

SHIRE OF DOWERIN
BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A thriving rural community which will be a lifestyle choice for generations, a preferred location for business.

SHIRE OF DOWERIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	1,447,970	1,409,586	1,400,150
Operating grants, subsidies and contributions	9(a)	6,078,134	4,085,599	1,280,232
Fees and charges	8	653,628	628,866	608,150
Interest earnings	12(a)	36,078	25,548	37,205
Other revenue	12(b)	99,000	180,623	213,365
		8,314,810	6,330,222	3,539,102
Expenses				
Employee costs		(1,586,612)	(1,658,919)	(1,829,973)
Materials and contracts		(7,219,361)	(1,895,579)	(1,514,958)
Utility charges		(152,050)	(162,226)	(158,230)
Depreciation on non-current assets	5	(1,516,549)	(1,827,361)	(1,333,450)
Interest expenses	12(d)	(39,613)	(35,713)	(41,760)
Insurance expenses		(129,540)	(129,417)	(113,750)
Other expenditure		(299,150)	(162,152)	(131,017)
		(10,942,875)	(5,871,367)	(5,123,138)
Subtotal				
		(2,628,065)	458,855	(1,584,036)
Non-operating grants, subsidies and contributions	9(b)	1,815,757	964,199	3,820,864
Profit on asset disposals	4(b)	12,381	88,072	92,467
Loss on asset disposals	4(b)	(19,746)	(8,776)	(5,794)
		1,808,392	1,043,495	3,907,537
Net result				
		(819,673)	1,502,350	2,323,501
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income				
		0	0	0
Total comprehensive income				
		(819,673)	1,502,350	2,323,501

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

SHIRE OF DOWERIN

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 Dowerin 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 14 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 DOWERIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,8,9(a),12(a),12(b)	\$	\$	\$
Governance		8,000	28	500
General purpose funding		2,404,226	3,280,122	2,201,760
Law, order and public safety		40,700	37,769	36,000
Health		1,600	1,217	2,600
Education and welfare		546,658	507,932	463,365
Housing		150,000	182,475	146,500
Community amenities		287,152	264,098	275,100
Recreation and culture		50,950	66,692	58,400
Transport		4,588,724	1,639,889	157,272
Economic services		182,300	214,781	131,405
Other property and services		54,500	135,219	66,200
		8,314,810	6,330,222	3,539,102
Expenses excluding finance costs	4(a),5,12(c)(e)(f)			
Governance		(436,496)	(314,301)	(432,792)
General purpose funding		(221,485)	(149,800)	(196,631)
Law, order and public safety		(131,300)	(124,272)	(141,949)
Health		(49,572)	(33,352)	(55,047)
Education and welfare		(602,795)	(577,784)	(502,343)
Housing		(256,813)	(277,316)	(217,824)
Community amenities		(471,723)	(407,133)	(427,885)
Recreation and culture		(940,916)	(1,002,817)	(912,820)
Transport		(7,292,744)	(2,192,362)	(1,729,841)
Economic services		(493,205)	(408,212)	(449,951)
Other property and services		(6,213)	(348,305)	(14,295)
		(10,903,262)	(5,835,654)	(5,081,378)
Finance costs	7,6(a),12(d)			
Housing		(9,003)	(4,734)	(9,375)
Recreation and culture		(7,138)	(8,523)	(8,533)
Transport		(2,426)	(1,334)	(2,730)
Economic services		(21,046)	(21,122)	(21,122)
		(39,613)	(35,713)	(41,760)
Subtotal		(2,628,065)	458,855	(1,584,036)
Non-operating grants, subsidies and contributions	9(b)	1,815,757	964,199	3,820,864
Profit on disposal of assets	4(b)	12,381	88,072	92,467
(Loss) on disposal of assets	4(b)	(19,746)	(8,776)	(5,794)
		1,808,392	1,043,495	3,907,537
Net result		(819,673)	1,502,350	2,323,501
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(819,673)	1,502,350	2,323,501

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

SHIRE OF DOWERIN
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

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

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

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

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

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, 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, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

HOUSING

To provide housing to staff.

Staff housing, provision of general rental accomodation when buildings not required by staff.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

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

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

TRANSPORT

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

Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities.

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park and short term accomodation units. Provision of rural services including weed control, vermin control and standpipes. Building control.

