



**CORPORATE & GOVERNANCE  
DIRECTORATE**

# **APPENDICES**

**Items: 12.4.1 – 12.4.6**

# **ORDINARY COUNCIL MEETING**

To Be Held

**Wednesday, 30<sup>th</sup> of June 2021  
Commencing at 5.00pm**

At

**Shire of Dardanup  
ADMINISTRATION CENTRE EATON  
1 Council Drive - EATON**

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Upon request.



RISK ASSESSMENT TOOL									
<b>OVERALL RISK EVENT:</b>		Annual Review of Delegations 2021							
<b>RISK THEME PROFILE:</b>		3 - Failure to Fulfil Compliance Requirements (Statutory, Regulatory)							
		4 - Document Management Processes							
<b>RISK ASSESSMENT CONTEXT:</b>		Operational							
CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL			RESIDUAL RISK RATING
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD		
HEALTH	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	Not required.
FINANCIAL IMPACT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	Not required.
SERVICE INTERRUPTION	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	Not required.
LEGAL AND COMPLIANCE	Local Government Act 1995 compliance requirement to review delegations annually	Major (4)	Rare (1)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.	Not required.
REPUTATIONAL	Notification from Dept. Local Government Non Compliance.	Moderate (3)	Rare (1)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.	Not required.
ENVIRONMENT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	Not required.

## 1.2 Council to CEO

<b>Delegation</b>	<b>1.2.1 Appoint Authorised Persons – Local Government Act 1995</b> <b>Delete</b> <b>Moved 1.3.14 Under “CEO TO EMPLOYEES”</b>
<b>Category</b>	Administration/Business
<b>Head of power</b>	01- Local Government Act 1995
<b>Delegator</b>	Council- <del>Chief Executive Officer-</del>
<b>Express power to delegate</b>	<b>Local Government Act 1995:</b> s.5.42 Delegation of some powers or duties to the CEO s.5.43 Limitations on delegations to the CEO
<b>Express power or duty delegated</b>	<b>Local Government Act 1995:</b> s.3.24 Authorising persons under this subdivision [Part 3, Division 3, Subdivision 2 – Certain provisions about land] s.9.10 Appointment of authorised persons
<b>Function</b>	Refer to new delegation 1.3.14 [below]
	<p>1. Authority to appoint persons or classes of persons as authorised persons for the purpose of fulfilling prescribed functions within the Local Government Act 1995 and its subsidiary legislation, including Local Government Act Regulations, the Local Government (Miscellaneous Provisions) Act 1960 and Local Laws made under the Local Government Act. [s.3.24 and s.9.10].</p> <p>2. Authority to appoint ‘authorised officers’ under Regulation 70(2) of the Building Regulations 2012 and section 9.16 of the Local Government Act 1995 for the purposes of issuing Building Act 2011 Infringement Notices in accordance with section 6(b) of the Criminal Procedures Act 2004. (Building Reg.70(2) prescribes s.9.10(1) of the Local Government Act 1995 as the enabling power for appointment of ‘authorised officers’.)</p> <p>Authority to appoint authorised person for the purposes of the Graffiti Vandalism Act 2016, which prescribes Part 9 of the Local Government Act 1995 as the enabling power [s.15 of the Graffiti Vandalism Act 2016].</p>
<b>Delegates</b>	CEO
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• A register of Authorised Persons is to be maintained as a Local Government Record.</li> <li>• Only persons who are appropriately qualified and trained may be appointed as authorised persons.</li> </ul>
<b>Express power to subdelegate</b>	<b>Local Government Act 1995:</b> s.5.44 CEO may delegate some powers and duties to other employees
<b>Subdelegate conditions</b>	Nil
<b>Statutory framework</b>	Nil
<b>Policy</b>	Nil



## (Appendix ORD: 12.4.1B)

<b>Record-keeping</b>	<p>Instruments or Certificates of Authorisation – Copies are to be retained on the Authorised Person's personnel file.</p> <p>A record of each Authorisation is to be retained in the Authorised Persons Register, retained as a Local Government Record.</p>
<b>Date adopted</b>	24 June 2020
<b>Adoption references</b>	Adopted by Council at the Shire of Dardanup OCM held 24 June 2020, by resolution 157-20

## (Appendix ORD: 12.4.1B)

<b>Delegation</b>	<b>Replaces Deleted Delegation 1.2.1</b> <b>1.3.14 Appoint Authorised Persons - Local Government Act 1995</b>
<b>Category</b>	Administration/Business
<b>Head of power</b>	01. Local Government Act 1995
<b>Delegator</b>	<b>Chief Executive Officer</b>
<b>Express power to delegate</b>	<b>Local Government Act 1995:</b> s.5.44 Delegation of some powers or duties to the CEO s.5.45 Limitations on delegations to the CEO
<b>Express power or duty delegated</b>	<b>Local Government Act 1995:</b> s.3.24 Authorising persons under this subdivision [Part 3, Division 3, Subdivision 2 – Certain provisions about land] s.9.10 Appointment of authorised persons
<b>Function</b>	<p>1. Authority to appoint persons or classes of persons as authorised persons [s.3.24 and s.9.10] for the purpose of fulfilling functions of an authorised person prescribed in the following legislation inclusive of subsidiary legislation made under each Act i.e. Regulations:</p> <ul style="list-style-type: none"> <li>(a) Local Government Act 1995 and its subsidiary legislation, including Local Government Act Regulations, the Local Government (Miscellaneous Provisions) Act 1960 and Local Laws made under the Local Government Act.</li> <li>(b) Caravan Parks and Camping Grounds Act 1995;</li> <li>(c) Cat Act 2011;</li> <li>(d) Cemeteries Act 1986;</li> <li>(e) Control of Vehicles (Off-road Areas) Act 1978;</li> <li>(f) Dog Act 1976;</li> <li>(g) Graffiti Vandalism Act 2016 – refer s.15; and</li> <li>(e) any other legislation prescribed for the purposes of s.9.10 of the Local Government Act 1995.</li> </ul> <p>2. Authority to appoint authorised persons for the purposes of section 9.16 of the Local Government Act 1995, as a precondition for appointment as authorised officers in accordance with Regulation 70(2) of the Building Regulations 2012 and section 6(b) of the Criminal Procedure Act 2004.</p>
<b>Delegates</b>	CEO
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• A register of Authorised Persons is to be maintained as a Local Government Record.</li> <li>• Only persons who are appropriately qualified and trained may be appointed as authorised persons.</li> </ul>
<b>Express power to subdelegate</b>	<b>Local Government Act 1995:</b> s.5.44 CEO may delegate some powers and duties to other employees
<b>Subdelegate conditions</b>	Nil
<b>Statutory framework</b>	Nil
<b>Policy</b>	Nil

## (Appendix ORD: 12.4.1B)

<b>Delegation</b>	<b>Replaces Deleted Delegation 1.2.1</b> <b>1.3.14 Appoint Authorised Persons - Local Government Act 1995</b>
<b>Record keeping</b>	Instruments or Certificates of Authorisation – Copies are to be retained on the Authorised Person's personnel file.  A record of each Authorisation is to be retained in the Authorised Persons Register, retained as a Local Government Record.
<b>Date adopted</b>	30-June 2021
<b>Adoption references</b>	Adopted by Council at the Shire of Dardanup OCM held 30 June 2021, by resolution ???-21.

Cat Act 2011

4.1 Council to CEO

<b>Delegation</b>	<b>To be deleted as this is now covered under Section 9.10 of the Local Government Act 1995 – refer to Delegation 1.3.14</b> <b><del>4.1.4 Appoint Authorised Persons – Cat Act 2011</del></b>
<b>Category</b>	Law Enforcement
<b>Head of power</b>	04- Cat Act 2011
<b>Delegator</b>	Council
<b>Express power to delegate</b>	<b><del>Cat Act 2011:</del></b> s.44 Delegation by local government
<b>Express power or duty delegated</b>	<b><del>Cat Act 2011:</del></b> s. 48 Authorised persons
<b>Function</b>	<del>Authority to appoint authorised persons by issuing a certificate of authorisation [s.48].</del>
<b>Delegates</b>	CEO
<b>Conditions</b>	Nil
<b>Express power to subdelegate</b>	<b><del>Cat Act 2011:</del></b> s.45 Delegation by CEO of local government
<b>Subdelegate conditions</b>	Nil
<b>Statutory framework</b>	Nil
<b>Policy</b>	Nil
<b>Record keeping</b>	<del>Delegates exercising powers given by delegation are to keep records of exercised delegation in the – ‘Executed Delegations Register’.</del>
<b>Date adopted</b>	24 June 2020
<b>Adoption references</b>	Adopted by Council at the Shire of Dardanup OCM held 24 June 2020, by resolution 157-20

## (Appendix ORD: 12.4.1B)

Dog Act 1976

5.1 Council to CEO

<b>Delegation</b>	<b>To be deleted as this is now covered under Section 9.10 of the Local Government Act 1995 – refer to Delegation 1.3.14</b> <b><del>5.1.4 Appoint Authorised Persons – Dog Act 1976</del></b>
<b>Category</b>	Law-Enforcement
<b>Head of power</b>	<del>05- Dog Act 1976</del>
<b>Delegator</b>	Council
<b>Express power to delegate</b>	<b><del>Dog Act 1976:</del></b> <del>s.10AA Delegation of local government powers and duties</del>
<b>Express power or duty delegated</b>	<b><del>Dog Act 1976:</del></b> <del>s.11(1) Staff and Services</del>
<b>Function</b>	<del>1. Authority to appoint Registration Officers to exercise the powers and duties conferred on a Registration Officer by this Act [s.3].</del> <del>2. Authority to appoint authorised persons to exercise the powers conferred on an authorised person by this Act [s.11(1)].</del>
<b>Delegates</b>	CEO
<b>Conditions</b>	<del>The Chief Executive Officer may further delegate (sub-delegate) to employees which the CEO has determined as being suitably capable of fulfilling the powers and duties contained in this Delegation.</del>
<b>Express power to subdelegate</b>	<b><del>Dog Act 1976:</del></b> <del>s.10AA(3) Delegation of local government powers and duties</del> <del>(NOTE – sub-delegation only permitted where delegation to the CEO expressly authorises sub-delegation)</del>
<b>Subdelegate conditions</b>	Nil
<b>Statutory framework</b>	Nil
<b>Policy</b>	Nil
<b>Record keeping</b>	<del>Delegates exercising powers given by delegation are to keep records of exercised delegation in the – ‘Executed Delegations Register’.</del>
<b>Date adopted</b>	<del>24 June 2020</del>
<b>Adoption references</b>	<del>Adopted by Council at the Shire of Dardanup OCM held 24 June 2020, by resolution 157-20</del>

# (Appendix ORD: 12.4.2B)

RISK ASSESSMENT TOOL									
<b>OVERALL RISK EVENT:</b>		2021-2022 Budget Adoption							
<b>RISK THEME PROFILE:</b>		3 - Failure to Fulfil Compliance Requirements (Statutory, Regulatory)							
<b>RISK ASSESSMENT CONTEXT:</b>		Operational							
CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL			RESIDUAL RISK RATING
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING	
HEALTH	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	Not required.
FINANCIAL IMPACT	The financial implications associated within the elements of the Annual Budget can affect the financial sustainability of Council.	Minor (2)	Possible (3)	Moderate (5 - 11)	Not required.	Not required.	Not required.	Not required.	Not required.
SERVICE INTERRUPTION	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not Required - No Risk Identified	N/A	Not Required - No Risk Identified	N/A
LEGAL AND COMPLIANCE	Legislative requirements and compliance determine the need for the production of an Annual Budget	Minor (2)	Possible (3)	Moderate (5 - 11)	Not required.	Not Required - No Risk Identified	N/A	Not Required - No Risk Identified	N/A
REPUTATIONAL	The inclusion of projects and works within the various plans within the Annual Budget build community expectation.	Minor (2)	Possible (3)	Moderate (5 - 11)	Not required.	Not Required - No Risk Identified	N/A	Not Required - No Risk Identified	N/A
ENVIRONMENT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not Required - No Risk Identified	N/A	Not Required - No Risk Identified	N/A

# (Appendix ORD: 12.4.3A)



POLICY NO:-

**CnG CP098 - COVID19 FINANCIAL HARDSHIP POLICY FOR RATES AND SUNDRY DEBTORS**

GOVERNANCE INFORMATION			
Procedure Link:	NA	Administrative Policy Link:	NA

ADMINISTRATION INFORMATION					
History:					
Version:	1		OCM 27/05/20	Res: 126-20	Synopsis: Policy Created
Version	2	CnG CP002	OCM 30/09/20	Res: 270-20	Synopsis Reviewed and Adopted by Council
Version	3	CnG CP002	OCM 30/06/21	Res	

## 1. RESPONSIBLE DIRECTORATE

Corporate & Governance

## 2. PURPOSE OR OBJECTIVE

To give effect to our commitment to support the whole community to meet the unprecedented challenges arising from the COVID19 pandemic, the Shire of Dardanup recognises that these challenges will result in financial hardship for our ratepayers and sundry debtors.

The COVID-19 Financial Hardship Policy outlines how the Shire will assist residential ratepayers and sundry debtors experiencing financial hardship. The Policy is intended to ensure that we offer fair, equitable, consistent and dignified support to ratepayers and sundry debtors suffering hardship, while treating all members of the community with respect and understanding at this difficult time.

The purpose of this policy is to:

- a. Enable a ratepayer liable for rates and service charges, who is experiencing financial hardship, to make application for assistance relating to any unpaid rates or service charges levied on their residential property under the Local Government Act 1995;
- b. Enable a person liable for outstanding sundry debtor charges, who are experiencing financial hardship, to make application for assistance relating to any unpaid charged billed through the Shire's sundry debtor system; and
- c. Ensure all rates and sundry debtors are treated fairly and consistently with respect and compassion when the Shire is considering their circumstances in recognising financial hardship.

