

SHIRE OF DERBY-WEST KIMBERLEY

BUDGET

FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A friendly and diverse place with awesome opportunities.

SHIRE OF DERBY-WEST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	7,678,514	7,365,244	8,795,965
Operating grants, subsidies and contributions	9(a)	5,971,350	9,436,086	7,205,732
Fees and charges	8	4,180,441	3,705,444	3,356,473
Interest earnings	12(a)	225,000	261,755	253,005
Other revenue	12(b)	156,254	497,905	18,425
		18,211,559	21,266,434	19,629,600
Expenses				
Employee costs		(9,498,560)	(7,017,827)	(7,325,883)
Materials and contracts		(8,626,979)	(7,526,419)	(10,051,182)
Utility charges		(884,529)	(909,609)	(1,015,601)
Depreciation on non-current assets	5	(7,131,200)	(7,131,200)	(7,454,631)
Interest expenses	12(d)	(135,801)	(118,046)	(191,085)
Insurance expenses		(1,167,763)	(807,093)	(1,094,727)
Other expenditure		(490,508)	(814,599)	(337,755)
		(27,935,340)	(24,324,793)	(27,470,864)
Subtotal		(9,723,781)	(3,058,359)	(7,841,264)
Non-operating grants, subsidies and contributions	9(b)	22,040,788	885,969	16,233,630
Profit on asset disposals	4(b)	0	28,788	41,258
Loss on asset disposals	4(b)	0	(199,314)	(203,559)
		22,040,788	715,443	16,071,329
Net result		12,317,007	(2,342,916)	8,230,065
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		12,317,007	(2,342,916)	8,230,065

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

SHIRE OF DERBY-WEST KIMBERLEY FOR THE YEAR ENDED 30 JUNE 2022

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 Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. 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.

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 Derby-West Kimberley controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

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

2020/21 ACTUAL BALANCES

Balances shown in this budget as 2020/21 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 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

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 DERBY-WEST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,8,9(a),12(a),12(b)	\$	\$	\$
Governance		3,750	1,158	21,050
General purpose funding		11,054,125	13,784,449	12,095,437
Law, order, public safety		163,950	58,840	43,300
Health		706,516	571,025	737,679
Education and welfare		1,089,770	182,061	512,114
Housing		108,800	97,376	70,560
Community amenities		2,195,272	1,784,707	1,949,138
Recreation and culture		464,872	375,318	349,960
Transport		2,285,000	4,214,785	3,724,762
Economic services		57,000	93,910	87,600
Other property and services		82,504	102,805	38,000
		18,211,559	21,266,434	19,629,600
Expenses excluding finance costs	4(a),5,12(c)(e)(f)			
Governance		(1,670,237)	(1,214,318)	(1,689,431)
General purpose funding		(414,987)	(673,702)	(400,346)
Law, order, public safety		(770,307)	(622,201)	(413,635)
Health		(1,460,607)	(963,798)	(889,031)
Education and welfare		(858,372)	(719,008)	(1,041,379)
Housing		(546,371)	(510,835)	(93,376)
Community amenities		(4,082,207)	(3,838,224)	(3,752,805)
Recreation and culture		(6,663,225)	(5,515,510)	(5,424,667)
Transport		(9,884,037)	(8,760,565)	(12,515,161)
Economic services		(1,309,467)	(1,130,360)	(1,015,771)
Other property and services		(139,722)	(258,226)	(44,177)
		(27,799,539)	(24,206,747)	(27,279,779)
Finance costs	7,6(a),12(d)			
General purpose funding		(20,000)	(796)	(40,000)
Housing		(51,074)	(45,640)	(56,261)
Recreation and culture		0	(5)	(447)
Transport		(50,251)	(56,186)	(78,872)
Economic services		(14,476)	(15,419)	(15,505)
		(135,801)	(118,046)	(191,085)
Subtotal		(9,723,781)	(3,058,359)	(7,841,264)
Non-operating grants, subsidies and contributions	9(b)	22,040,788	885,969	16,233,630
Profit on disposal of assets	4(b)	0	28,788	41,258
(Loss) on disposal of assets	4(b)	0	(199,314)	(203,559)
		22,040,788	715,443	16,071,329
Net result		12,317,007	(2,342,916)	8,230,065
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		12,317,007	(2,342,916)	8,230,065

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

SHIRE OF DERBY-WEST KIMBERLEY FOR THE YEAR ENDED 30 JUNE 2022

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

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 ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

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

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

HEALTH

To provide an operational framework for environmental and community health.