OTHER PROPERTY AND SERVICES

To monitor and control Council's overhead operating accounts.

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,447,970	1,406,630	1,400,150
Operating grants, subsidies and contributions		6,178,134	3,874,543	1,430,232
Fees and charges		653,628	628,866	608,150
Interest received		36,078	25,548	37,205
Goods and services tax received		500,000	361,624	500,000
Other revenue		99,000	180,623	213,365
		8,914,810	6,477,834	4,189,102
Payments				
Employee costs		(1,586,612)	(1,658,919)	(1,829,973)
Materials and contracts		(7,119,361)	(2,159,560)	(1,514,958)
Utility charges		(152,050)	(162,226)	(158,230)
Interest expenses		(39,613)	(35,713)	(41,760)
Insurance paid		(129,540)	(129,417)	(113,750)
Goods and services tax paid		(500,000)	(391,650)	(500,000)
Other expenditure		(299,150)	(162,152)	(131,017)
		(9,826,326)	(4,699,637)	(4,289,688)
Net cash provided by (used in) operating activities	3	(911,516)	1,778,197	(100,586)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(663,500)	(687,844)	(964,328)
Payments for construction of infrastructure	4(a)	(2,345,412)	(1,375,220)	(4,038,859)
Non-operating grants, subsidies and contributions	9(b)	1,815,757	964,199	3,820,864
Proceeds from sale of plant and equipment	4(b)	161,000	324,688	382,000
Net cash provided by (used in) investing activities		(1,032,155)	(774,177)	(800,323)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(187,187)	(158,435)	(174,553)
Proceeds from new borrowings	6(a)	0	320,000	508,000
Net cash provided by (used in) financing activities		(187,187)	161,565	333,447
Net increase (decrease) in cash held		(2,130,858)	1,165,585	(567,462)
Cash at beginning of year		4,229,066	3,063,481	2,752,008
Cash and cash equivalents at the end of the year	3	2,098,208	4,229,066	2,184,546

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2(a)	2,063,716	801,648	941,147
Revenue from operating activities (excluding rates)		2,063,716	801,648	941,147
Governance		8,000	28	500
General purpose funding		1,001,256	1,917,137	838,462
Law, order, public safety		40,700	37,769	36,000
Health		1,600	1,217	2,600
Education and welfare		546,658	507,932	463,365
Housing		150,000	258,832	231,547
Community amenities		287,152	264,098	275,100
Recreation and culture		50,950	66,692	58,400
Transport		4,600,773	1,651,604	157,272
Economic services		182,300	214,781	131,405
Other property and services		54,832	135,219	73,620
		6,924,221	5,055,309	2,268,271
Expenditure from operating activities				
Governance		(436,496)	(314,301)	(432,792)
General purpose funding		(221,485)	(149,800)	(196,631)
Law, order, public safety		(131,300)	(124,272)	(141,949)
Health		(49,572)	(33,352)	(55,047)
Education and welfare		(602,795)	(577,784)	(502,343)
Housing		(265,816)	(282,050)	(227,199)
Community amenities		(471,723)	(407,133)	(427,885)
Recreation and culture		(948,054)	(1,011,340)	(921,353)
Transport		(7,312,861)	(2,193,696)	(1,735,368)
Economic services		(514,251)	(429,334)	(471,073)
Other property and services		(8,268)	(357,081)	(17,292)
		(10,962,621)	(5,880,143)	(5,128,932)
Non-cash amounts excluded from operating activities	2(b)	1,544,497	1,765,593	1,267,398
Amount attributable to operating activities		(430,187)	1,742,407	(652,116)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,815,757	964,199	3,820,864
Payments for property, plant and equipment	4(a)	(663,500)	(687,844)	(964,328)
Payments for construction of infrastructure	4(a)	(2,345,412)	(1,375,218)	(4,038,856)
Proceeds from disposal of assets	4(b)	161,000	324,688	382,000
		(1,032,155)	(774,175)	(800,320)
Amount attributable to investing activities		(1,032,155)	(774,175)	(800,320)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(187,187)	(158,435)	(174,553)
Proceeds from new borrowings	6(a)	0	320,000	508,000
Transfers to cash backed reserves (restricted assets)	7(a)	(212,962)	(429,066)	(437,642)
Transfers from cash backed reserves (restricted assets)	7(a)	459,521	-	193,333
Amount attributable to financing activities		59,372	(267,502)	89,138
Budgeted deficiency before imposition of general rates		(1,402,970)	700,731	(1,363,298)
Estimated amount to be raised from general rates	1	1,402,970	1,362,985	1,363,298
Net current assets at end of financial year - surplus/(deficit)	2(a)	0	2,063,716	0

