

SHIRE OF CHITTERING

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A connected thriving community

SHIRE OF CHITTERING
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	5,919,666	5,803,943	5,786,316
Operating grants, subsidies and contributions	9(a)	1,057,437	1,764,922	1,107,401
Fees and charges	8	1,298,138	1,346,936	1,408,237
Service charges	1(d)	0	0	0
Interest earnings	11(a)	125,971	115,090	118,950
Other revenue	11(b)	98,088	296,949	139,098
		8,499,300	9,327,840	8,560,002
Expenses				
Employee costs		(3,647,333)	(3,642,538)	(3,634,542)
Materials and contracts		(3,111,196)	(3,059,175)	(3,156,847)
Utility charges		(111,000)	(162,033)	(177,043)
Depreciation on non-current assets	5	(3,755,880)	(3,744,739)	(3,356,339)
Interest expenses	11(d)	(63,534)	(75,789)	(97,587)
Insurance expenses		(200,216)	(318,393)	(232,305)
Other expenditure		(382,805)	(367,110)	(373,918)
		(11,271,964)	(11,369,776)	(11,028,581)
Subtotal		(2,772,664)	(2,041,936)	(2,468,579)
Non-operating grants, subsidies and contributions	9(b)	6,649,558	1,521,958	4,941,772
Profit on asset disposals	4(b)	0	267,845	266,404
Loss on asset disposals	4(b)	0	(15,000)	(225,482)
Loss on revaluation of non current assets		0	0	0
Reversal of prior year loss on revaluation of assets		0	0	0
Fair value adjustments to financial assets at fair value through profit or loss		0	0	0
Fair value adjustments to investment property at fair value through profit or loss		0	0	0
		6,649,558	1,774,803	4,982,694
Net result		3,876,894	(267,133)	2,514,115
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		3,876,894	(267,133)	2,514,115

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

SHIRE OF CHITTERING

FOR THE YEAR ENDED 30 JUNE 2021

BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Chittering controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

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

2019/20 ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

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

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

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

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

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

SHIRE OF CHITTERING
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		6,600	2,101	13,100
General purpose funding		6,771,596	7,367,847	6,672,119
Law, order, public safety		200,173	272,962	281,533
Health		7,000	58,625	54,375
Education and welfare		33,300	23,230	42,200
Housing		126,259	139,961	123,400
Community amenities		1,024,948	1,018,460	1,022,438
Recreation and culture		13,000	16,539	6,600
Transport		121,655	151,865	116,565
Economic services		145,041	130,395	188,444
Other property and services		49,728	145,856	39,228
		8,499,300	9,327,841	8,560,002
Expenses excluding finance costs	4(a),5,11(c),(e)			
Governance		(896,402)	(890,443)	(861,540)
General purpose funding		(275,727)	(335,234)	(241,984)
Law, order, public safety		(1,066,327)	(972,257)	(1,076,683)
Health		(363,059)	(334,250)	(329,308)
Education and welfare		(141,081)	(71,636)	(135,785)
Housing		(292,221)	(322,196)	(334,681)
Community amenities		(2,191,934)	(2,250,537)	(2,123,881)
Recreation and culture		(1,583,095)	(1,567,896)	(1,792,479)
Transport		(3,611,376)	(3,632,163)	(3,060,996)
Economic services		(765,909)	(838,412)	(953,958)
Other property and services		(21,299)	(78,962)	(19,700)
		(11,208,430)	(11,293,986)	(10,930,995)
Finance costs	.6(a),11(d)			
Governance		(1,541)	(2,019)	(2,074)
General purpose funding		0	0	0
Law, order, public safety		0	0	0
Health		(10,278)	(28,085)	(23,306)
Education and welfare		0	0	0
Housing		(1,988)	(4,900)	(4,989)
Community amenities		0	0	0
Recreation and culture		(1,809)	(2,836)	(23,849)
Transport		(22,042)	(5,234)	(10,867)
Economic services		(25,205)	(31,884)	(31,659)
Other property and services		(671)	(832)	(843)
		(63,534)	(75,790)	(97,587)
Subtotal		(2,772,664)	(2,041,935)	(2,468,580)
Non-operating grants, subsidies and contributions	9(b)	6,649,558	1,521,958	4,941,772
Profit on disposal of assets	4(b)	0	267,845	266,404
(Loss) on disposal of assets	4(b)	0	(15,000)	(225,482)
Loss on revaluation of non current assets		0	0	0
Reversal of prior year loss on revaluation of assets		0	0	0
Fair value adjustments to financial assets at fair value through profit or loss		0	0	0
Fair value adjustments to investment property at fair value through profit or loss		0	0	0
		6,649,558	1,774,803	4,982,694
Net result		3,876,894	(267,132)	2,514,114
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		3,876,894	(267,132)	2,514,114

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

**SHIRE OF CHITTERING
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's Community Vision, and for each of its broad activities/programs.

