



**Annual Budget  
2020/2021  
Adopted :  
15 July 2020**



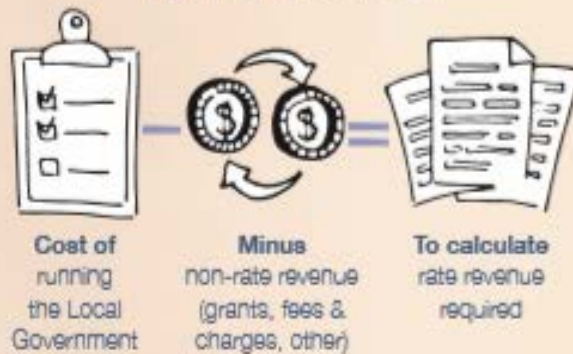
**Our Vision:  
Three  
Springs  
becomes a  
healthy  
and unified  
community  
with a  
bright  
future**



# YOUR COUNCIL RATES EXPLAINED

## Step 1

Total rates required to run the Local Government



## Step 2

Rate in dollar calculated



## Step 3

What you pay





**SHIRE OF THREE SPRINGS  
INDEX OF NOTES TO THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2021**

Note 1	Rates	9
Note 2	Net Current Assets	12
Note 3	Reconciliation of Cash	16
Note 4(a)	Asset Acquisitions	17
Note 4(b)	Asset Disposals	18
Note 5	Asset Depreciation	19
Note 6	Borrowings	20
Note 7	Reserves	22
Note 8	Fees and Charges	23
Note 9	Grant Revenue	23
Note 10	Revenue Recognition	24
Note 11	Other Information	25
Note 12	Interests in Joint Arrangements	26
Note 13	Significant Accounting Policies - Other Information	27

# SHIRE OF THREE SPRINGS

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2021

#### LOCAL GOVERNMENT ACT 1995

### TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Basis of Preparation	3
Statement of Comprehensive Income by Program	4
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Budget	8

#### **SHIRE'S VISION**

Three Springs becomes a Healthy and Unified Community with a bright future

***Powering the Region***

# SHIRE OF THREE SPRINGS FOR THE YEAR ENDED 30 JUNE 2021

## BASIS OF PREPARATION

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

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

## THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to the budget.

## 2019/20 ACTUAL BALANCES

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

## CHANGE IN ACCOUNTING POLICIES

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

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

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

## KEY TERMS AND DEFINITIONS - NATURE OR TYPE

### REVENUES

#### RATES

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

#### SERVICE CHARGES

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

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

#### PROFIT ON ASSET DISPOSAL

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

## REVENUES (CONTINUED)

### OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

### NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

### FEES AND CHARGES

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

### INTEREST EARNINGS

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

### OTHER REVENUE / INCOME

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

## EXPENSES

### EMPLOYEE COSTS

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

### MATERIALS AND CONTRACTS

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

### UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

### INSURANCE

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

### LOSS ON ASSET DISPOSAL

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

### DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

### INTEREST EXPENSES

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

### OTHER EXPENDITURE

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

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	2,148,202	2,148,285	2,180,247
Operating grants, subsidies and contributions	9(a)	1,707,863	1,468,724	726,086
Fees and charges	8	242,375	248,876	238,032
Interest earnings	11(a)	30,600	49,060	64,071
Other revenue	11(b)	50,000	91,299	46,000
		4,179,040	4,006,244	3,254,436
<b>Expenses</b>				
Employee costs		(1,565,153)	(1,268,375)	(1,400,686)
Materials and contracts		(1,289,538)	(1,100,842)	(705,146)
Utility charges		(243,355)	(254,197)	(212,382)
Depreciation on non-current assets	5	(1,671,065)	(1,739,967)	(1,113,248)
Interest expenses	11(d)	(6,795)	(8,410)	(9,026)
Insurance expenses		(183,795)	(186,816)	(186,614)
Other expenditure		(83,737)	(61,837)	(65,847)
		(5,043,438)	(4,620,444)	(3,692,949)
<b>Subtotal</b>		(864,398)	(614,200)	(438,513)
Non-operating grants, subsidies and contributions	9(b)	568,458	1,627,409	2,224,293
Profit on asset disposals	4(b)	0	0	19,000
Loss on asset disposals	4(b)	(26,218)	(66,543)	(17,300)
		542,240	1,560,866	2,225,993
<b>Net result</b>		<b>(322,158)</b>	<b>946,666</b>	<b>1,787,480</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(322,158)</b>	<b>946,666</b>	<b>1,787,480</b>

