

SHIRE
OF



CUBALLING

BUDGET
FOR THE YEAR ENDED
30 June 2021

Adopted by Council 22nd July 2020

SHIRE OF CUBALLING
BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2021**

BY NATURE OR TYPE

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	1,171,584	1,184,618	1,175,270
Operating grants, subsidies and contributions	9	615,168	1,033,528	733,441
Fees and charges	8	166,672	332,051	347,392
Interest earnings	10(a)	20,800	30,532	32,887
Other revenue	10(b)	64,665	158,783	41,500
		2,038,888	2,739,511	2,330,490
Expenses				
Employee costs		(996,469)	(1,092,309)	(1,140,325)
Materials and contracts		(835,793)	(719,238)	(896,675)
Utility charges		(67,601)	(91,026)	(64,076)
Depreciation on non-current assets	5	(1,962,282)	(1,978,249)	(1,500,557)
Interest expenses	10(d)	(5,383)	(8,108)	(7,520)
Insurance expenses		(147,848)	(146,749)	(143,652)
Other expenditure		(58,105)	(58,136)	(83,370)
		(4,073,481)	(4,093,815)	(3,836,175)
Subtotal		(2,034,593)	(1,354,303)	(1,505,685)
Non-operating grants, subsidies and contributions	9	1,702,022	1,279,232	1,650,739
Loss on asset disposals	4(b)	(155,513)	(38,362)	(24,437)
		1,546,509	1,240,870	1,626,302
Net result		(488,084)	(113,433)	120,617
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(488,084)	(113,433)	120,617

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH 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 Cuballing 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.

A separate statement of those monies appears at Note 15 to the budget.

2018/19 ACTUAL BALANCES

Balances shown in this budget as 2018/19 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 2019 the following new accounting policies are to be adopted and have impacted on the preparation of the budget:

AASB 15 - Revenue from Contracts with Customers;

AASB 16 - Leases; and

AASB 1058 - Income of Not-for-Profit Entities.

Explanation of the changes arising from these standards is provided at Note 17

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 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 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.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2020**

BY REPORTING PROGRAM

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		1,780	64,329	1,295
General purpose funding		1,484,292	1,779,495	1,497,677
Law, order, public safety		35,444	44,645	28,018
Health		800	13,936	800
Education and welfare		1,000	0	2,500
Housing		4,680	4,680	4,680
Community amenities		71,830	87,705	77,382
Recreation and culture		25,151	13,150	84,877
Transport		283,262	484,781	310,631
Economic services		38,650	70,375	38,250
Other property and services		92,000	176,417	284,380
		2,038,890	2,739,512	2,330,490
Expenses excluding finance costs	5,10(c)(e)(f)(g)			
Governance		(131,679)	(148,327)	(149,640)
General purpose funding		(78,415)	(86,666)	(75,915)
Law, order, public safety		(182,585)	(174,321)	(186,043)
Health		(45,440)	(63,756)	(41,600)
Education and welfare		(18,650)	(14,019)	(17,694)
Housing		(37,745)	(29,829)	(43,610)
Community amenities		(337,403)	(352,552)	(343,128)
Recreation and culture		(411,274)	(366,254)	(376,688)
Transport		(2,613,168)	(2,461,626)	(2,178,062)
Economic services		(152,740)	(187,444)	(180,605)
Other property and services		(59,000)	(200,913)	(235,670)
		(4,068,100)	(4,085,706)	(3,828,655)
Finance costs	6, 10(d)			
Education and welfare		(3,078)	0	0
Transport		(2,305)	(4,715)	(4,126)
Economic services		0	(3,393)	0
Other property and services		0	0	(3,394)
		(5,383)	(8,108)	(7,520)
Subtotal		(2,034,593)	(1,354,302)	(1,505,685)
Non-operating grants, subsidies and contributions	9	1,702,022	1,279,232	1,650,739
(Loss) on disposal of assets	4(b)	(155,513)	(38,362)	(24,437)
		1,546,509	1,240,870	1,626,302
Net result		(488,084)	(113,432)	120,617
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(488,084)	(113,432)	120,617

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2021**

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

GOVERNANCE

Administration and operation of facilities and services to members of council, other costs that relate to the tasks of elected members and ratepayers on matters which do not concern specific council activities.

ACTIVITIES

Complete Council Meetings
Represent the Shire of Cuballing on regional boards and organisations
Complete administration activities including insurance, finance and compliance reporting
Complete local community strategic planning
Lobby other levels of government in support of the Shire of Cuballing

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue

Manage Rates issue and collection
Maintain property data

LAW, ORDER, PUBLIC SAFETY

Supervision of various local laws, fire prevention, emergency services and animal control.

Provide a visiting ranger service
Support Cuballing Popanyinning Volunteer Bush Fire Brigade
Complete fire prevention activities
Provide bushfire response activities
Oversee local emergency management planning

HEALTH

Inspections of septs and food control.

Inspect food premises
Licence sewerage systems

EDUCATION AND WELFARE

Support of school activities.

Provide activities for local youth
Support local schools

HOUSING

Provision and maintenance of staff housing.

Provide staff housing for CEO

COMMUNITY AMENITIES

Operation of refuse sites, noise control and administration of Town Planning Scheme.

Operate Cuballing Transfer Station
Operate Popanyinning Transfer Station
Provide kerbside waste & recycling services
Provide town planning approvals
Complete town planning enforcement
Complete town planning amendments and reviews
Provide Cuballing cemetery
Provide Popanyinning cemetery

RECREATION AND CULTURE

Maintenance of halls, recreation centre and various reserves.
Support library services in Narrogin.

Maintain Halls and Civic buildings
Maintain parks & gardens
Maintain Cuballing Recreation Centre and oval
Manage lease of Dryandra Equestrian Centre
Support Narrogin Library

TRANSPORT

Construction and maintenance of streets, roads, bridges, footpaths, drainage works, traffic signs, bus shelters and depot maintenance.

