

SHIRE OF DONNYBROOK BALINGUP

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE OF DONNYBROOK BALINGUP
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)	5,074,942	5,072,526	5,084,690
Operating grants, subsidies and contributions	10(a)	4,838,368	4,578,916	5,383,535
Fees and charges	9	3,154,474	3,036,267	3,113,848
Interest earnings	12(a)	216,825	256,081	205,200
Other revenue	12(b)	1,650	283,723	184,019
		13,286,259	13,227,513	13,971,292
Expenses				
Employee costs		(7,766,645)	(7,618,659)	(7,050,400)
Materials and contracts		(4,569,549)	(3,405,877)	(4,620,377)
Utility charges		(457,272)	(448,082)	(369,249)
Depreciation on non-current assets	5	(5,494,234)	(5,016,739)	(5,960,334)
Interest expenses	12(d)	(17,133)	(7,349)	(9,786)
Insurance expenses		(456,518)	(323,687)	(344,487)
Other expenditure		(227,251)	(582,604)	(523,994)
		(18,988,602)	(17,402,997)	(18,878,627)
Subtotal		(5,702,343)	(4,175,484)	(4,907,335)
Non-operating grants, subsidies and contributions	10(b)	8,994,403	1,817,234	9,910,124
Profit on asset disposals	4(b)	9,869	121,153	84,060
Loss on asset disposals	4(b)	(32,470)	(104,768)	(92,919)
		8,971,802	1,833,619	9,901,265
Net result		3,269,459	(2,341,865)	4,993,930
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		3,269,459	(2,341,865)	4,993,930

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

SHIRE OF DONNYBROOK BALINGUP 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 Donnybrook Balingup 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.

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,9,10(a),12(a),12(b)	\$	\$	\$
Governance		64,084	34,705	25,189
General purpose funding		6,238,176	7,339,117	7,372,828
Law, order, public safety		577,580	466,253	590,180
Health		173,013	159,659	163,128
Education and welfare		4,047,772	3,546,336	3,961,897
Community amenities		1,134,936	1,147,926	1,215,567
Recreation and culture		261,529	203,362	351,658
Transport		198,310	10,009	8,500
Economic services		480,781	166,123	155,553
Other property and services		110,078	154,024	126,792
		13,286,259	13,227,514	13,971,292
Expenses excluding finance costs	4(a),5,12(c),(e),(f)			
Governance		(1,049,323)	(1,169,267)	(1,214,385)
General purpose funding		(202,110)	(216,724)	(163,296)
Law, order, public safety		(1,372,958)	(1,258,499)	(1,476,583)
Health		(260,039)	(225,527)	(237,845)
Education and welfare		(5,020,297)	(4,455,786)	(4,542,002)
Community amenities		(1,709,555)	(1,639,261)	(1,801,729)
Recreation and culture		(3,576,815)	(2,915,244)	(3,445,195)
Transport		(4,818,754)	(4,638,435)	(5,110,240)
Economic services		(847,267)	(592,880)	(650,774)
Other property and services		(118,200)	(282,177)	(226,792)
		(18,975,318)	(17,393,800)	(18,868,841)
Finance costs	,7,6(a),12(d)			
Governance		(2,876)	(554)	0
Law, order, public safety		(111)	(537)	0
Health		(3,668)	(3,895)	(4,321)
Education and welfare		(4,617)	(58)	0
Recreation and culture		(2,012)	(2,269)	(1,941)
Economic services		0	(1,885)	(3,524)
		(13,284)	(9,198)	(9,786)
Subtotal		(5,702,343)	(4,175,484)	(4,907,335)
Non-operating grants, subsidies and contributions	10(b)	8,994,403	1,817,234	9,910,124
Profit on disposal of assets	4(b)	9,869	121,153	84,060
(Loss) on disposal of assets	4(b)	(32,470)	(104,768)	(92,919)
		8,971,802	1,833,619	9,901,265
Net result		3,269,459	(2,341,865)	4,993,930
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		3,269,459	(2,341,865)	4,993,930

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

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 the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

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

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

HEALTH

To provide an operational framework for environmental and community health.

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

EDUCATION AND WELFARE

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

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home care programs and youth services.

HOUSING

To provide and maintain elderly residents housing.

Provision and maintenance of staff and elderly residents housing.

COMMUNITY AMENITIES

To provide services required by the community.

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

RECREATION AND CULTURE

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

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

TRANSPORT

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

Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

To help promote the local government and its economic wellbeing.

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

OTHER PROPERTY AND SERVICES

To monitor and control operating accounts.

Private works operations, plant repair and costs.