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

**SHIRE OF THREE SPRINGS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>Revenue</b>	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		47,186	103,543	34,563
General purpose funding		3,621,264	3,367,726	2,771,305
Law, order, public safety		31,957	38,244	24,020
Health		78,573	74,427	17,150
Education and welfare		2,300	4,776	14,762
Housing		115,260	114,813	97,639
Community amenities		79,125	81,821	83,153
Recreation and culture		14,650	23,555	23,313
Transport		129,585	134,992	137,557
Economic services		6,140	6,694	8,219
Other property and services		53,000	55,653	42,755
		4,179,040	4,006,244	3,254,436
<b>Expenses excluding finance costs</b>	4(a),5,11(c),(e)			
Governance		(751,055)	(385,172)	(419,488)
General purpose funding		(136,189)	(44,810)	(44,711)
Law, order, public safety		(392,705)	(214,339)	(214,423)
Health		(253,232)	(181,052)	(140,010)
Education and welfare		(46,183)	(39,343)	(15,340)
Housing		(399,163)	(457,515)	(408,605)
Community amenities		(356,639)	(317,563)	(324,626)
Recreation and culture		(935,303)	(964,875)	(940,332)
Transport		(1,519,723)	(1,909,795)	(943,079)
Economic services		(224,826)	(182,022)	(180,734)
Other property and services		(21,625)	84,452	(52,575)
		(5,036,643)	(4,612,034)	(3,683,923)
<b>Finance costs</b>	,6(a),11(d)			
Governance		(3,500)	(3,593)	0
General purpose funding		0	(4)	(3,500)
Recreation and culture		(3,295)	(3,450)	(4,092)
Transport		0	(1,363)	(1,434)
		(6,795)	(8,410)	(9,026)
<b>Subtotal</b>		(864,398)	(614,200)	(438,513)
Non-operating grants, subsidies and contributions	9(b)	568,458	1,627,409	2,224,293
Profit on disposal of assets	4(b)	0	0	19,000
(Loss) on disposal of assets	4(b)	(26,218)	(66,543)	(17,300)
		542,240	1,560,866	2,225,993
<b>Net result</b>		<b>(322,158)</b>	<b>946,666</b>	<b>1,787,480</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(322,158)</b>	<b>946,666</b>	<b>1,787,480</b>

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

**SHIRE OF THREE SPRINGS  
FOR THE YEAR ENDED 30 JUNE 2021**

**KEY TERMS AND DEFINITIONS - REPORTING**

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

**OBJECTIVE**

**ACTIVITIES**

**GOVERNANCE**

To Provide a decision making process for the efficient allocation of scarce resources.

Administration and operation of facilities and services to members of Council: Other costs that relate to the tasks of assisting elected members and taxpayers on matters which do not concern specific Council services.

**GENERAL PURPOSE FUNDING**

To collect revenue to fund provision of services.

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

To ensure a safer community in which to live.

Supervision of various local laws, fire prevention, emergency services and animal control.

**HEALTH**

To provide an operational framework for good community health.

Food quality and pest control, maintenance of child health centre, doctors surgery and

**EDUCATION AND WELFARE**

To support the needs of the community in education and welfare.

Assistance to Day Care Centre, Playgroup, Youth activities and other voluntary services.

**HOUSING**

Provide adequate housing to attract and retain staff and non-staff.

Maintenance of Council owned housing

**COMMUNITY AMENITIES**

Provide services as required by the community.

Rubbish collection services, tip operation, noise control, town planning administration.

**RECREATION AND CULTURE**

To establish and efficiently manage infrastructure and resources which will help the

Maintenance of halls, swimming pool, library, parks, ovals, gardens and reserves.

**TRANSPORT**

To provide effective and efficient transport services to the community.