## 3. DEFINITIONS

In the context of this Policy, the following terms shall be used.

TERM	DEFINITION
Financial Hardship	Where a change in a person's circumstances results in them being unable to pay rates and service charges, or a sundry debtor account, and if paying their rates or debtors account will affect their ability to meet their basic living needs - in short, if the debtor has the intention but not the financial capacity to pay.

# (Appendix ORD: 12.4.3A)

TERM	DEFINITION
Outstanding Rates and Service Charges	A rate or service charge that becomes due and payable as determined by the Local Government, but not earlier than 35 days after the date noted on the rates notice as the date the rates notice was issued.
Overdue Rates	Rates that remain unpaid after they are due and payable are referred to as 'overdue rates' in this policy.
Payment Difficulties, Hardship and Vulnerability	Adapted from the Ombudsman Western Australia publication, <i>Local government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance</i> : <a href="http://www.ombudsman.wa.gov.au/">http://www.ombudsman.wa.gov.au/</a>
Rates Debtor	A rates debtor is defined as a ratepayer of the Shire.
Sundry Debtor	A sundry debtor is a person, corporation, business or other entity owing money to the Shire.

## 4. POLICY

This policy applies to:

- a. Outstanding rates and service charges (overdue rates) as at the date of adoption of this policy;
- b. Rates and service charges levied for the ~~2020/21~~ 2021/22 financial year; and
- c. Outstanding sundry debtor accounts as at the date of adoption of this policy.

It is a reasonable community expectation, as we deal with the effects of the pandemic that those with the capacity to pay rates will continue to do so. For this reason the Policy is not intended to provide rate relief to ratepayers or sundry debtors who are not able to evidence financial hardship and the statutory provisions of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* will apply.

- **Policy Statement**

### 4.1 Payment difficulties, hardship and vulnerability

Payment difficulties, or short term financial hardship, occur where a change in a person's circumstances result in an inability to pay a rates or service charge debt.

Financial hardship occurs where a person is unable to pay rates and service charges without affecting their ability to meet their basic living needs, or the basic living needs of their dependants. The Shire of Dardanup recognises the likelihood that COVID19 will increase the occurrence of payment difficulties, financial hardship and vulnerability in our community. This policy is intended to apply to all ratepayers and sundry debtors experiencing financial hardship regardless of their status, be they a property owner, tenant, business owner etc.

### 4.2 Anticipated Financial Hardship due to COVID19

We recognise that many ratepayers are already experiencing financial hardship due to COVID-19. We respect and anticipate the probability that additional financial difficulties will arise when their rates are received in the ~~2020/21~~ 2021/22 financial year.



# (Appendix ORD: 12.4.3A)

We will write to ratepayers at the time their account falls into arrears, to advise them of the terms of this policy and encourage eligible ratepayers to apply for hardship consideration. Where possible and appropriate, we will also provide contact information for a recognised financial counsellor and/or other relevant support services.

## 4.3 Financial Hardship Criteria

While evidence of hardship will be required, we recognise that not all circumstances are alike. We will take a flexible approach to a range of individual circumstances including, but not limited to, the following situations:

- Recent unemployment or under-employment;
- Sickness or recovery from sickness;
- Low income or loss of income; and
- Unanticipated circumstances such as caring for and supporting extended family

Ratepayers and sundry debtors are encouraged to provide any information about their individual circumstances that may be relevant for assessment. This may include demonstrating a capacity to make some payment and where possible, entering into a payment proposal. We will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying our statutory responsibilities.

## 4.4 Payment Arrangements

Payment arrangements facilitated in accordance with Section 6.49 of the Act are of an agreed frequency and amount. These arrangements will consider the following:

- That a ratepayer has made genuine effort to meet rate and service charge obligations in the past;
- The payment arrangement will establish a known end date that is realistic and achievable; and
- The ratepayer will be responsible for informing the Shire of Dardanup of any change in circumstance that jeopardises the agreed payment schedule.

In the case of severe financial hardship, we reserve the right to consider waiving additional charges or interest (excluding the late payment interest applicable to the Emergency Services Levy).

## 4.5 Interest Charges

A ratepayer that meets the Financial Hardship Criteria and enters into a payment arrangement may request a suspension or waiver of interest charges. Applications will be assessed on a case by case basis.

## 4.6 Deferral of Rates

Deferral of rates may apply for ratepayers who have a Pensioner Card, State Concession Card or Seniors Card and Commonwealth Seniors Health Care Card registered on their property; eligible pensioners must hold 100% equity in the property as per the *Rates and Charges (Rebates and Deferrals) Act 1992*. The deferred rates balance:

- Remains as a debt on the property until paid;
- Becomes payable in full upon the passing of the pensioner or if the property is sold or if the pensioner ceases to reside in the property;
- May be paid at any time, BUT the concession will not apply when the rates debt is subsequently paid (deferral forfeits the right to any concession entitlement); and
- Does not incur penalty interest charges.

# (Appendix ORD: 12.4.3A)

## 4.7 Debt recovery

We will suspend our debt recovery processes whilst negotiating a suitable payment arrangement with a debtor. Where a debtor is unable to make payments in accordance with the agreed payment plan and the debtor advises us and makes an alternative plan before defaulting on the 3<sup>rd</sup> due payment, then we will continue to suspend debt recovery processes.

Where a ratepayer has not reasonably adhered to the agreed payment plan, then for any Rates and Service Charge debts that remain outstanding on 1 July ~~2021~~ 2022, we will offer the ratepayer further opportunity of adhering to a payment plan that will clear the total debt by the end of the ~~2021/2022~~ 2022/23 financial year.

Rates and service charge debts that remain outstanding at the end of the ~~2021/22~~ 2022/23 financial year, will then be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*.

## 4.8 Review

The Shire will establish a mechanism for review of decisions made under this Policy, and advise the applicant of their right to seek review and the procedure to be followed.

## 4.9 Communication and Confidentiality

The Shire will maintain confidential communications at all times and we undertake to communicate with a nominated support person or other third party at your request.

The Shire will advise ratepayers of this policy and its application, when communicating in any format (i.e. verbal or written) with a ratepayer that has an outstanding rates or service charge debt.

The Shire recognises that applicants for hardship consideration are experiencing additional stressors, and may have complex needs. The Shire will provide additional time to respond to communication and will communicate in alternative formats where appropriate. We will ensure all communication with applicants is clear and respectful.

## 5. REFERENCE DOCUMENTS

Local Government Act 1995 – s6.44

Local Government (Financial Management) Regulations 1996

Rates and Charges (Rebates and Deferments) Act 1992

Ombudsman WA Report – Local Government Collection of Overdue Rates for People in Situations of Vulnerability: Good Practice Guide.

# (Appendix ORD: 12.4.3B)

RISK ASSESSMENT TOOL									
<b>OVERALL RISK EVENT:</b> CnG CP098 – COVID19 Financial Hardship Policy for Rates and Sundry Debtors <b>RISK THEME PROFILE:</b> 2 - Business and Community Disruption 3 - Failure to Fulfill Compliance Requirements (Statutory, Regulatory)									
<b>RISK ASSESSMENT CONTEXT:</b> Operational									
CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL			
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING	
HEALTH	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	
FINANCIAL IMPACT	Risk of Council not receiving 2021/22 Rates Revenue in a timely manner may affect operational requirements for next financial year.	Moderate (3)	Possible (3)	Moderate (5 - 11)	Not required.	Not required.	Not required.	Not required.	
SERVICE INTERRUPTION	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	
LEGAL AND COMPLIANCE	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	
REPUTATIONAL	Council may be perceived as uncompassionate, uncaring or indifferent if no policy is in place for ratepayers and sundry debtors affected by extreme or severe financial hardship due to the COVID19 pandemic.	Minor (2)	Possible (3)	Moderate (5 - 11)	Not required.	Not required.	Not required.	Not required.	
ENVIRONMENT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	

# (Appendix ORD: 12.4.4A)



POLICY NO:-
<b>CP128 – SIGNIFICANT ACCOUNTING POLICIES</b>

GOVERNANCE INFORMATION			
Procedure Link:	NA	Council Policy Link:	NA

ADMINISTRATION INFORMATION					
History:					
Version:	1	CP128	OCM 27/11/19	Res: 348-19	Synopsis: Council Policy Document endorsed
Version:	2	CnG CP128	OCM 30/09/20	Res: 270-20	Synopsis: Reviewed and Adopted by Council
Version:	3	CnG CP128	OCM 30/06/21	Res:	

## 1. RESPONSIBLE DIRECTORATE

Corporate & Governance

## 2. PURPOSE OR OBJECTIVE

The purpose of this policy is summarise the significant accounting policies that form part of the notes that accompany the Shire of Dardanup's statutory budgets and financial statements, describing the key policies being followed by financial and asset management services.

The Policy summary is mandated by the applicable accounting framework (such as AASB or LG Act). These frameworks require an entity to disclose its most important or significant accounting policies, the appropriateness of those policies, and how they impact the reported financial position of the entity.

Deleted: '

## 3. REFERENCE DOCUMENTS

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Generally Accepted Accounting Principles (GAAP) - is a framework of accounting standards, rules and procedures defined by the professional accounting industry.

International Financial Reporting Standards (IFRS) - are a set of international accounting standards stating how particular types of transactions and other events should be reported in financial statements.

Australian Accounting Standards Board (AASB) – Australian Accounting Standards

## 4. POLICY

### 4.1 Basis of Preparation

The financial report comprises general purpose financial statements which have 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. The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. ~~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 financial report. 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.~~

# (Appendix ORD: 12.4.4A)

~~Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report 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.~~

All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

## • The Local Government Reporting Entity

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

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 in the Notes of the financial statements.

## • Initial Application of Accounting Standards

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations. These were:

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

The adoption of these standards had no material impact on the financial report.

## • New Accounting Standards for Application in Future Years

~~On 1 July 2020~~ The following new accounting standards ~~are to be adopted~~ will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current
  - AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
  - AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies or Definition of Accounting Estimates
- ~~— AASB 1059 Service Concession Arrangements: Grantors~~  
~~— AASB 2018-7 Amendments to Australian Accounting Standards – Materiality~~

~~AASB 1059 Service Concession Arrangements: Grantors is not expected to impact the financial report. Specific impacts of AASB 2018-7 Amendments to Australian Accounting Standards – Materiality, have not been identified.~~

It is not expected these standards will have an impact on the financial report.

## • Critical Accounting Estimates

The preparation of a financial report 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.

## 4.2 SIGNIFICANT ACCOUNTING POLICIES

### (a) Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature. Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

### (b) 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.

### (c) Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

### (d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less 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 reported as short term borrowings in current liabilities in the statement of financial position.

### (e) Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

### (f) Other 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.

### (g) Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise at fair value gains and losses through other comprehensive income.

### (h) Impairment and risk

# (Appendix ORD: 12.4.4A)

Information regarding impairment and exposure to risk can be found in the Notes.

## **(i) Trade and other receivables**

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

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

## **(j) Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in the Notes.

## **(k) Classification and subsequent measurement**

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.

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

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

## **(l) General - Inventories**

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.

## **(m) Land held for resale**

Land held for development and resale 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.

## **(n) Other current assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

## **(o) Non-current assets held for sale current assets**

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

## **(p) Fixed assets**

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

## (q) Initial recognition and measurement between mandatory revaluation dates

Assets for which the fair value as the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulations 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.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at ~~no zero~~ cost or ~~otherwise significantly less than fair value, for nominal consideration,~~ cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets ~~that are land, buildings, infrastructure and investment properties~~ acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

## (r) Revaluation

The fair value of ~~land, buildings, infrastructure and investment properties~~ ~~fixed assets~~ is determined at least every ~~three to~~ five years in accordance with the regulatory framework. ~~or when Council is of the opinion that the fair value of an asset is materially different from its carrying amount. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.~~

~~Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.~~

## (s) Australian Accounting Standards – Inconsistency - ~~Land under control~~ Revaluation

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

~~In accordance with Local Government (Financial Management) Regulation 16(a)(iii), the Shire was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.—~~

~~Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.—~~

## (t) Land under roads from 1 July 2019



# (Appendix ORD: 12.4.4A)

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

~~In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.~~

~~Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.~~

~~In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.~~

~~Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.~~

~~Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire.~~

## (u) Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with the *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to the Notes that details the significant accounting policies applying to leases (including right-of-use assets).

## (u v) Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

## (v w) Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

<u>Asset Class</u>	<u>Useful Life</u>
<b>Buildings:</b>	
- Sub-structure	50 18 to 100 90 years

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# (Appendix ORD: 12.4.4A)

- Super-structure	<del>8-15</del> to <del>100</del> 75 years
- Roof	<del>25</del> 14 to <del>100</del> 68 years
- Finishing & Fittings	8 to <del>75</del> 38 years
- Services (mechanical, hydraulic, electrical, fire)	<del>10</del> 11 to <del>75</del> 53 years
- Site surround works	<del>10 to</del> <del>75</del> 30 years

<b>Land:</b>	Not depreciated
<b>Furniture and Equipment:</b>	4 to 10 years
<b>Plant and Equipment:</b>	5 to 10 years
<b>Motor Vehicles:</b>	4 to 5 years
Works in Progress	Not depreciated

## **Infrastructure Assets:**

### Sealed Roads and Streets

- Roads – Formation	Not depreciated
- Roads – Pavement	30 to 80 years
- Roads – Seal: Bitumen	20 years
- Roads – Seal: Asphalt	40 years
- Roads – Seal: Brick Paving	40 years
- Roads – Kerbing	60 years
- Roads – Drainage	40 years

### Gravel Roads

- Roads – Formation	Not depreciated
- Roads – Pavement	10 to 20 years

### Parks and Reserves

- Playgrounds	15 years
- Furniture	15 years
- Turf	20 years
- Gardens	15 years
- Irrigation	12 to 40 years
- Sporting equipment	15 to 25 years
- Rubbish bin enclosures	15 years
- Marine structures	20 years
- Other Structures	15 to 80 years

# (Appendix ORD: 12.4.4A)

## Bridges

- Timber ~~60~~ 80 years
- Other 100 years

## Pathways

- Concrete 50 years
- Limestone 15 years
- Paving 25 years
- Asphalt 20 years
- Timber 30 years

## Stormwater Drainage

50 to 75 years

## Car Parks

### *Based on Sealed Roads*

- Roads – Formation Not depreciated
- Roads – Pavement 30 to 80 years
- Roads – Seal: Bitumen 20 years
- Roads – Seal: Asphalt 40 years
- Roads – Seal: Brick Paving 40 years
- Roads – Kerbing 60 years
- Roads – Drainage 40 years

## Lighting

5 to 25 years.

