Budget	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal
				1 July 2021	New Loans	Repayments	outstanding 30 June 2022	Repayments	1 July 2020	Repayments	30 June 2021	Repayments	1 July 2020	Repayments	30 June 2021	Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Education and welfare</b>																
Aged Care Housing	93		3.58%	80979.18	0	3827	77152.18	2866	84673	3693.82	80979.18	3285.4	84673	3694	80979	2999
<b>Community amenities</b>																
Sewerage	40	WATC	7.40%	0	0	0	0	0	1,583	1,583	0	86	1,583	1,583	0	89
<b>Recreation and culture</b>																
Mens Shed Contribution	89		3.81%	4,713	0	4,713	0	142	9,251	4,538	4,713	340	9,251	4,538	4,713	310
<b>Transport</b>																
WANDRRA Contribution	94		2.29%	20,921	0	20,920	1	360	41,371	20,450	20,921	913	41,370	20,450	20,920	831
<b>Economic services</b>																
28 Absolon Street	92		5.15%	125,029	0	6,962	118,067	515	131,646	6,617	125,029	886	131,646	16,187	115,459	915
Fence Rd Drainage Repairs	95		2.50%	25,035	0	16,588	8,447	6,351	41,222	16,187	25,035	7,171	41,222	6,617	34,605	6,696
				256,677	0	53,010	203,667	10,234	309,746	53,069	256,677	12,681	309,745	53,069	256,676	11,840
				256,677	0	53,010	203,667	10,234	309,746	53,069	256,677	12,681	309,745	53,069	256,676	11,840

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

\*WATC - WA Treasury Corporation

## 6. INFORMATION ON BORROWINGS

### (b) New borrowings - 2021/22

The Shire does not intend to undertake any new borrowings for the year ended 30 June 2022.

### (c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2021 nor is it expected to have unspent borrowing funds as at 30th June 2022.

### (d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Credit card limit	13,500	13,500	13,500
Credit card balance at balance date	(4,000 )	(4,689 )	(2,000 )
<b>Total amount of credit unused</b>	9,500	8,811	11,500
<b>Loan facilities</b>			
Loan facilities in use at balance date	203,667	256,677	256,676

## 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 DUMBLEYUNG**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**7. LEASE LIABILITIES**

Purpose	Institution	Lease Term	Budget	2021/22	Budget	2021/22	Actual	2020/21	Actual	2020/21	Budget	2020/21	Budget	2020/21
			Lease Principal	Lease Principal	Lease Principal outstanding	Lease Interest		Lease Principal	Lease Principal	Lease Principal		Lease Principal	Lease Principal	Lease Interest
			1 July 2021	Repayments	30 June 2022	Repayments	1 July 2020	repayments	30 June 2021	repayments	1 July 2020	repayments	30 June 2021	repayments
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Other property and services</b>														
Phone System	Telstra	5 Years	5,741	(5,741 )	0	(39 )	12,529	(6,788 )	5,741	(150 )	25,891	(6,789 )	19,102	(150 )
Computer System	Wallis Computing	5 Years	2,939	(2,939 )	0	(9 )	9,910	(6,971 )	2,939	(107 )	23,632	(6,971 )	16,661	(107 )
			8,680	(8,680 )	0	(48 )	22,439	(13,759 )	8,680	(257 )	49,523	(13,760 )	35,763	(257 )

**SIGNIFICANT ACCOUNTING POLICIES**

**LEASES**

At the inception of a contract, the Shire assesses whether the contract is, or contains, a lease.

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

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

**LEASE LIABILITIES**

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

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

8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlement Reserve	128,592	115,256	0	243,848	127,748	843	0	128,592	127,748	101,150	0	228,898
(b) Emergency Response Reserve	158,397	346,252	0	504,649	157,357	1,040	0	158,397	158,383	1,416	0	159,799
(c) IT & Office Equipment Reserve	30,014	60	0	30,074	29,817	197	0	30,014	29,817	41,268	0	71,085
(d) Plant, Vehicle & Equipment Reserve	391,638	204,008	(203,230)	392,416	389,071	2,567	0	391,638	389,071	53,502	(84,000)	358,573
(e) Buildings Reserve	684,742	1,361	0	686,103	680,255	4,487	0	684,742	679,229	26,122	0	705,351
(f) Dam Cleaning Reserve	37,812	75	0	37,887	37,564	248	0	37,812	37,564	338	0	37,902
(g) Dumbleyung Sewerage Works Reserve	452,708	899	0	453,607	449,740	2,968	0	452,708	449,740	32,620	0	482,360
(h) Landcare Development Reserve	88,897	177	0	89,074	88,315	582	0	88,897	88,315	795	(37,663)	51,447
(i) Fence Road Drain Maintenance Reserve	6,227	12	0	6,239	6,186	41	0	6,227	6,186	1,699	0	7,885
(j) Bain Estate Reserve	4,790,390	9,517	(157,974)	4,641,933	4,758,985	31,405	0	4,790,390	4,758,985	42,831	(223,685)	4,578,131
(k) Surplus funds to be distributed	0	0	0	0	0	0	0	0	0	0	0	0
	6,769,417	677,617	(361,204)	7,085,830	6,725,037	44,379	0	6,769,417	6,725,038	301,741	(345,348)	6,681,431