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, traffic lights, depot maintenance and airstrip maintenance

**ECONOMIC SERVICES**

To help promote the shire and improve its economic well being.

Regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control, plant nursery and standpipes.

**OTHER PROPERTY AND SERVICES**

Private works, plant repairs and operation costs, fuel stock and materials.

Private works, plant repairs and operation costs, fuel stock and materials.



**SHIRE OF THREE SPRINGS  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>OPERATING ACTIVITIES</b>			
<b>Net current assets at start of financial year - surplus/(deficit)</b>	1,012,765	1,874,400	1,890,870
	1,012,765	1,874,400	1,890,870
<b>Revenue from operating activities (excluding rates)</b>			
Governance	47,186	103,543	34,563
General purpose funding	1,473,062	1,219,441	596,058
Law, order, public safety	31,957	38,244	24,020
Health	78,573	74,427	17,150
Education and welfare	2,300	4,776	14,762
Housing	115,260	114,813	97,639
Community amenities	79,125	81,821	83,153
Recreation and culture	14,650	23,555	23,313
Transport	129,585	134,992	151,557
Economic services	6,140	6,694	8,219
Other property and services	53,000	55,653	42,755
	2,030,838	1,857,959	1,093,189
<b>Expenditure from operating activities</b>			
Governance	(754,555)	(391,716)	(419,488)
General purpose funding	(136,189)	(44,814)	(48,211)
Law, order, public safety	(392,705)	(214,339)	(214,423)
Health	(253,232)	(181,052)	(140,010)
Education and welfare	(46,183)	(39,343)	(15,340)
Housing	(399,163)	(457,515)	(408,605)
Community amenities	(356,639)	(317,563)	(324,626)
Recreation and culture	(938,598)	(968,325)	(944,424)
Transport	(1,545,941)	(1,974,750)	(961,813)
Economic services	(224,826)	(182,022)	(180,734)
Other property and services	(21,625)	84,452	(52,575)
	(5,069,656)	(4,686,987)	(3,710,249)
Non-cash amounts excluded from operating activities	2 (a)(i) 1,697,283	1,764,350	1,114,761
<b>Amount attributable to operating activities</b>	(328,770)	809,722	388,571
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	9(b) 568,458	1,627,409	2,224,293
Purchase property, plant and equipment	4(a) (712,695)	(1,877,918)	(2,093,000)
Purchase and construction of infrastructure	4(a) (1,794,130)	(1,859,693)	(2,638,513)
Proceeds from disposal of assets	4(b) 143,000	98,726	123,000
<b>Amount attributable to investing activities</b>	(1,795,367)	(2,011,476)	(2,384,220)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a) (21,065)	(51,289)	(51,289)
Transfers to cash backed reserves (restricted assets)	7(a) (53,000)	(658,477)	(633,309)
Transfers from cash backed reserves (restricted assets)	7(a) 50,000	776,000	500,000
<b>Amount attributable to financing activities</b>	(24,065)	66,234	(184,598)
<b>Budgeted deficiency before general rates</b>	(2,148,202)	(1,135,520)	(2,180,247)
<b>Estimated amount to be raised from general rates</b>	1 2,148,202	2,148,285	2,180,247
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii) 0	1,012,765	0

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

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
GRV Residential	0.119607	206	2,021,136	241,742	0	0	241,742	241,740	241,740
GRV Mining	0.119607	1	252,500	30,201	0	0	30,201	30,201	60,401
<b>Unimproved valuations</b>									
UV Rural and Arrino Town	0.014416	182	127,974,500	1,844,880	0	0	1,844,880	1,844,038	1,843,975
UV Mining	0.014416	5	251,385	3,624	0	0	3,624	3,641	11,266
<b>Sub-Totals</b>		394	130,499,521	2,120,447	0	0	2,120,447	2,119,620	2,157,382
<b>Minimum</b>									
<b>Minimum payment</b>									
\$									
<b>Gross rental valuations</b>									
GRV Residential	455	19	308,100	8,645	0	0	8,645	9,100	9,100
GRV Mining	0	0	0		0	0	0	0	0
<b>Unimproved valuations</b>									
UV Rural and Arrino Town	455	24	39,089	10,920	0	0	10,920	10,465	10,465
UV Mining	455	18	158,827	8,190	0	0	8,190	9,100	3,300
<b>Sub-Totals</b>		61	506,016	27,755	0	0	27,755	28,665	22,865
		455	131,005,537	2,148,202	0	0	2,148,202	2,148,285	2,180,247
<b>Total amount raised from general rates</b>							2,148,202	2,148,285	2,180,247