Maintain and protect local environmentally significant areas
Maintain Council roads and footpaths
Construct new roads and footpaths
Provide vehicle licencing agency services

ECONOMIC SERVICES

The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and standpipes.

Control noxious weeds on Council property
Support Dryandra Country Visitors Centre
Provide DrumMuster Service
Promote the Shire of Cuballing
Provide Building registration services to Shire of Cuballing
Provide potable water sales
Inspect swimming pools

OTHER PROPERTY AND SERVICES

Private works operation, plant repairs and operation costs.

Complete private civil construction works
Provide Building Surveying services

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

BY NATURE OR TYPE

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,171,584	1,147,243	1,175,270
Operating grants, subsidies and contributions		615,168	952,672	733,442
Fees and charges		166,672	332,051	347,392
Interest earnings		20,800	30,532	32,887
Goods and services tax		0	(15,532)	0
Other revenue		64,665	158,783	41,500
		2,038,889	2,605,749	2,330,491
Payments				
Employee costs		(996,469)	(1,164,988)	(1,139,925)
Materials and contracts		(1,252,005)	(525,818)	(958,867)
Utility charges		(67,601)	(91,026)	(64,076)
Interest expenses		(5,383)	(8,108)	(10,294)
Insurance expenses		(147,848)	(146,749)	(143,652)
Other expenditure		(58,105)	(58,136)	(83,370)
		(2,527,411)	(1,994,825)	(2,400,184)
Net cash provided by (used in) operating activities	3	(488,522)	610,924	(69,693)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(2,132,770)	(804,099)	(2,179,570)
Payments for construction of infrastructure	4(a)	(1,366,232)	(918,207)	(1,007,382)
Non-operating grants, subsidies and contributions used for the development of assets	9	1,702,022	1,279,232	1,650,739
Proceeds from sale of plant & equipment	4(b)	138,000	96,123	94,000
Net cash provided by (used in) investing activities		(1,658,980)	(346,952)	(1,442,213)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(57,073)	(54,937)	(69,160)
Proceeds from new borrowings	6(b)	310,000		310,000
Net cash provided by (used in) financing activities		252,927	(54,937)	240,840
Net increase (decrease) in cash held		(1,894,575)	209,035	(1,271,066)
Cash at beginning of year		2,399,322	2,190,287	2,290,923
Cash and cash equivalents at the end of the year	3	504,747	2,399,322	1,019,857

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

**RATES SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2021**

BY REPORTING PROGRAM

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2 (b)(i)	945,522	643,815	687,002
		945,522	643,815	687,002
Revenue from operating activities (excluding rates)				
Governance		1,780	64,329	1,295
General purpose funding		312,708	594,877	322,406
Law, order, public safety		35,444	44,645	28,018
Health		800	13,936	800
Education and welfare		1,000	0	2,500
Housing		4,680	4,680	4,680
Community amenities		71,830	87,705	77,382
Recreation and culture		25,151	13,150	84,877
Transport		283,262	484,781	310,631
Economic services		38,650	70,375	38,250
Other property and services		92,000	176,417	284,380
		867,305	1,554,895	1,155,219
Expenditure from operating activities				
Governance		(131,679)	(148,327)	(149,640)
General purpose funding		(78,415)	(86,666)	(75,915)
Law, order, public safety		(182,585)	(174,321)	(186,043)
Health		(45,440)	(63,756)	(41,600)
Education and welfare		(21,728)	(14,019)	(17,694)
Housing		(37,745)	(29,829)	(43,610)
Community amenities		(337,403)	(352,552)	(343,128)
Recreation and culture		(411,274)	(366,254)	(376,688)
Transport		(2,770,986)	(2,504,703)	(2,206,625)
Economic services		(152,740)	(190,837)	(180,605)
Other property and services		(59,000)	(200,913)	(239,064)
		(4,228,995)	(4,132,177)	(3,860,612)
Non-cash amounts excluded from operating activities	2 (b)(ii)	2,117,795	2,016,611	1,524,994
Amount attributable to operating activities		(298,373)	83,144	(493,397)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9	1,702,022	1,279,232	1,650,739
Purchase property, plant and equipment	4(a)	(2,132,770)	(804,099)	(2,179,570)
Purchase and construction of infrastructure	4(a)	(1,366,232)	(918,207)	(1,007,382)
Proceeds from disposal of assets	4(b)	138,000	96,123	94,000
Amount attributable to investing activities		(1,658,980)	(346,952)	(1,442,213)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(57,073)	(54,937)	(69,160)
Proceeds from new borrowings	6(b)	310,000		310,000
Transfers to cash backed reserves (restricted assets)	7(a)	(17,545)	(31,357)	(4,545)
Transfers from cash backed reserves (restricted assets)	7(a)	551,774	289,103	563,826
Amount attributable to financing activities		787,156	202,809	800,121
Budgeted deficiency before general rates		(1,170,197)	(60,999)	(1,135,489)
Estimated amount to be raised from general rates	1	1,171,584	1,184,618	1,175,270
Net current assets at end of financial year - surplus/(deficit)	2 (b)(i)	1,387	1,123,619	39,781

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

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH 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
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV Cuballing	0.07697	187	2,350,105	180,888	0	0	180,888	180,881	180,881
Unimproved valuations									
UV Cuballing	0.00680	181	122,755,879	835,231	0	0	835,231	839,905	839,904
Sub-Totals		368	125,105,984	1,016,119	0	0	1,016,119	1,020,786	1,020,785
Minimum									
Minimum payment									
\$									
Gross rental valuations									
GRV Cuballing	690	142		97,980	0	0	97,980	96,600	96,600
Unimproved valuations									
UV Cuballing	930	157		146,010	0	0	146,010	141,360	141,360
Interim Rates							250	1,380	
Sub-Totals		299	0	243,990	0	0	244,240	239,340	237,960
Less Rates Written Off							(7,000)	(97)	(6,700)
		667	125,105,984	1,260,109	0	0	1,253,359	1,260,029	1,252,045
Discounts/concessions (Refer note 1(d))							(81,775)	(75,411)	(76,775)
Total amount raised from general rates							1,171,584	1,184,618	1,175,270
Specified area rates (Refer note 1(c))							0	0	0
Total rates							1,171,584	1,184,618	1,175,270