OBJECTIVE

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 Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not 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 and contributions to medical health and community health centre.

EDUCATION AND WELFARE

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

Senior citizens programs, youth service and events.

HOUSING

To provide and maintain staff, community and seniors housing.

Provision and maintenance of staff, community and seniors housing.

COMMUNITY AMENITIES

To provide services required by the community.

Waste collection services, operation of waste landfill sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of the town planning scheme, cemetery and public conveniences.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Maintenance of halls, the library and various parks, reserves and other recreation activities and cultural pursuits.

TRANSPORT

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

Construction and maintenance of roads, bridges, footpaths, drainage works, lighting and cleaning of streets and verge maintenance.

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

Tourism and area promotion. Provision of rural services including weed control, community bus operations, economic and community development programs and building control.

OTHER PROPERTY AND SERVICES

To monitor and control Council's overhead operating accounts.

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

SHIRE OF CHITTERING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,919,666	5,837,188	5,851,316
Operating grants, subsidies and contributions		1,057,437	1,758,931	1,142,401
Fees and charges		1,298,138	1,346,936	1,408,237
Service charges		0	0	0
Interest earnings		125,971	115,090	118,950
Goods and services tax		290,500	294,954	250,000
Other revenue		98,088	296,949	139,098
		8,789,800	9,650,048	8,910,002
Payments				
Employee costs		(3,647,333)	(3,661,772)	(3,634,542)
Materials and contracts		(3,111,196)	(3,382,493)	(3,365,312)
Utility charges		(111,000)	(162,033)	(177,043)
Interest expenses		(63,534)	(72,739)	(97,587)
Insurance expenses		(200,216)	(318,393)	(232,305)
Goods and services tax		(290,500)	(321,021)	(250,000)
Other expenditure		(382,805)	(367,110)	(373,918)
		(7,806,584)	(8,285,560)	(8,130,707)
Net cash provided by (used in) operating activities	3	983,216	1,364,488	779,295
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at fair value through profit and loss		0	0	0
Payments for financial assets at amortised cost - self supporting loans	6	0	0	0
Payments for financial assets at fair values through other comprehensive income		0	0	
Payments for other loans and receivables [describe]		0	0	
Payments for development of land held for resale	4(a)	0	0	0
Payments for purchase of investment property	4(a)	0	0	0
Payments for purchase of property, plant & equipment	4(a)	(7,210,913)	(514,219)	(4,379,975)
Payments for construction of infrastructure	4(a)	(3,595,367)	(2,779,938)	(4,156,811)
Non-operating grants, subsidies and contributions		6,649,558	1,521,958	4,941,772
Proceeds from sale of land held for resale	4(b)	0	277,500	0
Proceeds from sale of investment property	4(b)	0	0	0
Proceeds from sale of plant and equipment	4(b)	0	83,594	1,314,181
Proceeds from sale of infrastructure	4(b)	0	0	0
Proceeds on financial assets at amortised cost - self supporting loans	6(a)	0	0	0
Proceeds on disposal of financial assets at fair value through profit and loss		0	0	
Proceeds on disposal of financial assets at fair values through other comprehensive income		0	0	
Proceeds on other loans and receivables [describe]		0	0	
Net cash provided by (used in) investing activities		(4,156,722)	(1,411,105)	(2,280,833)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(392,495)	(415,776)	(429,908)
Principal elements of lease payments	7	0	0	
Payments for financial assets at amortised cost - term deposits		0	0	
Advance to Community Groups		0	0	(625,000)
Proceeds from new borrowings	6(b)	3,275,000	0	1,825,000
Net cash provided by (used in) financing activities		2,882,505	(415,776)	770,092
Net increase (decrease) in cash held		(316,217)	(462,393)	(731,446)
Cash at beginning of year		2,292,413	3,401,065	2,960,151
Cash and cash equivalents at the end of the year	3	1,976,196	2,938,672	2,228,705

