

SHIRE OF PERENJORI

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

The Shire of Perenjori will endeavour to provide community services and facilities to meet the needs of members of the community and enable them to enjoy a pleasant and healthy way of life.

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	2,817,722	2,705,435	2,772,324
Operating grants, subsidies and contributions	9(a)	2,017,461	2,799,405	1,726,688
Fees and charges	8	575,400	629,821	805,430
Interest earnings	11(a)	15,550	37,266	39,113
Other revenue	11(b)	174,912	333,651	313,050
		5,601,045	6,505,578	5,656,605
Expenses				
Employee costs		(2,907,448)	(2,391,453)	(3,854,210)
Materials and contracts		(940,613)	(907,481)	(317,866)
Utility charges		(291,501)	(277,568)	(55,600)
Depreciation on non-current assets	5	(2,491,169)	(2,307,474)	(2,609,882)
Interest expenses	11(c)	(33,703)	(40,394)	(37,277)
Insurance expenses		(132,878)	(128,179)	(60,586)
Other expenditure		(369,895)	(470,557)	(300,689)
		(7,167,207)	(6,523,106)	(7,236,110)
Subtotal				
		(1,566,162)	(17,528)	(1,579,505)
Non-operating grants, subsidies and contributions	9(b)	1,261,657	1,052,215	1,046,009
Profit on asset disposals	4(b)	20,000		26,671
Loss on asset disposals	4(b)	(39,540)	(21,240)	0
		1,242,117	1,030,975	1,072,680
Net result				
		(324,045)	1,013,447	(506,825)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income				
		(324,045)	1,013,448	(506,825)

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

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 Perenjori 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.

2019/20 ACTUAL BALANCES

Balances shown in this budget as 2019/20 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

CHANGE IN ACCOUNTING POLICIES

On the 1 July 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

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

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

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

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		27,000	90,083	41,013
General purpose funding		4,597,170	4,992,877	3,844,418
Law, order, public safety		139,951	200,531	200,620
Health		2,500	2,623	2,700
Education and welfare		61,500	162,774	223,500
Housing		124,800	138,444	155,000
Community amenities		34,500	41,505	60,280
Recreation and culture		11,550	306,386	218,900
Transport		221,924	165,152	399,174
Economic services		295,000	313,384	388,000
Other property and services		85,150	91,819	123,000
		5,601,045	6,505,578	5,656,605
Expenses excluding finance costs	4(a),5,11,(d)			
Governance		(323,860)	(256,845)	(328,160)
General purpose funding		(155,811)	(145,265)	(135,159)
Law, order, public safety		(329,310)	(316,320)	(312,121)
Health		(147,680)	(106,022)	(105,322)
Education and welfare		(525,016)	(436,474)	(592,820)
Housing		(101,597)	(214,749)	(223,228)
Community amenities		(592,951)	(456,651)	(514,046)
Recreation and culture		(1,196,438)	(1,185,675)	(1,144,590)
Transport		(2,778,272)	(2,494,385)	(2,792,051)
Economic services		(906,066)	(801,871)	(945,459)
Other property and services		(76,503)	(68,455)	(105,877)
		(7,133,504)	(6,482,712)	(7,198,833)
Finance costs	,6(a),11(c)			
Housing		(8,488)	(14,042)	(11,836)
Community amenities		(15,153)	(17,660)	(16,638)
Recreation and culture		(3,549)	(6,281)	(6,696)
Transport		(581)	(2,411)	(2,107)
Economic services		(5,932)	0	0
		(33,703)	(40,394)	(37,277)
Subtotal		(1,566,162)	(17,527)	(1,579,505)
Non-operating grants, subsidies and contributions	9(b)	1,261,657	1,052,215	1,046,009
Profit on disposal of assets	4(b)	20,000	0	26,671
(Loss) on disposal of assets	4(b)	(39,540)	(21,240)	0
		1,242,117	1,030,975	1,072,680
Net result		(324,045)	1,013,448	(506,825)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(324,045)	1,013,448	(506,825)

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

SHIRE OF PERENJORI

FOR THE YEAR ENDED 30 JUNE 2021

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

Council has adopted a 'Plan for the future' comprising a Strategic Community Plan and Corporate Business Plan to provide the long term community vision, aspirations and objectives.