Food quality and pest control, inspection of abattoir and operation of child health clinic, analytical testing and environmental health administration.

EDUCATION AND WELFARE

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

Year round care, housing for the aged and educational services.

HOUSING

Help ensure adequate housing.

Management and maintenance of staff and rental housing.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish collections, recycling, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities, sewerage and protection of the environment.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which help the social well being of the community.

Maintenance and operation of the Town Hall, the aquatic centre, recreation centre, library, community arts program, cultural activities and various services.

TRANSPORT

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

Construction and maintenance of streets, roads, bridges, footpaths, street lighting, traffic management and airport. Purchase and disposal of Council's road plant, parking control and police licensing.

ECONOMIC SERVICES

To help promote the Shire and its economic well being.

Building control, saleyards, tourism and area promotion, standpipes and pest control.

OTHER PROPERTY AND SERVICES

To monitor and control the Shire's overheads operating accounts.

Private works operations, plant repairs and operation costs, stock and materials, property leases and rental, salaries and wages for council employees.

SHIRE OF DERBY-WEST KIMBERLEY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2(a)	5,586,629	3,841,911	5,293,692
		5,586,629	3,841,911	5,293,692
Revenue from operating activities (excluding rates)				
Governance		3,750	1,158	21,050
General purpose funding		3,375,611	6,419,205	3,299,472
Law, order, public safety		163,950	58,840	51,971
Health		706,516	571,025	737,679
Education and welfare		1,089,770	182,061	512,114
Housing		108,800	97,376	70,560
Community amenities		2,195,272	1,784,707	1,949,138
Recreation and culture		464,872	375,318	357,628
Transport		2,285,000	4,214,785	3,724,762
Economic services		57,000	93,910	87,600
Other property and services		82,504	131,593	62,919
		10,533,045	13,929,978	10,874,893
Expenditure from operating activities				
Governance		(1,670,237)	(1,214,318)	(1,689,431)
General purpose funding		(434,987)	(674,498)	(440,346)
Law, order, public safety		(770,307)	(622,201)	(413,635)
Health		(1,460,607)	(963,798)	(889,031)
Education and welfare		(858,372)	(719,008)	(1,041,379)
Housing		(597,445)	(755,789)	(349,637)
Community amenities		(4,082,207)	(3,838,224)	(3,752,805)
Recreation and culture		(6,663,225)	(5,515,515)	(5,425,114)
Transport		(9,934,288)	(8,816,751)	(12,594,033)
Economic services		(1,323,943)	(1,145,779)	(1,031,276)
Other property and services		(139,722)	(258,226)	(47,736)
		(27,935,340)	(24,524,107)	(27,674,423)
Non-cash amounts excluded from operating activities	2(b)	7,131,200	7,782,542	7,616,932
Amount attributable to operating activities		(4,684,466)	1,030,324	(3,888,906)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		22,040,788	885,969	16,233,630
Payments for property, plant and equipment	4(a)	(1,635,286)	(774,849)	(1,736,330)
Payments for construction of infrastructure	4(a)	(23,342,110)	(3,182,451)	(20,123,938)
Proceeds from disposal of assets	4(b)	90,400	108,813	167,000
		(2,846,208)	(2,962,518)	(5,459,638)
Amount attributable to investing activities		(2,846,208)	(2,962,518)	(5,459,638)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(368,840)	(373,274)	(389,274)
Proceeds from new borrowings	6(a)	0	0	500,000
Transfers to cash backed reserves (restricted assets)	7(a)	0	0	(85,000)
Transfers from cash backed reserves (restricted assets)	7(a)	221,000	526,853	526,853
Amount attributable to financing activities		(147,840)	153,579	552,579
Budgeted deficiency before imposition of general rates		(7,678,514)	(1,778,615)	(8,795,965)
Estimated amount to be raised from general rates	1	7,678,514	7,365,244	8,795,965
Net current assets at end of financial year - surplus/(deficit)	2(a)	0	5,586,629	0