### **(w x) Depreciation on revaluation**

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

### **(x y) Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for ~~sale~~ use.

# (Appendix ORD: 12.4.4A)

The residual value of intangible assets is considered to be zero and the useful life 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 and in the note above.

## **(y z) Leases – right of use assets**

At inception of a contract, the Shire assesses if the contract contains or is 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 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.

~~Right of use assets are subsequently measured under the revaluation model as they relate to asset classes that are also revalued. Right of use assets are depreciated over the lease term or useful life of the underlying asset, whichever is shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right of use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.~~

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for the right of use assets are secured over the asset being leased.

## **(aa) Right-of-use assets - valuation**

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to the Notes for details on the significant accounting policies applying to vested improvements.

## **(ab) Right-of-use assets - depreciation**

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchased option, the specific asset is amortised over the useful life of the underlying asset.

## **(ac) The Shire as Lessor**

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Entity applies AASB 15 to allocate consideration under the contract to each component.

# (Appendix ORD: 12.4.4A)

## **(z ad) Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Shire are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probably future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Direct attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

## **(aa ae) 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 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.

## **(ab af) Prepaid rates**

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

## **(ae ag) Contract liabilities**

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

## **(ah) Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity**

Grant liabilities represent the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

## **(ed ei) Financial liabilities**

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

# (Appendix ORD: 12.4.4A)

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

## (ae aj) 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.

## (ef ak) Risk

Information regarding exposure to risk can be found in the Notes.

## (eg-cl) Employee benefits

### • Short-term employee benefits

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

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

### • Other long-term employee benefits

~~The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.~~

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

### • Provisions

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

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

## (ah am) Leases

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# (Appendix ORD: 12.4.4A)

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

## **(ai an) 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 arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

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

## **(ej ao) Investment in associates**

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate. When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

## **(ak ap) Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period. ~~or, where earlier, upon receipt of the rates.~~

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

## **(al aq) Goods and services tax (GST)**

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# (Appendix ORD: 12.4.4A)

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.

## **(am ar) Current and non-current classification**

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 or non-current based on the Shire's intentions to release for sale.

## **(an as) Rounding off figures**

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

## **(ee at) Comparative figures**

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

## **(ep au) Budget comparative figures**

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

## **(ee av) Superannuation**

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

## **(af aw) Fair value of assets and liabilities**

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).



# (Appendix ORD: 12.4.4A)

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

## **(es ax) Fair value hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

### - **Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

### - **Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

### - **Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

## • **Valuation techniques**

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

### • **Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

### • **Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

### • **Cost approach**

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

## **(ef ay) Impairment of assets**

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## (Appendix ORD: 12.4.4A)

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

**RISK ASSESSMENT TOOL****OVERALL RISK EVENT:** CnG CP128 – Significant Accounting Policies Policy Update**RISK THEME PROFILE:**

- 1 - Asset Sustainability Practices
- 3 - Failure to Fulfil Compliance Requirements (Statutory, Regulatory)

**RISK ASSESSMENT CONTEXT:** Strategic

CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL		
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING
HEALTH	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
FINANCIAL IMPACT	Ad-hoc financial management practices lead to non-compliance with Australian Accounting Standards, Local Government Act 1995 and Local Government (Financial Management) Regulations 1996.	Moderate (3)	Possible (3)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.
SERVICE INTERRUPTION	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
LEGAL AND COMPLIANCE	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.
REPUTATIONAL	Non-compliance will impact on the Shire's business reputation.	Minor (2)	Possible (3)	Moderate (5 - 11)	Not required.	Not required.	Not required.	Not required.
ENVIRONMENT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	Choose an item.	Not required.	Not required.	Not required.	Not required.

# (Appendix ORD: 12.4.5A)

<b>RISK ASSESSMENT TOOL</b>									
<b>OVERALL RISK EVENT:</b> Failing to monitor the financial performance can increase the risk of a negative impact on the Shire's financial position. Non-compliance with legislative requirement could result in a qualified audit.									
<b>RISK THEME PROFILE:</b>									
3 - Failure to Fulfil Compliance Requirements (Statutory, Regulatory)									
<b>RISK ASSESSMENT CONTEXT:</b> Operational									
CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL			RESIDUAL RISK RATING
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD		
HEALTH	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	Not required.
FINANCIAL IMPACT	Not monitoring ongoing financial performance would increase the risk of a negative impact on the financial position.	Moderate (3)	Unlikely (2)	Moderate (5 - 11)	Not required.	Not required.	Not required.	Not required.	Not required.
SERVICE INTERRUPTION	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	Not required.
LEGAL AND COMPLIANCE	Non-compliance with the legislative requirements that results in a qualified audit.	Minor (2)	Unlikely (2)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.	Not required.
REPUTATIONAL	Non-compliance that results in a qualified audit can lead stakeholders to question the Council's ability to manage finances effectively.	Insignificant (1)	Unlikely (2)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.	Not required.
ENVIRONMENT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	Not required.

# (Appendix ORD: 12.4.5B)



## Monthly Financial Report

For the Period

1 July 2020 to 31 May 2021

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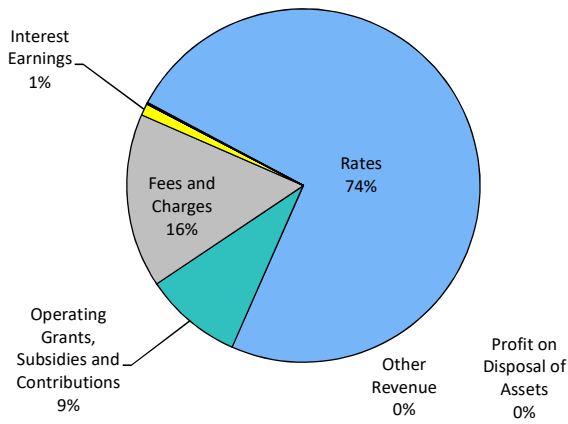
# Appendix ORD: 12.4.5B



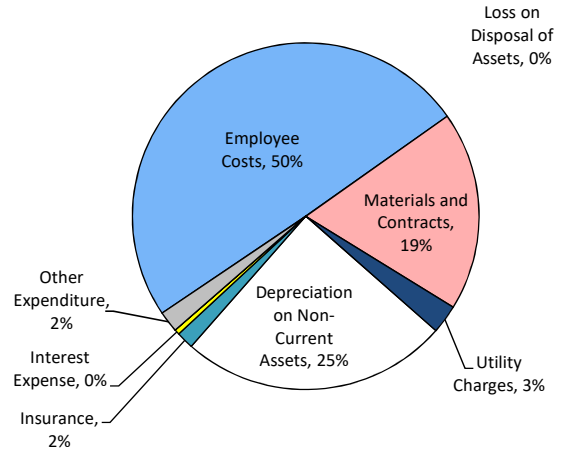
## Monthly Financial Report For the Period Ended 31 May 2021

### SUMMARY GRAPHS

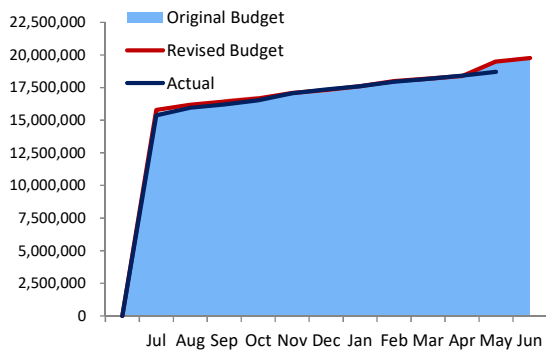
**OPERATING REVENUE - ACTUAL YTD**



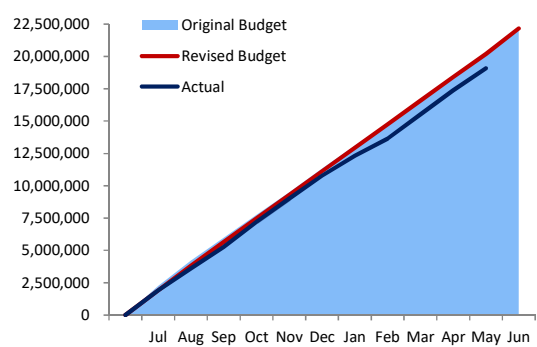
**OPERATING EXPENSES - ACTUAL YTD**



**Total Operating Revenue - Budget - v - Actual**

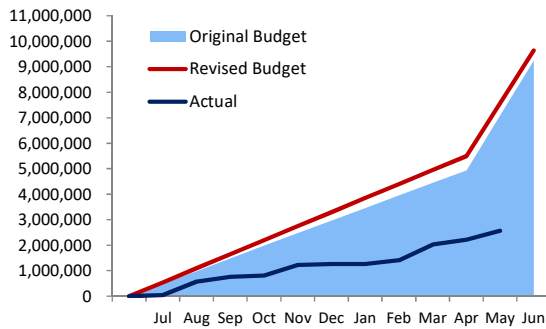


**Total Operating Expenses - Budget - v - Actual**



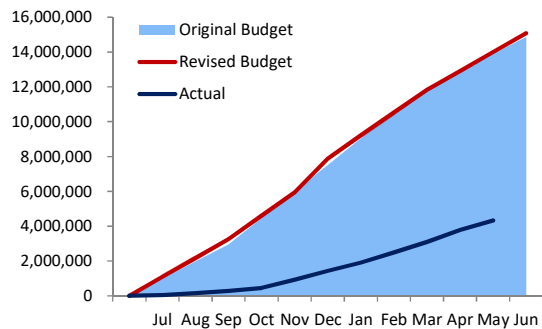
**CAPITAL REVENUE**

**Capital Revenue - Budget - v - Actual**



**CAPITAL EXPENSES**

**Capital Expenses - Budget - v - Actual**



This information is to be read in conjunction with the accompanying Financial Statements and Notes

# (Appendix ORD: 12.4.5B)



## Statement of Financial Activity by Program For the Period Ended 31 May 2021 (Covering 11 months or 92% of the year)

Sch	2020/21	2020/21	2020/21	2020/21	Variance Y-T-D	Variance Y-T-D	2020/21	2019/20	
	Adopted Budget \$	Revised Budget \$	Y-T-D Revised Budget \$	Y-T-D Actual \$	Actual to Revised Budget \$	Actual to Revised Budget %	Forecast \$	Last Year Actual \$	
<b>OPERATING ACTIVITIES</b>									
<b>Revenue</b>									
Governance	4	28,800	28,900	26,477	3,231	(23,246)	(87.8%)	28,900	5,720
General Purpose Funding	3	15,659,482	15,361,243	15,334,313	14,538,678	(795,635)	(5.2%) ▼	15,361,243	15,495,427
Law, Order, Public Safety	5	474,905	669,522	663,971	684,986	21,015	3.2% ▲	658,522	596,148
Health	7	2,150	5,150	4,708	4,964	256	5.4%	5,150	27,713
Education and Welfare	8	6,000	11,017	10,930	10,017	(913)	(8.4%)	11,017	7,205
Community Amenities	10	1,484,654	1,578,671	1,560,409	1,584,329	23,920	1.5%	1,578,671	1,526,710
Recreation and Culture	11	1,374,782	1,595,318	1,430,236	1,372,436	(57,800)	(4.0%)	1,595,318	2,404,911
Transport	12	396,841	156,474	153,578	146,884	(6,694)	(4.4%)	156,474	173,095
Economic Services	13	97,348	198,950	182,325	146,921	(35,404)	(19.4%) ▼	198,950	94,232
Other Property and Services	14	173,800	213,555	195,712	236,963	41,251	21.1% ▲	213,555	1,387,070
<b>Total Operating Revenue</b>		<b>19,698,762</b>	<b>19,818,801</b>	<b>19,562,659</b>	<b>18,729,410</b>	<b>(833,249)</b>	<b>(4.3%)</b>	<b>19,807,801</b>	<b>21,718,231</b>
<b>Operating Expenses</b>									
Governance	4	(1,210,103)	(1,168,813)	(1,083,052)	(942,338)	140,714	13.0% ▲	(1,197,813)	(1,186,604)
General Purpose Funding	3	(511,688)	(380,026)	(322,087)	(334,995)	(12,908)	(4.0%)	(380,026)	(331,323)
Law, Order, Public Safety	5	(1,619,329)	(1,822,722)	(1,674,361)	(1,410,105)	264,256	15.8% ▲	(1,797,143)	(1,710,879)
Health	7	(540,920)	(523,820)	(476,508)	(453,969)	22,539	4.7%	(523,820)	(547,380)
Education and Welfare	8	(784,183)	(892,690)	(826,122)	(715,349)	110,773	13.4% ▲	(868,230)	(750,714)
Community Amenities	10	(2,845,397)	(2,795,360)	(2,491,513)	(2,396,990)	94,523	3.8%	(2,786,208)	(2,641,373)
Recreation & Culture	11	(7,597,856)	(7,569,282)	(6,941,594)	(6,658,570)	283,024	4.1%	(7,575,146)	(7,739,832)
Transport	12	(6,218,251)	(6,228,470)	(5,701,795)	(5,472,432)	229,363	4.0%	(6,204,835)	(5,878,151)
Economic Services	13	(513,473)	(569,364)	(521,807)	(443,463)	78,344	15.0% ▲	(569,364)	(469,137)
Other Property and Services	14	(233,368)	(272,894)	(242,737)	(292,111)	(49,374)	(20.3%) ▼	(247,820)	(237,410)
<b>Total Operating Expenditure</b>		<b>(22,074,568)</b>	<b>(22,223,441)</b>	<b>(20,281,576)</b>	<b>(19,120,323)</b>	<b>1,161,253</b>	<b>5.7%</b>	<b>(22,150,406)</b>	<b>(21,492,803)</b>
<b>Net Operating Activities</b>		<b>(2,375,806)</b>	<b>(2,404,640)</b>	<b>(718,917)</b>	<b>(390,914)</b>	<b>328,003</b>	<b>45.6%</b>	<b>(2,342,605)</b>	<b>225,428</b>