Based upon feedback received from the community the vision of the Shire is:

"A wonderful place to live, work, invest and visit with the community working together to achieve shared objectives"

The Strategic Community Plan defines the key objectives of the Shire as:

"Economic: A strong, resilient and balanced economy.

Environment: Our unique natural and built environment is protected and enhanced.

Social: Our community enjoys a high quality of life.

Civic Leadership: A collaborative and engaged community."

OBJECTIVE

GOVERNANCE

Activities:

Expenses associated with provision of services to members of council and elections. Also included are costs associated with computer operations, corporate accounting, corporate records and asset management. Costs reported as administrative expenses are redistributed in accordance with the principle of activity based costing (ABC).

GENERAL PURPOSE FUNDING

Activities:

Rates and associated revenues, general purpose government grants, interest revenue and other miscellaneous revenues such as commission on police licensing. The costs associated with raising the above mentioned revenues, eg. valuation expenses, debt collection and overheads.

LAW, ORDER, PUBLIC SAFETY

Activities:

Enforcement of local laws, fire prevention, animal control and provision of ranger services.

HEALTH

Activities:

Health inspection services, food quality control, mosquito control and contributions towards provision of medical health services.

SHIRE OF PERENJORI

FOR THE YEAR ENDED 30 JUNE 2021

EDUCATION AND WELFARE

Activities:

Donations to local education facilities, Perenjori Early Childhood Centre .

HOUSING

Activities:

Provision of maintenance for staff and private housing.

COMMUNITY AMENITIES

Activities:

Rubbish collection services, operation and maintenance of refuse sites, cemetery maintenance and improvements, flood mitigation, public convenience maintenance.

RECREATION AND CULTURE

Activities:

Maintenance of halls, swimming pool, recreation centres, parks and gardens, ovals and various reserves, operation of library services.

TRANSPORT

Activities:

Maintenance of roads, drainage, footpaths, parking facilities, traffic control, street cleaning, maintenance of airstrip

ECONOMIC SERVICES

Activities:

Tourism, community development, pest control, building services, caravan parks and private works.

OTHER PROPERTY AND SERVICES

Activities:

Plant works, plant overheads and stock of materials.

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,817,722	2,697,722	2,772,324
Operating grants, subsidies and contributions		2,017,461	2,971,594	1,726,688
Fees and charges		575,400	629,821	805,430
Interest earnings		15,550	37,266	39,113
Other revenue		174,912	333,651	313,050
		5,601,045	6,670,054	5,656,605
Payments				
Employee costs		(2,841,865)	(2,347,632)	(3,814,925)
Materials and contracts		(940,613)	(1,082,642)	(471,866)
Utility charges		(291,501)	(277,568)	(55,600)
Interest expenses		(33,703)	(43,231)	(37,277)
Insurance expenses		(132,878)	(128,179)	(60,586)
Other expenditure		(369,895)	(371,377)	(300,689)
		(4,610,455)	(4,250,629)	(4,740,943)
Net cash provided by (used in) operating activities	3	990,590	2,419,425	915,662
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(996,360)	(585,149)	(765,000)
Payments for construction of infrastructure	4(a)	(3,822,624)	(1,557,638)	(1,929,102)
Non-operating grants, subsidies and contributions		1,261,657	1,052,215	1,046,009
Proceeds from sale of plant and equipment	4(b)	247,628	228,398	187,500
Net cash provided by (used in) investing activities		(3,309,699)	(862,174)	(1,460,593)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(222,562)	(222,816)	(222,673)
Proceeds from new borrowings	6(b)	500,000	0	0
Net cash provided by (used in) financing activities		277,438	(222,816)	(222,673)
Net increase (decrease) in cash held		(2,041,671)	1,334,435	(767,604)
Cash at beginning of year		5,417,127	4,082,691	4,098,240
Cash and cash equivalents at the end of the year	3	3,375,456	5,417,127	3,330,636