SHIRE OF DONNYBROOK BALINGUP
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		5,054,942	5,072,526	5,084,690
Operating grants, subsidies and contributions		2,302,746	4,578,916	5,383,535
Fees and charges		2,989,474	3,150,386	3,113,848
Interest earnings		216,825	256,081	205,200
Goods and services tax		1,184,950	1,184,934	0
Other revenue		1,650	283,723	184,019
		11,750,587	14,526,566	13,971,292
Payments				
Employee costs		(7,766,645)	(7,743,068)	(7,050,400)
Materials and contracts		(4,922,028)	(2,885,975)	(4,540,377)
Utility charges		(457,272)	(449,236)	(369,249)
Interest expenses		(17,133)	(7,349)	(9,786)
Insurance expenses		(456,518)	(323,687)	(344,487)
Goods and services tax		(1,184,953)	(1,169,196)	0
Other expenditure		(227,251)	(582,604)	(523,994)
		(15,031,800)	(13,161,115)	(12,838,293)
Net cash provided by (used in) operating activities	3	(3,281,213)	1,365,451	1,132,999
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(3,353,320)	(1,880,441)	(9,601,527)
Payments for construction of infrastructure	4(a)	(7,727,503)	(2,751,135)	(5,585,044)
Non-operating grants, subsidies and contributions		9,293,045	4,128,309	9,910,124
Proceeds from sale of land held for resale	4(b)	0	245,702	80,000
Proceeds from sale of plant and equipment	4(b)	168,209	344,636	314,791
Proceeds on self supporting loans		9,144	8,899	0
Net cash provided by (used in) investing activities		(1,610,425)	95,970	(4,881,656)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(61,290)	(32,452)	(32,213)
Principal elements of lease payments	7	(53,871)	(58,719)	0
Proceeds from lease		275,000	285,000	0
Repayment of life Lease		0	(285,000)	0
Proceeds from new borrowings	6(b)	0	291,000	2,174,530
Net cash provided by (used in) financing activities		159,839	199,829	2,142,317
Net increase (decrease) in cash held		(4,731,799)	1,661,250	(1,606,340)
Cash at beginning of year		16,622,802	14,961,552	7,304,868
Cash and cash equivalents at the end of the year	3	11,891,003	16,622,802	5,698,528

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

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Underlying net current assets at start of year - surplus/(deficit)		(29,583)	11,994	0
Advance payment of untied financial assistance grants		1,066,709	0	0
Net current assets at start of financial year - surplus/(deficit)		1,037,126	11,994	0
Revenue from operating activities (excluding rates)				
Governance		64,084	34,705	25,189
General purpose funding		1,163,234	2,266,591	2,288,138
Law, order, public safety		577,580	466,253	590,180
Health		173,013	159,659	163,128
Education and welfare		4,047,772	3,546,336	3,961,897
Community amenities		1,140,547	1,147,926	1,215,567
Recreation and culture		261,529	203,362	351,658
Transport		201,946	19,212	8,500
Economic services		480,781	278,073	161,246
Other property and services		110,702	154,024	126,792
		8,221,188	8,276,141	8,892,295
Expenditure from operating activities				
Governance		(1,052,199)	(1,169,821)	(1,214,385)
General purpose funding		(202,110)	(216,724)	(163,296)
Law, order, public safety		(1,373,069)	(1,259,036)	(1,476,583)
Health		(263,707)	(229,422)	(242,166)
Education and welfare		(5,024,914)	(4,455,844)	(4,542,002)
Community amenities		(1,709,555)	(1,639,261)	(1,801,729)
Recreation and culture		(3,578,827)	(2,917,513)	(3,447,136)
Transport		(4,843,710)	(4,677,185)	(5,190,703)
Economic services		(854,781)	(660,783)	(666,754)
Other property and services		(118,200)	(282,177)	(226,792)
		(19,021,072)	(17,507,766)	(18,971,546)
Non-cash amounts excluded from operating activities	2 (a)(i)	5,516,835	4,040,849	5,969,193
Amount attributable to operating activities		(4,245,923)	(5,178,782)	(4,110,058)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10(b)	8,994,403	1,817,234	9,910,124
Purchase property, plant and equipment	4(a)	(3,353,320)	(1,880,441)	(9,601,527)
Purchase and construction of infrastructure	4(a)	(7,727,506)	(2,009,158)	(5,585,044)
Proceeds from disposal of assets	4(b)	168,209	344,636	394,791
Proceeds from disposal of land		0	245,702	0
Proceeds from self supporting loans	6(a)	9,143	8,900	8,660
Amount attributable to investing activities		(1,909,071)	(1,473,127)	(4,872,996)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(61,290)	(32,452)	(32,213)
Principal elements of finance lease payments	7	(53,871)	(58,719)	0
Proceeds from new borrowings	6(b)	0	291,000	2,174,530
Proceeds from Lease		275,000	285,000	0
Repayment of Life Lease		0	(285,000)	0
Transfers to cash backed reserves (restricted assets)	8(a)	(212,000)	(1,212,043)	(901,149)
Transfers from cash backed reserves (restricted assets)	8(a)	1,132,213	3,628,723	2,655,696
Amount attributable to financing activities		1,080,052	2,616,509	3,896,864
Budgeted deficiency before general rates		(5,074,942)	(4,035,400)	(5,086,190)
Estimated amount to be raised from general rates	1	5,074,942	5,072,526	5,086,190
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii)	0	1,037,126	0

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

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) (9,869)	(121,153)	(84,060)
Less: Movement in employee liabilities associated with restricted cash	0	(37,721)	0
Less: Movement in employee related assets	0	(15,991)	0
Less: Movement in land held for resale	0	(66,018)	0
Add: Movement in deferred rates	0	24,520	0
Add: Loss on disposal of assets	4(b) 32,470	104,768	92,919
Add: Change in accounting policies	0	(864,295)	0
Add: Depreciation on assets	5 5,494,234	5,016,739	5,960,334
Non cash amounts excluded from operating activities	5,516,835	4,040,849	5,969,193