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

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.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Discount	10/09/2020			0.0%
Option two				
Pay in Full	10/09/2020			0.0%
Option three				
Pay in 4 Instalments	10/09/2020	30.00		8.0%
	10/11/2020		2.5%	8.0%
	11/01/2021		2.5%	8.0%
	11/03/2021		2.5%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	1,500	2,020	1,500
Instalment plan interest earned	800	1,629	1,000
Unpaid rates and service charge interest earned	5,000	10,615	6,887
	7,300	14,264	9,387

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

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

(c) Service Charges

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

(d) Rates discounts

Rate or fee to which discount is granted	Discount %	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which discount is granted
Option One Only	8.0%	\$ 76,775	\$ 75,411	\$ 76,775	A discount of 8% of the current rates levied will be offered to ratepayers whose payment of the full amount owing including arrears, is received on or before 21 days after the date of service appearing on the rates notice.
		76,775	75,411	76,775	

(e) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	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
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The Shire does not anticipate any waivers or concessions for the year ended 30th June 2021

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

2 (a). NET CURRENT ASSETS

Note	2020/21 Budget 30 June 2021	2020/21 Budget 01 July 2020	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$	\$
Composition of estimated net current assets				
Current assets				
Cash - unrestricted	3 (2,135)	367,296	542,432	4,987
Cash - restricted reserves	3 782,175	1,316,404	1,316,404	1,014,870
Cash - restricted unspent grant Income	0	413,737	413,737	
Receivables	35,000	113,119	113,119	64,420
Rates Receivable	65,000	101,076	101,076	63,701
Inventories	8,500	6,025	8,986	9,144
	888,540	2,317,657	2,495,754	1,157,122
Less: current liabilities				
Trade and other payables	(104,977)	(55,731)	(55,731)	(156,563)
Contract liabilities				
Short term borrowings			0	
Long term borrowings	(57,073)	(57,073)	(54,937)	(69,160)
Provisions	(209,084)	(209,084)	(209,084)	(152,147)
	(371,134)	(321,888)	(319,752)	(377,870)
Net current assets	517,406	1,995,769	2,176,002	779,252

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020

2 (b). NET CURRENT ASSETS (CONTINUED)

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

Operating activities excluded from 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	2020/21 Budget 01 July 2020	Estimated Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$	\$
(i) Current assets and liabilities excluded from budgeted deficiency				
Net current assets	2 517,406	1,995,769	2,176,002	779,252
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.				
Adjustments to net current assets				
Less: Cash - restricted reserves	3 (782,175)	(1,316,404)	(1,316,404)	(1,014,870)
Add: Current liabilities				
- Current portion of borrowings	57,073	57,073	54,937	69,160
- Employee benefit provisions	209,084	209,084	209,084	206,239
Adjusted net current assets - surplus/(deficit)	1,388	945,522	1,123,619	39,781
(ii) Operating activities excluded from budgeted deficiency				
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.				
Adjustments to operating activities				
Add: Loss on disposal of assets	4(b) 155,513	38,362	38,362	24,437
Add: Change in accounting policies	17	413,737		
Add: Depreciation on assets	5 1,962,282	1,978,249	1,978,249	1,500,557
Non cash amounts excluded from operating activities	2,117,795	2,430,348	2,016,611	1,524,994

(iii) Reason for adjustment to Adjusted net current assets - surplus/(deficit) on 1 July 20120

The Shire has elected to retrospectively apply the cumulative effect of applying AASB 1058 Income of Not-for-Profit Entities at the date of initial application of the standard, being 1 July 2019. The impact of applying the standard was to recognise unspent grants and contributions for construction of recognisable non-financial assets controlled by the Shire as a liability. The opening budgeted surplus/deficit on 1 July 2020 has been amended accordingly from the estimated actual closing surplus/deficit. Refer to note 17 for further explanation of the impact of the changes in accounting policies

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

2 (c). 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 Cuballing 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 service 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 Cuballing contributes to a number of superannuation funds on behalf of employees.

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

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.

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.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire of Cuballing'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 Cuballing'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 Cuballing'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.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH 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:

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash - unrestricted	(277,427)	669,181	4,987
Cash - restricted	782,175	1,730,141	1,014,870
	504,748	2,399,322	1,019,857
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Administration Building, IT & Office Equipment Reserve	6,868	6,721	5,393
Employee Entitlements Reserve	267,569	284,971	303,437
Housing Reserve	58,594	97,840	53,817
Recreation and Community Reserve	64,474	191,187	30,048
Refuse Site Reserve	38,557	45,216	58,763
Grain Freight Reserve	83,497	82,825	81,912
Equestrian Reserve	19,356	14,769	14,711
Road and Bridges Reserve	22,310	43,361	42,542
Plant and Equipment Reserve	214,131	538,714	420,195
Standpipe Maintenance Reserve	4,091	4,075	4,052
Community and Sporting Club Reserve	2,728	6,725	0
Unspent grants and contributions not held in reserve	0	413,737	0
	782,175	1,730,141	1,014,870
Reconciliation of net cash provided by operating activities to net result			
Net result	(488,084)	(113,432)	(1,127,139)
Depreciation	1,962,282	1,978,249	1,500,557
(Profit)/loss on sale of asset	155,513	38,362	24,437
(Increase)/decrease in receivables	(20,000)	(133,763)	(10,022)
(Increase)/decrease in inventories	(2,475)	2,961	0
Increase/(decrease) in payables	22,845	205,991	
Increase/(decrease) in employee provisions	(2,845)	(88,211)	0
Change in accounting policies transferred to retained surplus (refer to Note 17)		0	1,193,213
Grants/contributions for the development of assets	(1,702,022)	(1,279,232)	(1,650,739)
Net cash from operating activities	(488,523)	610,925	(69,693)