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

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

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

## 1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option One</b>				
Full payment	14/09/2020	0	0.0%	0.0%
<b>Option Two</b>				
First instalment				
Second instalment				
<b>Option Three</b>				
First instalment	14/09/2020	0	0.0%	0.0%
Second instalment	16/11/2020	0	0.0%	0.0%
Third instalment	18/01/2021	0	0.0%	0.0%
Fourth instalment	22/03/2021	0	0.0%	0.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	0	2,064	2,040
Instalment plan interest earned	0	5,604	4,000
Unpaid rates and service charge interest earned	0	5,815	6,227
	0	13,483	12,267

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

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

(d) Service Charges

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Community Bus	Waiver	Per Fees & Charges		\$ 650	\$ 550	\$ 1,000	TS Primary School	Promote Educational Activities & Support Local Primary School
Pool Charges	Waiver	Per Fees & Charges		500	450	200	TS Primary School	Promote Educational Activities & Support Local Primary School
Community Hall Charges	Waiver	Per Fees & Charges		2,500	2,400	3,000	Wildflower Committee, Hospital Fete Committee & TS Primary School	Promote School and Community activities in the Shire
Photocopying Charges	Waiver	Per Fees & Charges		2,000	1,700	3,500	Certain Community Groups such as: Yakabout (Local Newspaper), St John Ambulance, Volunteer Bush Fire Brigade & Wildflower Committee	Support Local Community Group for overall community benefit
COVID-19 Responsee	Waiver	Per Fees & Charges		5,400	9,900	0	COVID-19 response to support all Sporting Clubs and commercial tennants	Support Local Community Group for overall community benefit
				11,050	15,000	7,700		

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

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

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

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
<b>(i) Operating activities excluded from budgeted deficiency</b>			
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals 4(b)	0	0	(19,000)
Less: Movement in contract liabilities associated with restricted cash	0	0	3,213
Less: Movement in employee liabilities associated with restricted cash	0	(42,160)	0
Add: Loss on disposal of assets 4(b)	26,218	66,543	17,300
Add: Depreciation on assets 5	1,671,065	1,739,967	1,113,248
<b>Non cash amounts excluded from operating activities</b>	<b>1,697,283</b>	<b>1,764,350</b>	<b>1,114,761</b>
<b>(ii) Current assets and liabilities excluded from budgeted deficiency</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.			
<b>Adjustments to net current assets</b>			
Less: Cash - restricted reserves 3	(1,861,011)	(1,858,011)	(2,108,844)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	(21,065)	0	21,066
- Employee benefit provisions	92,289	92,289	137,662
<b>Total adjustments to net current assets</b>	<b>(1,789,787)</b>	<b>(1,765,722)</b>	<b>(1,950,116)</b>



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

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
<b>(iii) Composition of estimated net current assets</b>				
<b>Current assets</b>				
Cash and cash equivalents- unrestricted	3	41,968	1,054,733	367,325
Cash and cash equivalents - restricted				
Cash backed reserves	3	1,861,011	1,858,011	2,108,844
Receivables		204,701	204,701	208,484
Inventories		4,804	4,804	3,125
		2,112,484	3,122,249	2,687,778
<b>Less: current liabilities</b>				
Trade and other payables		(251,473)	(251,473)	(568,374)
Long term borrowings		21,065	0	(21,066)
Provisions		(92,289)	(92,289)	(148,222)
		(322,697)	(343,762)	(737,662)
<b>Net current assets</b>		1,789,787	2,778,487	1,950,116
<b>Less: Total adjustments to net current assets</b>	2 (a)(ii)	(1,789,787)	(1,765,722)	(1,950,116)
<b>Closing funding surplus / (deficit)</b>		0	1,012,765	0