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

SHIRE OF DERBY-WEST KIMBERLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		7,678,514	9,758,357	10,295,965
Operating grants, subsidies and contributions		4,543,559	9,808,083	6,339,219
Fees and charges		4,180,441	3,705,444	3,356,473
Interest received		225,000	261,755	253,005
Goods and services tax received		0	92,900	
Other revenue		156,254	497,905	18,425
		16,783,768	24,124,444	20,263,087
Payments				
Employee costs		(9,498,560)	(6,895,542)	(7,325,883)
Materials and contracts		(8,626,979)	(8,545,496)	(9,051,182)
Utility charges		(884,529)	(909,609)	(1,015,601)
Interest expenses		(135,801)	(118,046)	(191,085)
Insurance paid		(1,167,763)	(807,093)	(1,094,727)
Other expenditure		(490,508)	(814,599)	(337,755)
		(20,804,140)	(18,090,385)	(19,016,233)
Net cash provided by (used in) operating activities	3	(4,020,372)	6,034,059	1,246,854
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(1,635,286)	(774,849)	(1,736,330)
Payments for construction of infrastructure	4(a)	(23,342,110)	(3,182,451)	(20,123,938)
Non-operating grants, subsidies and contributions	9(b)	22,040,788	885,969	16,233,630
Proceeds from sale of plant and equipment	4(b)	90,400	108,813	167,000
Net cash provided by (used in) investing activities		(2,846,208)	(2,962,518)	(5,459,638)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(368,840)	(373,274)	(389,274)
Proceeds from new borrowings	6(a)	0	0	500,000
Net cash provided by (used in) financing activities		(368,840)	(373,274)	110,726
Net increase (decrease) in cash held		(7,235,420)	2,698,267	(4,102,058)
Cash at beginning of year		8,934,223	6,235,956	6,236,281
Cash and cash equivalents at the end of the year	3	1,698,803	8,934,223	2,134,223

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

SHIRE OF DERBY-WEST KIMBERLEY
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FOR THE YEAR ENDED 30 JUNE 2022

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1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV General	0.129135	1,674	36,744,228	4,744,966	9,610	0	4,754,576	4,720,345	4,654,583
Unimproved valuations									
UV General	0.07280	141	35,686,982	2,598,048	90	0	2,598,138	0	0
UV Rural		0	0	0	0	0	0	2,045,667	3,496,272
UV Mining		0	0	0	0	0	0	399,057	437,803
Sub-Totals		1,815	72,431,210	7,343,014	9,700	0	7,352,714	7,165,069	8,588,658
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
GRV General	1,320	220	1,156,032	290,400	0	0	290,400	185,887	185,887
Unimproved valuations									
UV General	610	140	332,296	85,400	0	0	85,400	0	0
UV Rural			0	0	0	0	0	8,216	10,270
UV Mining			0	0	0	0	0	61,110	66,150
Sub-Totals		360	1,488,328	375,800	0	0	375,800	255,213	262,307
		2,175	73,919,538	7,718,814	9,700	0	7,728,514	7,420,282	8,850,965
Discounts (Refer note 1(e))							(50,000)	(55,038)	(55,000)
Total amount raised from general rates							7,678,514	7,365,244	8,795,965

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

The general rates detailed for the 2021/22 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	13/10/2021	0	0.0%	7.0%
Option two				
First instalment	13/10/2021	15	5.5%	7.0%
Second instalment	14/02/2022	15	5.5%	7.0%
Option three				
First instalment	13/10/2021	15	5.5%	7.0%
Second instalment	13/12/2021	15	5.5%	7.0%
Third instalment	14/02/2022	15	5.5%	7.0%
Fourth instalment	14/04/2022	15	5.5%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	12,000	11,760	12,000
Instalment plan interest earned	25,000	29,396	18,000
Unpaid rates and service charge interest earned	200,000	209,146	200,000
	237,000	250,302	230,000

SHIRE OF DERBY-WEST KIMBERLEY
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30th June 2022.

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2022.