(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 (5,704,551)	(6,624,764)	(3,103,348)
Less: Financial assets - restricted	3 0	0	(587,169)
Less: Current assets not expected to be received at end of year			0
- Land held for resale	0	0	80,000
Add: Current liabilities not expected to be cleared at end of year		0	0
- Employee benefit provisions	192,881	192,881	1,383,739
Total adjustments to net current assets	(5,511,670)	(6,431,883)	(2,226,778)

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	257,780	1,533,744	2,595,181
Cash and cash equivalents - restricted			
Cash backed reserves	5,704,551	6,624,764	3,103,348
Bonds and Deposits	5,739,577	5,739,577	
Unspent grants, subsidies and contributions	189,095	2,724,717	0
Financial assets - restricted	0	0	587,169
Receivables	803,025	653,025	
Contract assets	115,000	413,642	
Inventories	107,936	107,936	6,907
Other Assets (prepayments)	35,000	0	
	12,951,964	17,797,405	6,292,605
Less: current liabilities			
Trade and other payables	(6,299,207)	(6,651,689)	(1,051,627)
Contract liabilities	(189,095)	(2,724,717)	(75,313)
Long term borrowings	0	0	(2,142,317)
Provisions	(951,992)	(951,992)	(796,570)
	(7,440,294)	(10,328,398)	(4,065,827)
Net current assets	5,511,670	7,469,007	2,226,778
Less: Total adjustments to net current assets	(5,511,670)	(6,431,883)	(2,226,778)
Closing funding surplus / (deficit)	0	1,037,126	0

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									
General	0.081733	1,028	20,184,850	1,649,768	2,250	0	1,652,018	1,641,115	1,629,508
Unimproved valuations									
General	0.005377	828	333,619,000	1,793,869	2,250	0	1,796,120	1,788,549	1,807,306
Sub-Totals		1,856	353,803,850	3,443,637	4,500	0	3,448,138	3,429,664	3,436,814
	Minimum								
Minimum payment									
	\$								
Gross rental valuations									
General	1,104	950	8,810,361	1,048,800	0	0	1,048,800	1,065,360	584,016
Unimproved valuations									
General	1,104	526	71,373,080	580,704	0	0	580,704	584,016	1,065,360
Sub-Totals		1,476	80,183,441	1,629,504	0	0	1,629,504	1,649,376	1,649,376
		3,332	433,987,291	5,073,141	4,500	0	5,077,642	5,079,040	5,086,190
Write offs							0	(6,514)	0
Concessions (Refer note 1(e))							(2,700)	0	0
Total amount raised from general rates							5,074,942	5,072,526	5,086,190

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

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 should make what is a minimum contribution to the cost of local government services/facilities that display the characteristics of a public good.

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				
Single Payment in Full	15/10/2020			
Option two				
First Instalment	15/10/2020	11	5.5%	8.0%
Second Instalment	12/02/2021	11	5.5%	8.0%
Option three				
First Instalment	15/10/2020	11	5.5%	8.0%
Second Instalment	14/12/2020	11	5.5%	8.0%
Third Instalment	12/02/2021	11	5.5%	8.0%
Fourth Instalment	13/04/2021	11	5.5%	8.0%

The Council has adopted a CIVID19 financial hardship policy in to the 2020-21 financial year which is available on the Shire's website

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	29,100	30,791	21,030
Instalment plan interest earned	16,500	20,872	15,500
Unpaid rates and service charge interest earned	37,500	51,206	50,000
	83,100	102,869	86,530

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

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Waste Management	Concession	50.0%		\$ (25,729)	\$ 0	\$	0 A 50% concession on all Waste Management Rates over a threshold of \$250	To recognise the impact of a change of charge methodology in relation to waste management rating
<p>To comply with regulatory requirements from 1 July 2020 the Shire will raise revenue for waste management (as per the WARR Act) as a rate in the dollar applied according to individual property valuations. This change of rating practice will be the subject of the a concession to be applied to all properties (Unimproved and Gross Rental) where the valuation of the rate in the dollar results in a rate calculation above \$210. These property owners will be issued automatically with a concession to reduce the amount payable by 50% of the amount due above \$250</p>								
General Rates	Concession	Various		(2,700)	0	(2,700)	A concession on general rates for selected properties where the property crosses a boundary with a neighbouring local government	To recognise the impact of rates charged by two local government for the same property.
				(28,429)	0	(2,700)		

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 Donnybrook Balingup 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 Donnybrook Balingup contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Donnybrook Balingup 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 Donnybrook Balingup'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 Donnybrook Balingup'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 Donnybrook Balingup'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.