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		2,256,095	1,715,284	1,584,084
		2,256,095	1,715,284	1,584,084
Revenue from operating activities (excluding rates)				
Governance		27,000	90,083	41,013
General purpose funding		1,779,448	2,287,442	1,072,094
Law, order, public safety		139,951	200,531	200,620
Health		2,500	2,623	2,700
Education and welfare		61,500	162,774	223,500
Housing		124,800	138,444	155,000
Community amenities		34,500	41,505	60,280
Recreation and culture		13,550	306,386	218,900
Transport		231,924	165,152	425,845
Economic services		303,000	313,384	388,000
Other property and services		85,150	91,819	123,000
		2,803,323	3,800,143	2,910,952
Expenditure from operating activities				
Governance		(323,860)	(256,845)	(328,160)
General purpose funding		(155,811)	(145,265)	(135,159)
Law, order, public safety		(329,310)	(316,320)	(312,121)
Health		(147,680)	(106,022)	(105,322)
Education and welfare		(525,016)	(436,474)	(592,820)
Housing		(110,085)	(228,791)	(235,064)
Community amenities		(608,104)	(474,311)	(530,684)
Recreation and culture		(1,199,987)	(1,191,956)	(1,151,286)
Transport		(2,818,393)	(2,518,036)	(2,794,158)
Economic services		(911,998)	(801,871)	(945,459)
Other property and services		(76,503)	(68,455)	(105,877)
		(7,206,747)	(6,544,346)	(7,236,110)
Non-cash amounts excluded from operating activities	2 (a)(i)	2,439,228	2,309,228	2,575,085
Amount attributable to operating activities		291,899	1,280,309	(165,989)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	1,261,657	1,052,215	1,046,009
Purchase property, plant and equipment	4(a)	(996,360)	(585,149)	(765,000)
Purchase and construction of infrastructure	4(a)	(3,822,624)	(1,557,638)	(1,929,102)
Proceeds from disposal of assets	4(b)	247,628	228,398	187,500
Amount attributable to investing activities		(3,309,699)	(862,174)	(1,460,593)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(222,562)	(222,816)	(222,673)
Proceeds from new borrowings	6(b)	500,000	0	0
Transfers to cash backed reserves (restricted assets)	7(a)	(8,365)	(800,730)	(752,390)
Transfers from cash backed reserves (restricted assets)	7(a)	0	156,071	0
Amount attributable to financing activities		269,073	(867,475)	(975,063)
Budgeted deficiency before general rates		(2,748,727)	(449,340)	(2,601,645)
Estimated amount to be raised from general rates	1	2,817,722	2,705,435	2,772,324
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii)	68,995	2,256,095	170,679

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

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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 Townsite	8.27120	106	1,157,948	95,777	0	0	95,777	107,625	107,625
GRV Mining	8.27120	1	3,144,000	260,047	0	0	260,047	239,807	260,047
Unimproved valuations									
UV Rural	1.90000	258	102,237,000	1,942,503	9,000	(1,500)	1,950,003	1,871,531	1,887,116
UV Mining	34.25550	38	2,068,797	708,667	0	0	708,667	665,010	665,010
Exploration (UV)	25.50000	17	66,066	16,847	0	0	16,847	30,444	30,445
Sub-Totals		420	108,673,811	3,023,840	9,000	(1,500)	3,031,340	2,914,417	2,950,243
	Minimum								
Minimum payment									
	\$								
Gross rental valuations									
UV Rural	349.00	10	72,700	3,490	0	0	3,490	3,490	3,490
UV Mining	349.00	5	1,765	1,745	0	0	1,745	1,745	1,745
GRV Townsites	349.00	36	29,391	12,564	0	0	12,564	12,564	12,564
GRV Mining	349.00	1	20	349	0	0	349	349	349
Exploration (UV)	349.00	15	10,925	5,235	0	0	5,235	5,933	5,933
Sub-Totals		67	114,801	23,382	0	0	23,382	24,081	24,081
		487	108,788,612	3,047,222	9,000	(1,500)	3,054,722	2,938,498	2,974,324
Discounts (Refer note 1(g))							(250,000)	(249,652)	(215,000)
Total amount raised from general rates							2,804,722	2,688,846	2,759,324
Ex-gratia rates							13,000	16,589	13,000
Total rates							2,817,722	2,705,435	2,772,324