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	2,063,716	801,648	941,147
		2,063,716	801,648	941,147
Revenue from operating activities (excluding rates)				
Specified area and ex gratia rates	1(c)	45,000	46,601	36,852
Operating grants, subsidies and contributions	9(a)	6,078,134	4,085,599	1,280,232
Fees and charges	8	653,628	628,866	608,150
Service charges	1(d)	0	0	0
Interest earnings	12(a)	36,078	25,548	37,205
Other revenue	12(b)	99,000	180,623	213,365
Profit on asset disposals	4(b)	12,381	88,072	92,467
		6,924,221	5,055,309	2,268,271
Expenditure from operating activities				
Employee costs		(1,586,612)	(1,658,919)	(1,829,973)
Materials and contracts		(7,219,361)	(1,895,579)	(1,514,958)
Utility charges		(152,050)	(162,226)	(158,230)
Depreciation on non-current assets	5	(1,516,549)	(1,827,361)	(1,333,450)
Interest expenses	12(d)	(39,613)	(35,713)	(41,760)
Insurance expenses		(129,540)	(129,417)	(113,750)
Other expenditure		(299,150)	(162,152)	(131,017)
Loss on asset disposals	4(b)	(19,746)	(8,776)	(5,794)
		(10,962,621)	(5,880,143)	(5,128,932)
Non-cash amounts excluded from operating activities	2(b)	1,544,497	1,765,593	1,267,398
Amount attributable to operating activities		(430,187)	1,742,407	(652,116)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	1,815,757	964,199	3,820,864
Payments for property, plant and equipment	4(a)	(663,500)	(687,844)	(964,328)
Payments for construction of infrastructure	4(a)	(2,345,412)	(1,375,218)	(4,038,856)
Proceeds from disposal of assets	4(b)	161,000	324,688	382,000
Amount attributable to investing activities		(1,032,155)	(774,175)	(800,320)
Amount attributable to investing activities		(1,032,155)	(774,175)	(800,320)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(187,187)	(158,435)	(174,553)
Proceeds from new borrowings	6(b)	0	320,000	508,000
Transfers to cash backed reserves (restricted assets)	7(a)	(212,962)	(429,066)	(437,642)
Transfers from cash backed reserves (restricted assets)	7(a)	459,521	0	193,333
Amount attributable to financing activities		59,372	(267,502)	89,138
Budgeted deficiency before general rates		(1,402,970)	700,731	(1,363,298)
Estimated amount to be raised from general rates	1(a)	1,402,970	1,362,985	1,363,298
Net current assets at end of financial year - surplus/(deficit)	2	0	2,063,716	0

SHIRE OF DOWERIN
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FOR THE YEAR ENDED 30 JUNE 2022

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

1. RATES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
Residential	0.10300	134	1,292,744	133,153	0	0	133,153	133,830	133,830
Commercial	0.10300	15	256,479	26,417	0	0	26,417	25,850	25,850
Town Rural	0.10300	12	138,888	14,305	0	0	14,305	13,999	13,999
Other Town	0.10300	8	33,386	3,439	0	0	3,439	3,365	3,365
Unimproved valuations									
Rural Farmland	0.00780	221	141,021,718	1,099,969	0	0	1,099,969	1,069,366	1,069,679
Sub-Totals		390	142,743,215	1,277,283	0	0	1,277,283	1,246,410	1,246,723
	Minimum								
Minimum payment									
	\$								
Gross rental valuations									
Residential	793	44	268,898	34,896	0	0	34,896	30,030	30,030
Commercial	793	17	65,465	13,483	0	0	13,483	13,090	13,090
Town Rural	793	15	36,979	11,897	0	0	11,897	11,550	11,550
Other Town	232	19	7,807	4,404	0	0	4,404	4,275	4,275
Unimproved valuations									
Rural Farmland	793	66	3,733,182	52,345	0	0	52,345	50,820	50,820
Commercial	793	4	400	3,172	0	0	3,172	3,080	3,080
Town Rural	793	4	92,000	3,172	0	0	3,172	3,080	3,080
Mining	232	10	57,675	2,318	0	0	2,318	650	650
Sub-Totals		179	4,262,406	125,687	0	0	125,687	116,575	116,575
		569	147,005,621	1,402,970	0	0	1,402,970	1,362,985	1,363,298
Total amount raised from general rates							1,402,970	1,362,985	1,363,298
Ex gratia rates							45,000	46,601	36,852
Total rates							1,447,970	1,409,586	1,400,150