CONTRACT LIABILITIES

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

SHIRE OF DONNYBROOK BALINGUP
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	11,891,003	16,622,802	5,698,529
	11,891,003	16,622,802	5,698,529
- Unrestricted cash and cash equivalents	257,780	1,533,744	2,595,181
- Restricted cash and cash equivalents	11,633,223	15,089,058	3,103,348
	11,891,003	16,622,802	5,698,529

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

Waste Management Reserve	1,410,974	1,535,974	1,461,854
Bushfire Control & Management Reserve	2,282	2,282	2,282
Aged Care Reserve	1,144,953	1,187,133	726,023
Employee Entitlements Reserve	185,381	192,881	216,977
Arbuthnott Memorial Scholarship Reserve	3,285	3,585	3,285
Strategic Planning Studies Reserve	40,051	40,051	40,051
Land Development Reserve	450,271	450,271	(163,166)
Vehicle Reserve	376,690	402,000	130,359
Roadworks Reserve	435,434	435,434	745,197
Revaluation Reserve	10,700	10,700	40,950
Central Business District Reserve	3,054	3,054	3,054
Buildings Reserve	247,216	758,523	65,214
Building Maintenance Reserve	0	0	232,298
Apple Funpark Reserve	99,521	99,521	81,506
Information Technology Reserve	99,523	107,523	54,698
27 Pay Period	0	0	10,000
Unspent Grants Reserve	0	0	(467,870)
Park and Reserves Reserve	153,744	153,744	150,000
Carried Forward Project Reserve	938,940	1,139,556	(229,364)
COVID 19 Reserve	102,532	102,532	0
Bonds and deposits	5,739,577	5,739,577	0
Unspent grants, subsidies and contributions	189,095	2,724,717	0
	11,633,223	15,089,058	3,103,348

Reconciliation of net cash provided by operating activities to net result

Net result		3,269,459	(2,341,865)	4,993,930
Depreciation	5	5,494,234	5,016,739	5,960,334
(Profit)/loss on sale of asset	4(b)	22,601	(16,385)	8,859
(Increase)/decrease in receivables		(150,000)	129,857	0
(Increase)/decrease in contract assets		298,642	(413,642)	0
(Increase)/decrease in inventories		0	83,985	80,000
(Increase)/decrease in other assets		(35,000)	(13,935)	0
Increase/(decrease) in payables		(352,482)	138,228	0
Increase/(decrease) in contract liabilities		(2,535,622)	2,724,717	0
Increase/(decrease) in employee provisions		0	186,061	0
Non-operating grants, subsidies and contributions		(9,293,045)	(4,128,309)	(9,910,124)
Net cash from operating activities		(3,281,213)	1,365,451	1,132,999

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 DONNYBROOK BALINGUP
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.

Asset class	Reporting program							2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Governance	Law, order, public safety	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>										
Land - freehold land	0	0	0	0	0	0	0	0	0	250,000
Buildings - non-specialised	94,500	0	452,636	0	0	0	0	547,136	0	3,137,692
Buildings - specialised	0	71,241	96,186	170,000	2,059,201	0	0	2,396,628	1,197,906	4,914,790
Furniture and equipment	38,000	0	0	0	0	0	0	38,000	0	111,429
Plant and equipment	31,220	0	0	31,220	5,800	269,316	34,000	371,556	682,535	1,187,616
	163,720	71,241	548,822	201,220	2,065,001	269,316	34,000	3,353,320	1,880,441	9,601,527
<i>Infrastructure</i>										
Infrastructure - roads	0	0	0	0	0	2,547,418	0	2,547,418	1,670,267	1,680,000
Infrastructure - other	0	0	0	140,000	1,978,088	0	120,000	2,238,088	338,891	3,691,044
Infrastructure - drainage		0						0		
Infrastructure - footpaths	0	0	0	0	80,000	225,000	0	305,000	0	184,000
infrastructure - bridges	0	0	0	0	135,000	2,502,000	0	2,637,000	0	30,000
	0	0	0	140,000	2,193,088	5,274,418	120,000	7,727,506	2,009,158	5,585,044
Total acquisitions	163,720	71,241	548,822	341,220	4,258,089	5,543,734	154,000	11,080,826	3,889,599	15,186,571

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 DONNYBROOK BALINGUP
 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												
Community amenities	32,184	37,795	5,611	0	0	0	0	0	0	0	0	0
Transport	101,939	80,619	3,636	(24,956)	246,001	216,454	9,203	(38,750)	283,056	280,960	78,367	(80,463)
Economic services	19,514	12,000	0	(7,514)	82,250	128,182	45,932	0	40,594	33,831	5,693	(12,456)
Other property and services	37,173	37,795	622	0	0	0	0	0	0	0	0	0
	190,810	168,209	9,869	(32,470)	328,251	344,636	55,135	(38,750)	323,650	314,791	84,060	(92,919)
By Class												
<i>Property, Plant and Equipment</i>												
Land - freehold land	0	0	0	0	66,018	109,091	43,073	0	0	0	0	0
Plant and equipment	190,810	168,209	3,636	(24,956)	262,233	235,545	12,062	(38,750)	323,650	314,791	84,060	(92,919)
	190,810	168,209	3,636	(24,956)	328,251	344,636	55,135	(38,750)	323,650	314,791	84,060	(92,919)

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
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
66,927	61,349	86,407
431,837	395,852	436,043
43,112	39,519	45,000
337,273	309,167	365,762
66,837	61,268	79,100
970,720	889,826	1,055,558
3,248,017	2,977,349	3,461,964
31,241	28,637	36,482
298,000	253,772	394,018
5,493,964	5,016,739	5,960,334
1,150,642	1,054,755	1,180,146
9,910	9,084	0
726,413	646,484	828,486
1,981,024	1,815,939	3,951,702
395,181	362,249	0
316,589	290,207	0
55,472	50,849	0
858,733	787,172	0
5,493,964	5,016,739	5,960,334

By Class

Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - other
Infrastructure - drainage
Infrastructure - footpaths
infrastructure - bridges

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.