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

**2 (b). NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

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

**TRADE AND OTHER PAYABLES**

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

**CONTRACT ASSETS**

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

**PROVISIONS**

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

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

**INVENTORIES**

**General**

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

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

**Superannuation**

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

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

**LEASE LIABILITIES**

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

**TRADE AND OTHER RECEIVABLES**

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

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

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

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

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

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

**LAND HELD FOR RESALE**

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

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

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

**SHIRE OF THREE SPRINGS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,148,202	2,132,915	2,180,247
Operating grants, subsidies and contributions		1,707,863	1,521,417	
Fees and charges		242,375	248,876	726,086
Service charges		0	0	238,032
Interest earnings		30,600	49,060	64,071
Goods and services tax		0	(36,874)	146,653
Other revenue		50,000	91,299	46,000
		4,179,040	4,006,693	3,401,089
<b>Payments</b>				
Employee costs		(1,565,153)	(1,281,665)	(1,400,686)
Materials and contracts		(1,289,538)	(1,570,667)	(705,146)
Utility charges		(243,355)	(254,197)	(212,382)
Interest expenses		(6,795)	(9,121)	(9,026)
Insurance expenses		(183,795)	(186,816)	(186,614)
Goods and services tax		0	0	(146,653)
Other expenditure		(83,737)	(61,837)	(65,847)
		(3,372,373)	(3,364,303)	(2,726,354)
<b>Net cash provided by (used in)</b>				
<b>operating activities</b>	3	806,667	642,390	674,735
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(712,695)	(1,877,918)	(2,093,000)
Payments for construction of infrastructure	4(a)	(1,794,130)	(1,859,693)	(2,638,513)
Non-operating grants, subsidies and contributions		568,458	1,627,409	2,224,293
Proceeds from sale of plant and equipment	4(b)	143,000	98,726	123,000
<b>Net cash provided by (used in)</b>				
<b>investing activities</b>		(1,795,367)	(2,011,476)	(2,384,220)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(21,065)	(51,289)	(51,289)
<b>Net cash provided by (used in)</b>				
<b>financing activities</b>		(21,065)	(51,289)	(51,289)
<b>Net increase (decrease) in cash held</b>		(1,009,765)	(1,420,375)	(1,760,774)
Cash at beginning of year		2,912,744	4,333,119	4,236,943
<b>Cash and cash equivalents</b>				
<b>at the end of the year</b>	3	1,902,979	2,912,744	2,476,169

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

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

### 3. RECONCILIATION OF CASH

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

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	44,968	1,054,733	2,476,169
Term deposits	1,858,011	1,858,011	0
	1,902,979	2,912,744	2,476,169
- Unrestricted cash and cash equivalents	41,968	1,054,733	367,325
- Restricted cash and cash equivalents	1,861,011	1,858,011	2,108,844
	1,902,979	2,912,744	2,476,169
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Leave Reserve	138,189	136,689	137,662
Plant Reserve	406,193	369,793	359,918
Housing & Development Reserve	549,103	543,103	564,210
Joint Venture Housing Reserve	170,383	168,383	169,581
Gravel Pit Reserve	50,220	49,720	50,075
Swimming Pool Equipment Reserve	77,932	126,682	143,697
Day Care Centre Reserve	37,716	37,216	46,792
Lovelock Sock Reserve	104,194	103,194	103,153
Road Reserve	102,675	101,475	101,243
Drainage Reserve	165,806	163,806	375,513
Refuse Site Reserve	58,600	57,950	57,000
	1,861,011	1,858,011	2,108,844
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	(322,158)	946,666	1,787,480
Depreciation	5	1,671,065	1,739,967
(Profit)/loss on sale of asset	4(b)	26,218	66,543
(Increase)/decrease in receivables		0	449
(Increase)/decrease in inventories		0	(1,679)
Increase/(decrease) in payables		0	(432,097)
Increase/(decrease) in employee provisions		0	(50,050)
Non-operating grants, subsidies and contributions		(568,458)	(1,627,409)
<b>Net cash from operating activities</b>	806,667	642,390	674,735