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

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

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

1. RATES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	23/09/2021	0	0.0%	7.0%
Option two				
First instalment	23/09/2021	5	5.5%	7.0%
Second instalment	24/01/2022	5	5.5%	7.0%
Option three				
First instalment	23/09/2021	5	5.5%	7.0%
Second instalment	24/11/2021	5	5.5%	7.0%
Third instalment	24/01/2022	5	5.5%	7.0%
Fourth instalment	24/03/2022	5	5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	1,500	1,820	1,000
Instalment plan interest earned	4,000	4,032	2,000
Pensioner deferred interest	0	392	0
Unpaid rates and service charge interest earned	10,000	8,813	5,000
	15,500	15,057	8,000

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

1. RATES (CONTINUED)

(c) Specified Area Rate

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

(d) Rates discounts

The Shire does not anticipate any discounts on rates for the year ended 30th June 2022.

(e) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2022.

(f) Sewerage Charges

The Shire has increased sewerage charges in accordance with the 3% increase

RATE TYPE	Rate in Dollar	Number of properties	Rateable value	2021/22 Budgeted revenue	Budget Amount to be applied to costs	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$
Service Charge							
General Charge							
Residential	0.078116	134	1,292,744	100,984	100,984	114,067	123,000
Commercial	0.078116	15	265,479	20,738	20,738	16,861	18,135
Vacant Land	0.078116	8	33,386	2,608	2,608	828	828
				124,330	124,330	131,756	141,963
Minimum Charge							
Residential	383	44	268,898	16,859	16,859	2,075	2,232
Commercial	788	17	65,465	13,395	13,395	7,824	8,415
Vacant Land	372	5	1,680	1,860	1,860	1,860	1,860
Government	765	2	0	1,530	1,530	1,530	1,530
Total Charges		225	1,927,652	33,644	33,644	13,289	14,037
Sewerage Fixture							
First fixtures	250	12		3,000	3,000	0	3,000
Additional fixtures	114	61		6,954	6,954	0	7,000
Total Fixtures		73		9,954	9,954	0	10,000
			1,927,652	167,928	167,928	145,045	166,000

SHIRE OF DOWERIN
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	\$	\$	\$
(a) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents- unrestricted	3 110,627	1,948,926	90,558
Cash and cash equivalents - restricted reserves	3 2,033,581	2,280,140	2,093,988
Financial assets - unrestricted	0	0	185
Receivables	201,915	491,915	198,482
Inventories	11,455	11,455	3,049
	2,357,578	4,732,436	2,386,262
Less: current liabilities			
Trade and other payables	(184,245)	(184,245)	(198,224)
Contract liabilities	0	(90,000)	0
Long term borrowings	6 0	(187,187)	(3,000)
Employee provisions	(192,102)	(192,102)	(172,135)
	(376,347)	(653,534)	(373,359)
Net current assets	1,981,231	4,078,902	2,012,903
Less: Total adjustments to net current assets	2.(c) (1,935,231)	(2,015,186)	(2,012,903)
Net current assets used in the Rate Setting Statement	46,000	2,063,716	0

SHIRE OF DOWERIN
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 pensioner deferred rates

Movement in leave reserve

Non cash amounts excluded from operating activities

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021	
	\$	\$	\$	
4(b)	(12,381)	(88,072)	(92,467)	
4(b)	19,746	8,776	5,794	
5	1,516,549	1,827,361	1,333,450	
	0	(2,732)		
	20,583	20,260	20,621	
	1,544,497	1,765,593	1,267,398	
(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 <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less:				
Cash - restricted reserves	7	(2,033,581)	(2,280,140)	(2,093,988)
Add:				
- Current portion of borrowings		0	187,187	3,000
- Current portion of employee benefit provisions held in reserve		98,350	77,767	78,085
Total adjustments to net current assets		(1,935,231)	(2,015,186)	(2,012,903)