Asset Class	Useful life
Buildings	20 to 100 years
Office Furniture and Equipment	4 to 15 years
Computer Equipment	4 to 15 years
Plant and equipment	5 to 15 years
Infrastructure	
Bridges	27 to 77 years
Road clearing and earthworks	not depreciated
Road Pavement	40 to 45 years
Road Seal	15 years
Car Parks	40 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.

SHIRE OF DONNYBROOK BALINGUP
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 New Loans	Budget Principal Repayments	Principal outstanding 30 June 2021	Budget Interest Repayments		Principal 1 July 2019	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2020		Actual Interest Repayments	Principal 1 July 2019	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2020
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance																			
Administration Centre	N/A			0			0		0	0	0	0	0	0	154,530	0	154,530	0	
Health																			
Dental Surgery Extensions	74	WATC	5.83%	65,802		(11,693)	54,109	(3,668)	76,842	0	(11,040)	65,802	(4,321)	76,842		(11,040)	65,802	4,321	
Education and welfare																			
Tuia Lodge Fire Suppression System	93	WATC		291,000		(27,083)	263,917	(4,491)		291,000	0	291,000	0		500,000	0	500,000	0	
Tuia Lodge RADS Borrowing 2005-06	N/A		N/A	187,229		0	187,229	0	187,229	0	0	187,229	0		0	0	0	0	
Preston Retirement Village	N/A		N/A	0		0	0	0	0	0	0	0	0	900,000	0	900,000	0		
Preston Retirement Village - Scheme	N/A		N/A	4,022,000		0	4,022,000	0	4,022,000	0	0	4,022,000	0	4,022,000	0	4,022,000	0		
				0		0	0	0	0	0	0	0	0		620,000	0	620,000	0	
Recreation and culture																			
Economic services																			
Collins Street	80	WATC	6.73%	(12,513)		(13,370)	(25,883)	(2,667)			(12,513)	(12,513)	(1,885)	55,429		(12,513)	42,916	(3,523)	
				4,553,518	0	(52,146)	4,501,372	(10,826)	4,286,071	291,000	(23,553)	4,553,518	(6,206)	4,154,271	2,174,530	(23,553)	6,305,248	798	
Self Supporting Loans																			
Recreation and culture																			
Donnybrook Country Club	90	WATC	2.74%	64,136	0	(9,144)	54,992	(1,695)	73,035	0	(8,899)	64,136	(1,940)	73,035	0	(8,660)	64,375	(1,940)	
				64,136	0	(9,144)	54,992	(1,695)	73,035	0	(8,899)	64,136	(1,940)	73,035	0	(8,660)	64,375	(1,940)	
				4,617,654	0	(61,290)	4,556,364	(12,521)	4,359,106	291,000	(32,452)	4,617,654	(8,146)	4,227,306	2,174,530	(32,213)	6,369,623	(1,142)	

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.

WATC = WA treasury Corporation

Preston Village Lease Liability detailed above represents monies paid by the ingoing leasees of the Preston Retirement Village, Sharp Street Donnybrook under a life tenancy lease arrangement.

The proceeds received from the life tenancies have been initially classified as a non-current liability as the Shire is only required to repay these funds to a vacating leasee, or their estate, in the event that the Shire is unable to attract a subsequent leasee within the 3-year time period, as specified in the lease agreement.

The respective cost of land and buildings to which the leases relate are recorded at cost within the Shire's property, plant and equipment.

Tuia Lodge RAD's Borrowings

2005/06 Borrowings against Refundable Accommodation Deposits - Tuia Lodge extensions.

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

The Shire does not intend to undertake any new borrowings for the year ended 30 June 2021

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2020/21 Budget	New loans unspent at 30 June 2021	Amount as at 30 June 2021
Loan	Tuia Lodge Fire Suppression System	2020	\$ 41,680	\$ 0	\$ 0	\$ 41,680
			41,680	0	0	41,680

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
Undrawn borrowing facilities	\$	\$	\$
credit standby arrangements			
Bank overdraft limit	110,000	110,000	110,000
Bank overdraft at balance date	0	0	0
Credit card limit	9,000	9,000	9,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	119,000	119,000	119,000
Loan facilities			
Loan facilities in use at balance date	4,556,364	4,617,654	6,369,623
Unused loan facilities at balance date	41,680	41,680	0