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

The general rates detailed for the 2020/21 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one	16th September 2020	5.50%	8.00%	8%
Option two	16th November 2020	5.50%	8.00%	8.00%
Option three	18th January 2021	5.50%	8.00%	8.00%
Option four	18th March 2021	5.50%		

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	0	450	1,200
Instalment plan interest earned	0	3,494	3,000
Unpaid rates and service charge interest earned	0	8,178	2,500
	0	12,122	6,700

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects	Reasons
UV - Rural Pastoral	Properties within the Shire that are for broad acre farming.	Require a fair contribution to the revenue requirements of the Shire, whilst not risking additional financial pressure.	The level of rates set for UN Rural is that this allows for a fair contribution to the revenue requirements of the Shire at the highest sustainable level. The level reflects the present financial vulnerability of ratepayers on this category.
UV Mining	Properties within the Shire with a mining exploration or prospecting tenement lease.	To ensure that mining contributes to the maintenance of the Shire's assets and services to the extent that the mining operators and their connections use them.	To assist the Shire to make up the deficiency in its revenue at a level which is fair in all circumstances.
UV Exploration	Properties within the Shire with a mining exploration or prospecting tenement lease.	To ensure that mining contributes to the maintenance of the Shire's assets and services to the extent that the mining operators and their connections use them.	To assist the Shire to make up the deficiency in its revenue at a level which is fair in all circumstances.

(d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
UV - Rural Pastoral	Properties within the Shire that are for broad acre farming.	The object of the minimums is to raise a reasonable contribution from all ratepayers towards the cost of providing municipal services.	The minimum is a realistic contribution that any property should make towards the cost of services provided.
UV - Mining	Properties within the Shire with a mining exploration or prospecting tenement lease.		
UV - Exploration	Properties within the Shire with a mining exploration or prospecting tenement lease.		

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

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

(f) Service Charges

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(g) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which discount is granted
Current Rates & Charges (excluding Interim Rates and Minimum Rates).	10.0%		\$ 250,000	\$ 249,652	\$ 249,652	A discount is offered to ratepayers who pay the full amount of rates and charges including any previous outstanding amounts on or before the due date as stated on the rates notice: this date is at least 35 days after the notice is issued. This discount does not apply to interim rates levied and those properties to which a minimum rate applies.
			250,000	249,652	249,652	

(h) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30 June 2021.

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

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

(i) 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

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
Less: Profit on asset disposals	4(b) (20,000)	0	(26,671)
Less: Movement in employee liabilities associated with restricted cash	7,599	22,994	0
Add: Movement in non-current contract liabilities	0	0	(8,126)
Add: Loss on disposal of assets	4(b) (39,540)	(21,240)	0
Add: Depreciation on assets	5 2,491,169	2,307,474	2,609,882
Non cash amounts excluded from operating activities	2,439,228	2,309,228	2,575,085

(ii) 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.

Adjustments to net current assets

Less: Cash - restricted reserves	3 (2,999,720)	(2,991,356)	(3,099,053)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	452,705	175,267	17,723
- Employee benefit provisions	84,267	84,015	61,692
Add: Movement in provisions between current and non-current provisions	36,462	108,196	0
Total adjustments to net current assets	(2,426,286)	(2,623,878)	(3,019,638)

2 (a). NET CURRENT ASSETS (CONTINUED)

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

(iii) Composition of estimated net current assets

Current assets

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
Cash and cash equivalents- unrestricted	3 375,736	2,425,771	231,583
Cash and cash equivalents - restricted			
Cash backed reserves	3 2,999,720	2,991,356	3,099,053
Receivables	87,382	87,382	186,847
Inventories	8,562	8,562	52,081
	3,471,400	5,513,071	3,569,564
Less: current liabilities			
Trade and other payables	(94,246)	(94,246)	(110,432)
Long term borrowings	(452,705)	(175,267)	(17,723)
Provisions	(429,168)	(363,585)	(251,092)
	(976,119)	(633,098)	(379,247)
Net current assets	2,495,281	4,879,973	3,190,317
Less: Total adjustments to net current assets	2 (a)(ii) (2,426,286)	(2,623,878)	(3,019,638)
Closing funding surplus / (deficit)	68,995	2,256,095	170,679