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

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

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

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

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

LAND HELD FOR RESALE

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

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

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

CONTRACT LIABILITIES

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

3. RECONCILIATION OF CASH

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

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Cash at bank and on hand	2,144,208	4,229,066	2,184,546
Total cash and cash equivalents	2,144,208	4,229,066	2,184,546
Held as			
- Unrestricted cash and cash equivalents	110,627	1,948,926	90,558
- Restricted cash and cash equivalents	2,033,581	2,280,140	2,093,988
	2,144,208	4,229,066	2,184,546
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and Cash equivalents Reserve funds	2,033,581	2,280,140	2,093,988
	2,033,581	2,280,140	2,093,988
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	7	2,033,581	2,280,140
		2,033,581	2,093,988
Reconciliation of net cash provided by operating activities to net result			
Net result		(819,673)	1,502,350
Depreciation	5	1,516,549	1,827,361
(Profit)/loss on sale of asset	4(b)	7,365	(79,296)
(Increase)/decrease in receivables		290,000	(207,397)
(Increase)/decrease in inventories		0	(8,404)
Increase/(decrease) in payables		0	(255,577)
Increase/(decrease) in contract liabilities		(90,000)	(36,641)
Non-operating grants, subsidies and contributions		(1,815,757)	(964,199)
Net cash from operating activities		(911,516)	1,778,197

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 DOWERIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program					2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
	Community amenities	Recreation & culture	Transport	Economic services	Other property & services			
	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>								
Buildings - Non Specialised	0	72,000	0	150,000	45,000	267,000	202,341	134,328
Buildings - specialised	0	0	0	0	0	0	0	0
Furniture and equipment	0	0	0	0	0	0	0	0
Plant & Equipment	10,000	0	134,500	0	252,000	396,500	485,503	830,000
	10,000	72,000	134,500	150,000	297,000	663,500	687,844	964,328
<i>Infrastructure</i>								
Infrastructure Roads	0	0	1,978,412	0	0	1,978,412	1,086,244	3,445,857
Infrastructure Footpaths	0	0	0	0	0	0	53,629	51,999
Infrastructure Other	10,000	330,000	0	27,000	0	367,000	235,345	541,000
0	0	0	0	0	0	0	0	0
	10,000	330,000	1,978,412	27,000	0	2,345,412	1,375,218	4,038,856
Total acquisitions	20,000	402,000	2,112,912	177,000	297,000	3,008,912	2,063,062	5,003,184

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

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

4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Housing		0	0	0	114,143	190,500	76,357	0	111,953	197,000	85,047	0
Transport	82,642	31,000	12,049	(17,691)	42,928	54,643	11,715	0	12,588	9,791	0	(2,797)
Other property and services	131,723	130,000	332	(2,055)	88,322	79,545	0	(8,776)	170,786	175,209	7,420	(2,997)
	214,365	161,000	12,381	(19,746)	245,393	324,688	88,072	(8,776)	295,327	382,000	92,467	(5,794)
By Class												
<i>Property, Plant and Equipment</i>												
Land - freehold	0	0	0	0	114,143	190,500	76,357	0	0	0	0	0
Buildings - Non Specialised	0	0	0	0	0	0	0	0	111,953	197,000	85,047	0
Plant & Equipment	214,365	161,000	12,381	(19,746)	131,250	134,188	11,715	(8,776)	183,374	185,000	7,420	(5,794)
	214,365	161,000	12,381	(19,746)	245,393	324,688	88,072	(8,776)	295,327	382,000	92,467	(5,794)

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

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

5. ASSET DEPRECIATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
By Program			
Governance	0	0	4,000
Law, order, public safety	60,520	60,341	60,700
Education and welfare	15,732	19,064	12,400
Housing	117,334	114,667	120,000
Community amenities	74,968	75,337	74,600
Recreation and culture	305,284	370,217	366,650
Transport	715,972	952,945	479,000
Economic services	61,836	57,072	66,600
Other property and services	164,903	177,718	149,500
	1,516,549	1,827,361	1,333,450
By Class			
Buildings - Non Specialised	483,660	452,380	527,500
Furniture and equipment	16,350	16,331	11,750
Plant And Equipment	211,145	228,122	200,200
Infrastructure Roads	629,475	838,450	420,500
Infrastructure - drainage	47,417	73,835	21,000
Infrastructure Footpaths	66,678	98,356	35,000
Infrastructure - parks and ovals	10,977	63,695	72,000
Infrastructure - bridges	10,000	0	20,000
Infrastructure - Sewerage	38,047	51,093	25,000
Infrastructure Other	2,800	5,099	500
	1,516,549	1,827,361	1,333,450

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

The depreciable amount of all fixed assets including but excluding freehold land, are depreciated on a

basis over the individual asset's useful life from the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or the estimated useful life of the improvement.