(e) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which discount is granted
General rates	1.5%	0	\$ 50,000	\$ 55,038	\$ 55,000	A discount is offered to ratepayers whose payment of the full amount, including arrears and other charges is received on or before 21 days after the date appearing on the rate notice. The discount will apply to interim rates issued after the billing date.
			50,000	55,038	55,000	

(f) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Landing Fees	"Waiver"	0.0%	0	\$ 0	\$ 0	\$ 20,000	100% of landing fees incurred by the Royal Flying Doctor Service.	To retain the RFDS services in the community and acknowledge the vital service provided.
Fees and Charges	"Waiver"	0.0%	0	0	0	2,000	50% use for some community organisations and shire staff.	To support clubs for contributions made to the community and to protect health and lifestyle of shire staff.
				0	0	22,000		

SHIRE OF DERBY-WEST KIMBERLEY
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022

2. NET CURRENT ASSETS

	Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
		\$	\$	\$
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents- unrestricted	3	944,002	6,601,475	1,023,422
Cash and cash equivalents - restricted	3	754,801	2,332,748	1,110,801
Receivables		1,864,376	1,793,532	3,740,130
Inventories		32,395	32,395	62,694
		3,595,574	10,760,150	5,937,047
Less: current liabilities				
Trade and other payables		(2,664,947)	(2,664,947)	(4,295,349)
Contract liabilities		0	(1,356,947)	(424,597)
Long term borrowings	6	(381,779)	(368,840)	(18,697)
Employee provisions		(578,267)	(578,267)	(558,741)
		(3,624,993)	(4,969,001)	(5,297,384)
Net current assets		(29,419)	5,791,149	639,663
Less: Total adjustments to net current assets	2.(c)	29,419	(204,520)	(639,663)
Net current assets used in the Rate Setting Statement		0	5,586,629	0

2. NET CURRENT ASSETS (CONTINUED)

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

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.

(b) Operating activities excluded from budgeted deficiency

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals
 Add: Loss on disposal of assets
 Add: Depreciation on assets
 Movement in non-current employee provisions
 Movement in current employee provisions associated with restricted cash

Non cash amounts excluded from operating activities

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	0	(28,788)	(41,258)
4(b)	0	199,314	203,559
5	7,131,200	7,131,200	7,454,631
	0	78,375	0
	0	402,441	0
	7,131,200	7,782,542	7,616,932

(c) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Cash - restricted reserves
 Add: Current liabilities not expected to be cleared at end of year
 - Current portion of borrowings
 - Current portion of employee benefit provisions held in reserve

Total adjustments to net current assets

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022**

2 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An 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.

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 Derby-West Kimberley 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.

PREPAID RATES

Prepaid rates are, until the taxable event has 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 City recognises revenue for the prepaid rates that have not been refunded.

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 Derby-West Kimberley contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Derby-West Kimberley contributes are defined contribution plans.

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.

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.

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.

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.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

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.

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

CONTRACT LIABILITIES

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

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	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Cash at bank and on hand	1,698,803	8,934,223	2,134,223
Total cash and cash equivalents	1,698,803	8,934,223	2,134,223
Held as			
- Unrestricted cash and cash equivalents	944,002	6,601,475	1,023,422
- Restricted cash and cash equivalents	754,801	2,332,748	1,110,801
	1,698,803	8,934,223	2,134,223
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	754,801	2,332,748	1,110,801
	754,801	2,332,748	1,110,801
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	7	754,801	975,801
Contract liabilities		0	1,356,947
		754,801	2,332,748
			1,110,801
Reconciliation of net cash provided by operating activities to net result			
Net result		12,317,007	(2,342,916)
Depreciation	5	7,131,200	7,131,200
(Profit)/loss on sale of asset	4(b)	0	170,526
(Increase)/decrease in receivables		(70,844)	2,030,635
(Increase)/decrease in inventories		0	22,284
Increase/(decrease) in payables		0	(1,016,977)
Increase/(decrease) in contract liabilities		(1,356,947)	827,375
Increase/(decrease) in employee provisions		0	97,901
Non-operating grants, subsidies and contributions		(22,040,788)	(885,969)
Net cash from operating activities		(4,020,372)	6,034,059
			1,246,854