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.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH 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	
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>															
Land & Buildings	62,833				1,207,475		45,279	315,259					1,630,846	324,631	1,626,495
Furniture & Equipment													0	8,720	9,075
Plant & Equipment							7,500		494,424				501,924	470,749	544,000
	62,833	0	0	0	1,207,475	0	52,779	315,259	494,424	0	0		2,132,770	804,099	2,179,570
<i>Infrastructure</i>															
Infrastructure - Roads									1,366,232				1,366,232	894,146	1,007,382
Infrastructure - Other Infrastructure													0	24,062	
	0	0	0	0	0	0	0	0	1,366,232	0	0		1,366,232	918,207	1,007,382
Total acquisitions	62,833	0	0	0	1,207,475	0	52,779	315,259	1,860,656	0	0		3,499,002	1,722,307	3,186,952

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

Additional Notes To Budget - Capital Purchases

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

4. FIXED ASSETS (CONTINUED)

(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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Transport	293,512	138,000	0	(155,513)	134,485	96,123	0	(38,362)	118,436	94,000	0	(24,437)
	293,512	138,000	0	(155,513)	134,485	96,123	0	(38,362)	118,436	94,000	0	(24,437)
By Class												
<i>Property, Plant and Equipment</i>												
Plant and Equipment	293,512	138,000		(155,513)	134,485	96,123		(38,362)	118,436	94,000		(24,437)
	293,512	138,000	0	(155,513)	134,485	96,123	0	(38,362)	118,436	94,000	0	(24,437)

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

- Plant replacement programme

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

5. ASSET DEPRECIATION

By Program

Governance
Law Order & Public Safety
Housing
Community Amenities
Recreation and Culture
Transport
Economic Services
Other Property and Services
Bridges

By Class

Plant & Equipment
Furniture and Equipment
Plant and Equipment
Infrastructure - Other
Infrastructure - Roads

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
	18,660	18,157	22,160
	59,700	61,453	71,800
	8,100	8,125	8,100
	9,390	9,769	3,578
	101,880	104,937	90,750
	1,465,192	1,471,141	1,123,923
	10,270	9,786	12,246
	168,000	173,362	168,000
	121,090	121,519	0
	1,962,282	1,978,249	1,500,557
	94,302	95,441	93,082
	5,460	4,175	5,160
	236,200	243,945	260,960
	57,070	58,975	41,738
	1,569,250	1,575,713	1,099,617
	1,962,282	1,978,249	1,500,557

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.

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

Plant & Equipment	30-50 Years
Furniture and Equipment	3 to 10 Years
Plant and Equipment	5 to 15 years
Infrastructure - Roads	50 Years

DEPRECIATION (CONTINUED)

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.

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.

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.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH 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	Budget Principal 1 July 2020	2020/21 Budget New loans	2020/21 Budget Principal repayments	2020/21 Budget Interest repayments	Budget Principal outstanding 30 June 2021	Actual Principal 1 July 2019	2019/20 Actual New loans	2019/20 Actual Principal repayments	2019/20 Actual Interest repayments	Actual Principal outstanding 30 June 2020	Budget Principal 1 July 2019	2019/20 Budget New loans	2019/20 Budget Principal repayments	2019/20 Budget Interest repayments	Budget Principal outstanding 30 June 2020
		\$	\$	\$	\$			\$	\$	\$			\$	\$	\$
Education and welfare															
Loan - Aged Persons Hc	0	310,000	0	0	310,000	0	0	0	0	0	0	310,000	14,223		295,777
Transport															
Loan 63 - Grader	71,505	0	42,266	2,305	29,239	111,951	0	40,446	4,715	71,505	111,951	0	40,446	4,126	71,505
Economic services															
Loan 64 - Property Loan	145,509	0	14,807	3,078	138,145	160,000		14,491	3,394	145,509	160,000		14,491	3,394	145,509
	217,014	310,000	57,073	5,383	477,384	271,951	0	54,937	8,108	217,014	271,951	310,000	69,160	7,520	512,791
	0	0	0	0	0	0	0	0	0	0	0	0		0	0
	217,014	310,000	57,073	5,383	477,384	271,951	0	54,937	8,108	217,014	271,951	310,000	69,160	7,520	512,791

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

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

6. INFORMATION ON BORROWINGS (CONTINUED)

(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
				%	\$	\$	\$	\$
Aged Persons Housing	WATC	Fixed Rate	10	2.2%	310,000		310,000	0
					310,000	0	310,000	0

(c) Unspent borrowings

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

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
Undrawn borrowing facilities credit standby arrangements	\$	\$	\$
Bank overdraft limit	130,000	130,000	30,000
Bank overdraft at balance date	0	0	0
Credit card limit	30,000	30,000	20,000
Total amount of credit unused	160,000	160,000	50,000
Loan facilities			
Loan facilities in use at balance date	477,384	217,014	512,791

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2020	2020/2021 Budgeted Increase/ (Decrease)	Amount as at 30th June 2021
			\$	\$	\$
Commonwealth Australia Bank Overdraft	Meet short term funding requirements		0	(30,000)	30,000
National Australia Bank Overdraft	Meet short term funding requirements		0	(100,000)	100,000
			0	(130,000)	130,000