2 (b). NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of Perenjori becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

CONTRACT ASSETS

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

PROVISIONS

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

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

INVENTORIES

General

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

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

Superannuation

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

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

LEASE LIABILITIES

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

TRADE AND OTHER RECEIVABLES

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

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

3. RECONCILIATION OF CASH

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

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	375,736	2,425,771	231,583
Restricted Cash	2,999,720	2,991,356	3,099,053
	3,375,456	5,417,127	3,330,636
- Unrestricted cash and cash equivalents	375,736	2,425,771	231,583
- Restricted cash and cash equivalents	2,999,720	2,991,356	3,099,053
	3,375,456	5,417,127	3,330,636

The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:

Leave reserve	84,267	84,015	61,692
Computer Reserve	0	0	39,894
Plant Replacement Reserve	570,100	568,395	550,067
Staff Housing Reserve	0	0	132,633
Housing Reserve	437,867	436,557	304,437
Local Groups Interest Free	0	0	16,863
Local Achievement Reserve	0	0	2,762
Refuse Site Reserve	203,442	203,442	203,753
Swimming Pool Reserve	88,166	87,902	88,037
Sport & Rec Amenities Reserve	0	0	2,826
Caravan Park Reserve	0	0	8,526
Tourism Accommodation Reserve	64,700	64,506	22,382
Airstrip Development Reserve	0	0	3,110
Water Reserve	164,024	163,533	144,797
Vocal History Reserve	0	0	7,789
Water Supply Reserve	0	0	18,986
Community Bus Maintenance Reserve	0	0	18,738
Road Reserve	0	0	10,752
Road & Rehab Infrastructure Reserve	33,511	33,411	19,599
Community Amenities Reserve	0	0	25,910
Mt Gibson Infrastructure Reserve	1,152,535	1,149,088	1,153,627
IT Communications Reserve	201,108	200,506	161,873
Employee Cost Reserve	0	0	100,000
	2,999,720	2,991,355	3,099,053

Reconciliation of net cash provided by operating activities to net result

Net result		(324,045)	1,013,447	(506,825)
Depreciation	5	2,491,169	2,307,474	2,609,882
(Profit)/loss on sale of asset	4(b)	19,540	(21,240)	(26,671)
(Increase)/decrease in receivables		0	306,137	0
(Increase)/decrease in inventories		0	27,768	0
Increase/(decrease) in payables		0	(214,685)	(154,000)
Increase/(decrease) in employee provisions		65,583	52,740	39,285
Non-operating grants, subsidies and contributions		(1,261,657)	(1,052,215)	(1,046,009)
Net cash from operating activities		990,590	2,419,426	915,662

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.

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program						2020/21	2019/20	2019/20
	Governance	Housing	Community amenities	Recreation and culture	Transport	Economic services	Budget total	Actual total	Budget total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>									
Buildings - non-specialised	35,000	57,500	0	302,860	0	70,000	465,360	46,668	160,000
Furniture and equipment	0	0	0	0	0	0	0	0	5,000
Plant and equipment	0	0	0	0	531,000	0	531,000	538,481	600,000
	35,000	57,500	0	302,860	531,000	70,000	996,360	585,149	765,000
<i>Infrastructure</i>									
Infrastructure - Roads	0	0	0	0	2,528,347	0	2,528,347	1,531,575	1,880,937
Other infrastructure	0	0	150,000	72,521	571,756	500,000	1,294,277	0	48,165
Other Infrastructure - Parks & Ovals	0	0	0	0	0	0	0	26,063	0
	0	0	150,000	72,521	3,100,103	500,000	3,822,624	1,557,638	1,929,102
Total acquisitions	35,000	57,500	150,000	375,381	3,631,103	570,000	4,818,984	2,142,787	2,694,102