(continued next page)

# (Appendix ORD: 12.4.5B)



## Statement of Financial Activity by Program For the Period Ended 31 May 2021 (Covering 11 months or 92% of the year)

	2020/21 Adopted Budget \$	2020/21 Revised Budget \$	2020/21 Y-T-D Revised Budget \$	2020/21 Y-T-D Actual \$	Variance Y-T-D Actual to Revised Budget \$	Variance Y-T-D Actual to Revised Budget %	2020/21 Forecast \$	2019/20 Last Year Actual \$
<b>Net Operating Activities (from previous page)</b>	<b>(2,375,806)</b>	<b>(2,404,640)</b>	<b>(718,917)</b>	<b>(390,914)</b>	<b>328,003</b>	<b>(45.6%)</b>	<b>(2,342,605)</b>	<b>225,428</b>
<b>ADJUSTMENTS OF NON CASH ITEMS</b>								
(Profit)/Loss on Asset Disposals	0	2,792	2,563	1,432	(1,131)	100.0%	2,792	(1,048,762)
Accruals	0	(6,540)	0	0	0	0.0%	(6,540)	41,521
Fair value adjustment to financial assets	0	0	0	0	0	0.0%	0	(1,153)
Movement in contract liabilities associated with restricted cash	(2,310,010)	(2,316,935)	0	0	0	0.0%	(2,316,935)	2,411,684
Contra Repayment of Prefunded Infrastructure	0	0	0	0	0	0.0%	0	0
Depreciation on Assets	5,289,647	5,241,787	4,804,899	4,775,641	(29,258)	(0.6%)	5,241,787	5,253,788
<b>Adjusted Net Operating Activities</b>	<b>A 603,831</b>	<b>516,464</b>	<b>4,088,545</b>	<b>4,386,159</b>	<b>297,614</b>	<b>7.3%</b>	<b>578,498</b>	<b>6,882,507</b>
<b>INVESTING ACTIVITIES</b>								
<b>Revenue</b>								
Non-operating grants, subsidies & contributions	9,243,071	9,634,092	7,564,522	2,565,015	(4,999,507)	(66.1%) ▼	9,634,092	2,242,144
Proceeds from Disposal of Assets	257,969	362,217	332,024	39,545	(292,479)	(88.1%) ▼	362,217	1,333,892
<b>Total Capital Revenue</b>	<b>9,501,040</b>	<b>9,996,309</b>	<b>7,896,546</b>	<b>2,604,560</b>	<b>(5,291,986)</b>	<b>(67.0%)</b>	<b>9,996,309</b>	<b>3,576,036</b>
<b>Expenditure</b>								
Land & Buildings	(5,430,586)	(5,946,832)	(5,501,509)	(1,150,453)	4,351,056	79.1% ▲	(5,946,832)	(212,472)
Infrastructure Assets - Road / Bridges / Paths	(7,717,902)	(6,935,004)	(6,476,944)	(2,767,835)	3,709,109	57.3% ▲	(6,943,654)	(3,072,051)
Infrastructure Assets - Parks & Gardens	(677,156)	(908,273)	(821,942)	(314,825)	507,117	61.7% ▲	(908,273)	(426,819)
Vehicles	(940,438)	(1,232,975)	(1,130,217)	(76,683)	1,053,534	93.2% ▲	(1,232,975)	(325,321)
Furniture & Fittings	(112,993)	(78,405)	(71,841)	(13,555)	58,286	81.1% ▲	(78,405)	(130,794)
<b>Total Capital Expenditure</b>	<b>(14,879,075)</b>	<b>(15,101,489)</b>	<b>(14,002,453)</b>	<b>(4,323,351)</b>	<b>9,679,102</b>	<b>69.1%</b>	<b>(15,110,139)</b>	<b>(4,167,458)</b>
<b>Net Capital Activities</b>	<b>B (5,378,035)</b>	<b>(5,105,180)</b>	<b>(6,105,907)</b>	<b>(1,718,791)</b>	<b>4,387,117</b>	<b>71.9%</b>	<b>(5,113,830)</b>	<b>(591,422)</b>
<b>FINANCING ACTIVITIES</b>								
<b>Revenue</b>								
Proceeds from New Loans	750,000	750,000	750,000	0	(750,000)	(100.0%) ▼	750,000	0
Transfers from Reserves	8,659,832	8,323,025	6,504,020	838,565	(5,665,455)	(87.1%) ▼	8,301,612	3,827,660
<b>Total Financing Revenue</b>	<b>9,409,832</b>	<b>9,073,025</b>	<b>7,254,020</b>	<b>838,565</b>	<b>(6,415,455)</b>	<b>88.4%</b>	<b>9,051,612</b>	<b>3,827,660</b>
<b>Expenditure</b>								
Repayment of Loans	(250,116)	(250,116)	(250,111)	(250,116)	(5)	(0.0%)	(250,116)	(279,748)
Principal element of finance lease payments	(119,658)	(215,506)	(197,719)	(201,169)	(3,450)	(1.7%)	(221,574)	(148,176)
Transfers to Reserves	(4,428,917)	(4,342,533)	(3,980,482)	(288,075)	3,692,407	92.8% ▲	(4,349,533)	(9,621,071)
<b>Total Financing Expenditure</b>	<b>(4,798,691)</b>	<b>(4,808,154)</b>	<b>(4,428,312)</b>	<b>(739,360)</b>	<b>3,688,952</b>	<b>83.3%</b>	<b>(4,821,223)</b>	<b>(10,048,995)</b>
<b>Net Financing Activities</b>	<b>C 4,611,141</b>	<b>4,264,870</b>	<b>2,825,708</b>	<b>99,205</b>	<b>(2,726,503)</b>	<b>96.5%</b>	<b>4,230,389</b>	<b>(6,221,335)</b>
<b>FUNDING SOURCES</b>								
Surplus/(Deficit) July 1 B/Fwd	D 382,052	474,501	474,501	474,501	0	0.0%	474,501	404,751
<b>CLOSING FUNDS (A+B+C+D)</b>	<b>218,987</b>	<b>150,655</b>	<b>1,282,847</b>	<b>3,241,075</b>	<b>1,958,228</b>	<b>(152.6%)</b>	<b>169,558</b>	<b>474,501</b>

### KEY INFORMATION

▲▼ Indicates a significant variance between Year-to-Date (YTD) Revised Budget and YTD Actual data as per the adopted materiality threshold.

▲ indicates a positive impact on the surplus/deficit position. ▼ indicates a negative impact on the surplus/deficit position.

Refer to Note 2 for an explanation of the reasons for the variance.

This statement to be read in conjunction with the accompanying Financial Statements and Notes



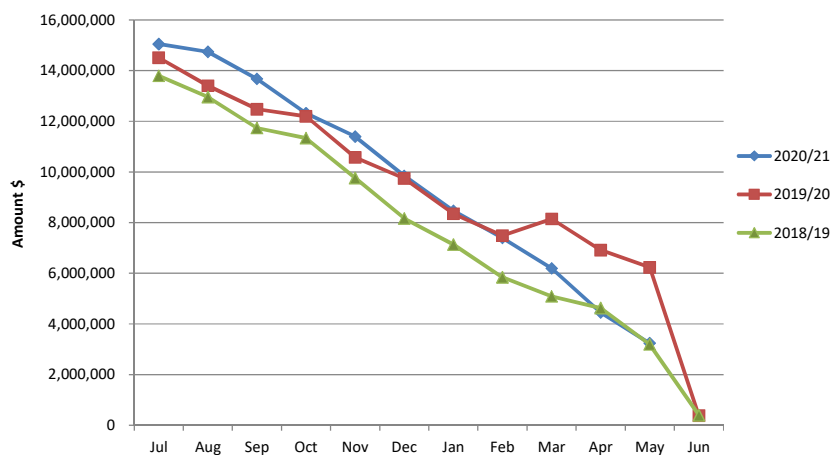
# (Appendix ORD: 12.4.5B)



## Statement of Financial Activity by Program For the Period Ended 31 May 2021 NET CURRENT ASSETS

Note	Year to Date Actual 31-May-2021 \$	Same Time Last Year Actual 31-May-2020	Last Year Closing 30 June 2020 \$
Represented By:			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	26,655,463	24,198,014	25,645,523
Rates Debtors Outstanding	468,027	578,578	396,109
Pensioner Rates Rebate	22,400	18,594	5,998
Sundry Debtors	333,011	198,239	781,928
Accrued Revenue	58,639	60,770	42,807
Prepaid Expenses	0	0	7,446
Goods & Services Tax / BAS Refund	133,318	100,545	280,631
Other Receivables	0	(175,407)	0
Inventories - Materials	11,917	5,047	11,917
Inventories- Trading Stock - Recreation Centre	7,310	8,430	7,310
<b>Current Assets</b>	<b>27,690,083</b>	<b>24,992,809</b>	<b>27,179,669</b>
<b>LESS CURRENT LIABILITIES</b>			
Payables:			
Sundry Creditors	0	(385)	(1,049,612)
Goods & Services Tax / BAS Payable	0	0	
Other Payables	(97,813)	(67,523)	(446,392)
Municipal Bonded Liabilities	(715,298)	(782,970)	(741,314)
Contract Liabilities	(4,696,412)	0	(4,862,896)
Prepaid Revenue - Rates / PPL	(676,250)	(559,989)	(685,142)
Accrued Interest on Debentures	(33,404)	(37,523)	(33,404)
Accrued Salaries & Wages	0	0	(96,114)
Other Accrued Expenses	0	0	(10,768)
Borrowings - Debentures	0	0	(250,116)
Provisions:			
Staff Leave Provisions	(1,437,008)	(1,272,697)	(1,437,008)
<b>Current Liabilities</b>	<b>(7,656,186)</b>	<b>(2,721,087)</b>	<b>(9,612,764)</b>
<b>Net Current Assets</b>	<b>20,033,897</b>	<b>22,271,722</b>	<b>17,566,905</b>
Less: Restricted Assets / Reserve Funds	4 (21,654,926)	(16,034,643)	(22,205,416)
Add: Current - Borrowings	0	0	250,116
Add: Current - Contract Liabilities held in Reserve accounts	4,862,104		4,719,271
Add: Current - Contract Liabilities - Leases			143,625
<b>CLOSING FUNDS / NET CURRENT ASSETS (per previous page)</b>	<b>3,241,075</b>	<b>6,237,079</b>	<b>474,501</b>

Liquidity Over The Year



# (Appendix ORD: 12.4.5B)



**Statement of Comprehensive Income by Nature or Type  
For the Period Ended 31 May 2021  
(Covering 11 months or 92% of the year)**