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

SHIRE OF CHITTERING
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	445,169	912,530	652,057
Revenue from operating activities (excluding rates)	445,169	912,530	652,057
Governance	6,600	2,101	13,100
General purpose funding	851,930	1,563,904	885,803
Law, order, public safety	200,173	272,962	281,533
Health	7,000	58,625	54,375
Education and welfare	33,300	23,230	42,200
Housing	126,259	139,961	123,400
Community amenities	1,024,948	1,028,502	1,022,461
Recreation and culture	13,000	273,584	266,600
Transport	121,655	151,865	121,672
Economic services	145,041	130,395	188,740
Other property and services	49,728	146,614	40,206
	2,579,634	3,791,743	3,040,090
Expenditure from operating activities	(897,943)	(892,722)	(876,956)
Governance	(897,943)	(892,722)	(876,956)
General purpose funding	(275,727)	(335,234)	(241,984)
Law, order, public safety	(1,066,327)	(972,257)	(1,076,738)
Health	(373,337)	(370,692)	(357,611)
Education and welfare	(141,081)	(71,636)	(135,785)
Housing	(294,209)	(327,096)	(339,670)
Community amenities	(2,191,934)	(2,250,537)	(2,129,154)
Recreation and culture	(1,584,904)	(1,570,732)	(1,816,328)
Transport	(3,633,418)	(3,637,397)	(3,071,863)
Economic services	(791,114)	(876,678)	(1,185,617)
Other property and services	(21,970)	(79,794)	(22,358)
	(11,271,964)	(11,384,775)	(11,254,064)
Non-cash amounts excluded from operating activities	2 (a)(i) 3,755,880	3,249,818	3,315,417
Amount attributable to operating activities	(4,491,281)	(3,430,684)	(4,246,500)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	9(b) 6,649,558	1,521,958	4,941,772
Purchase land held for resale	4(a) 0	0	0
Purchase investment property	4(a) 0	0	0
Purchase property, plant and equipment	4(a) (7,210,913)	(514,219)	(4,379,975)
Purchase and construction of infrastructure	4(a) (3,595,367)	(2,779,938)	(4,156,811)
Proceeds from disposal of assets	4(b) 0	361,094	1,314,181
Proceeds from self supporting loans	6(a) 0	0	0
Advances of self supporting loans	6(a) 0	0	0
Amount attributable to investing activities	(4,156,722)	(1,411,105)	(2,280,833)
FINANCING ACTIVITIES			
Repayment of borrowings	6(a) (392,495)	(415,776)	(429,908)
Principal elements of finance lease payments	7 0	0	0
Proceeds from new borrowings	6(b) 3,275,000	0	1,825,000
Advances to Community Groups	0 0	0	(625,000)
Transfers to cash backed reserves (restricted assets)	7(a) (154,168)	(10,456)	(680,001)
Transfers from cash backed reserves (restricted assets)	7(a) 0	0	650,925
Amount attributable to financing activities	2,728,337	(426,232)	741,016
Budgeted deficiency before general rates	(5,919,666)	(5,268,021)	(5,786,317)
Estimated amount to be raised from general rates	1 5,919,666	5,803,943	5,786,316
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii) 0	535,922	(1)

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

SHIRE OF CHITTERING
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FOR THE YEAR ENDED 30 JUNE 2021

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV	0.10368	1,680	31,620,427	3,278,469			3,278,469	3,234,051	3,216,629
Unimproved valuations									
UV	0.00645	717	332,455,000	2,145,332			2,145,332	2,085,552	2,085,552
Sub-Totals		2,397	364,075,427	5,423,801	0	0	5,423,801	5,319,603	5,302,181
Minimum									
Minimum payment									
\$									
Gross rental valuations									
GRV	1,050	362	2,196,093	380,100			380,100	408,450	408,450
Unimproved valuations									
UV	1,000	80	5,766,461	80,000	33,000		113,000	73,000	73,000
Sub-Totals		442	7,962,554	460,100	33,000	0	493,100	481,450	481,450
							Total amount raised from general rates		
							5,916,901	5,801,053	5,783,631
Total rates									
Ex-gratia rates							2,765	2,890	2,685
							5,919,666	5,803,943	5,786,316

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

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				
Payment in Full	12/09/2019	0	0.0%	0.0%
Option two				
Payment in Four Instalr	12/09/2019	0	0.0%	5.5%
	14/11/2019	0	0.0%	5.5%
	16/01/2020	0	0.0%	5.5%
	19/03/2020	0	0.0%	5.5%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	0	25,780	26,000
Instalment plan interest earned	46,471	27,003	26,500
Unpaid rates and service charge interest earned	27,000	52,430	40,000
Pensioner Deferred Interest	1,200	1,770	1,200
Non-Payment Penalty Interest	1,300	1,502	1,250
	75,971	108,485	94,950