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

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Recreation and culture	2,000	4,000	2,000	0	0	0	0	0	0	0	0	0
Transport	257,168	227,628	10,000	(39,540)	207,158	228,398	0	(21,240)	160,829	187,500	26,671	0
Economic services	8,000	16,000	8,000	0	0	0	0	0	0	0	0	0
	267,168	247,628	20,000	(39,540)	207,158	228,398	0	(21,240)	160,829	187,500	26,671	0
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	267,168	247,628	20,000	(39,540)	207,158	228,398	0	(21,240)	160,829	187,500	26,671	0
	267,168	247,628	20,000	(39,540)	207,158	228,398	0	(21,240)	160,829	187,500	26,671	0

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

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

5. ASSET DEPRECIATION

By Program

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

By Class

Buildings - non-specialised	
Furniture and equipment	
Plant and equipment	
Infrastructure - Roads	
Infrastructure - footpaths	
Other infrastructure	
Other infrastructure Airfield	
Other Infrastructure - Parks & Ovals	

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
64,636	62,393	97,404
47,348	47,352	44,167
6,500	6,262	8,944
105,150	115,980	105,524
72,056	72,461	79,000
8,682	18,355	8,817
252,441	265,226	230,888
1,610,489	1,514,243	1,664,350
75,794	76,431	68,638
248,073	128,771	302,150
2,491,169	2,307,475	2,609,882
334,329	381,562	325,961
4,200	4,148	7,839
333,047	144,425	302,150
1,538,425	1,504,932	1,714,163
16,000	16,198	16,500
39,000	39,799	40,000
48,245	48,160	36,895
177,923	168,250	166,374
2,491,169	2,307,474	2,609,882

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Buildings - non-specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - Roads	
Infrastructure - footpaths	20 years
Other infrastructure	80 years
Other infrastructure Airfield	30 to 75 years
Other Infrastructure - Parks & Ovals	10 to 60 Years

AMORTISATION

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

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

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

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	2020/21	2020/21	Budget	2020/21	Actual	2019/20	2019/20	Actual	2019/20	Budget	2019/20	2019/20	Budget	2019/20	
				Principal	Budget	Budget	Principal	Budget		Actual	Actual	Principal	Actual	Principal	Budget	Budget	Budget	Principal	Principal
				1 July 2020	New Loans	Repayments	outstanding 30 June 2021	Repayments	1 July 2019	New Loans	Repayments	outstanding 30 June 2020	Repayments	1 July 2019	New Loans	Repayments	outstanding 30 June 2020	Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																			
CHA Housing	96	WATC		62,701		14,196	48,505	3,872	76,012		13,276	62,736	4,885	76,012		13,311	62,701	4,684	
Flat Pack Housing	97	WATC		52,406		25,644	26,762	2,160	76,890		24,484	52,406	3,803	76,723		24,493	52,230	3,379	
Duplex Construction	101	WATC		59,452		29,145	30,307	2,456	87,280		27,823	59,457	5,353	87,471		27,819	59,652	3,772	
Community amenities																			
John Street Subdivision	98	WATC		222,703		21,584	201,119	15,153	242,906		20,231	222,675	17,660	243,662		20,124	223,538	16,638	
Recreation and culture																			
Perenjori Acquatic Centre	99	WATC		0		0	0	0	40,938		40,938	0	990	40,862		40,862	0	1,247	
Perenjori Acquatic Centre	100	WATC		83,898		40,952	42,946	3,549	122,949		39,051	83,898	5,291	122,788		39,051	83,737	5,450	
Transport																			
John Deere Grader	102			43,759		43,759	0	581	100,772		57,013	43,759	2,412	100,772		57,013	43,759	2,107	
Economic services																			
Caron Dam Roof	103	WATC		0	500,000	47,282	452,718	5,932				0					0		
				524,919	500,000	222,562	802,357	33,703	747,747	0	222,816	524,931	40,394	748,290	0	222,673	525,617	37,277	
				524,919	500,000	222,562	802,357	33,703	747,747	0	222,816	524,931	40,394	748,290	0	222,673	525,617	37,277	

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Loan 103 - Caron Dam	WATC		10	%	\$ 500,000	\$	\$	\$ 500,000
					500,000	0	0	500,000

(c) Unspent borrowings

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

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Loan facilities			
Loan facilities in use at balance date	802,357	524,931	525,617

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.