	2020/21 Adopted Budget \$	2020/21 Revised Budget \$	2020/21 Y-T-D Revised Budget \$	2020/21 Y-T-D Actual \$	Variance Y-T-D Actual to Revised Budget \$	Variance Y-T-D Actual to Revised Budget %	2020/21 Forecast \$	2019/20 Last Year Actual \$
<b>Revenue</b>								
Rates	13,839,284	13,833,966	13,827,302	13,812,493	(14,809)	0.1%	13,833,966	13,716,704
Grants, Subsidies & Contributions	2,680,137	2,665,090	2,562,101	1,680,303	(881,798)	34.4%	2,665,090	3,496,488
Fees and Charges	2,730,279	3,001,323	2,875,372	2,983,286	107,914	(3.8%)	2,990,323	2,866,180
Interest Earnings	420,971	235,331	221,731	207,547	(14,184)	6.4%	235,331	512,789
Other Revenue	28,091	28,091	25,740	21,657	(4,083)	0.0%	28,091	24,685
	<u>19,698,762</u>	<u>19,763,801</u>	<u>19,512,246</u>	<u>18,705,285</u>	<u>(806,961)</u>	<u>4.1%</u>	<u>19,752,801</u>	<u>20,616,846</u>
<b>Expenses</b>								
Employee Costs	(10,505,383)	(10,514,934)	(9,612,324)	(9,483,333)	128,991	1.3%	(10,521,373)	(10,592,989)
Materials and Contracts	(4,891,097)	(4,968,008)	(4,447,075)	(3,549,430)	897,645	20.2%	(4,872,332)	(4,175,275)
Utility Charges	(552,620)	(573,128)	(525,050)	(510,152)	14,898	2.8%	(573,128)	(574,897)
Depreciation on Non-current Assets	(5,289,647)	(5,241,787)	(4,804,899)	(4,775,641)	29,258	0.6%	(5,241,787)	(5,253,788)
Interest Expense	(97,965)	(97,965)	(91,344)	(91,752)	(408)	(0.4%)	(97,965)	(117,813)
Insurance	(310,774)	(305,439)	(288,703)	(310,162)	(21,459)	(7.4%)	(305,439)	(316,060)
Other	(403,066)	(502,968)	(468,184)	(374,298)	93,886	20.1%	(525,968)	(333,679)
	<u>(22,050,552)</u>	<u>(22,204,228)</u>	<u>(20,237,579)</u>	<u>(19,094,767)</u>	<u>1,142,812</u>	<u>5.6%</u>	<u>(22,137,991)</u>	<u>(21,364,501)</u>
<b>Operational Surplus / (Deficit)</b>	<b>(2,351,790)</b>	<b>(2,440,427)</b>	<b>(725,333)</b>	<b>(389,482)</b>	<b>335,851</b>	<b>46.3%</b>	<b>(2,385,190)</b>	<b>(747,655)</b>
Grants & Contributions for the Development of Assets	9,243,072	9,508,875	7,449,748	2,565,015	(4,884,733)	(65.6%)	9,508,875	2,647,334
Profit on Asset Disposals	0	0	0	0	0	0.0%	(2,792)	1,048,762
Loss on Asset Disposals	0	(2,792)	(2,563)	(1,432)	1,131	0.0%	0	0
Fair Value Adjustment to Financial Assets	0	0	0	0	0	0.0%	0	0
	<u>9,243,072</u>	<u>9,506,083</u>	<u>7,447,185</u>	<u>2,563,583</u>	<u>(4,883,602)</u>	<u>65.6%</u>	<u>9,506,083</u>	<u>3,696,096</u>
<b>NET RESULT</b>	<b>6,891,282</b>	<b>7,065,656</b>	<b>6,721,852</b>	<b>2,174,101</b>	<b>(4,547,751)</b>	<b>67.7%</b>	<b>7,120,893</b>	<b>2,948,441</b>
<b>Other Comprehensive Income</b>								
Changes on Revaluation of Non-Current Assets	0	0	0	0	0	0.0%	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>6,891,282</b>	<b>7,065,656</b>	<b>6,721,852</b>	<b>2,174,101</b>	<b>(4,547,751)</b>	<b>67.7%</b>	<b>7,120,893</b>	<b>2,948,441</b>

# (Appendix ORD: 12.4.5B)



## Notes to the Statement of Financial Activity For the Period Ended 31 May 2021

### 1. PROGRAMS / ACTIVITIES

In order to discharge its responsibilities to the community, the Shire 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.

#### COMMUNITY VISION

*Provide effective leadership in encouraging balanced growth and development of the Shire while recognising the diverse needs of the community.*

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services	Rates, general purpose government grants and interest revenue.
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administration 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.
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 the fire prevention, animal control and protection of the environment, and other aspects of public safety including emergency services.
HEALTH	To provide services to achieve community and environmental health.	Maternal and infant health facilities, immunisation, meat inspection services, inspection of food outlets, noise control and pest control services.
EDUCATION AND WELFARE	To provide services to children, youth, the elderly and disadvantaged persons.	Pre-school and other education services, child minding facilities, playgroups, senior citizens' centres.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collection services, operation of refuse site, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemeteries and public conveniences.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resources which help the social well being of the community.	Maintenance of halls, civic buildings, river banks, recreation centre and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.
TRANSPORT	To promote safe, effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, footpaths, cycle ways, parking facilities, traffic control and depot. Cleaning of streets and maintenance of street trees, street lighting, etc.
ECONOMIC SERVICES	To help promote the shire and its economic wellbeing.	Tourism and area promotion, building control, provision of rural services including weed control and vermin control, standpipes.
OTHER PROPERTY & SERVICES	To monitor and control Council's overheads operating accounts.	Private works operations, plant repairs and operations costs, engineering operation costs.

**2. EXPLANATION OF MATERIAL VARIANCES IN THE STATEMENT OF FINANCIAL ACTIVITY BY PROGRAM**

The material variances adopted by the Shire of Dardanup for reporting in the 2020/21 year is 5% or \$25,000, whichever is the greater. All variances are between Year-to-Date Actual and Year-to-Date Revised Budget values.

	Sch	2020/21 Y-T-D Revised Budget	2020/21 Y-T-D Actual	Variance to Y-T-D Revised Budget \$	Variance to Y-T-D Revised Budget %	Timing / Permanent	Material Variance - Explanation
<b>OPERATING ACTIVITIES</b>							
<b>Revenue</b>							
Governance	4	26,477	3,231	(23,246)	(87.8%)		
General Purpose Funding	3	15,334,313	14,538,678	(795,635)	(5.2%)	▼ Timing	Advance receipt of 21/22 Financial Assistance Grants expected in May but will now be received in June.
Law, Order, Public Safety	5	663,971	684,986	21,015	3.2%		
Health	7	4,708	4,964	256	5.4%		
Education and Welfare	8	10,930	10,017	(913)	(8.4%)		
Community Amenities	10	1,560,409	1,584,329	23,920	1.5%		
Recreation and Culture	11	1,430,236	1,372,436	(57,800)	(4.0%)		
Transport	12	153,578	146,884	(6,694)	(4.4%)		
Economic Services	13	182,325	146,921	(35,404)	(19.4%)	▼ Timing	\$50,000 lower for contributions to economic development project not yet received, \$15,000 higher building licence revenue.
Other Property and Services	14	195,712	236,963	41,251	21.1%	▲ Timing	Public works supervision & verge inspection fees \$10,800; reimbursements for paid parental leave \$31,300.
<b>Total Operating Revenue</b>		<b>19,562,659</b>	<b>18,729,410</b>	<b>(833,249)</b>	<b>(4.3%)</b>		
<b>Operating Expenses</b>							
Governance	4	(1,083,052)	(942,338)	140,714	13.0%	▲ Timing	Lower costs to date for: elected members fees, expenses and administration \$50,000, public relations & receptions \$22,000, regional resource sharing \$9,000, Legal & consultants costs \$30,000 and general governance \$27,000.
General Purpose Funding	3	(322,087)	(334,995)	(12,908)	(4.0%)		
Law, Order, Public Safety	5	(1,674,361)	(1,410,105)	264,256	15.8%	▲ Timing	\$194,000 lower costs to date for fire control, mitigation & prevention activities (grant funded), \$70,000 lower costs for animal control.
Health	7	(476,508)	(453,969)	22,539	4.7%		
Education and Welfare	8	(826,122)	(715,349)	110,773	13.4%	▲ Timing	Lower costs to date for Community Services administration \$88,000, community programs \$20,000.
Community Amenities	10	(2,491,513)	(2,396,990)	94,523	3.8%		
Recreation & Culture	11	(6,941,594)	(6,658,570)	283,024	4.1%		
Transport	12	(5,701,795)	(5,472,432)	229,363	4.0%		
Economic Services	13	(521,807)	(443,463)	78,344	15.0%	▲ Timing	Lower costs to date for building control \$17,000 and economic development alliances & initiatives \$61,000.
Other Property and Services	14	(242,737)	(292,111)	(49,374)	(20.3%)	▲ Timing	Lower costs to date for software purchased \$55,400, public works consultants \$20,000, plant operating costs \$24,000; higher costs - public works overhead costs not yet allocated to works \$126,000, paid parental leave \$30,500.
<b>Total Operating Expenditure</b>		<b>(20,281,576)</b>	<b>(19,120,323)</b>	<b>1,161,253</b>	<b>(5.7%)</b>		
<b>Net Operating Activities</b>		<b>(718,917)</b>	<b>(390,914)</b>	<b>328,003</b>	<b>(45.6%)</b>		

(continued next page)



Notes to the Statement of Financial Activity  
For the Period Ended 31 May 2021

2. EXPLANATION OF MATERIAL VARIANCES IN THE STATEMENT OF FINANCIAL ACTIVITY BY PROGRAM (continued)

	2020/21 Y-T-D Revised Budget \$	2020/21 Y-T-D Actual \$	Variance to Y-T-D Revised Budget \$	Variance to Y-T-D Revised Budget %	Timing / Permanent	Material Variance - Explanation
Net Operating Activities (from previous page)	(718,917)	(390,914)	328,003	(45.6%)		
<b>ADJUSTMENTS OF NON CASH ITEMS</b>						
(Profit)/Loss on Asset Disposals	2,563	1,432	(1,131)	0.0%		
Depreciation on Assets	4,804,899	4,775,641	(29,258)	(0.6%)		
<b>Adjusted Net Operating Activities</b>	<b>4,088,545</b>	<b>4,386,159</b>	<b>297,614</b>	<b>7.3%</b>		
<b>INVESTING ACTIVITIES</b>						
<b>Revenue</b>						
Non-operating grants, subsidies & contributions	7,564,522	2,565,015	(4,999,507)	(66.1%)	▼ Timing	Milestones not yet met for receipt of grants for capital projects including fire brigade stations, Eaton Bowling Club, Parks & Reserves upgrades, new Eaton skate park, various road and pathways upgrades.
Proceeds from Disposal of Assets	332,024	39,545	(292,479)	(88.1%)	▼ Timing	Adverse variance due mainly to slower vehicle changeovers caused by delays in delivery of new utilities and large plant items.
<b>Total Capital Revenue</b>	<b>7,896,546</b>	<b>2,604,560</b>	<b>(5,291,986)</b>	<b>(67.0%)</b>		
<b>Expenditure</b>						
Land & Buildings	(5,501,509)	(1,150,453)	4,351,056	79.1%	▲ Timing	The budget amount is for an even spread of expenditure on all building projects across the year, whereas many of the 2020/21 construction projects have experienced delays. Construction has commenced on Dardanup Central and Waterloo Bushfire brigade sheds and Eaton Bowling Club; Eaton skate park and pump track are at contract signing. Other projects are at preliminaries stage that includes Eaton Administration Centre & Library, Dardanup and Gnomesville toilets, and Eaton Oval Clubrooms.
Infrastructure Assets - Road / Bridges / Paths	(6,476,944)	(2,767,835)	3,709,109	57.3%	▲ Timing	Less expenditure to date: \$1,606,000 for road upgrades including Harris Road, Eaton Drive duplication and Eaton Drive intersections upgrade; \$787,000 for road renewals incl. Harris Road; \$710,000 for pathways incl. Eaton Drive, Jindalee Way, Peppermint Way, Leicester Reserve - Watson Reserve; \$607,000 for bridge renewals - Ferguson Road, Pile Road and Martin Pelusey Road.
Infrastructure Assets - Parks & Gardens	(821,942)	(314,825)	507,117	61.7%	▲ Timing	Eaton boat ramp and Watson Reserve completed but no significant works to date on other 20/21 parks and reserve improvement projects including Peninsula Lakes Park, Millars Creek lighting, Glen Huon Reserve development and Gnomesville improvements.
Vehicles	(1,130,217)	(76,683)	1,053,534	93.2%	▲ Timing	Two cars have been purchased to date. Procurement of remaining machinery including tractor, loader and works utilities is in progress, with delays in vehicle delivery extending the timeline.
Furniture & Fittings	(71,841)	(13,555)	58,286	81.1%	▲ Timing	\$31,700 administration office furniture & IT equipment, \$4,500 library furniture, \$22,900 Council chambers audio-visual equipment and general furniture not yet acquired.
<b>Total Capital Expenditure</b>	<b>(14,002,453)</b>	<b>(4,323,351)</b>	<b>9,679,102</b>	<b>(69.1%)</b>		
<b>Net Investing Activities</b>	<b>(6,105,907)</b>	<b>(1,718,791)</b>	<b>4,387,117</b>	<b>(71.9%)</b>		

(continued next page)



2. EXPLANATION OF MATERIAL VARIANCES IN THE STATEMENT OF FINANCIAL ACTIVITY BY PROGRAM (continued)

	2020/21 Y-T-D Revised Budget \$	2020/21 Y-T-D Actual \$	Variance to Y-T-D Revised Budget \$	Variance to Y-T-D Revised Budget %	Timing / Permanent	Material Variance - Explanation
<b>FINANCING ACTIVITIES</b>						
<b>Revenue</b>						
Proceeds from New Loans	750,000	0	(750,000)	(100.0%)	▼ Timing	Loan proposed to be raised in May but will now be raised in June.
Transfers from Reserves	6,504,020	838,565	(5,665,455)	(87.1%)	▼ Timing	Budget was for even spread over the year, whereas most transfer will occur at financial year end.
<b>Total Financing Revenue</b>	<b>7,254,020</b>	<b>838,565</b>	<b>(6,415,455)</b>	<b>(88.4%)</b>		
<b>Expenditure</b>						
Repayment of Loans	(250,111)	(250,116)	(5)	(0.0%)		
Donated Assets	0	0	0	0.0%		
Advance to community groups	0	0	0	0.0%		
Contra Repayment of Prefunded Infrastructure	0	0	0	0.0%		
Principal element of finance lease payments	(197,719)	(201,169)	(3,450)	(1.7%)		
Transfers to Reserves	(3,980,482)	(288,075)	3,692,407	92.8%	▲ Timing	Transfers made to date are for interest received on Reserve investments and for developer contributions to works received from new subdivision approvals (offset by corresponding revenue). Remaining reserve transfers are planned to occur at the end of the financial year.
<b>Total Financing Expenditure</b>	<b>(4,428,312)</b>	<b>(739,360)</b>	<b>3,688,952</b>	<b>(83.3%)</b>		
<b>Net Financing Activities</b>	<b>2,825,708</b>	<b>99,205</b>	<b>(2,726,503)</b>	<b>(96.5%)</b>		
<b>FUNDING SOURCES</b>						
Surplus/(Deficit) July 1 B/Fwd	474,501	474,501	0	0.0%		
<b>CLOSING FUNDS (A+B+C+D)</b>	<b>1,282,847</b>	<b>3,241,075</b>	<b>1,958,228</b>	<b>152.6%</b>		