#### SIGNIFICANT ACCOUNTING POLICES

##### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

##### FINANCIAL ASSETS AT AMORTISED COST

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Reporting program

Asset class	Reporting program					2020/21	2019/20	2019/20
	General administration	Housing	Community amenities	Recreation and culture	Transport	Budget total	Actual total	Budget total
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>								
Land - vested in and under the control of	0	0	0	0	0	0	0	0
Buildings - non-specialised	10,000	80,800	10,000	290,000	83,895	474,695	107,797	238,500
Buildings - specialised	0	0	0	0	0	0	1,226,705	1,330,000
Furniture and equipment	0	0	0	62,000	0	62,000	71,651	109,000
Plant and equipment	0	0	0	0	176,000	176,000	471,765	415,500
	10,000	80,800	10,000	352,000	259,895	712,695	1,877,918	2,093,000
<i>Infrastructure</i>								
Infrastructure - roads	0	0	0	0	1,629,130	1,629,130	1,776,393	2,542,413
Infrastructure - footpaths	0	0	0	0	0	0	61,792	60,000
Infrastructure - parks and ovals	0	0	0	165,000	0	165,000	21,508	36,100
Infrastructure - airfield	0	0	0	0	0	0	0	0
	0	0	0	165,000	1,629,130	1,794,130	1,859,693	2,638,513
<b>Total acquisitions</b>	10,000	80,800	10,000	517,000	1,889,025	2,506,825	3,737,611	4,731,513

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

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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



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

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Governance	0	0	0	0	21,669	18,718	0	(2,951)	0	0	0	0
General Purpose Funding	0	0	0	0	0	0	0	0	15,000	20,000	5,000	0
Transport	169,218	143,000	0	(26,218)	143,600	80,008	0	(63,592)	106,300	103,000	14,000	(17,300)
	169,218	143,000	0	(26,218)	165,269	98,726	0	(66,543)	121,300	123,000	19,000	(17,300)
<b>By Class</b>												
<u>Property, Plant and Equipment</u>												
Plant and equipment	169,218	143,000	0	(26,218)	165,269	98,726	0	(66,543)	121,300	123,000	19,000	(17,300)
	169,218	143,000	0	(26,218)	165,269	98,726	0	(66,543)	121,300	123,000	19,000	(17,300)

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

**SIGNIFICANT ACCOUNTING POLICIES**

**GAINS AND LOSSES ON DISPOSAL**

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

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

5. ASSET DEPRECIATION

By Program

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

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - parks and ovals
Infrastructure - airfield

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
52,000	54,436	78,800
80,500	86,828	114,800
48,400	51,110	62,253
15,000	17,252	1,000
135,000	139,998	140,150
29,000	28,862	21,800
311,365	315,887	335,000
802,000	833,788	106,045
5,800	5,786	7,500
192,000	206,020	245,900
1,671,065	1,739,967	1,113,248
505,376	526,213	152,807
	0	359,076
30,200	31,445	51,832
255,827	266,376	371,188
707,556	736,730	0
7,879	8,204	6,073
95,813	99,764	100,325
68,414	71,235	71,947
1,671,065	1,739,967	1,113,248

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings - non-specialised	30 to 50 years
Buildings - specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	10 to 50 years
Infrastructure - footpaths	50 years
Infrastructure - parks and ovals	10 - 20 years
Infrastructure - airfield	10 to 20 years

AMORTISATION

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

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

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

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2020/21	2020/21	Budget	2020/21	Actual	2019/20	2019/20	Actual	2019/20	Budget	2019/20	2019/20	Budget	2019/20	
				Principal	Budget	Budget	Principal	Budget		Actual	Actual	Actual	Actual		Principal	Budget	Budget	Budget	Principal
				1 July 2020	New Loans	Principal Repayments	Principal outstanding 30 June 2021	Interest Repayments	Principal 1 July 2019	New Loans	Principal Repayments	Principal outstanding 30 June 2020	Interest Repayments	Principal 1 July 2019	New Loans	Principal Repayments	Principal outstanding 30 June 2020	Interest Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Recreation and culture</b>																			
Swimming Pool	160	WATC	3.9%	89,384	0	(21,065)	68,319	(3,295)				(20,265)	(20,265)	(3,450)	109,649	0	(20,265)	89,384	(4,091)
<b>Transport</b>																			
Grader	157			0	0	0	0	0	0	0	(31,024)	(31,024)	(1,363)	31,024	0	(31,024)	0	(1,433)	
				89,384	0	(21,065)	68,319	(3,295)	0	0	(51,289)	(51,289)	(4,813)	140,673	0	(51,289)	89,384	(5,524)	
				89,384	0	(21,065)	68,319	(3,295)	0	0	(51,289)	(51,289)	(4,813)	140,673	0	(51,289)	89,384	(5,524)	