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 DERBY-WEST KIMBERLEY
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program								2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
	Governance	Law, order, public safety	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>											
Buildings - non-specialised	124,000	0	50,000	0	114,532	235,000	125,000	52,000	700,532	665,728	1,148,830
Plant and equipment	20,000	134,066		0	20,000	39,996	0	720,692	934,754	109,121	587,500
	144,000	134,066	50,000	0	134,532	274,996	125,000	772,692	1,635,286	774,849	1,736,330
<i>Infrastructure</i>											
Infrastructure - roads	0	0	0	0	0	21,457,928	0	0	21,457,928	2,966,969	16,700,871
Other infrastructure - footpaths	0	0	0	0	0	294,727	0	0	294,727	273	190,000
Other infrastructure - land & parks	0	0	0	0	10,000	0	0	0	10,000	7,040	1,610,000
Other infrastructure - wharf	0	0	0	0	0	254,864	0	0	254,864	0	0
Other infrastructure - other structure	0	66,557	0	339,730	0	918,304	0	0	1,324,591	208,169	1,623,067
	0	66,557	0	339,730	10,000	22,925,823	0	0	23,342,110	3,182,451	20,123,938
Total acquisitions	144,000	200,623	50,000	339,730	144,532	23,200,819	125,000	772,692	24,977,396	3,957,300	21,860,268

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

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 DERBY-WEST KIMBERLEY
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2022

4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Law, order, public safety	90,400	90,400	0	0	0	0	0	0	1,329	10,000	8,671	0
Housing	0	0	0	0	276,226	76,912	0	(199,314)	285,000	85,000	0	(200,000)
Recreation and culture	0	0	0	0	0	0	0	0	2,332	10,000	7,668	0
Other property and services	0	0	0	0	3,113	31,901	28,788	0	40,640	62,000	24,919	(3,559)
	90,400	90,400	0	0	279,339	108,813	28,788	(199,314)	329,301	167,000	41,258	(203,559)
By Class												
<i>Property, Plant and Equipment</i>												
Buildings - non-specialised	0	0	0	0	276,226	76,912	0	(199,314)	285,000	85,000	0	(200,000)
Plant and equipment	90,400	90,400	0	0	3,113	31,901	28,788	0	44,301	82,000	41,258	(3,559)
	90,400	90,400	0	0	279,339	108,813	28,788	(199,314)	329,301	167,000	41,258	(203,559)

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

- Staff housing programme
- Plant replacement programme

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

5. ASSET DEPRECIATION

By Program

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

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Computer equipment
Infrastructure - roads
Other infrastructure - drainage
Other infrastructure - footpaths
Other infrastructure - land & parks
Other infrastructure - wharf
Other infrastructure - airports
Other infrastructure - other structures

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
659	659	7,566
25,635	25,635	35,621
22,233	22,233	42,597
53,028	53,028	53,094
184,231	184,231	166,941
705,443	705,443	711,387
813,679	813,679	830,541
4,972,748	4,972,748	5,208,961
111,288	111,288	112,896
242,256	242,256	285,027
7,131,200	7,131,200	7,454,631
950,099	950,099	1,291,267
4,067	4,067	0
265,759	265,759	1,451,871
29,084	29,084	0
3,338,465	3,338,465	510,082
666,807	666,807	1,181,382
69,614	69,614	510,082
109,157	109,157	1,086,655
187,146	187,146	0
912,029	912,029	278,455
598,973	598,973	1,144,837
7,131,200	7,131,200	7,454,631

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	25 to 40 years
Furniture and equipment	3 to 10 years
Plant and equipment	4 to 15 years
Computer equipment	
Infrastructure - roads	8 to 40 years
Other infrastructure - drainage	35 years
Other infrastructure - footpaths	15 years
Other infrastructure - land & parks	25 years
Other infrastructure - wharf	10 years
Other infrastructure - airports	8 years
Other infrastructure - other structures	10 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 DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