# (Appendix ORD: 12.4.5B)



## Notes to the Statement of Financial Activity For the Period Ended 31 May 2021

### 3. TRUST FUNDS

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

NAME	BALANCE 1 JULY	RECEIPTS	INTEREST	PAYMENTS	ADJUSTMENTS (TRANSFERS)	CLOSING BALANCE
	\$	\$	\$	\$	\$	\$
Tourism WA for Ferguson Valley Project	172,736.03	0.00	0.00	(82,587.50)	0.00	90,148.53
Ross & Deborah bevan	0.00	40,000.00	0.00	0.00	0.00	40,000.00
Public Open Space	786,192.56	72,500.00	0.00	0.00	0.00	858,692.56
Accrued Interest	0.00	0.00	220.43	0.00	0.00	220.43
Plus: Outstanding Creditors	0.00	0.00	0.00	0.00	0.00	0.00
Less: Outstanding Debtors	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>958,928.59</b>	<b>112,500.00</b>	<b>220.43</b>	<b>(82,587.50)</b>	<b>0.00</b>	<b>989,061.52</b>

### 4. RESERVES - CASH BACKED

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

NAME	BALANCE 1 JULY	RECEIPTS	INTEREST	PAYMENTS	ADJUSTMENTS (TRANSFERS)	CLOSING BALANCE
	\$	\$	\$	\$	\$	\$
<b><i>Council Restricted</i></b>						
Executive & Compliance Vehicles Reserve	243,184.02	0.00	0.00	0.00	0.00	243,184.02
Plant & Engineering Equipment Reserve	924,036.04	0.00	0.00	0.00	0.00	924,036.04
Eaton Recreation Centre - Equipment Reserve	280,102.25	0.00	0.00	0.00	0.00	280,102.25
Building Maintenance Reserve	1,783,239.12	0.00	0.00	0.00	0.00	1,783,239.12
Employee Relief Reserve	234,383.81	0.00	0.00	0.00	0.00	234,383.81
Employee Leave Entitlements Reserve	21,186.62	0.00	0.00	0.00	0.00	21,186.62
Refuse Site Environmental Works Reserve	83,833.42	0.00	0.00	0.00	0.00	83,833.42
Information Technology Reserve	504,179.04	0.00	0.00	0.00	0.00	504,179.04
Roadwork Construction & Major Maintenance Reserve	587,710.55	0.00	0.00	0.00	0.00	587,710.55
Accrued Salaries Reserve	433,352.06	0.00	0.00	0.00	0.00	433,352.06
Tourism Reserve	11,718.35	0.00	0.00	0.00	0.00	11,718.35
Recycling Education Reserve	61,264.57	0.00	0.00	0.00	0.00	61,264.57
Road Safety Programs Reserve	26,644.63	0.00	0.00	0.00	0.00	26,644.63
Council Land Development Reserve	21,057.89	0.00	0.00	0.00	0.00	21,057.89
Carried Forward Projects Reserve	3,291,189.81	0.00	0.00	0.00	0.00	3,291,189.81
Election Expenses Reserve	7,017.23	0.00	0.00	0.00	0.00	7,017.23
Town Planning Consultancy Reserve	97,705.92	0.00	0.00	0.00	0.00	97,705.92
Parks & Reserves Upgrades Reserve	676,804.61	0.00	0.00	0.00	0.00	676,804.61
Strategic Planning Studies Reserve	128,885.07	0.00	0.00	0.00	0.00	128,885.07
Pathways Reserve	315,889.37	0.00	0.00	0.00	0.00	315,889.37
Asset / Rates Revaluation Reserve	328,666.34	0.00	0.00	0.00	0.00	328,666.34
Refuse & Recycling Bin Replacement Reserve	54,644.89	0.00	0.00	0.00	0.00	54,644.89
Sale of Land Reserve	4,566,488.23	0.00	0.00	0.00	0.00	4,566,488.23
Storm Water Reserve	157,848.01	0.00	0.00	0.00	0.00	157,848.01
	<b>14,841,031.85</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>14,841,031.85</b>
<b><i>Statute Restricted</i></b>						
Contribution to Works Reserve	670,642.44	78,489.55	0.00	0.00	0.00	749,131.99
Eaton Drive - Access Construction Reserve	154,824.78	42,970.91	0.00	0.00	0.00	197,795.69
Eaton Drive - Scheme Construction Reserve	914,153.40	33,009.10	0.00	0.00	0.00	947,162.50
Fire Control Reserve	11,535.50	0.00	0.00	0.00	0.00	11,535.50
Collie River (Eaton Drive) Bridge Construction Reserve	1,564,304.17	15,439.52	0.00	0.00	0.00	1,579,743.69
Unspent Grants Reserve	3,795,446.83	0.00	0.00	838,564.75	0.00	2,956,882.08
Swimming Pool Inspection Reserve	4,488.00	0.00	0.00	0.00	0.00	4,488.00
Unspent Specified Area Rate - Bulk Waste Collection Reserve	80,609.91	0.00	0.00	0.00	0.00	80,609.91
Unspent Specified Area Rate - Eaton Landscaping Reserve	127,172.20	0.00	0.00	0.00	0.00	127,172.20
Wanju Developer Contribution Plan Unspent Loan Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Dardanup Expansion Developer Contribution Plan Reserve	41,206.57	0.00	0.00	0.00	0.00	41,206.57
	<b>7,364,383.80</b>	<b>169,909.08</b>	<b>0.00</b>	<b>838,564.75</b>	<b>0.00</b>	<b>6,695,728.13</b>
Interest	0.00	0.00	119,351.09	0.00	0.00	119,351.09
Less: Outstanding Debtors	0.00	(1,185.00)	0.00	0.00	0.00	(1,185.00)
<b>TOTAL</b>	<b>22,205,415.65</b>	<b>168,724.08</b>	<b>119,351.09</b>	<b>838,564.75</b>	<b>0.00</b>	<b>21,654,926.07</b>

# (Appendix ORD: 12.4.5B)



## Notes to the Statement of Financial Activity For the Period Ended 31 May 2021

### 5. MUNICIPAL LIABILITIES

Funds held at reporting date for bonds and deposits not required to be held in the Trust Fund and classified as restricted to recognise that they are owed to developers/hirers and others. These are now classified as Municipal Liabilities as follows:

	BALANCE 1 JULY	RECEIPTS	INTEREST	PAYMENTS	ADJUSTMENTS (TRANSFERS)	CLOSING BALANCE
	\$	\$	\$	\$	\$	\$
<b>Retention Bonds</b>						
Ardross Estate Pty Ltd	45,590.02	0.00	0.00	(45,590.02)	0.00	0.00
Parkridge Group	51,384.53	34,682.53	0.00	0.00	0.00	86,067.06
South West Waste	10,777.36	0.00	0.00	0.00	0.00	10,777.36
Henty Brooke Estate	9,699.37	0.00	0.00	0.00	0.00	9,699.37
D Maher	8,186.85	0.00	0.00	0.00	0.00	8,186.85
Clifton Partners	347.34	0.00	0.00	0.00	0.00	347.34
Cristopher West Consultants	9,998.04	0.00	0.00	0.00	0.00	9,998.04
Burra98 Unit Trust	11,214.04	0.00	0.00	0.00	0.00	11,214.04
NTC Pty Ltd	779.33	0.00	0.00	0.00	0.00	779.33
Dale Thompson	2,078.72	0.00	0.00	0.00	0.00	2,078.72
Barry Garvey	3,540.62	0.00	0.00	0.00	0.00	3,540.62
Civil Tech	32,158.31	0.00	0.00	0.00	0.00	32,158.31
Westgate Property Group	18,375.50	0.00	0.00	0.00	0.00	18,375.50
Cleary Estate	3,132.42	0.00	0.00	0.00	0.00	3,132.42
Little Meadow Pty Ltd	15,631.53	0.00	0.00	0.00	0.00	15,631.53
Winterfall Nominees Pty Ltd	4,111.16	0.00	0.00	0.00	0.00	4,111.16
Thomas Fields Pty Ltd	30,868.39	0.00	0.00	(8,104.65)	0.00	22,763.74
Holland Loop Pty Ltd	17,644.12	3,360.00	0.00	(17,644.12)	0.00	3,360.00
Terrence J Coman	8,384.63	0.00	0.00	0.00	0.00	8,384.63
Garvey Road Pty Ltd	36,393.21	0.00	0.00	0.00	0.00	36,393.21
Burekup Developments Pty Ltd	4,700.36	2,550.55	0.00	0.00	0.00	7,250.91
Anthony Frank Pantlin	0.00	1,680.00	0.00	0.00	0.00	1,680.00
<b>Total - Retention Bonds</b>	<b>324,995.85</b>	<b>42,273.08</b>	<b>0.00</b>	<b>(71,338.79)</b>	<b>0.00</b>	<b>295,930.14</b>
<b>Extractive Industry Rehabilitation Bonds</b>						
L G Davidson	1,290.20	0.00	0.00	0.00	0.00	1,290.20
M Denholm	845.24	0.00	0.00	0.00	0.00	845.24
S Catalano	1,340.36	0.00	0.00	0.00	0.00	1,340.36
Bunbury Agricultural Society	2,387.88	0.00	0.00	0.00	0.00	2,387.88
D Busher	1,282.84	0.00	0.00	0.00	0.00	1,282.84
Valli & Co	2,600.14	0.00	0.00	0.00	0.00	2,600.14
Charles Hull Contracting	7,603.41	0.00	0.00	0.00	0.00	7,603.41
J & P Group	135,809.01	0.00	0.00	0.00	0.00	135,809.01
<b>Total - Extractive Industries Bonds</b>	<b>153,159.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>153,159.08</b>
<b>Specified Projects</b>						
Dardanup Central Bushfire Station Refurbishment - Red Cross - A Poad Bequest	93,776.15	0.00	0.00	0.00	0.00	93,776.15
Wells Recreation Ground Refurbishment/Expansion - Red Cross - A Poad Bequest	53,139.81	0.00	0.00	0.00	0.00	53,139.81
<b>Total - Specified Projects</b>	<b>146,915.96</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>146,915.96</b>
<b>Sundry Deposits</b>						
Unclaimed Monies	1,683.92	0.00	0.00	0.00	0.00	1,683.92
Bunbury Wellington Group of Councils	37,164.30	3,500.00	0.00	0.00	0.00	40,664.30
Cristal - Paint the Shire REaD project	5,030.01	0.00	0.00	(5,030.01)	0.00	0.00
<b>Total - Sundry Deposits</b>	<b>43,878.23</b>	<b>3,500.00</b>	<b>0.00</b>	<b>(5,030.01)</b>	<b>0.00</b>	<b>42,348.22</b>
<b>Key Bonds</b>	272.68	400.00	0.00	(320.00)	0.00	352.68
<b>Hire Bonds</b>	2,330.00	6,200.00	0.00	(5,300.00)	0.00	3,230.00
<b>Kerb Bonds</b>	75,041.91	0.00	0.00	0.00	0.00	75,041.91
<b>Less Outstanding Debtors</b>	0.00	(1,680.00)	0.00	0.00	0.00	(1,680.00)
<b>TOTAL</b>	<b>746,593.71</b>	<b>50,693.08</b>	<b>0.00</b>	<b>(81,988.80)</b>	<b>0.00</b>	<b>715,297.99</b>



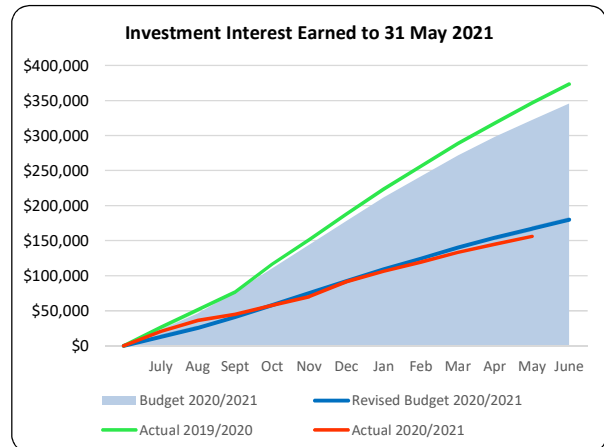
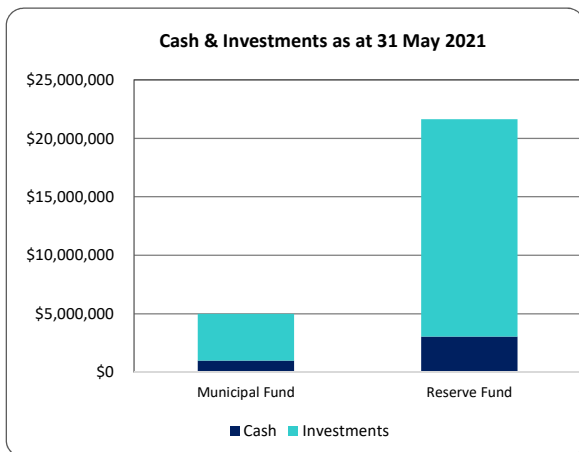
# (Appendix ORD: 12.4.5B)