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 exceeds its estimated recoverable amount.

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

Buildings	15 to 61 years
Furniture and equipment	4 to 10 years
Tools	10 to 20 years
Plant and equipment	10 to 27 years
Roads and streets	
- Formation	not depreciated
- Pavement	17 years
- Bridges	50 years
- Kerbing	25 years
Footpaths	25 years
Other Infrastructure	8 - 40 years
Parks & Ovals Infrastructure	17 years
Drainage Infrastructure	50 years
Wastewater infrastructure	20 years

AMORTISATION

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

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

SHIRE OF DOWERIN
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	2020/21	Actual	2020/21	Budget	2020/21	2020/21	Budget	2020/21
				Principal	Budget	Budget	Principal	Principal		Actual	Actual	Actual	Principal		Principal	Principal	Principal	Principal
				1 July 2021	New Loans	Principal Repayments	outstanding	Repayments	1 July 2020	New Loans	Principal Repayments	outstanding	Repayments	1 July 2020	New Loans	Principal Repayments	outstanding	Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																		
GROH	100	WATC	3.75%	254,839	0	(10,704)	244,135	9,003	265,171	0	(10,332)	254,839	4,733	265,171	0	(10,332)	254,839	9,375
Recreation and culture																		
Community Club	97	WATC	4.09%	75,905	0	(75,916)	(11)	2,337	148,819	0	(72,914)	75,905	5,339	148,819	0	(72,904)	75,915	5349
Swimming Pool	101	WATC	1.91%	162,815	0	(18,497)	144,318	4,801	181,574	0	(18,759)	162,815	3,184	181,574	0	(18,759)	162,815	3184
Swimming Pool	102	DEM	0.00%	45,000	0	(10,000)	35,000	0	50,000	0	(5,000)	45,000	0	50,000	0	(10,000)	40,000	0
Transport																		
Multi Tyre Roller	103	WATC	1.09%	150,618	0	(20,723)	129,895	1,289	0	170,000	(19,382)	150,618	1,334	0	170,000	(10,197)	159,803	926
Smooth Drum Tyre Roller	104	WATC	1.09%	150,000	0	(18,284)	131,716	1,137	0	150,000		150,000		0	150,000	(9,022)	140,978	793
Low Loader	105	WATC	1.09%	0	0	0	0	0	0	0	0	0	0	0	85,000	(5,113)	79,887	450
Side Tipper	106	WATC	1.09%	0	0	0	0	0	0	0	0	0	0	0	103,000	(6,178)	96,822	561
Economic services																		
Short Term Accommodation	99	WATC	3.25%	648,580	0	(33,063)	615,517	20,108	680,628		(32,048)	648,580	21,122	680,628	0	(32,048)	648,580	21,122
				1,487,757	0	(187,187)	1,300,570	38,675	1,326,192	320,000	(158,435)	1,487,757	35,713	1,326,192	508,000	(174,553)	1,659,639	41,760
				1,487,757	0	(187,187)	1,300,570	38,675	1,326,192	320,000	(158,435)	1,487,757	35,713	1,326,192	508,000	(174,553)	1,659,639	41,760

All borrowing repayments will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2021/22

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
0	WATC	Debenture		0.0%	\$ 0	\$ 0	\$ 0	\$ 0
					0	0	0	0

(c) Unspent borrowings

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

(d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	60,000	60,000	60,000
Bank overdraft at balance date	0	0	0
Credit card limit	16,000	16,000	16,000
Credit card balance at balance date	(5,000)	(5,000)	(5,000)
Total amount of credit unused	71,000	71,000	71,000
Loan facilities			
Loan facilities in use at balance date	1,300,570	1,487,757	1,659,639

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2021	2021/22 Budgeted Increase/ (Decrease)	Amount as at 30th June 2022
NAB	Cashflow	1980	\$ 60,000	\$ 0	\$ 60,000
			60,000	0	60,000