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	84,015	252	0	84,267	61,023	22,992	0	84,015	61,021	671	0	61,692
(b) Computer Reserve	0	0	0	0	8,797	0	8,797	0	8,797	31,097	0	39,894
(c) Plant Replacement Reserve	568,395	1,705	0	570,100	247,352	321,043	0	568,395	247,346	302,721	0	550,067
(d) Staff Housing Reserve	0	0	0	0	32,279	0	32,279	0	32,278	100,355	0	132,633
(e) Housing Reserve	436,557	1,310	0	437,867	301,132	135,425	0	436,557	301,125	3,312	0	304,437
(f) Local Groups Interest Free	0	0	0	0	16,680	0	16,680	0	16,680	183	0	16,863
(g) Local Achievement Reserve	0	0	0	0	2,732	0	2,732	0	2,732	30	0	2,762
(h) Refuse Site Reserve	203,442	0	0	203,442	201,540	1,902	0	203,442	201,536	2,217	0	203,753
(i) Swimming Pool Reserve	87,902	264	0	88,166	87,080	822	0	87,902	87,079	958	0	88,037
(j) Sport & Rec Amenities Reserve	0	0	0	0	2,795	0	2,795	0	2,795	31	0	2,826
(k) Caravan Park Reserve	0	0	0	0	8,433	0	8,433	0	8,433	93	0	8,526
(l) Tourism Accommodation Reserve	64,506	194	0	64,700	22,139	42,367	0	64,506	22,138	244	0	22,382
(m) Airstrip Development Reserve	0	0	0	0	3,076	0	3,076	0	3,076	34	0	3,110
(n) Water Reserve	163,533	491	0	164,024	143,226	20,307	0	163,533	143,222	1,575	0	144,797
(o) Vocal History Reserve	0	0	0	0	7,704	0	7,704	0	7,704	85	0	7,789
(p) Water Supply Reserve	0	0	0	0	18,779	0	18,779	0	18,779	207	0	18,986
(q) Community Bus Maintenance Reser	0	0	0	0	18,534	0	18,534	0	18,534	204	0	18,738
(r) Road Reserve	0	0	0	0	10,635	0	10,635	0	10,635	117	0	10,752
(s) Road & Rehab Infrastructure Reserv	33,411	100	0	33,511	19,387	14,024	0	33,411	19,386	213	0	19,599
(t) Community Amenities Reserve	0	0	0	0	25,638	0	25,628	0	25,628	282	0	25,910
(u) Mt Gibson Infrastructure Reserve	1,149,088	3,447	0	1,152,535	947,630	201,458	0	1,149,088	947,627	206,000	0	1,153,627
(v) IT Communications Reserve	200,506	602	0	201,108	160,115	40,391	0	200,506	160,112	1,761	0	161,873
Employee Cost Reserve	0	0	0	0	0	0	0	0	0	100,000	0	100,000
	2,991,355	8,365	0	2,999,720	2,346,706	800,730	156,071	2,991,355	2,346,663	752,390	0	3,099,053

7. CASH BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Leave reserve		To be used to - Fund long service leave requirements.
(b) Plant Replacement Reserve		To be used for - Major plant purchases.
(c) Housing Reserve		To be used for - Maintenance, upgrade and additional housing requirements.
(d) Refuse Site Reserve		To be used for - Futute landfill site.
(e) Swimming Pool Reserve		To be used for - Refurbish and upgrade the swimming pool facilities.
(f) Tourism Accommodation Reserve		To be used for - Costs associated with the Caravan Park.
(h) Water Reserve		To be used for - Increasing maintaining all aspectos of water capacity requirments within the Shire.
(i) Road & Rehab Infrastructure Reserve		To be used for - Roads, gravel rehab and airport infrastructure.
(j) IT Communications Reserve		To be used for - IT consts associated with future requirements.
(k) Mt Gibson Infrastructure Reserve		To be used for - Supporting the acquisition, restoration, extension or improvement of infrastructure assets limited to public buildng, recreational facilities, parks and gardens, power supply, water supply, land drainage or roads - as per agreement.