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

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

(d) Service Charges

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Waivers or concessions

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

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

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

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

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
(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			
Less: Profit on asset disposals	4(b) 0	(267,845)	(266,404)
Less: Movement in employee liabilities associated with restricted cash	0	959	
Add: Loss on disposal of assets	4(b) 0	15,000	225,482
Add: Change in accounting policies	0	(243,035)	
Add: Depreciation on assets	5 3,755,880	3,744,739	3,356,339
Non cash amounts excluded from operating activities	3,755,880	3,249,818	3,315,417
(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 (2,144,550)	(1,990,382)	(1,990,382)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	(400,051)	(7,556)	1,387,183
- Employee benefit provisions	664,142	180,833	179,824
Total adjustments to net current assets	(1,880,459)	(1,817,105)	(423,375)

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
Note	\$	\$	\$
(iii) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents- unrestricted	626,053	1,607,616	238,323
Cash and cash equivalents - restricted			
Cash backed reserves	2,144,550	1,990,382	1,990,382
Receivables	472,523	472,523	778,107
Inventories	9,347	9,347	17,722
	3,252,473	4,079,868	3,024,534
Less: current liabilities			
Trade and other payables	(1,107,923)	(1,107,923)	(536,591)
Long term borrowings	400,051	7,556	(1,387,183)
Provisions	(664,142)	(664,142)	(677,385)
	(1,372,014)	(1,764,509)	(2,601,159)
Net current assets	1,880,459	2,315,359	423,375
Less: Total adjustments to net current assets	(1,880,459)	(1,817,105)	(423,375)
Closing funding surplus / (deficit)	0	498,254	0

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

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 Chittering 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 Chittering contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Chittering 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 Chittering'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 Chittering'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 Chittering's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

LAND HELD FOR RESALE

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

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

Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

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

3. RECONCILIATION OF CASH

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

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	791,890	614,935	2,228,705
Reserves - Cash at bank	1,978,713	1,978,713	0
Term deposits	0	1,004,350	0
	<u>2,770,603</u>	<u>3,597,998</u>	<u>2,228,705</u>
- Unrestricted cash and cash equivalents	626,053	1,607,616	238,323
- Restricted cash and cash equivalents	2,144,550	1,990,382	1,990,382
	<u>2,770,603</u>	<u>3,597,998</u>	<u>2,228,705</u>
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Employee Entitlement Reserve - Accumulation	219,182	135,791	135,791
Plant Replacement - Accumulation	589,125	589,125	589,125
Waste Water Treatment - Accumulation	95,473	95,473	95,473
Public Amenities & Buildings - Accumulation	14,400	0	0
Community Housing - Accumulation	75,050	75,050	75,050
Seniors Housing - Accumulation	19,715	7,738	7,738
Public Open Space - Accumulation	281,274	281,274	281,274
Recreation Development - Accumulation	362,423	362,423	362,423
Waste Management - Accumulation	419,118	404,718	404,718
Contributions to Roadworks - Accumulation	38,790	38,790	38,790
Economic Recovery Stimulus Reserve - Accumulation	30,000	0	0
	<u>2,144,550</u>	<u>1,990,382</u>	<u>1,990,382</u>
Reconciliation of net cash provided by operating activities to net result			
Net result	3,876,894	(267,131)	2,514,114
Depreciation	5	3,755,880	3,356,339
(Profit)/loss on sale of asset	4(b)	0	(40,922)
(Increase)/decrease in receivables		0	244,222
(Increase)/decrease in inventories		0	(4,279)
Increase/(decrease) in payables		0	(335,223)
Increase/(decrease) in contract liabilities		0	(243,035)
Change in accounting policies transferred to retained surplus (refe		0	0
Non-operating grants, subsidies and contributions		(6,649,558)	(1,521,958)
		<u>983,216</u>	<u>1,364,490</u>
Net cash from operating activities		<u>983,216</u>	<u>1,364,490</u>