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.  
 The Shire currently has no self supporting loans.

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

**6. INFORMATION ON BORROWINGS**

**(b) New borrowings - 2020/21**

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

**(c) Unspent borrowings**

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

**(d) Credit Facilities**

	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit	11,000	11,000	11,000
Credit card balance at balance date	(500)	(335)	0
<b>Total amount of credit unused</b>	<b>10,500</b>	<b>10,665</b>	<b>11,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	68,319	(51,289)	89,384

**SIGNIFICANT ACCOUNTING POLICIES**

**BORROWING COSTS**

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

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	136,689	1,500	0	138,189	134,449	2,240	0	136,689	134,449	3,213	0	137,662
(b) Plant Reserve	369,793	36,400	0	406,193	302,724	117,069	(50,000)	369,793	146,418	213,500	0	359,918
(c) Housing & Development Reserve	543,103	6,000	0	549,103	146,417	396,686	0	543,103	302,724	261,486	0	564,210
(d) Joint Venture Housing Reserve	168,383	2,000	0	170,383	165,623	2,760	0	168,383	165,623	3,958	0	169,581
(e) Gravel Pit Reserve	49,720	500	0	50,220	48,906	814	0	49,720	48,906	1,169	0	50,075
(f) Swimming Pool Equipment Reserve	126,682	1,250	(50,000)	77,932	140,343	2,339	(16,000)	126,682	140,343	3,354	0	143,697
(g) Day Care Centre Reserve	37,216	500	0	37,716	534,030	3,186	(500,000)	37,216	534,030	12,762	(500,000)	46,792
(h) Lovelock Sock Reserve	103,194	1,000	0	104,194	76,912	26,282	0	103,194	76,912	26,241	0	103,153
(i) Road Reserve	101,475	1,200	0	102,675	50,631	50,844	0	101,475	50,631	50,612	0	101,243
(j) Drainage Reserve	163,806	2,000	0	165,806	318,499	55,307	(210,000)	163,806	318,499	57,014	0	375,513
(k) Refuse Site Reserve	57,950	650	0	58,600	57,000	950	0	57,950	57,000	0	0	57,000
	1,858,011	53,000	(50,000)	1,861,011	1,975,534	658,477	(776,000)	1,858,011	1,975,535	633,309	(500,000)	2,108,844

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	- to be used to fund annual and long service leave requirements.
(b) Plant Reserve	Ongoing	- to be used for the purchase of major plant.
(c) Housing & Development Reserve	Ongoing	- to be used to fund housing accomodation projects.
(d) Joint Venture Housing Reserve	Ongoing	- to be used to maintain the joint venture with Department of housing and LG Properties.
(e) Gravel Pit Reserve	Ongoing	- to be used for rehabilitation of disused gravel pits.
(f) Swimming Pool Equipment Reserve	Ongoing	- to be used to purchase equipment for the swimming pool.
(g) Day Care Centre Reserve	30/06/2021	- to be used to fund for future building works OR Re-Purpose to other reserve.
(h) Lovelock Sock Reserve	Ongoing	- to be used to upgrade Portable water infrastructure.
(i) Road Reserve	Ongoing	- to be used to fund for future capital road works.
(j) Drainage Reserve	Ongoing	- to be used for design and constrction of new drainage system.
(k) Refuse Site Reserve	Ongoing	- to be used for rehabilitation of refuse site.