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

7. LEASE LIABILITIES

Purpose	Lease Number	Lease Term	Budget Lease	2020/21 Budget Lease	Budget Lease	2020/21 Budget Lease	Actual	2019/20 Actual	2019/20 Actual	Actual	2019/20 Actual	Budget	2019/20 Budget	Budget	2019/20 Budget	
			Principal 1 July 2020	Principal 1 July 2020	Principal outstanding 30 June 2021	Principal outstanding 30 June 2021	Principal 1 July 2019	New Leases	Lease repayments	Lease Principal outstanding 30 June 2020	Lease Interest repayments	Principal 1 July 2019	New Leases	Lease repayments	Lease Principal outstanding 30 June 2020	Lease Interest repayments
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance																
IT Equipment - Laptops	009-0147653-003	48 months	26,533	0	(6,605)	19,928	(456)	0	27,077	(544)	26,533	(45)	0	0	0	0
Printer/Copier - Works	E6N0159975	33 months	2,132	0	(1,208)	924	(34)	3,314	0	(1,182)	2,132	(60)	0	0	0	0
IT Equipment - Desktops	E6N0159771	6 months	0	0	0	0	(184)	3,556	0	(3,556)	0	(21)	0	0	0	0
Printer/Copier - Xerox	66,380,732	3 months	0	0	0	0	0	812	0	(812)	0	(3)	0	0	0	0
IT Equipment - Desktops	E6N0162342	30 months	11,381	0	(5,632)	5,749	0	16,897	0	(5,516)	11,381	(299)	0	0	0	0
IT Equipment - Scanner	E6N0160847	30 months	2,064	0	(1,368)	696	(30)	3,404	0	(1,340)	2,064	(58)	0	0	0	0
IT Equipment - Switches	E6N0159185	9 months	0	0	0	0	0	6,381	0	(6,381)	0	(56)	0	0	0	0
IT Equipment - Laptops	E6N0159930	9 months	0	0	0	0	0	1,319	0	(1,319)	0	(11)	0	0	0	0
IT Equipment - Network Switches	New	TBD	0	32,069	(5,272)	26,797	(1,430)	0	0	0	0	0	0	0	0	0
Printer/Copier - Main Office	New	TBD	0	9,975	(1,995)	7,980	(549)	0	0	0	0	0	0	0	0	0
Printer/Copier - Dev Services	New	TBD	0	3,533	(707)	2,826	(193)	0	0	0	0	0	0	0	0	0
Law, order, public safety																
CESM Vehicle	9188385	25 months	16,848	0	(12,669)	4,179	(111)	33,350	0	(16,502)	16,848	(537)	0	0	0	0
Education and welfare																
IT Equipment - Laptops	009-0147653-003	48 months	7,144	0	(1,778)	5,366	(123)	0	7,290	(146)	7,144	(12)	0	0	0	0
Printer/Copier - Aeos	E6N0162061	15 months	741	0	(742)	(1)	(3)	3,670	0	(2,929)	741	(46)	0	0	0	0
Recreation and culture																
Gym Equipment - Cardio	E6N0162250	30 months	14,929	0	(9,901)	5,028	(217)	24,627	0	(9,698)	14,929	(420)	0	0	0	0
Gym Equipment - Spin Bikes	E6N0162200	30 months	6,289	0	(4,171)	2,118	(91)	10,374	0	(4,085)	6,289	(177)	0	0	0	0
Gym Equipment - Bikes	E6N0159802	18 months	1,142	0	(573)	569	(2)	3,391	0	(2,249)	1,142	(49)	0	0	0	0
IT Equipment - Desktops	E6N0160846	18 months	1,249	0	(1,250)	(1)	(7)	3,708	0	(2,459)	1,249	(54)	0	0	0	0
			90,452	45,577	(53,871)	82,158	(3,430)	114,803	34,367	(58,718)	90,452	(1,848)	0	0	0	0