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Reporting program

Asset class	Law, order, public safety	Housing	Recreation and culture	Transport	Economic services	2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	\$	\$	\$	\$	\$	\$	\$	\$
<u>Property, Plant and Equipment</u>								
Land - freehold land						0	24,881	110,000
Buildings	15,000	30,000	7,147,113	0	18,800	7,210,913	273,328	3,881,885
Plant and equipment	0	0	0	0	0	0	216,010	388,090
	15,000	30,000	7,147,113	0	18,800	7,210,913	514,219	4,379,975
<u>Infrastructure</u>								
Infrastructure - roads	0	0	0	2,093,476	0	2,093,476	2,212,205	2,653,269
Infrastructure - drainage	0	0	0	0	0	0	0	0
Infrastructure - bridges	0	0	0	0	0	0	0	0
Infrastructure - footpaths	0	0	0	242,713	0	242,713	206,761	441,242
Infrastructure - parks & ovals			128,775	0		128,775	36,823	195,300
Infrastructure - other			0	27,600		27,600		312,000
Infrastructure - Bridges and Culverts				1,102,803		1,102,803	324,149	555,000
Other infrastructure [describe]				0		0		0
Other infrastructure [describe]				0		0		0
Other infrastructure [describe]				0		0		0
	0	0	128,775	3,466,592	0	3,595,367	2,779,938	4,156,811
Total acquisitions	15,000	30,000	7,275,888	3,466,592	18,800	10,806,280	3,294,157	8,536,786

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

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

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

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance		0	0	0	20,894	20,634	0	(260)	31,069	17,727	0	(13,342)
General Purpose Funding		0	0	0		0	0	0	7,873	7,873	0	0
Law, order, public safety		0	0	0		0	0	0	14,997	14,942	0	(55)
Health		0	0	0	10,000	1,643	0	(8,357)	0	(4,997)	0	(4,997)
Community amenities		0	0	0	24,869	34,911	10,042	0	30,704	25,454	23	(5,273)
Recreation and culture		0	0	0	20,455	277,500	257,045	0	15,000	275,000	260,000	0
Transport		0	0	0		0	0	0	9,893	15,000	5,107	0
Economic services		0	0	0	10,030	3,648	0	(6,382)	1,139,704	940,000	296	(200,000)
Other property and services		0	0	0	22,000	22,758	758	0	24,019	23,182	978	(1,815)
	0	0	0	0	108,248	361,094	267,845	(14,999)	1,273,259	1,314,181	266,404	(225,482)
By Class												
<i>Property, Plant and Equipment</i>												
Land - freehold land		0			20,455	277,500	257,045	0	1,144,712	1,205,000	260,288	(200,000)
Plant and equipment		0			87,793	83,594	10,800	(14,999)	128,547	109,181	6,116	(25,482)
	0	0	0	0	108,248	361,094	267,845	(14,999)	1,273,259	1,314,181	266,404	(225,482)

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

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

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

5. ASSET DEPRECIATION

By Program

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

By Class

Buildings
Buildings - specialised
Plant and equipment
Infrastructure - roads
Infrastructure - drainage
Infrastructure - footpaths
Infrastructure - parks & ovals
Infrastructure - other
Infrastructure - Bridges and Culverts

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
2,303	2,300	2,916
187,850	187,617	184,975
110,843	110,694	111,447
21,864	14,387	14,405
55,497	55,428	55,497
47,235	46,276	78,235
622,168	621,406	598,853
2,287,662	2,284,817	1,930,503
59,485	59,408	64,681
360,973	362,406	314,827
3,755,880	3,744,739	3,356,339
64,919	64,919	28,716
873,081	873,081	653,476
430,580	430,580	440,400
1,441,252	1,430,111	1,319,851
395,463	395,463	395,463
18,721	18,721	18,721
256,930	256,930	256,930
91,341	91,341	59,189
183,593	183,593	183,593
3,755,880	3,744,739	3,356,339

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	30 to 50 years
Buildings - specialised	50 to 80 years
Plant and equipment	5 to 15 years
Infrastructure - roads	
Infrastructure - drainage	20 years
Infrastructure - footpaths	30 to 75 years
Infrastructure - parks & ovals	10 to 60 Years
Infrastructure - other	
Infrastructure - Bridges and Culverts	