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

the asset is substantially ready for its intended use or sale.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH 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
Administration Building, IT & Office Equipment Reserve	\$ 6,721	\$ 147	\$ 0	\$ 6,868	\$ 21,068	\$ 199	\$ (14,546)	\$ 6,721	\$ 21,068	\$	\$ (15,675)	\$ 5,393
Employee Entitlements Reserve	284,971	2,598	(20,000)	267,569	303,437	3,526	(21,992)	284,971	303,437		0	303,437
Housing Reserve	97,840	754	(40,000)	58,594	96,817	1,023		97,840	96,817		(43,000)	53,817
Recreation and Community Reserve	191,187	2,596	(129,309)	64,474	291,198	5,967	(105,978)	191,187	291,199		(261,151)	30,048
Refuse Site Reserve	45,216	841	(7,500)	38,557	58,763	1,142	(14,689)	45,216	58,763		0	58,763
Grain Freight Reserve	82,825	672	0	83,497	81,912	913		82,825	81,912		0	81,912
Equestrian Reserve	14,769	4,587	0	19,356	10,166	4,603		14,769	10,166	4,545	0	14,711
Road and Bridges Reserve	43,361	603	(21,654)	22,310	42,542	819		43,361	42,542		0	42,542
Plant and Equipment Reserve	538,714	4,728	(329,311)	214,131	664,195	6,417	(131,898)	538,714	664,195		(244,000)	420,195
Standpipe Maintenance Reserve	4,075	16	0	4,091	4,052	23		4,075	4,052		0	4,052
Community and Sporting Club Reserve	6,725	3	(4,000)	2,728	0	6,725		6,725	0		0	0
Infrastructure Reserve	0			0	0			0				0
	1,316,404	17,545	(551,774)	782,175	1,574,150	31,357	(289,103)	1,316,404	1,574,151	4,545	(563,826)	1,014,870

(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	Purpose of the reserve
Administration Building, IT & Office Equipment Reserve	To be used to maintain the administration building and for the purchase of new and/ or replacement of office equipment or furniture.
Employee Entitlements Reserve	To be used to fund employee entitlements.
Housing Reserve	To be used to fund maintenance or construction of new housing.
Recreation and Community Reserve	To be used to upgrade the oval and associated facilities.
Refuse Site Reserve	To be used to fund the upgrade of the refuse sites.
Grain Freight Reserve	To be used to maintain the grain freight route through the district.
Equestrian Reserve	To be used to maintain and upkeep the equestrian centre.
Road and Bridges Reserve	To be used to maintain and fund road and bridge projects through the district.
Plant and Equipment Reserve	To be used to maintain and fund plant replacement program.
Standpipe Maintenance Reserve	To be used to maintain and upkeep the standpipe network.
Community and Sporting Club Reserve	To be used to fund Community and Sporting Club Small Grants (LEAP)
Infrastructure Reserve	To be used to fund building & maintenance of infrastructure including buildings, housing, recreation facilities, refuse sites, roads and bridges.

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

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance	1,150	2,217	3,147
General purpose funding	2,947	13,157	1,000
Law, order, public safety	3,251	4,706	3,250
Health	800	13,936	800
Community amenities	71,830	73,726	71,020
Recreation and culture	7,545	8,250	7,545
Transport	2,000	107	2,000
Economic services	32,150	70,375	31,250
Other property and services	45,000	145,578	227,380
	166,672	332,051	347,392

9. GRANT REVENUE

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

By Program:

Operating grants, subsidies and contributions

Governance	0	30,000	595
General purpose funding	279,962	535,483	285,073
Law, order, public safety	32,194	39,939	24,769
Education and welfare		0	2,500
Housing	0	180	4,680
Community amenities	0	7,366	6,362
Recreation and culture	7,250	(52,202)	77,332
Transport	273,262	472,762	300,631
Economic services	6,500	0	6,500
Other property and services	15,000	0	25,000
	614,168	1,033,528	733,442

Non-operating grants, subsidies and contributions

Governance	0	0	0
General purpose funding	247,768	0	0
Law, order, public safety	0	37,593	0
Health	0	0	0
Education and welfare	444,223	428,777	872,000
Housing	0	0	0
Community amenities	0	0	0
Recreation and culture	63,485	80,924	0
Transport	947,546	731,938	778,739
Economic services		0	0
	1,703,022	1,279,232	1,650,739

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

10. OTHER INFORMATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
The net result includes as revenues	\$	\$	\$
(a) Interest earnings			
Investments			
- Reserve funds	13,000	17,642	15,000
- Other funds	2,000	646	10,000
Other interest revenue (refer note 1b)	5,800	12,244	7,887
	20,800	30,532	32,887
(b) Other revenue			
Other	64,665	158,783	41,500
	64,665	158,783	41,500
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	18,000	18,000	17,000
	18,000	18,000	17,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	5,383	8,108	7,520
	5,383	8,108	7,520
(e) Elected members remuneration			
Meeting fees	12,805	12,257	12,805
Mayor/President's allowance	8,000	8,000	8,000
Deputy Mayor/President's allowance	2,000	2,000	2,000
	22,805	22,257	22,805
(f) Write offs			
General rate	7,000	97	6,700
	7,000	97	6,700

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

11 MAJOR LAND TRANSACTIONS

It is not anticipated any land transactions or major land transactions will occur in 2020/21

12 TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major undertakings will occur in 2020/21

13 MAJOR LAND TRANSACTIONS, TRADING UNDERTAKINGS AND INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture Major Land Transactions or Trading Undertakings during 2020/21

14 INTERESTS IN JOINT ARRANGEMENTS

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

**SIGNIFICANT ACCOUNTING POLICIES
INTERESTS IN JOINT ARRANGEMENTS**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

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

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

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

15 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
	\$	\$	\$	\$
Bonds - Buildings	90		(90)	0
Bonds - Hall Hire	0			0
Commodine Tennis Club	0			0
Cuballing Country Festival	0			0
Cuballing Cricket Club	200			200
Badmington Club	0			0
Cuballing Football Association	0			0
Environment and Townscape Trust Fur	0			0
Police Licensing	0	250,000	(250,000)	0
Swipe Cards	1,550			1,550
Reimbursements				0
	1,840	250,000	(250,090)	1,750