## Notes to the Statement of Financial Activity For the Period Ended 31 May 2021

### 6. STATEMENT OF INVESTMENTS

BANK	TYPE	AMOUNT	RATE	DAYS	COMMENCEMENT	MATURITY	ESTIMATED INTEREST	INTEREST CREDITED 2020-2021
<b>MUNICIPAL FUND</b>								
CBA	Municipal Fund Bank Account	\$ 996,676.17	0.05%					\$1,104.64
NAB	Term Deposit	\$ 1,000,000.00	0.67%	273	9/2020	6/2021	\$5,011.23	
WBC	Term Deposit	\$ 1,000,000.00	0.31%	120	2/2021	6/2021	\$1,021.55	\$2,325.21
Macquaire	Term Deposit	\$ 1,000,000.00	0.65%	182	1/2021	7/2021	\$3,241.10	
NAB	Term Deposit	\$ 1,000,000.00	0.30%	97	4/2020	6/2021	\$797.26	
	Interest received on matured deposits							\$13,929.75
		<u>\$ 4,996,676.17</u>					<u>\$10,071.14</u>	<u>\$17,359.60</u>
<b>TRUST FUND</b>								
CBA	Trust Fund Bank Account	\$ 989,061.52	0.05%				\$41.21	\$220.43
		<u>\$ 989,061.52</u>					<u>\$41.21</u>	<u>\$220.43</u>
<b>RESERVE FUND</b>								
CBA	Reserve Bank Account	\$ 3,043,261.42	0.05%					\$1,372.95
AMP	Term Deposit	\$ 1,100,000.00	0.80%	365	8/2020	8/2021	\$8,800.00	
NAB	Term Deposit	\$ 1,500,295.89	0.80%	356	8/2020	8/2021	\$11,706.42	
NAB	Term Deposit	\$ 1,000,000.00	0.62%	273	9/2020	6/2021	\$4,637.26	
NAB	Term Deposit	\$ 1,000,000.00	0.72%	365	9/2020	9/2021	\$7,200.00	
NAB	Term Deposit	\$ 1,000,000.00	0.30%	91	3/2021	6/2021	\$747.95	\$3,074.53
WBC	Tailored Term Deposit	\$ 4,000,000.00	0.80%	365	8/2020	8/2021	\$32,000.00	\$23,934.24
WBC	Term Deposit	\$ 1,000,000.00	0.68%	243	10/2020	6/2021	\$4,527.12	
WBC	Term Deposit	\$ 1,000,000.00	0.31%	148	2/2021	6/2021	\$1,256.99	\$2,325.21
ANZ	Term Deposit	\$ 3,000,000.00	0.82%	367	10/2020	10/2021	\$24,734.79	
ANZ	Term Deposit	\$ 3,011,368.76	0.10%	183	4/2021	10/2021	\$1,509.81	
ME Bank	Term Deposit	\$ 1,000,000.00	0.45%	181	3/2021	9/2021	\$2,231.51	
	Interest received on matured deposits							\$77,275.40
		<u>\$ 21,654,926.07</u>					<u>\$99,351.84</u>	<u>\$107,982.33</u>
<b>Total Interest Received</b>					\$ 18,611,664.65			<u>\$125,562.36</u>



# (Appendix ORD: 12.4.5B)



## Notes to the Statement of Financial Activity For the Period Ended 31 May 2021

### 6. STATEMENT OF INVESTMENTS (continued)

#### Total Funds Invested

Total Funds Invested as at Reporting Date -

Municipal Fund Investment Portfolio	\$ 4,000,000.00
Trust Fund Investment Portfolio	\$ -
Reserve Fund Investment Portfolio	\$ 18,611,664.65
	<u>\$ 22,611,664.65</u>

#### Investment Policy - Portfolio Risk Exposure

Council's investment policy provides a framework to manage the risks associated with financial investments.

#### Portfolio - Terms of Maturity

Limits are placed on the term to maturity thereby reducing the impact of any significant change in interest rate markets and to provide liquidity.

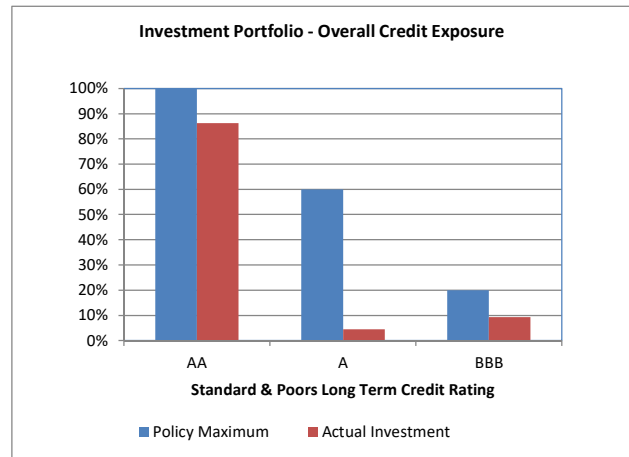
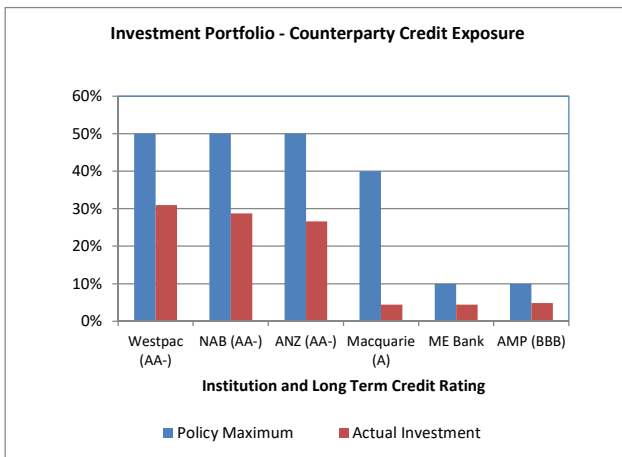
#### Counterparty Credit Exposure

Exposure to an individual authorised deposit-taking institution (ADI) counterparty will be restricted by their credit rating so that single entity exposure is limited.

#### Overall Credit Exposure

To control the credit quality on the entire portfolio, limits are placed on the percentage exposed to any particular credit rating category.

The following charts demonstrate the current portfolio diversity and risk compliance with the policy framework.



# (Appendix ORD: 12.4.5B)



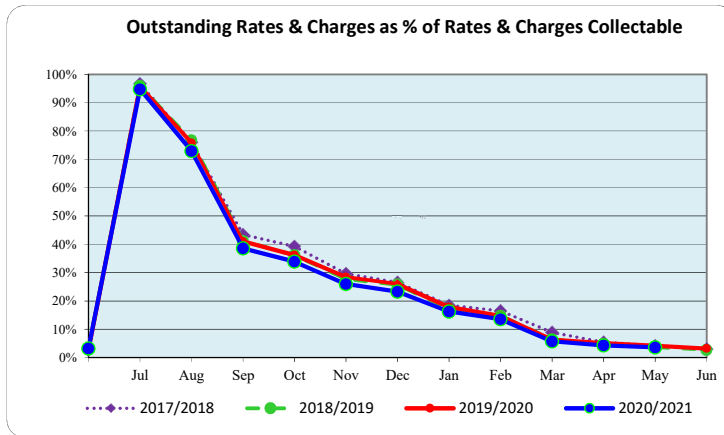
## Notes to the Statement of Financial Activity For the Period Ended 31 May 2021

### 7. Accounts Receivable as at 31 May 2021

#### Rates and Charges Outstanding

2020/21 annual rates were raised on 16 July 2020 and were due for by 10 September 2020 for payment in full or for the first of four instalments. The final instalment was due by 18 March 2021.

As at the reporting date, total outstanding rates and charges (including pensioner deferred rates) is \$585,197. This equates to 3.57% of rates and charges collectable. It is the objective of management to achieve less than 4% of rates and charges outstanding by 30 June.

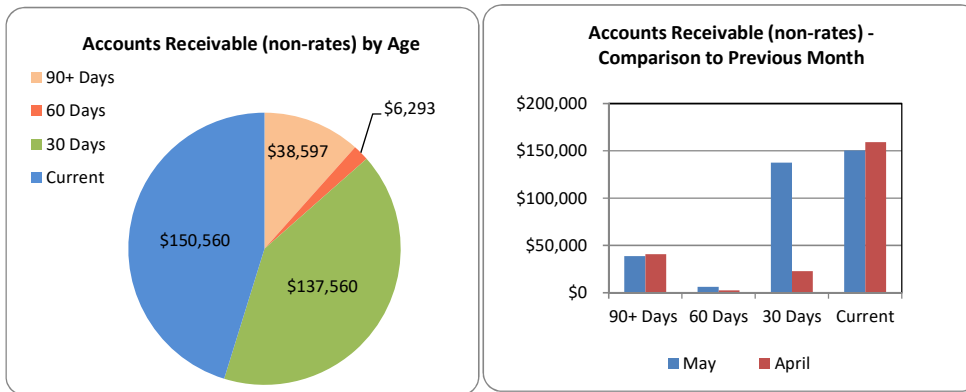


#### Sundry Debtors Outstanding (non-rates)

As at the reporting date, the total outstanding Sundry Debtors amount to \$333,010.

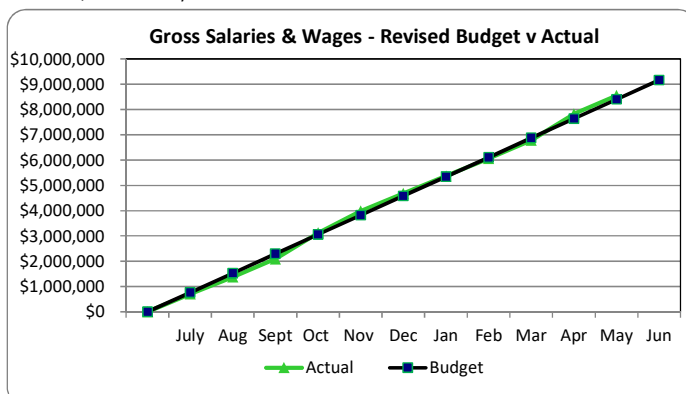
The significant invoices outstanding are \$289,832 for government grants. Payment of \$247,500 has been received in early June and the remaining \$42,332 is expected by the end of June 2021.

Other debts outstanding in excess of 90 days are currently under review and may result in legal actions being instigated against these default debtors to recover the debts in the Court.



### 8. Salaries and Wages to 31 May 2021

At the reporting date, total salaries and wages expenditure is \$8,552,019 (91.8%) of the revised annual budget of \$9,163,754 for the 2020/21 financial year.





Notes to the Statement of Financial Activity  
For the Period Ended 31 May 2021

9. RATING INFORMATION

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	2020/21 Revised Budget rate	2020/21 Revised Budget interim rates	2020/21 Revised Budget back rates	2020/21 Revised Budget total revenue	2020/21 Actual total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
<b>Differential general rate or general rate</b>										
<b>Gross rental valuations</b>										
General Rates - GRV: Residential	0.100662	3,152	56,779,220	5,746,655	0	0	5,746,655	5,715,510	5,620,662	5,620,662
General Rates - GRV: Commercial	0.100662	59	14,495,740	1,428,025	0	0	1,428,025	1,459,170	1,369,549	1,369,549
General Rates - GRV: Industrial	0.100662	68	7,586,727	763,695	0	0	763,695	763,695	757,975	757,975
General Rates - GRV: Small Holding	0.100662	336	7,599,124	765,545	0	0	765,545	764,943	806,389	806,389
General Rates - GRV: Interim and Back Rates	0.100662	0	0	85,000	0	0	85,000	86,122	91,938	124,249
<b>Unimproved valuations</b>										
General Rates - UV: Broad Acre Rural	0.006259	491	274,608,000	1,718,765	0	0	1,718,765	1,718,315	1,709,026	1,709,026
General Rates - UV: Mining	0.006259	0	0	0	0	0	0	0	0	0
General Rates - UV: Interim and Back Rates	0.006259	0	0	0	0	0	0	0	0	0
<b>Sub-Totals</b>		4,106	361,068,811	10,422,685	85,000	0	10,507,685	10,507,755	10,355,539	10,387,850
<b>Minimum payment</b>										
<b>Gross rental valuations</b>										
General Rates - GRV: Residential	1,547.50	1,651	21,331,732	2,554,923	0	0	2,554,923	2,554,923	2,571,945	2,571,945
General Rates - GRV: Commercial	1,547.50	7	61,400	10,833	0	0	10,833	10,833	10,833	10,833
General Rates - GRV: Industrial	1,547.50	47	590,450	72,733	0	0	72,733	72,732	80,470	80,470
General Rates - GRV: Small Holding	1,547.50	85	682,270	131,538	0	0	131,538	131,538	111,420	111,420
General Rates - GRV: Interim and Back Rates	1,547.50	0	0	0	0	0	0	0	0	0
<b>Unimproved valuations</b>										
General Rates - UV: Broad Acre Rural	1,547.50	119	17,457,460	184,153	0	0	184,153	184,152	208,913	208,913
General Rates - UV: Mining	1,547.50	18	399,256	27,855	0	0	27,855	27,855	30,950	30,950
General Rates - UV: Interim and Back Rates	1,547.50	0	0	0	0	0	0	0	0	0
<b>Sub-Totals</b>		1,927	40,522,568	2,982,035	0	0	2,982,035	2,982,033	3,014,531	3,014,531
<b>Discounts/concessions/write-off</b>										
Total amount raised from general rates		6,033	401,591,379	13,404,720	85,000	0	13,489,720	13,489,788	13,370,070	13,402,381
Specified area rates							(5,000)	(27,474)	(1,016)	(5,000)
<b>Total rates</b>							13,484,720	13,462,314	13,369,054	13,397,381
							350,000	350,178	347,651	344,800
							13,834,720	13,812,493	13,716,705	13,742,181



Notes to the Statement of Financial Activity  
For the Period Ended 31 May 2021

10. INFORMATION ON BORROWINGS

Debtenture Repayments

Particulars	Loan No.	Principal Opening Balance 01 July 2020	New Loans 2020/21		Principal Repayments 2020/21		Interest Repayments 2020/21		Principal Outstanding 30 June 2021	
			Actual \$	Revised Budget \$	Actual \$	Revised Budget \$	Actual \$	Revised Budget \$	Actual \$	Revised Budget \$
<b>Community Amenities</b>										
Wanju/Waterloo Industrial Park Developer Contribution Plans	New	0	0	750,000	0	0	0	0	0	750,000
<b>Recreation and Culture</b>										
Eaton Recreation Centre	59	280,690	(88,117)	(88,117)	(16,120)	(16,870)	(16,120)	(16,870)	192,573	192,573
Glen Huon Oval Club Rooms	69	965,470	(41,174)	(41,174)	(40,021)	(43,234)	(40,021)	(43,234)	924,296	924,296
<b>Transport</b>										
Depot Land	66	503,104	(58,628)	(58,628)	(21,586)	(23,169)	(21,586)	(23,169)	444,476	444,476
<b>Economic Services</b>										
Gravel Pit Land - Panizza Road	61	90,549	(23,901)	(23,901)	(3,108)	(5,805)	(3,108)	(5,805)	66,648	66,648
<b>Other Property and Services</b>										
Administration Building Extensions	65	123,303	(38,296)	(38,296)	(4,807)	(8,887)	(4,807)	(8,887)	85,007	85,007
		1,963,116	(250,116)	(250,116)	(85,642)	(97,965)	(85,642)	(97,965)	1,713,000	2,463,000

All debtenture repayments are financed by general purpose revenue.