AMORTISATION

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

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

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

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	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	Principal		Actual	Actual	Actual	Actual		Principal	Budget	Budget	Budget	Principal
				1 July 2020	New Loans	Repayments	outstanding 30 June 2021	Repayments	1 July 2019	New Loans	Repayments	30 June 2020	Repayments	1 July 2019	New Loans	Repayments	30 June 2020	Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance																			
	Loan 80	Admin Server/IT Upgrade		62,845	0	19,985	42,860	1,541	82,298	0	19,453	62,845	2,019	82,298	0	19,453	101,751	2,074	
Health																			
	Loan 79	Multi Purpose Health Centre		500,447	0	13,816	486,631	10,278	535,498	0	35,051	500,447	28,085	535,498	0	28,366	563,864	23,306	
Housing																			
	Loan 72	Staff Housing Development		34,095	0	27,761	6,334	1,231	72,288	0	38,193	34,095	3,561	72,288	0	31,090	103,378	3,165	
	Loan 73	Senior & Community Housing		15,014	0	9,873	5,141	757	26,512	0	11,498	15,014	1,339	26,512	0	11,450	37,962	1,824	
Recreation and culture																			
	Loan 74	Land Acquisition Gray Road		33,115	0	16,004	17,111	1,809	51,671	0	18,556	33,115	2,836	51,671	0	18,556	70,227	3,689	
	Loan 87	Lower Chittering Sport & Rec Centre		0	3,275,000	0	3,275,000	0	0	0	0	0	0	0	1,200,000	21,283	1,221,283	20,160	
	Loan 88	LCSRC Self Supporting (IHC)		0	0	0	0	0	0	0	0	0	0	0	625,000	0	625,000	0	
Transport																			
	Loan 79	New Grader		243,149	0	29,631	213,518	22,042	249,690	0	6,541	243,149	5,234	249,690	0	13,226	262,916	10,867	
Economic services																			
	Loan 83	Lifestyle Village		524,135	0	127,899	396,236	7,926	650,000	0	125,865	524,135	10,515	650,000	0	125,865	775,865	9,960	
	Loan 85	Land Lot 215 Great Northern Hwy		62,500	0	60,625	1,875	1,819	125,000	0	62,500	62,500	4,170	125,000	0	62,500	187,500	3,750	
	Loan 81	Land Lot 215 Great Northern Hwy		13,721	0	13,721	(0)	160	40,692	0	26,971	13,721	600	40,692	0	26,971	67,663	789	
	Loan 82	Land Lot 168 Binda Place		517,119	0	62,358	454,761	15,300	577,617	0	60,498	517,119	16,599	577,617	0	60,498	638,115	17,160	
Other property and services																			
	Loan 86	Admin Telephone/Audio System		44,350	0	10,822	33,528	671	55,000	0	10,650	44,350	832	55,000	0	10,650	65,650	843	
				2,050,490	3,275,000	392,495	4,932,995	63,534	2,466,266	0	415,776	2,050,490	75,789	2,466,266	1,825,000	429,908	4,721,174	97,587	
				2,050,490	3,275,000	392,495	4,932,995	63,534	2,466,266	0	415,776	2,050,490	75,789	2,466,266	1,825,000	429,908	4,721,174	97,587	

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

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
					\$	\$	\$	\$
Lower Chittering Sports IWATC		Debenture	20	2.7%	3,275,000	984,617	3,275,000	0
					3,275,000	984,617	3,275,000	0

(c) Unspent borrowings

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

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	150,000	150,000	150,000
Bank overdraft at balance date			
Credit card limit	25,000	25,000	25,000
Credit card balance at balance date	0	2,637	(10,000)
Total amount of credit unused	175,000	177,637	165,000
Loan facilities			
Loan facilities in use at balance date	4,932,995	2,050,490	4,721,174

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2020	2020/21 Budgeted Increase/ (Decrease)	Amount as at 30th June 2021
Bendigo Bank	Short Term Liquidity		\$ 150,000	\$ 0	\$ 150,000
			150,000	0	150,000