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

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

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

8. 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 Net Transfers	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) Waste Management Reserve	1,535,974	0	(125,000)	1,410,974	1,469,228		66,746	0	1,535,974	1,430,705	31,149	0	1,461,854
(b) Bushfire Control & Management Reserve	2,282	0	0	2,282	2,282		0	0	2,282	2,282	0	0	2,282
(c) Aged Care Reserve	1,187,133	0	(42,180)	1,144,953	1,155,955		57,187	(26,009)	1,187,133	916,559	0	(190,536)	726,023
(d) Employee Entitlements Reserve	192,881	0	(7,500)	185,381	218,912	(8,000)	13,043	(31,074)	192,881	233,227	0	(16,250)	216,977
(e) Arbuthnott Memorial Scholarship Reserve	3,585	0	(300)	3,285	3,885		0	(300)	3,585	3,485	0	(200)	3,285
(f) Strategic Planning Studies Reserve	40,051	0	0	40,051	40,051		0	0	40,051	40,051	0	0	40,051
(g) Land Development Reserve	450,271	0	0	450,271	250,000		200,271	0	450,271	6,834	80,000	(250,000)	(163,166)
(h) Vehicle Reserve	402,000	212,000	(237,310)	376,690	511,275		320,000	(429,275)	402,000	321,634	320,000	(511,275)	130,359
(i) Roadworks Reserve	435,434	0	0	435,434	435,434		0	0	435,434	1,046,166	0	(300,969)	745,197
(j) Revaluation Reserve	10,700	0	0	10,700	950	(30,250)	40,000	0	10,700	950	40,000	0	40,950
(k) Central Business District Reserve	3,054	0	0	3,054	3,054		0	0	3,054	3,054	0	0	3,054
(l) Buildings Reserve	758,523	0	(511,307)	247,216	901,153	(81,148)	270,000	(331,482)	758,523	454,446	270,000	(659,232)	65,214
(m) Building Maintenance Reserve	0	0	0	0	0		0	0	0	232,298	0	0	232,298
(n) Apple Funpark Reserve	99,521	0	0	99,521	99,521		0	0	99,521	81,506	0	0	81,506
(o) Information Technology Reserve	107,523	0	(8,000)	99,523	119,523	(12,000)	0	0	107,523	84,698	0	(30,000)	54,698
(p) 27 Pay Period	0	0	0	0	0		0	0	0	0	10,000	0	10,000
(q) Unspent Grants Reserve	0	0	0	0	1,826,939		10,936	(1,837,875)	0	0	0	(467,870)	(467,870)
(r) Contribution To Works Reserve	0	0	0	0	328,641	(19,516)	0	(309,125)	0	0	0	0	0
(s) Park and Reserves Reserve	153,744	0	0	153,744	53,271	(49,527)	150,000	0	153,744	0	150,000	0	150,000
(t) Carried Forward Project Reserve	1,139,556	0	(200,616)	938,940	1,621,370	15,441	83,860	(581,115)	1,139,556	0	0	(229,364)	(229,364)
(u) COVID 19 Reserve	102,532	0	0	102,532	0	185,000		(82,468)	102,532	0	0	0	0
	6,624,764	212,000	(1,132,213)	5,704,551	9,041,444	0	1,212,043	(3,628,723)	6,624,764	4,857,895	901,149	(2,655,696)	3,103,348

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021
8. 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:

	Anticipated date of use	Purpose of the reserve
(a) Waste Management Reserve	Ongoing	To receive funds collected from the Shire's Waste Management levy for the purpose of providing waste management facilities.
(b) Bushfire Control & Management Reserve	Ongoing	To receive funds collected from the Shire's Fire Protection Levy for the purpose of providing fire fighting equipment to meet the needs of the district.
(c) Aged Care Reserve	Ongoing	Established to manage funds from aged housing schemes for the upgrade of Council managed aged housing facilities.
(d) Employee Entitlements Reserve	Ongoing	Established to provide funds for the payment of long service leave and grandfathered gratuity scheme entitlements.
(e) Arbuthnott Memorial Scholarship Reserve	Ongoing	To fund the payment of the Arbuthnott Scholarship.
(f) Strategic Planning Studies Reserve	Ongoing	Established to accumulate funds for engaging strategic studies / reports.
(g) Land Development Reserve	Ongoing	To fund the purchase of land for future community purposes.
(h) Vehicle Reserve	Ongoing	To accumulate funds for the acquisition and replacement of Council's vehicle fleet.
(i) Roadworks Reserve	Ongoing	Established to accumulate funds for the construction, renewal and major maintenance of road infrastructure.
(j) Revaluation Reserve	Ongoing	Established to accumulate funds for asset revaluations and rates gross rental valuation - General revaluation.
(k) Central Business District Reserve	Ongoing	To fund future Central Business District projects.
(l) Buildings Reserve	Ongoing	To accumulate funds for the construction, renewal and major maintenance of Council buildings.
(m) Building Maintenance Reserve	Closed	To provide for future Building maintenance in accordance with Council's Asset Management
(n) Apple Funpark Reserve	Ongoing	To receive donations and to provide for the future capital upgrade and maintenance of equipment and facilities at the Apple Funpark in Collins Street, Donnybrook.
(o) Information Technology Reserve	Ongoing	To accumulate funds for the acquisition and replacement of information technology equipment and software.
(p) 27 Pay Period	Closed	To provide funds for the additional cash outlay in each eleventh year when 27 pay fortnights occur instead of the normal 26
(q) Unspent Grants Reserve	Ongoing	To hold unexpended grants to be utilised in future financial periods.
(r) Contribution To Works Reserve	Closed	To hold contributions for future works.
(s) Park and Reserves Reserve	Ongoing	Established to accumulate funds for the construction, renewal and major maintenance of parks & reserves infrastructure.
(t) Carried Forward Project Reserve	Ongoing	Established to accumulate funds from projects carried into future financial years.
(u) COVID 19 Reserve	Ongoing	To fund initiatives and activities associated with the Shire's response and recovery from the COVID-19 pandemic

(c) Cash Backed Reserves - Change of Purposes

The purpose of the Land Development Reserve has been changed (effective from 1st July 2020) as follows:

Previous Purpose	Amount	New Purpose	Amount	Objects and Reasons for the Change
To fund the purchase of land for future community purposes.	450,271	To fund the purchase and/or development of land, buildings and infrastructure for future community purposes	450,271	To expand the purpose of the funds held in the Reserve to permit the funds to be applied to not just land but also improvements and structures built upon land.

9. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance	400	99	0
General purpose funding	49,800	51,478	48,580
Law, order, public safety	48,400	48,389	38,996
Health	149,873	147,407	149,868
Education and welfare	1,394,764	1,364,294	1,277,007
Community amenities	1,133,836	1,127,494	1,204,699
Recreation and culture	225,486	167,856	214,986
Transport	500	1,338	5,500
Economic services	151,315	127,912	121,791
Other property and services	100	0	0
	3,154,474	3,036,267	3,061,427

10. GRANT REVENUE

	Unspent grants, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability	Increase	Liability	Total	Current	2020/21	2019/20	2019/20
	1 July 2020	in Liability	Reduction (As revenue)	Liability 30 June 2021	Liability 30 June 2021	Budget	Actual	Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
Governance	0	0	0	0	0	63,062	0	25,089
General purpose funding	0	0	0	0	0	1,070,209	0	2,026,558
Law, order, public safety	60,421	0	(60,421)	0	0	534,382	0	548,684
Health	0	0	0	0	0	23,140	0	2,400
Education and welfare	504,469	0	(504,469)	0	0	2,585,758	0	2,504,978
Community amenities	0	0	0	0	0	1,100	0	2,000
Recreation and culture	0	0	0	0	0	36,043	0	111,726
Transport	0	0	0	0	0	197,810	0	0
Economic services	0	0	0	0	0	329,466	0	15,280
Other property and services	0	0	0	0	0	110,600	0	119,092
	564,890	0	(564,890)	0	0	4,951,570	0	5,355,807
(b) Non-operating grants, subsidies and contributions								
Law, order, public safety	0	0	0	0	0	62,241	535,099	987,536
Education and welfare	0	0	0	0	0	0	0	4,175,000
Community amenities	0	0	0	0	0	170,000	8,488	1,500,000
Recreation and culture	1,954,700	0	(1,954,700)	0	0	4,030,671	29,448	1,985,448
Transport	205,127	0	(16,032)	189,095	189,095	4,611,491	1,244,199	1,262,140
Economic services	0	0	0	0	0	120,000	0	0
	2,159,827	0	(1,970,732)	189,095	189,095	8,994,403	1,817,234	9,910,124
Total	2,724,717	0	(2,535,622)	189,095	189,095	13,945,973	1,817,234	15,265,931

(c) Unspent grants, subsidies and contributions were restricted as follows:

	Budget Closing Balance 30 June 2021	Actual Balance 30 June 2020
Contract Liability - Contribution to Works	189,095	205,127
Contract liability - Bridge Street project	0	504,469
Contract Liability - Town centre revitalisation project	0	1,954,700
Contract Liability - Contribution to future Emergency Services	0	60,421
	189,095	2,724,717

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

11. 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
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
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	kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

12. OTHER INFORMATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	65,000	69,496	80,000
- Other funds	30,000	29,819	55,000
Other interest revenue (refer note 1b)	54,000	72,078	65,500
	149,000	171,393	200,500
(b) Other revenue			
Reimbursements and recoveries	1,650	283,723	184,019
	1,650	283,723	184,019
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	26,600	23,175	0
Other audit services by external auditor	1,000	950	0
Other audit services - non external auditor	3,000	3,250	0
	30,600	27,375	0
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	12,521	8,146	1,142
Interest expense on lease liabilities	3,430	1,848	0
	15,951	9,994	1,142
(e) Elected members remuneration			
Meeting fees	90,966	90,246	90,966
Mayor/President's allowance	10,008	10,008	10,008
Deputy Mayor/President's allowance	2,502	2,502	2,502
Travelling expenses	8,850	6,596	12,000
Telecommunications allowance	16,302	11,518	15,102
Uniform Allowance	900	289	900
	129,528	121,159	131,478
(f) Write offs			
General rate	1,000	6,513	8,579
Fees and charges	0	512	0
	1,000	7,025	8,579

13. INTERESTS IN JOINT ARRANGEMENTS

The Shire of Donnybrook / Balingup is involved with the Education Department of Western Australia and Homeswest in the following Joint Venture Projects.

(a) Council has a 50% Equity in the Donnybrook Resource Centre situated on Education Department Land (Reserve 24032) in Bentley Street, Donnybrook. Operational and maintenance costs of the Centre are apportioned between Council and the Education Department based on estimated usage patterns.

(b) Arrangements with Homeswest relate to four Well Aged housing complexes located on South Western Highway, Donnybrook. Council is required to recognise any trading surplus from the operation of these units as Restricted Assets and is further required to maintain a Contingency Reserve future major maintenance.

Minninup Cottages, Units 5-8 (lot 486) built in 1982/83, Council Equity - 34.48%, Homeswest Equity - 65.52%
 Minnip Cottages, Units 9-12 (lot 479) built in 1992/93, Council Equity - 15.2%, Homeswest Equity - 84.8%
 Langley Villas, Units 1-6 (lot 100) built in 1994/95, Council Equity - 20.8%, Homeswest Equity - 79.2%
 Langley Villas, Units 7-9 (lot 100) built in 2001/2002, Council Equity - 35.98%, Homeswest Equity - 64.02%

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Non-current assets			
Land and Building	2,350,169	2,205,533	0
Less: accumulated depreciation	(169,800)	(125,689)	0
	2,180,369	2,079,844	0

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 Donnybrook Balingup'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
	\$	\$	\$	\$
Public Open Space Contributions	133,795	0	0	133,795
	133,795	0	0	133,795

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.