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	2021/22	2021/22	Budget	2021/22	Actual	2020/21	2020/21	Actual	2020/21	Budget	2020/21	2020/21	Budget	2020/21
				Principal	Budget	Budget	Principal	Principal		Actual	Actual	Actual	Actual		Principal	Budget	Budget	Budget
				1 July 2021	New Loans	Repayments	Principal outstanding 30 June 2022	Repayments	1 July 2020	New Loans	Repayments	Principal outstanding 30 June 2021	Repayments	1 July 2020	New Loans	Repayments	Principal outstanding 30 June 2021	Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																		
Loan 136 - Staff Housing	136	WATC	3.2%	75,276	0	(23,491)	51,785	(4,489)	97,299	0	(22,023)	75,276	(5,867)	97,298	0	(22,023)	75,275	(5,935)
Loan 146 - Staff Housing	146	WATC	3.2%	564,880	0	(48,289)	516,591	(35,004)	610,251	0	(45,371)	564,880	(27,950)	610,251	0	(45,371)	564,880	(37,922)
Loan 148 - Staff Housing	148	WATC	2.2%	262,622	0	(18,934)	243,688	(11,581)	280,734	0	(18,112)	262,622	(11,823)	280,734	0	(18,112)	262,622	(12,404)
Recreation and culture																		
Loan 135 - Civic Centre renovations	135	WATC	2.7%	0	0	0	0	0	16,791	0	(16,791)	0	(5)	16,791	0	(16,791)	0	(447)
Transport																		
Loan 145 - Wharf Fenders and boat ramp	145	WATC	3.4%	193,395	0	(27,044)	166,351	(12,829)	218,673	0	(25,278)	193,395	(14,555)	218,673	0	(25,277)	193,396	(14,596)
Loan 152 - Refinance Derby Airport Infrastructure and Wharf	152	WATC	1.7%	1,721,515	0	(189,695)	1,531,820	(28,965)	1,907,970	0	(186,455)	1,721,515	(32,114)	326,001	0	(186,455)	139,546	(32,205)
Loan 151 - Fitzroy Airport Infrastructure	151	WATC	1.5%	289,395	0	(37,719)	251,676	(8,457)	326,000	0	(36,605)	289,395	(9,517)	1,907,970	0	(36,605)	1,871,365	(9,571)
Loan 153	153	WATC	2.5%	0	0	0	0	0	0	0	0	0	0	500,000	0	(16,000)	484,000	(22,500)
Economic services																		
Loan 149 - Derby visitors centre	149	WATC	2.2%	328,278	0	(23,668)	304,610	(14,476)	350,917	0	(22,639)	328,278	(15,419)	350,918	0	(22,640)	328,278	(15,505)
				3,435,361	0	(368,840)	3,066,521	(115,801)	3,808,635	0	(373,274)	3,435,361	(117,250)	3,808,636	500,000	(389,274)	3,919,362	(151,085)

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

SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2021/22

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2022

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2021 nor is it expected to have unspent borrowing funds as at 30th June 2022.

(d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	0	0	2,000,000
Bank overdraft at balance date	0	0	0
Credit card limit	50,000	50,000	50,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	50,000	50,000	2,050,000
Loan facilities			
Loan facilities in use at balance date	3,066,521	3,435,361	3,919,362

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 DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Leave reserve	402,441	0	0	402,441	402,441	0	0	402,441	452,441	0	0	452,441
(b) Office Building Reserve	314,511	0	(221,000)	93,511	814,511	0	(500,000)	314,511	814,511	0	(500,000)	314,511
(c) Airport Reserve	28,456	0	0	28,456	28,456	0	0	28,456	28,456	0	0	28,456
(d) Derby Wharf Maintenance Reserve	3,721	0	0	3,721	3,721	0	0	3,721	3,721	0	0	3,721
(e) Economic Development Reserve	19,936	0	0	19,936	19,936	0	0	19,936	19,936	0	0	19,936
(f) Fitzroy Crossing Recreation Hall Reserve	46,771	0	0	46,771	46,771	0	0	46,771	46,771	0	0	46,771
(g) Staff Housing Reserve	159,965	0	0	159,965	159,965	0	0	159,965	159,965	85,000	0	244,965
(h) Energy Developments Ltd West Kimberley	0	0	0	0	26,853	0	(26,853)	0	26,853	0	(26,853)	0
	975,801	0	(221,000)	754,801	1,502,654	0	(526,853)	975,801	1,552,654	85,000	(526,853)	1,110,801

(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) Reserves cash backed - Leave reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Office Building Reserve	Ongoing	To be used to fund the new Derby administration building
(c) Airport Reserve	Ongoing	To be used to fund airport capital works, primarily bitumen resealing
(d) Derby Wharf Maintenance Reserve	Ongoing	To be used to carry out wharf maintenance
(e) Economic Development Reserve	Ongoing	To promote economic development within the Shire
(f) Fitzroy Crossing Recreation Hall Reserve	Ongoing	To be used to quarantine funds received from the lease of the FX Recreation Hall to be utilised for any upgrade works
(g) Staff Housing Reserve	Ongoing	To be used for the construction of staff housing
(h) Energy Developments Ltd West Kimberley	Ongoing	To administer the funds provided by Energy Developments Limited to create lasting value throughout the West Kimberley by contributing to not-for-profit projects or activities that benefit the Shire of Derby/West Kimberley