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
(a) Employee Entitlement Reserve - Accumulation	\$ 135,791	\$ 83,391	\$ 0	\$ 219,182	\$ 136,750	\$ 959	\$ 0	\$ 135,791	\$ 179,824	\$ 3,667	\$ (47,700)	\$ 135,791
(b) Plant Replacement - Accumulation	589,125	0	0	589,125	591,957	2,832	0	589,125	531,200	310,834	(252,909)	589,125
(c) Waste Water Treatment - Accumulation	95,473	0	0	95,473	94,974	499	0	95,473	93,565	1,908	0	95,473
(d) Public Amenities & Buildings - Accumulation	0	14,400	0	14,400	0	0	0	0	0	0	0	0
(e) Community Housing - Accumulation	75,050	0	0	75,050	74,658	392	0	75,050	73,550	1,500	0	75,050
(f) Seniors Housing - Accumulation	7,738	11,977	0	19,715	7,697	41	0	7,738	7,583	155	0	7,738
(g) Public Open Space - Accumulation	281,274	0	0	281,274	279,805	1,469	0	281,274	275,652	5,622	0	281,274
(h) Bindoon Cemetery Development - Accumulation	0	0	0	0	(185)	185	0	0	34,556	705	(35,261)	0
(i) Recreation Development - Accumulation	362,423	0	0	362,423	361,157	1,266	0	362,423	237,578	294,845	(170,000)	362,423
(j) Ambulance Replacement - Accumulation	0	0	0	0	(23)	23	0	0	4,420	90	(4,510)	0
(k) Waste Management - Accumulation	404,718	14,400	0	419,118	402,865	1,853	0	404,718	347,628	57,090	0	404,718
(l) Contributions to Roadworks - Accumulation	38,790	0	0	38,790	38,587	203	0	38,790	38,014	776	0	38,790
(m) Economic Recovery Stimulus Reserve - Accumulation	0	30,000	0	30,000	0	0	0	0	0	0	0	0
(n) Unspent Grants Reserve - Accumulation	0	0	0	0	(734)	734	0	0	137,736	2,809	(140,545)	0
	1,990,382	154,168	0	2,144,550	1,987,508	10,456	0	1,990,382	1,961,306	680,001	(650,925)	1,990,382

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) Employee Entitlement Reserve - Accumulation	Ongoing	to be used to fund employee accumulated annual, sick, long service leave and employee gratuities
(b) Plant Replacement - Accumulation	Ongoing	to be used to fund plant purchases, trades or major overhauls
(c) Waste Water Treatment - Accumulation	Ongoing	to be used to fund the development of a Waste Water Management System for the Shire
(d) Public Amenities & Buildings - Accumulation	Ongoing	
(e) Community Housing - Accumulation	Ongoing	to be used to fund repairs, improvements, extensions or construction of community units
(f) Seniors Housing - Accumulation	Ongoing	to be used to fund repairs, improvements, extensions or construction of seniors units
(g) Public Open Space - Accumulation	Ongoing	to be used to fund public open spaced developments in accordance with developer precincts
(h) Bindoon Cemetery Development - Accumulation	30/06/2020	to be used to fund the development or acquisition of cemetery land or facilities
(i) Recreation Development - Accumulation	Ongoing	to be used to fund the development or acquisition of recreation land or facilities
(j) Ambulance Replacement - Accumulation	30/06/2020	to be used to contribute towards the cost of purchasing or replacing an Ambulance
(k) Waste Management - Accumulation	Ongoing	to be used to fund the replacement landfill sites and rehabilitation of existing landfill sites
(l) Contributions to Roadworks - Accumulation	Ongoing	to be used for the maintenance of Mooliabeenie Road
(m) Economic Recovery Stimulus Reserve - Accumulation		
(n) Unspent Grants Reserve - Accumulation	30/06/2020	to be used to fund isolate funds received for specific projects not completed in 2017/2018

SHIRE OF CHITTERING
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 FOR THE YEAR ENDED 30 JUNE 2021

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance	1,500	1,722	1,000
General purpose funding	10,000	48,133	50,000
Law, order, public safety	40,600	31,746	48,000
Health	6,300	57,390	54,375
Education and welfare	0	200	11,300
Housing	121,649	114,986	117,580
Community amenities	995,448	987,715	978,738
Recreation and culture	11,300	8,228	1,100
Transport	0	11,322	0
Economic services	105,341	83,859	140,144
Other property and services	6,000	1,635	6,000
	1,298,138	1,346,936	1,408,237

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						707,259	1,340,773	680,103
Law, order, public safety						158,023	229,226	232,033
Education and welfare						33,300	23,030	30,900
Recreation and culture						400	0	1,000
Transport						121,655	139,255	116,565
Economic services						36,800	32,638	46,800
	0	0	0	0	0	1,057,437	1,764,922	1,107,401
(b) Non-operating grants, subsidies and contributions								
Recreation and culture						3,932,113	0	2,699,180
Transport						2,717,445	1,521,958	2,242,592
	0	0	0	0	0	6,649,558	1,521,958	4,941,772
Total	0	0	0	0	0	7,706,995	3,286,880	6,049,173