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

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
General administration	4,600	6,503	6,040
General purpose funding	0	2,064	10,000
Law, order, public safety	1,100	1,211	1,520
Health	16,800	12,654	17,150
Education and welfare	800	591	0
Housing	101,760	104,703	86,860
Community amenities	77,475	79,590	81,812
Recreation and culture	9,700	9,794	12,700
Economic services	5,140	5,513	6,950
Other property and services	25,000	26,253	15,000
	242,375	248,876	238,032

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program:</b>								
<b>(a) Operating grants, subsidies and contributions</b>								
General administration	0	0	0	0	0	31,586	46,626	1,350
General purpose funding	0	0	0	0	0	1,463,062	1,193,506	568,291
Law, order, public safety	0	30,857	(30,857)	0	0	30,857	37,033	22,500
Health	0	0	0	0	0	61,773	61,773	0
Education and welfare	0	1,000	(1,000)	0	0	1,000	1,000	2,000
Housing	0	0	0	0	0	3,000	2,952	3,800
Recreation and culture	0	2,700	(2,700)	0	0	3,700	12,454	7,259
Transport	0	112,885	(112,885)	0	0	112,885	113,380	113,031
Economic services	0	0	0	0	0	0	0	100
Other property and services	0	0	0	0	0	0	0	7,755
	0	147,442	(147,442)	0	0	1,707,863	1,468,724	726,086
<b>(b) Non-operating grants, subsidies and contributions</b>								
Law, order, public safety	0	0	0	0	0	0	57,378	59,878
Education and welfare	0	0	0	0	0	0	721,503	780,000
Recreation and culture	0	0	0	0	0	0	0	1,750
Transport	0	568,458	(568,458)	0	0	568,458	848,528	1,382,665
	0	568,458	(568,458)	0	0	568,458	1,627,409	2,224,293
<b>Total</b>	<b>0</b>	<b>715,900</b>	<b>(715,900)</b>	<b>0</b>	<b>0</b>	<b>2,276,321</b>	<b>3,096,133</b>	<b>2,950,379</b>

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

**10. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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

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

## 11. OTHER INFORMATION

### The net result includes as revenues

#### (a) Interest earnings

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Investments			
- Reserve funds	20,600	27,205	42,344
- Other funds	10,000	10,436	11,500
Other interest revenue (refer note 1b)	0	11,419	10,227
	30,600	49,060	64,071

\* The Shire has resolved to charge no interest for the late payment of any amount of money.

#### (b) Other revenue

Reimbursements and recoveries	50,000	91,299	46,000
	50,000	91,299	46,000

### The net result includes as expenses

#### (c) Auditors remuneration

Audit services	41,000	39,964	45,000
	41,000	39,964	45,000

#### (d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	3,295	4,813	5,524
Other	3,500	3,597	3,502
	6,795	8,410	9,026

#### (e) Elected members remuneration

Meeting fees	17,300	22,400	25,500
Mayor/President's allowance	7,500	10,000	10,000
Deputy Mayor/President's allowance	1,875	2,500	2,500
Travelling expenses	1,325	0	5,000
Telecommunications allowance	14,000	13,500	0
	42,000	48,400	43,000

**12. MAJOR LAND TRANSACTIONS**

It is not anticipated the Shire will be party to any Major Land Transactions or Trading Undertakings during 2020-21.

### 13. INTERESTS IN JOINT ARRANGEMENTS

The Shire together with the Department of Housing and Works have a joint venture arrangement with regard to the provision of housing for aged resident and community housing. The assets are two houses for community and 6 units for aged residents. The Shire has a share of 10.76% and 11.14% in the two houses, 22.34% for Units 1 to 4 and 15.35% in Unit 5 and 6.

The housing and aged care units are included in Property, Plant & Equipment is as follow:

	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
	\$	\$	\$
<b>Non-current assets</b>			
Building Non - Specialised	208,727	223,479	198,154
Less: accumulated depreciation	(14,752)	(14,752)	(12,500)
	<b>193,975</b>	<b>208,727</b>	<b>185,654</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### INTERESTS IN JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

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

## 14. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

### GOODS AND SERVICES TAX (GST)

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

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

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

### CRITICAL ACCOUNTING ESTIMATES

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

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

### ROUNDING OFF FIGURES

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

### COMPARATIVE FIGURES

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

### BUDGET COMPARATIVE FIGURES

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