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

**16 SIGNIFICANT ACCOUNTING POLICIES - OTHER
INFORMATION**

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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

REVENUE RECOGNITION

Accounting Policies for the recognition of income and revenue from contracts with customers is described in Note 17

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

**17 SIGNIFICANT ACCOUNTING POLICIES - CHANGE
IN ACCOUNTING POLICIES**

This note explains the impact of the adoption of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income for Not-for-Profit Entities.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Shire of Cuballing adopted AASB 15 on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire of Cuballing has adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2020. In summary the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 July 2020):

	AASB 118 carrying amount 30 June 20	Reclassification	AASB 15 carrying amount 01 July 20
	\$	\$	\$
Contract assets	0		0
Contract liabilities - current			
Unspent grants, contributions and reimbursements	413,737		413,737

LEASES

On adoption of AASB 16, for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire of Cuballing is not required to make any adjustments on transition for leases for which the underlying asset is of low value. 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).

INCOME FOR NOT-FOR-PROFIT ENTITIES

The Shire of Cuballing has adopted AASB 1058 from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire of Cuballing has adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB as compared to AASB 1004 Contributions before the change:

	AASB 1004 carrying amount 30 June 19	Reclassification	AASB 1058 carrying amount 01 July 19
	\$	\$	\$
Trade and other payables			
Adjustment to retained surplus from adoption of AASB 1058			0

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2020 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised by the Shire of Cuballing. When the taxable event occurs the financial liability is extinguished and the Shire of Cuballing recognises income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration that was significantly less than fair value principally to enable the Shire of Cuballing to further its objectives may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services in relation to Volunteer Fire Services have been recognised in budgeted revenue and budgeted expenditure as the fair value of the services can be reliably estimated and the services would have been purchased if they had not been donated.

The impact on the Shire of Cuballing of the changes as at 1 July 2020 is as follows:

	2020	
	\$	
Retained surplus - 30/06/2020	339,782	
Adjustment to retained surplus from adoption of AASB 15	0	
Adjustment to retained surplus from adoption of AASB 1058	0	0
Retained surplus - 01/07/2020	339,782	0

18 SIGNIFICANT ACCOUNTING POLICIES - RECOGNITION OF REVENUE

Types of revenue	Description	Accounting Standard Applied	Adjustment for new standards	Recognition & Measurement	Determination
Rates	Rates are charged to residents for the services Shire's provide to the residents during the financial year. Rates are billed in advance in the beginning of the year and the services are performed throughout the year. The rates period is from 1 July 2020 to 30 June 2021.	AASB1058	None	On issue of the Rates Notice	Adopted by Council annually as part of the annual budget
Service Charges	Service Charges are billed in advance at the beginning of the financial year for services provided during the financial year. The Services Charge period is from 1 July 2020 to 30 June 2021.	AASB15	None	On issue of the Rates Notice	Adopted by Council annually as part of the annual budget
Waste Collection Service	Waste collection fees are billed in advance at the beginning of the financial year for the service provided during the financial year. The Waste Collection Service period is from 1 July 2020 to 30 June 2021.	AASB15	None	On issue of the Rates Notice	Adopted by Council annually as part of the annual budget
Fees & Charges	Fees & Charges are raised once the service has been provided	AASB15	None	Recognised as revenue on receipt of funds as there is no enforceable contract	Fees & Charges are adopted annually by Council
Operating Grants Subsidies & Contributions	General purpose grants are provided for the general operations of the Shire to achieve the Shire's objectives	AASB1058	None	Recognised as revenue on receipt of funds as there is no enforceable contract	In accordance with the grant agreement
Non Operating Grants	Non operating grants are provided to fund capital projects	AASB1058	None	Recognised as revenue on receipt of funds as the grant milestone has been met.	In accordance with the grant agreement
Reimbursements	Reimbursements are for funds paid by Council then refunded. ie Workers Compensation & Insurance claims	AASB15	None	Recognised as revenue on receipt of funds.	In accordance with claim agreement

**ADDITIONAL NOTES TO THE BUDGET
2020/2021**

CAPITAL INCOME AND EXPENDITURE

	2020/2021 Budget
	\$
Capital Income	
OCN Holden Calais Sedan	17,000
CN 027 Holden Colorado Crew Cab 2019	31,000
Komatsu GD555-5 Grader	95,000
Transfer from reserves	551,774
Total Income	694,774
Capital Expenditure	
Land and Buildings	
Cuballing Town Hall - Repaint Exterior	14,400
Cuballing Town Hall - Drainage	25,879
Cuballing Railway Reserve Design	30,000
Yornaning Dam Upgrade - Stage 3	77,150
Cuballing Memorial Park Upgrade	99,309
Yornaning Dam - Shade Sails	35,000
Cuballing Cemetery Upgrade	5,000
Aged Person's Accommodation	1,207,475
Popanyinning Main Street Refurbishment	73,800
Administration Building - Disabled Access	62,833
	1,630,846
Plant	
Grader	395,000
Prado DSL Wagon GXL	55,924
Rake - Komatsu Loader	18,500
Two Way System	20,000
Water Tank for Depot	5,000
	494,424
Infrastructure	
Roads Capital Projects	1,366,233
	1,366,233
Equipment	
Transfer Station - Bin Lids	7,500
	7,500
Total Expenditure	3,499,003