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

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

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

11. OTHER INFORMATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	40,000	16,625	40,000
- Other funds	10,000	15,760	10,000
Other interest revenue (refer note 1b)	75,971	82,705	68,950
	125,971	115,090	118,950
* 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	98,088	296,949	104,370
Other			34,728
	98,088	296,949	139,098
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	104,525	26,852	45,550
Other services		7,955	3,475
	104,525	34,807	49,025
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	63,534	75,789	97,587
	63,534	75,789	97,587
(e) Elected members remuneration			
Meeting fees	86,882	96,289	96,535
Mayor/President's allowance	13,702	16,311	15,225
Deputy Mayor/President's allowance	3,425	2,637	3,806
Travelling expenses	23,304	11,103	14,000
Telecommunications allowance	21,000	20,951	21,000
	148,313	147,291	150,566

SHIRE OF CHITTERING
NOTES TO AND FORMING PART OF THE BUDGET
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12. MAJOR LAND TRANSACTIONS

Muceha Clubroom Redevelopment

(a) Details

The business case for the Muceha Club and Changeroom facility outlines the scope of the project as including:

- A large main club room (16230 x 8860) with access to, and windows facing, the sports oval;
- A slightly larger social room (10200 x 15560) also with access to, and windows facing, the sports oval;
- Commercial kitchen with servery to the outside of the clubhouse (under cover) and inside to the main club room;
- Full bar facilities with cool room storage and openings to the main club room and social room;
- Community amenities consisting of male and female toilets, including ambulant accessible facilities and two unisex accessible (disabled) toilets
- Two changerooms specifically for the use of sporting clubs with each changeroom comprising:
 - o Racks, benches and lockers for changing and storage of personal belongings;
 - o A treatment area for rubdowns, massages and strapping
- Main foyer;
- Administration Office;
- Storage areas

This current concept would see the facility being able to meet current and future needs of sporting groups, provide modern inclusive fitouts which meet current building codes and cater for individual access needs of disabled and ambulant community members, as well as provision of appropriate hygienic amenities with a layout that offers privacy, space and a safe environment for all sports participants to shower and get changed.

(b) Current year transactions

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Operating revenue			
BBRF Grant - Milestone 1	0	0	962,136
BBRF Grant - Milestone 2	0	0	774,044
Contribution Income (IHC)	0	0	625,000
Capital revenue			
Loan 87 LCSRFB	0	0	1,200,000
Loan 88 Self Supporting (IHC)	0	0	625,000
Proceeds from Sale of Land	0	275,000	275,000
BBRF Grant (Muceha Component)	1,100,000	0	0
Loan 87 (Muceha Component)	821,443	0	0
Community Contributions	278,557	0	0
Capital expenditure			
Lower chittering Sports & Rec Facility	0	0	(3,579,753)
Advances to Community Groups	0	0	(625,000)
Muceha Clubroom Development	2,200,000	0	0
	2,200,000	275,000	256,427

(c) Expected future cash flows

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	\$	\$	\$	\$	\$	\$
Cash outflows						
Payments for development of land	2,200,000					2,200,000
Loan Principal Repayments		31,457	32,312	33,190	34,092	131,051
Loan Interest Repayments		21,877	21,113	20,235	19,332	82,557
Annual Maintenance Costs		13,005	13,005	13,005	13,005	52,020
Annual Operational Costs		13,005	13,005	13,005	13,005	52,020
	0	47,887	47,123	46,245	45,342	186,597
Cash Inflows						
BBRF Grant (Muceha Component)	1,100,000					1,100,000
Loan 87 (Muceha Component)	821,443					821,443
Community Contributions	278,557					278,557
Operational Income		1,000	1,000	1,000	1,000	4,000
	2,200,000	1,000	1,000	1,000	1,000	2,204,000
Net cash flows	2,200,000	48,887	48,123	47,245	46,342	2,390,597

13. TRUST FUNDS

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

Detail	Balance 30 June 2020	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2021
	\$	\$	\$	\$
Animal Control	417	0	417	834
Bond - Bus Hire	1,100	0	1,100	2,200
BCITF	1,255	0	1,255	2,510
Bond - Crossover	16,514	0	16,514	33,028
Bond - Roadworks	93,620	0	93,620	187,240
Bond - Developer	118,910	0	118,910	237,820
Bond - Extractive Industry	56,558	0	56,558	113,116
Bond - Gravel Pit Rehabilitation	21,289	0	21,289	42,578
Bond - Key, Hall & Equipment Hire	2,305	0	2,305	4,610
Builders Registration Board	5,290	0	5,290	10,580
Bond - Unclaimed Monies	1,759	0	1,759	3,518
				0
				0
				0
				0
				0
				0
				0
				0
	319,017	0	319,017	638,034

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.