**Notes to the Statement of Financial Activity  
For the Period Ended 31 May 2021**

**11. BUDGET AMENDMENTS**

Amendments to the original budget since budget adoption. Surplus/(Deficit)

GL/JOB Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Revised Budget Running Balance
<b>Budget Adoption</b>							
<b>Permanent Changes</b>							
	Opening surplus adjustment		Opening Surplus	\$	\$	\$	218,988
0521502	DFES Mitigation Activity Fund grant to reduce bushfire risk	29/07/20 - 212-20	Operating Revenue		92,449		311,437
0511503	Bushfire Risk Management Plan - treatments to mitigate bushfire	29/07/20 - 212-20	Operating Expense		189,440	(189,440)	500,877
J11221	Pratt Road Reserve maintenance - erosion repairs	26/08/20 - 231-20	Operating Expense			(38,707)	311,437
1221507	Disaster Recovery Grant	26/08/20 - 231-20	Operating Revenue		38,707		311,437
0522501	LGGS capital grant to replace Dardanup Central BFB station	30/09/20 - 261-20	Non-operating Revenue		450,000		761,437
0522503	Donation of bequeathed estate for Dardanup Central BFB	30/09/20 - 261-20	Non-operating Revenue		90,000		851,437
J05022	Building construction - Dardanup Central BFB station	30/09/20 - 261-20	Asset Acquisition			(540,000)	311,437
1318004	Economic Development - Designated Area Migration Agreement	30/09/20 - 267-20	Operating Expense		55,000	(55,000)	256,437
1328501	Contributions to Designated Area Migration Agreement	30/09/20 - 267-20	Operating Revenue				311,437
J12306	Renewal - Bridge 3678 - Pile Road	30/09/20 - 274-20	Asset Acquisition			(250,000)	61,437
J12303	Renewal - Bridge 3658 - Ferguson Road	30/09/20 - 274-20	Asset Acquisition			(276,000)	(214,563)
J12310	Renewal - Bridge 4821 - Martin Pelusey Road	30/09/20 - 274-20	Asset Acquisition			(136,000)	(350,563)
1221504	Grant revenue Transport - Special Projects	30/09/20 - 274-20	Non-operating Revenue		526,000		175,437
0341003	Transfer from Reserve - Unspent Grants	30/09/20 - 274-20	Reserve Transfer		136,000		311,437
J12909	Ferguson Road Survey and Design	30/09/20 - 275-20	Asset Acquisition			(52,500)	258,937
J12907	Project preliminaries expenditure - reduced budget	30/09/20 - 275-20	Asset Acquisition		17,500		276,437
1221503	Grant revenue - Regional Road Group	30/09/20 - 275-20	Non-operating Revenue		35,000		311,437
0523502	Grant revenue - Animal Welfare Plan	28/10/20 - 288-20	Operating Revenue		10,000		321,437
0513503	Grant expenditure - animal control	28/10/20 - 288-20	Operating Expense			(10,000)	311,437
1021501	Grant revenue - waste management	12/11/20 - 308-20	Operating Revenue		59,051		370,488
0331003	Transfer to Reserve - Unspent Grants	12/11/20 - 308-20	Reserve Transfer		20,000	(59,051)	311,437
1124003	Fees & Charges Rec Centre - Admissions	25/11/20 - 312-20	Operating Revenue			(20,000)	331,437
1114013	Advertising - Rec Centre	25/11/20 - 312-20	Operating Expense		982		311,437
1123003	Fees & Charges - Lease of Reserves (Lot 101 Martin Pelusey Rd)	25/11/20 - 313-20	Operating Revenue			(30,000)	312,419
0522503	Capital Contributions - Fire Prevention (Poad bequest)	25/11/20 - 320-20	Non-operating Revenue		20,000		282,419
1121501	Grant revenue - CSFFF for skate park pump track	25/11/20 - 315-20	Non-operating Revenue		40,000		302,419
1141001	Transfer from Reserve - Building Maint. - skate park pump track	25/11/20 - 315-20	Reserve Transfer				342,419

(continued next page)



**Notes to the Statement of Financial Activity  
For the Period Ended 31 May 2021**

**11. BUDGET AMENDMENTS (continued)**

Amendments to the original budget since budget adoption. Surplus/(Deficit)

GL/JOB Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Revised Budget Running Balance
				\$	\$	\$	\$
	Balance brought forward from previous page						342,419
J11644	Pump Track (Eaton Skate park)	25/11/20 - 315-20	Asset Acquisition			(60,000)	282,419
J121504	Grant revenue Transport - Special projects	25/11/20 - 325-20	Non-operating Revenue	834			283,253
J12678	2020/21 Grant funded - Local Roads and Community Infrastructure Program (LRCI)						
	Burekup parking bay	25/11/20 - 325-20	Asset Acquisition		360,000		643,253
J12678	Burekup parking bay	25/11/20 - 325-20	Asset Acquisition			(34,659)	608,594
J12680	Murdoch Crescent / Margaret Circle Pathway	25/11/20 - 325-20	Asset Acquisition			(47,312)	561,282
J12681	Leicester Reserve Wetlands / Watson Reserve Pathway	25/11/20 - 325-20	Asset Acquisition			(120,134)	441,148
J12605	Clarke / Crampton / Shier reserve Pathway	25/11/20 - 325-20	Asset Acquisition			(65,663)	375,485
J12602	Peppermint Way Pathway	25/11/20 - 325-20	Asset Acquisition			(52,438)	323,047
J12629	Collie River Heritage Trail	25/11/20 - 325-20	Asset Acquisition			(40,000)	283,047
J121501	Grant revenue - LRCI - Sporting Buildings (Eaton Skate Park)	25/11/20 - 325-20	Non-operating Revenue	230,000			513,047
J11576	Skateparks - Upgrade	25/11/20 - 325-20	Asset Acquisition		245,041		283,047
J123501	Grant revenue - LRCI - Parks & Reserves Capital	25/11/20 - 325-20	Non-operating Revenue				528,088
J11573	Glen Huon Reserve - Development Works	25/11/20 - 325-20	Asset Acquisition			(118,500)	409,588
J11636	Gnomesville Master Plan - pathways and boardwalks	25/11/20 - 325-20	Asset Acquisition			(75,000)	334,588
J11625	Millars Creek Lighting	25/11/20 - 325-20	Asset Acquisition			(54,637)	279,951
J121504	Grant revenue Transport - Special projects	25/11/20 - 325-20	Non-operating Revenue	40,000			319,951
J12602	Peppermint Way Pathway	25/11/20 - 325-20	Asset Acquisition			(40,000)	279,951
1027501	Grant revenue - Other Community Amenities	25/11/20 - 325-20	Non-operating Revenue	100,000			379,951
J10308	Charlotte Street Toilets (and Rail Crossing)	25/11/20 - 325-20	Asset Acquisition			(100,000)	279,951
J121508	Contributions to Works - Roads	16/12/20 - 340-20	Non-operating Revenue		14,600		294,551
J1241002	Transfer from Reserve - Road Construction Reserve	16/12/20 - 340-20	Reserve Transfer		11,930		306,481
J12910	Orchard Road Upgrade	16/12/20 - 340-20	Asset Acquisition			(26,530)	279,951
0522501	Grant revenue - DFES for installation of bushfire water tanks	20/01/21 - 07-21	Non-operating Revenue	102,335			382,286
J05022	Dardanup Central BFB - new fire station	20/01/21 - 07-21	Asset Acquisition			(20,467)	361,819
J05024	Burekup BFB - new water tank	20/01/21 - 07-21	Asset Acquisition			(20,467)	341,352
J05025	Joshua/Crooked Brook BFB - new water tank	20/01/21 - 07-21	Asset Acquisition			(20,467)	320,885
J05006	Waterloo BFB - fire station upgrade	20/01/21 - 07-21	Asset Acquisition			(20,467)	300,418
J05023	Wellington Mills BFB - fire station upgrade	20/01/21 - 07-21	Asset Acquisition			(20,467)	279,951

(continued next page)



Notes to the Statement of Financial Activity  
For the Period Ended 31 May 2021

11. BUDGET AMENDMENTS (continued)

Amendments to the original budget since budget adoption. Surplus/(Deficit)

GL/JOB Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Revised Budget Running Balance
				\$	\$	\$	\$
	Balance brought forward from previous page						279,951
1016506	Land Development Expenses - Reserve 49275 - Kerr Rd, Picton East	24/02/21 - 24-21	Operating Expense			(50,000)	229,951
1026501	Contributions - Sale of land - Reserve 49275 Kerr Rd, Picton East	24/02/21 - 24-21	Operating Revenue	50,000			279,951
J11710	Burekup Hall - installation of roller shutters	24/02/21 - 26-21	Asset Acquisition			(5,400)	274,551
0412507	Other Governance - minor assets	24/02/21 - 26-21	Operating Expense	5,400			279,951
J08717	Diggers Club remembrance wall	24/02/21 - 37-21	Operating Expense			(5,000)	274,951
0827001	Contribution - Diggers Club remembrance wall	24/02/21 - 37-21	Operating Revenue	5,000			279,951
	Mid-year budget review - various amendments	31/03/21 - 76-21	Various		(129,296)		150,655
J11405	Comprehensive service and wheels replacement - ERC grandstands	28/04/21 - 105-21	Operating Expense		(30,000)		120,655
1144002	Transfer from Reserve - Eaton Recreation Centre Equipment Reserve	28/04/21 - 105-21	Reserve Transfer	30,000			150,655
1133003	Vehicle Purchase - Parks & Gardens (Trailers)	28-04-21 - 111-21	Asset Acquisition			(7,200)	143,455
1232003	Vehicle Purchase - Transport (Trailers)	28-04-21 - 111-21	Asset Acquisition	9,545			153,000
1143004	Sale of Asset - Parks & Gardens (Trailers)	28-04-21 - 111-21	Asset Disposal	600			153,600
1242001	Sale of Asset - Transport (Trailers)	28-04-21 - 111-21	Asset Disposal	749			154,349
J11637	Transfer from Reserve - Plant and Engineering Equipment Reserve	28-04-21 - 111-21	Reserve Transfer		(3,694)		150,655
J11574	Burekup Entry Statement - additional expenditure	26-05-21 - 150-21	Asset Acquisition	3,902		(17,000)	133,655
J11574	Burekup Oval Playground - shade sails	26-05-21 - 150-21	Asset Acquisition	11,555			137,557
J12662	Burekup Lighting	26-05-21 - 150-21	Asset Acquisition	1,543			149,112
J11627	Parks and Reserves - renew various playgrounds	26-05-21 - 150-21	Asset Acquisition				150,655
				<b>2,910,714</b>	<b>(3,071,496)</b>		



<b>RISK ASSESSMENT TOOL</b>									
<b>OVERALL RISK EVENT:</b> Failing to monitor the financial performance can increase the risk of a negative impact on the Shire's financial position. Non-compliance with legislative requirement could result in a qualified audit.									
<b>RISK THEME PROFILE:</b>									
3 - Failure to Fulfil Compliance Requirements (Statutory, Regulatory)									
<b>RISK ASSESSMENT CONTEXT:</b> Operational									
CONSEQUENCE CATEGORY	RISK EVENT	PRIOR TO TREATMENT OR CONTROL			RISK ACTION PLAN (Treatment or controls proposed)	AFTER TREATMENT OR CONTROL			RESIDUAL RISK RATING
		CONSEQUENCE	LIKELIHOOD	INHERENT RISK RATING		CONSEQUENCE	LIKELIHOOD	RESIDUAL RISK RATING	
HEALTH	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	Not required.
FINANCIAL IMPACT	Not monitoring ongoing financial performance would increase the risk of a negative impact on the financial position.	Moderate (3)	Unlikely (2)	Moderate (5 - 11)	Not required.	Not required.	Not required.	Not required.	Not required.
SERVICE INTERRUPTION	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	Not required.
LEGAL AND COMPLIANCE	Non-compliance with the legislative requirements that results in a qualified audit.	Minor (2)	Unlikely (2)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.	Not required.
REPUTATIONAL	Non-compliance that results in a qualified audit can lead stakeholders to question the Council's ability to manage finances effectively.	Insignificant (1)	Unlikely (2)	Low (1 - 4)	Not required.	Not required.	Not required.	Not required.	Not required.
ENVIRONMENT	No risk event identified for this category.	Not Required - No Risk Identified	N/A	N/A	Not required.	Not required.	Not required.	Not required.	Not required.