SALE OF ASSETS

	2019/20 WDV	2020/21 Proceeds	2020/2021 Profit / (Loss)
	\$	\$	\$
OCN Holden Calais Sedan	28,000	17,000	-
CN 027 Holden Colorado Crew Cab 2019	32,886	31,000	-
Komatsu GD555-5 Grader	232,500	90,000	-
Total	293,386.00	138,000.00	-155,386.00

SHIRE OF CUBALLING
ADDITIONAL NOTES TO THE BUDGET
2020/2021

LOAN REPAYMENT SCHEDULE

LOAN 63 COA	Term of Loan 8 years	Capital 12424	Interest 14341	Total
7/07/2020		3,451.54	262.74	3,714.28
7/08/2020		3,464.22	250.06	3,714.28
7/09/2020		3,476.95	237.33	3,714.28
7/10/2020		3,489.73	224.55	3,714.28
9/11/2020		3,502.56	211.72	3,714.28
7/12/2020		3,515.43	198.85	3,714.28
7/01/2021		3,528.35	185.93	3,714.28
8/02/2021		3,541.31	172.97	3,714.28
8/03/2021		3,554.33	159.95	3,714.28
7/04/2021		3,567.39	146.89	3,714.28
7/05/2021		3,580.50	133.78	3,714.28
7/06/2021		3,593.66	120.62	3,714.28
Total		42,265.97	2,305.39	44,571.36

LOAN 64 COA	Term of Loan 10 years	Capital 12146	Interest 12101	Total
13/07/2020				
13/11/2020		7,363.75	1,578.77	8,942.52
13/01/2021				
13/05/2021		7,443.65	1,498.87	8,942.52
Total		14,807.40	3,077.64	17,885.04

LOAN 65 COA	Term of Loan 10 years	Capital	Interest	Total
1/06/2021		310,000.00		-
Total		-	-	-

LOANS TOTAL		57,073.37	5,383.03	62,456.40
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SHIRE OF CUBALLING
ADDITIONAL NOTES TO THE BUDGET
2020/21

INSURANCE SCHEDULE

		2019/20	20/21
		Actual	Budget
		\$	\$
LGIS Liability	GL		
Public Liability	1142370.570	21,972	23,529
Adminstration (Crime, Travel, Personal Accident)	1042380.570	3,405	3,833
LGIS WorkCare			
Workers Compensation	1142370.570	44,601	40,840
Management Liability			
Statutory and Business Practices Liability	1041060.570	7,269	9,374
Accident and Health			
Corporate Travel	1042380.570	750	750
Personal Accident	1042380.570	425	425
LGIS Property	To Bld Mtc	28,334	30,604
Bush Fire	1051050.570	13,800	10,742
Marine Cargo	1142370.570	525	525
Motor Vehicle and Plant	To Plant	25,669	27,941
TOTAL		146,749	148,563

COMMUNITY EVENTS

		2020/21	2020/21
		Grants Budget	Budget
		\$	\$
Project	Date		
Winter Movie Night - Cuballing	July	-	500
Popo Bonfire Night	August	-	-
Digital Literacy for Older Aust.	July to Aug	1,500	2,450
Kids/Youth Activity Day	September	2,000	5,000
Blue Light Disco	October		100
Seniors Day		1,000	2,050
Thank a Volunteer Day	December	1,000	1,100
Movie Night- Cuballing	December		500
Christmas Tree Popo	December		-
Christmas Tree Cuby	December		-
Australia Day Breakfast	January		350
Music Festival	February		4,000
Stay on your feet - Oldies	March		-
Blue Light Disco	April		100
Youth Week	April	1,000	2,700
Anzac Day	April		270
WA Off Road Racing	April		-
Popo Market Day	May		-
Australia Biggest Morning Tea	May		300
TOTAL		6,500	19,420

SHIRE OF CUBALLING
ADDITIONAL NOTES TO THE BUDGET
2020/2021

DONATIONS & CONTRIBUTIONS

Project	GL	2019/20	2020/21
		Actual	Budget
		\$	\$
Schools	08105	191	100
Dryandra Country Visitors Centre	13205	7,000	7,000
Narrogin Library	11505	5,000	5,000
Great Southern Regional Waste Group (Wagin)	10200	-	2,000
Central Country Zone	04107	3,780	4,000
Regional Risk Coordinator Program	14236	5,066	5,169
Peel Harvey Catchment Council	10500	5,000	5,000
Wheatbelt Secondary Freight Network	04107	6,000	6,000
WBS RRG Chairperson Honorarium	04107	100	100
Community Assisted Vehicle Program (Narrogin)	08300	1,000	1,000
TOTAL		33,137	35,369

IT EXPENSES

Project	GL	2019/20	2020/21
		Actual	Budget
		\$	\$
ITV User Group Subscription	04293	650	600
IT Vision Synergy Annual Subscription	4293	20,792	21,421
Licenses & Support	4293	15,304	16,215
CEO Laptop	4293	2,363	-
Update Computer, Phones	4288	3,157	8,500
Ramm	J14236	7,499	7,762
TOTAL		49,765	54,498

ESL GRANT SPENDING

Project	GL	2019/20	2020/21
		Actual	Budget
		\$	\$
Expenditure - Mtnc of Vehicles and Trailers	05101	29,373	12,000
Expenditure - Maintenance of Land and Buildings	05102	1,352	1,400
Expenditure - Utilities, Phone, Rates and Taxes	05103	6,832	4,132
Expenditure - Other Goods and Services	05104	1,098	1,000
Expenditure - Insurances	05105	13,800	11,428
Expenditure - Clothing and Accessories	05107	5,059	5,000
Expenditure - Grant funded Equipment	05104	-	6,000
Expenditure - Capital Project - Fire Shed Extension	05140	37,593	-
Income - Capital Grants Fire Protection	05150	- 37,593	- 6,000
Income - Fire Prevention - Grants	05150	- 39,939	- 26,194
TOTAL		17,575	8,766