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance		3,598	
General purpose funding	300	2,016	1,500
Law, order, public safety	1,350	14,949	5,100
Health	2,500	2,623	2,700
Education and welfare	60,000	61,694	120,000
Housing	120,800	130,943	152,500
Community amenities	34,500	32,928	59,530
Recreation and culture	8,350	8,264	18,000
Transport	5,600	6,600	8,100
Economic services	303,000	313,384	363,000
Other property and services	39,000	52,822	75,000
	575,400	629,821	805,430

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
General purpose funding	0	0	0	0	0	1,773,598	2,266,361	1,057,294
Law, order, public safety	0	0	0	0	0	37,539	26,751	143,820
Education and welfare	0	0	0	0	0	0	100,000	102,000
Recreation and culture	0	0	0	0	0	0	200,000	200,000
Transport	0	0	0	0	0	206,324	206,293	203,574
Economic services	0	0	0	0	0	0	0	20,000
	0	0	0	0	0	2,017,461	2,799,405	1,726,688
(b) Non-operating grants, subsidies and contributions								
Law, order, public safety	0	0	0	0	0	0	46,741	40,000
Community amenities	0	0	0	0	0	1,000	1,000	0
Transport	0	0	0	0	0	1,260,657	1,004,474	1,006,009
	0	0	0	0	0	1,261,657	1,052,215	1,046,009
Total	0	0	0	0	0	3,279,118	3,851,620	2,772,697

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

11. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

Investments

- Reserve funds

- Other funds

* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5%.

(b) Other revenue

Reimbursements and recoveries

The net result includes as expenses

(c) Interest expenses (finance costs)

Borrowings (refer Note 6(a))

(d) Elected members remuneration

Meeting fees

Mayor/President's allowance

Deputy Mayor/President's allowance

Travelling expenses

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
(a) Interest earnings			
Investments			
- Reserve funds	10,000	18,201	25,813
- Other funds	5,550	19,065	13,300
	15,550	37,266	39,113
(b) Other revenue			
Reimbursements and recoveries	174,912	333,651	313,050
	174,912	333,651	313,050
(c) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	(33,703)	(40,394)	(37,277)
	(33,703)	(40,394)	(37,277)
(d) Elected members remuneration			
Meeting fees	34,916	0	12,852
Mayor/President's allowance	20,063	0	6,304
Deputy Mayor/President's allowance	5,016	0	828
Travelling expenses	2,000	0	2,520
	61,995	0	22,504

12. MAJOR LAND TRANSACTIONS

John Street/Hirshauer Street Residential Subdivision

(a) Details

Council commenced this 21 Lot subdivision on Council owned land in 2007/2008. The subdivision currently comprises of the following lots:

3 Lots have been sold to others and 18 are owned by the Shire of Perenjori.

It is proposed to review the market value for the lots and develop a marketing plan to sell those lots not required by the Shire.

No major land transactions occurred for the financial year ended 30th June 2020.

(b) Expected future cash flows

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	\$	\$	\$	\$	\$	\$
Cash outflows	21,609	23,141	24,782	24,782	24,782	119,096
	21,609	23,141	24,782	24,782	24,782	119,096
Cash Inflows	50,000	50,000	50,000	50,000	50,000	250,000
	50,000	50,000	50,000	50,000	50,000	250,000
Net cash flows	71,609	73,141	74,782	74,782	74,782	369,096

13. INTERESTS IN JOINT ARRANGEMENTS

The Shire of Perenjori has a joint arrangement with the Department of Housing for the provision of four (4) family houses and two (2) aged care units. The assets reflect capital works carried out by Council staff. All revenue and expenditure, as well as liabilities, of the joint arrangement are recognised in the relevant financial statements of Council.

These assets are included in Land & Buildings as follows:-

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Non-current assets			
Buildings	128,484	128,484	128,484
Less: accumulated depreciation	(14,273)	(11,704)	(9,135)
	114,211	116,780	119,349

Share of Joint Operations

Shire of Perenjori Ownership

Lot 28 Livingstone Street	21%
79 Russell Street	21%
Lot 58 Hesford Street	14.85%

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

14. 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
	\$	\$	\$	\$
Mt Gibson Public Benefit Fund	257,880	0	50,000	307,880
	257,880	0	50,000	307,880

15. 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.