(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	Ongoing	To fund current and past employee leave entitlements.
(b) Emergency Response Reserve	Not known	To fund expenses arising for unforeseen circumstances, or other urgent expenditure.
(c) IT & Office Equipment Reserve	Ongoing	To fund the purchase and upgrade of computer equipment, software and office equipment.
(d) Plant, Vehicle & Equipment Reserve	Ongoing	To support the purchase/replacement of motor vehicles and heavy plant and equipment.
(e) Buildings Reserve	Not known	To support the maintenance, acquisition, upgrade, enhancement or future renewal of buildings within the district.
(f) Dam Cleaning Reserve	Not known	To fund the cleaning of the Kokerin Dam.
(g) Dumbleyung Sewerage Works Reserve	Not known	To fund maintenance, upgrades and future renewal of the Dumbleyung Sewerage Scheme.
(h) Landcare Development Reserve	Ongoing	To contribute to Landcare development.
(i) Fence Road Drain Maintenance Reserve	Not known	To fund maintenance on the Fence Road Drainage Scheme.
(j) Bain Estate Reserve	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) Surplus funds to be distributed		

## 9. FEES & CHARGES REVENUE

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

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
	4,500	3,945	4,500
	7,400	6,504	7,600
	1,000	0	1,500
	118,300	119,589	121,920
	245,264	252,936	242,555
	20,950	20,731	21,772
	0	0	500
	54,200	99,381	74,100
	20,250	17,992	33,250
	471,864	521,078	507,697

## 10. GRANT REVENUE

### By Program:

#### (a) Operating grants, subsidies and contributions

General purpose funding
Law, order, public safety
Transport
Economic services
Other property and services

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
	881,244	1,751,604	816,224
	48,000	40,381	48,091
	162,261	151,225	151,225
	22,010	74,013	156,393
	27,545	27,476	27,545
	1,141,560	2,044,699	1,204,478

#### (b) Non-operating grants, subsidies and contributions

General purpose funding
Transport

	150,000	735,760	1,028,622
	2,989,590	973,746	1,095,906
	3,139,590	1,709,506	2,124,528
	4,281,150	3,754,205	3,329,006

Total grants, subsidies and contributions

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. ELECTED MEMBERS REMUNERATION

	<b>2021/22 Budget</b>		
	\$		
<b>President</b>			
President's annual allowance	13,500		
Meeting attendance fees	6,500		
	20,000		
<b>Deputy President</b>			
Deputy President's annual allowance	1,750		
Meeting attendance fees	3,750		
	5,500		
<b>Elected members, 7 for 3 months and 5 for 9 months</b>			
Meeting attendance fees	19,800		
Training expenses	8,000		
Annual allowance for travel and accommodation expenses	5,200		
	33,000	0	0
	58,500	34,149	62,750
		<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
		\$	\$
President's allowance	13,500	7,000	7,000
Deputy President's allowance	1,750	1,750	1,750
Meeting attendance fees and Councillor allowance	30,550	19,545	20,000
Training expenses	8,000	1,200	28,000
Annual allowance for travel and accommodation expenses	5,000	4,654	6,000
	58,800	34,149	62,750

### 13. OTHER INFORMATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	8,000	11,416	9,000
- Other funds	13,450	31,732	60,526
Other interest revenue (refer note 1b)	12,000	10,863	12,976
	33,450	54,011	82,502
<b>(b) Other revenue</b>			
Other	69,724	50,011	86,689
	69,724	50,011	86,689
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	27,000	19,930	27,000
	27,000	19,930	27,000
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	10,234	12,681	11,840
Interest expense on lease liabilities	48	257	257
	10,282	12,938	12,097
<b>(e) Write offs</b>			
General rate	500	242	500
	500	242	500

### 14. MAJOR LAND TRANSACTIONS

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

### 15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated the Shire will be party to any Trading Undertakings and Major Trading Undertakings during 2021/22.

### 16. INTERESTS IN JOINT ARRANGEMENTS

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

## 17. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

### GOODS AND SERVICES TAX (GST)

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

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

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

### CRITICAL ACCOUNTING ESTIMATES

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

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

### ROUNDING OFF FIGURES

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

### COMPARATIVE FIGURES

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

### BUDGET COMPARATIVE FIGURES

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