8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Governance	3,750	836	2,250
General purpose funding	19,900	19,662	18,125
Law, order, public safety	43,700	27,393	20,100
Health	45,019	49,960	34,000
Housing	88,800	88,228	70,560
Community amenities	2,185,272	1,784,707	1,948,138
Recreation and culture	109,500	93,318	95,800
Transport	1,620,000	1,617,428	1,120,000
Economic services	56,000	14,648	47,500
Other property and services	8,500	9,264	0
	4,180,441	3,705,444	3,356,473

9. GRANT REVENUE

By Program:

(a) Operating grants, subsidies and contributions

Governance	0	0	16,600
General purpose funding	3,130,711	6,137,770	3,028,317
Law, order, public safety	89,000	115	19,000
Health	661,497	571,058	703,679
Education and welfare	1,089,770	132,061	512,114
Housing	0	6,264	0
Community amenities	10,000	0	1,000
Recreation and culture	315,372	245,407	252,160
Transport	665,000	2,313,947	2,604,762
Economic services	0	5,686	30,100
Other property and services	10,000	23,778	38,000
	5,971,350	9,436,086	7,205,732

(b) Non-operating grants, subsidies and contributions

General purpose funding	0	0	3,866,830
Law, order, public safety	119,896	177,894	231,000
Education and welfare	50,000	50,000	0
Community amenities	339,863	0	0
Recreation and culture	140,000	0	0
Transport	21,286,029	658,075	12,135,800
Economic services	105,000	0	0
	22,040,788	885,969	16,233,630

Total grants, subsidies and contributions

28,012,138 10,322,055 23,439,362

SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

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
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 contractual commitments	General appropriations and contributions with no specific contractual commitments	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
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. ELECTED MEMBERS REMUNERATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Elected member - President			
President's allowance	62,727	62,727	65,000
Meeting attendance fees	23,231	22,125	16,500
Annual allowance for ICT expenses	1,333	1,333	667
	87,291	86,185	82,167
Elected member - Deputy President			
Deputy President's allowance	15,682	15,682	15,000
Meeting attendance fees	17,325	16,500	16,500
Annual allowance for ICT expenses	1,333	1,333	667
	34,340	33,515	32,167
Elected member - Member 1			
Meeting attendance fees	17,325	16,500	16,500
Annual allowance for ICT expenses	1,333	1,333	667
	18,658	17,833	17,167
Elected member Member 2			
Meeting attendance fees	17,325	16,500	16,500
Annual allowance for ICT expenses	1,333	1,333	667
	18,658	17,833	17,167
Elected member Member 3			
Meeting attendance fees	17,325	16,500	16,500
Annual allowance for ICT expenses	1,333	1,333	667
	18,658	17,833	17,167
Elected member Member 4			
Meeting attendance fees	17,325	16,500	16,500
Annual allowance for ICT expenses	1,333	1,333	666
	18,658	17,833	17,166
Elected member Member 5			
Meeting attendance fees	17,325	16,500	16,500
Annual allowance for ICT expenses	1,333	1,333	667
	18,658	17,833	17,167
Elected member Member 6			
Meeting attendance fees	17,325	16,500	16,500
Annual allowance for ICT expenses	1,333	1,333	666
	18,658	17,833	17,166
Elected member Member 7 (vacant)			
Meeting attendance fees	17,325	16,500	16,500
Annual allowance for ICT expenses	1,333	1,333	666
	18,658	17,833	17,166
Total Elected Member Remuneration	252,237	244,531	234,500
President's allowance	62,727	62,727	65,000
Deputy President's allowance	15,682	15,682	15,000
Meeting attendance fees	161,831	154,125	148,500
Annual allowance for ICT expenses	11,997	11,997	6,000
	252,237	244,531	234,500

13. TRUST FUNDS

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

Detail	Balance 30 June 2021	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2022
	\$	\$	\$	\$
Public open spaces	295,981	0	0	295,981
	295,981	0	0	295,981

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.