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

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

7. 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	77,767	20,583	0	98,350	57,507	20,260	0	77,767	57,464	20,621	0	78,085
(b) Plant Replacement Reserve	195,176	51,206	(120,000)	126,382	141,172	54,004	0	195,176	141,066	54,892	0	195,958
(c) Sewerage Asset Preservation Reserve	1,069,074	88,235	(47,000)	1,110,309	1,011,235	57,839	0	1,069,074	1,010,473	64,201	0	1,074,674
(d) Information Technology Reserve	39,307	295	0	39,602	29,175	10,132	0	39,307	29,153	10,315	0	39,468
(e) Land & Building Reserve	346,803	2,578	(150,000)	199,381	146,075	200,728	0	346,803	145,965	198,578	0	344,543
(f) Emergency Reserve	10,000	0	(10,000)	0	0	10,000	0	10,000	0	10,000	0	10,000
(g) Swimming Pool Reserve	30,294	10,227	(40,521)	0	20,203	10,091	0	30,294	20,188	10,219	0	30,407
(h) Recreation Reserve	205,800	1,544	(92,000)	115,344	194,920	10,880	0	205,800	194,774	12,106	(193,333)	13,547
(i) Community Housing Reserve	59,915	449	0	60,364	49,691	10,224	0	59,915	49,652	10,537	0	60,189
(j) Economic Reserve	66,870	502	0	67,372	56,614	10,256	0	66,870	56,571	10,612	0	67,183
(k) Bowling Green Reserve	107,084	10,803	0	117,887	98,639	8,445	0	107,084	98,565	9,066	0	107,631
(l) Tennis Court Reserve	52,050	6,390	0	58,440	45,843	6,207	0	52,050	45,808	6,495	0	52,303
(m) Depot Reserve	10,000	10,075	0	20,075	0	10,000	0	10,000	0	10,000	0	10,000
(n) Waste Reserve	10,000	10,075	0	20,075	0	10,000	0	10,000	0	10,000	0	10,000
	2,280,140	212,962	(459,521)	2,033,581	1,851,074	429,066	0	2,280,140	1,849,679	437,642	(193,333)	2,093,988

(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 cash back the cost of Long Service, Annual and Sick Leave where the leave cannot be absorbed within the annual budget.
(b) Plant Replacement Reserve	Ongoing	-To ensure the cost of additional new plant and refurbishment or replacement can be met as per the Plant Replacement Program
(c) Sewerage Asset Preservation Reserve	Ongoing	-To provide for the replacement and development of sewerage and stormwater infrastructure throughout the Shire.
(d) Information Technology Reserve	Ongoing	-To be used for the renewal & ungrade of Shire of Dowerin Information Technology
(e) Land & Building Reserve	Ongoing	-To assist with funding the development and purchase of land and building assets.
(f) Emergency Reserve	30/06/2022	-To be used to reduce immediate cash flow pressure during a declared emergency
(g) Swimming Pool Reserve	Ongoing	-To be used for the renewal and/or upgrade and development of the swimming pool.
(h) Recreation Reserve	Ongoing	-To fund future maintenance, upgrades and developments of recreation facilities, including the swimming pool.
(i) Community Housing Reserve	Ongoing	-To enable participation in community housing projects such as independent living units for seniors
(j) Economic Reserve	Ongoing	-To maintain a reserve to fund economic development initiatives
(k) Bowling Green Reserve	Ongoing	-To be used for the replacement of the Bowling Greens.
(l) Tennis Court Reserve	Ongoing	-To be used for the replacement of the Tennis Courts
(m) Depot Reserve	Ongoing	-To be used for the purpose of construction of a new Shire of Dowerin Works Depot facility
(n) Waste Reserve	Ongoing	-To be used for the purpose of construction of a new Shire of Dowerin Works Waste facility

8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
General purpose funding	2,200	2,453	1,750
Law, order, public safety	5,500	4,108	5,000
Health	1,600	1,141	1,600
Education and welfare	8,876	8,663	12,500
Housing	145,000	149,020	145,000
Community amenities	287,152	256,999	271,600
Recreation and culture	22,500	23,704	22,500
Transport	0	136	0
Economic services	175,300	172,817	113,200
Other property and services	5,500	9,825	35,000
	653,628	628,866	608,150