SHIRE OF CUBALLING											
ADDITIONAL NOTES TO THE BUDGET											
2020/21											
CAPITAL WORKS PROGRAM											
INFRASTRUCTURE											
Regional Road Group (RRG) - 12115											
	Wandering-Narrogin Road 2019/20	12115	R129B	\$ 15,250.00	\$ 21,502.00	\$ 36,752.00	\$ 9,335.00	\$ 29,185.00	\$ 9,390.00	\$ 73,973.00	\$ 158,635.00
	Wandering-Narrogin Road 2020/21	12115	R129D	\$ 31,125.00	\$ 46,706.00	\$ 77,831.00	\$ 16,395.00	\$ 50,634.00	\$ 22,339.00	\$ 182,870.00	\$ 350,069.00
	Stratherne Road 2020/21	12115	R001C	\$ 16,500.00	\$ 23,265.00	\$ 39,765.00	\$ 10,583.00	\$ 31,295.00	\$ 4,960.00	\$ 64,342.00	\$ 150,945.00
				\$ 62,875.00	\$ 91,473.00	\$ 154,348.00	\$ 36,313.00	\$ 111,114.00	\$ 36,689.00	\$ 321,185.00	\$ 659,649.00
Roads to Recovery (R2R) - 12120											
	Popanyinning East Road Gravel Sheeting	12120	RTR004	\$ 8,937.00	\$ 15,422.00	\$ 24,359.00	\$ 9,592.00	\$ 27,304.00	\$ 9,000.00	\$ 6,011.00	\$ 76,266.00
	Reeds Road Gravel Sheeting	12120	RTR017	\$ 10,050.00	\$ 16,991.00	\$ 27,041.00	\$ 6,872.00	\$ 18,742.00	\$ 7,180.00	\$ 3,500.00	\$ 63,335.00
	Narrogin Wandering Road - Final Seal	12120	RTR129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,804.00	\$ 6,804.00
				\$ 18,987.00	\$ 32,413.00	\$ 51,400.00	\$ 16,464.00	\$ 46,046.00	\$ 16,180.00	\$ 16,315.00	\$ 146,405.00
Blackspot Funding - 12125											
	Wandering Narrogin, Springhill & Nebrikinning	12125	BS129	\$ 51,975.00	\$ 78,925.00	\$ 130,900.00	\$ 29,205.00	\$ 93,212.00	\$ 45,000.00	\$ 174,352.50	\$ 472,669.50
				\$ 51,975.00	\$ 78,925.00	\$ 130,900.00	\$ 29,205.00	\$ 93,212.00	\$ 45,000.00	\$ 174,352.50	\$ 472,669.50
Roads Construction - 12124											
	Congelin Road Culvert	12124	CUL029	\$ 3,237.00	\$ 4,565.00	\$ 7,802.00	\$ 1,521.00	\$ 3,323.00	\$ 5,210.00	\$ 18,000.00	\$ 35,856.00
	Popanyinning East Road Drainage	12124	R004H	\$ 3,800.00	\$ 5,358.00	\$ 9,158.00	\$ 1,575.00	\$ 4,303.00	\$ 1,470.00	\$ 5,148.00	\$ 21,654.00
				\$ 7,037.00	\$ 9,923.00	\$ 16,960.00	\$ 3,096.00	\$ 7,626.00	\$ 6,680.00	\$ 23,148.00	\$ 57,510.00
Bridge Improvements -11214											
		11214							\$ 5,000.00	\$ 25,000.00	\$ 30,000.00
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ 25,000.00	\$ 30,000.00
Other Infrastructure - Economic Services - 13605											
		10742	C163							\$ 7,500.00	
LAND & BUILDINGS											
	Cuballing Town Hall - Repaint Exterior	11048	C162B							\$ 14,400.00	\$ 14,400.00
	Cuballing Town Hall - Drainage	11048	C162A	\$ 2,900.00	\$ 8,319.00	\$ 11,219.00	\$ 585.00	\$ 1,650.00	\$ 6,705.00	\$ 5,720.00	\$ 25,879.00
	Aged Person's Accommodation									\$ 1,207,475.00	\$ 1,207,475.00
				\$ 2,900.00	\$ 8,319.00	\$ 11,219.00	\$ 585.00	\$ 1,650.00	\$ 6,705.00	\$ 1,227,595.00	\$ 1,247,754.00
Governance - 104261											
	Administration Building Disabled Access	4261	J4114C							\$ 62,833.00	\$ 62,833.00
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,833.00	\$ 62,833.00
Other Recreation -11320											
	Cuballing Memorial Park	11320	C176	\$ 7,375.00	\$ 10,399.00	\$ 17,774.00	\$ 1,536.00	\$ 4,102.00	\$ 50,897.00	\$ 25,000.00	\$ 99,309.00
	Cuballing Railway Reserve Design	11320	C176A		\$ -	\$ -				\$ 30,000.00	\$ 30,000.00
	Cuballing Cemetery Upgrade	10715	J159						\$ 5,000.00		\$ 5,000.00
	Popanyinning Main Street Refurbishment	11320	C193							\$ 73,800.00	\$ 73,800.00
	Yornaning Dam Shade Sails	11320	C195							\$ 35,000.00	\$ 35,000.00
	Yornaning Dam Upgrade - Stage 3	11320	C188	\$ 1,500.00		\$ 1,500.00			\$ 8,650.00	\$ 67,000.00	\$ 77,150.00
				\$ 8,875.00	\$ 10,399.00	\$ 19,274.00	\$ 1,536.00	\$ 4,102.00	\$ 64,547.00	\$ 230,800.00	\$ 320,259.00
TOTAL CONSTRUCTION				\$ 145,612.00	\$ 221,529.00	\$ 367,141.00	\$ 84,103.00	\$ 256,124.00	\$ 169,121.00	\$ 2,033,080.50	\$ 2,997,079.50