9. GRANT REVENUE

By Program:

(a) Operating grants, subsidies and contributions

Governance	8,000	0	0
General purpose funding	884,978	1,842,428	760,860
Law, order, public safety	35,200	33,251	27,000
Education and welfare	536,782	454,360	343,000
Housing	5,000	22,560	0
Community amenities	0	273	0
Recreation and culture	28,450	35,346	9,900
Transport	4,574,724	1,625,081	139,472
Economic services	5,000	41,073	0
Other property and services	0	31,227	0
	6,078,134	4,085,599	1,280,232

(b) Non-operating grants, subsidies and contributions

General purpose funding	0	191,873	383,000
Recreation and culture	70,000	0	96,666
Transport	1,745,757	772,326	3,341,198
	1,815,757	964,199	3,820,864
Total grants, subsidies and contributions	7,893,891	5,049,798	5,101,096

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
	8,000	0	0
	884,978	1,842,428	760,860
	35,200	33,251	27,000
	536,782	454,360	343,000
	5,000	22,560	0
	0	273	0
	28,450	35,346	9,900
	4,574,724	1,625,081	139,472
	5,000	41,073	0
	0	31,227	0
	6,078,134	4,085,599	1,280,232
	0	191,873	383,000
	70,000	0	96,666
	1,745,757	772,326	3,341,198
	1,815,757	964,199	3,820,864
	7,893,891	5,049,798	5,101,096

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	when obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Sewerage Rates & Charges	Charge for Town Sewerage 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
Operating Grants with commitments	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
Operating 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
Non- Operating Grants	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
Fees & Charges	Sale of general goods & services	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
Other Revenue	Reimbursements, Donations, Insurance claims and Other revenue	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled

11. ELECTED MEMBERS REMUNERATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
President's allowance	7,500	4,000	3,200
Deputy President's allowance	1,650	0	800
Meeting attendance fees	30,000	15,115	20,000
Training and Development	12,000	0	4,000
Other expenses	1,100	1,273	4,000
ICT expenses	1,200	450	1,000
Annual allowance for ICT expenses	1,000	0	1,000
Travel and accommodation expenses	2,000	0	2,000
	56,450	20,838	36,000

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022
12. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

Investments			
- Reserve funds	17,078	11,424	20,000
- Other funds	5,000	887	10,000
Loan interest reimbursed	0	0	205
Other interest revenue (refer note 1b)	14,000	13,237	7,000
	36,078	25,548	37,205

(b) Other revenue

Reimbursements and recoveries	98,000	153,048	213,365
Other	1,000	27,575	0
	99,000	180,623	213,365

The net result includes as expenses

(c) Auditors remuneration

Audit services	36,000	33,100	32,000
	36,000	33,100	32,000

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	38,675	35,713	41,760
	38,675	35,713	41,760

(e) Write offs

General rate	20,000	1,442	5,000
	20,000	1,442	5,000

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
(a) Interest earnings			
Investments			
- Reserve funds	17,078	11,424	20,000
- Other funds	5,000	887	10,000
Loan interest reimbursed	0	0	205
Other interest revenue (refer note 1b)	14,000	13,237	7,000
	36,078	25,548	37,205
(b) Other revenue			
Reimbursements and recoveries	98,000	153,048	213,365
Other	1,000	27,575	0
	99,000	180,623	213,365
(c) Auditors remuneration			
Audit services	36,000	33,100	32,000
	36,000	33,100	32,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	38,675	35,713	41,760
	38,675	35,713	41,760
(e) Write offs			
General rate	20,000	1,442	5,000
	20,000	1,442	5,000

13. INTERESTS IN JOINT ARRANGEMENTS

The Shire of Dowerin entered into arrangements with the State Housing Commission - Homeswest for:

- 4 x 2-Bedroom Units for Small Families (Memorial Street Units) in 1996; and

-4 x Independent Living Units for Seniors (Lot 27 Goldfields Road - Hilda Street Units) in 2006.

Assets associated with the joint venture agreements are included in Council's Property, Plant & Equipment Register

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Non-current assets			
Property, plant and equipment	1,115,947	1,115,947	1,155,947
Less: accumulated depreciation	(112,213)	(83,773)	(83,696)
	1,003,734	1,032,174	1,072,251

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 Dowerin's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

14. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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