

SHIRE OF DERBY WEST KIMBERLEY

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

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 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	8,795,965	7,342,404	7,285,776
Operating grants, subsidies and contributions	9(a)	7,205,732	9,207,133	6,823,878
Fees and charges	8	3,356,473	4,068,140	3,699,340
Interest earnings	11(a)	253,005	543,956	320,075
Other revenue	11(b)	18,425	146,814	203,000
		19,629,600	21,308,447	18,332,069
Expenses				
Employee costs		(7,325,883)	(6,158,939)	(7,080,355)
Materials and contracts		(10,051,182)	(7,447,099)	(8,434,621)
Utility charges		(1,015,601)	(1,011,421)	(1,011,098)
Depreciation on non-current assets	5	(7,454,631)	(7,423,535)	(8,554,193)
Interest expenses	11(d)	(191,085)	(225,915)	(259,622)
Insurance expenses		(1,094,727)	(1,023,930)	(971,377)
Other expenditure		(337,755)	(720,981)	(415,050)
		(27,470,864)	(24,011,820)	(26,726,316)
Subtotal		(7,841,264)	(2,703,373)	(8,394,247)
Non-operating grants, subsidies and contributions	9(b)	16,233,630	2,636,143	3,639,968
Profit on asset disposals	4(b)	41,258	0	0
Loss on asset disposals	4(b)	(203,559)	0	(135,000)
		16,071,329	2,636,143	3,504,968
Net result		8,230,065	(67,230)	(4,889,279)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		8,230,065	(67,230)	(4,889,279)

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

SHIRE OF DERBY WEST KIMBERLEY 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 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 12 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, publications, 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 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		21,050	55,676	100
General purpose funding		12,095,437	13,358,156	10,400,121
Law, order, public safety		43,300	31,893	45,350
Health		737,679	895,776	699,038
Education and welfare		512,114	27,861	515,590
Housing		70,560	116,197	78,890
Community amenities		1,949,138	1,986,887	1,802,700
Recreation and culture		349,960	474,260	344,050
Transport		3,724,762	4,029,947	4,304,530
Economic services		87,600	91,283	94,500
Other property and services		38,000	240,511	47,200
		19,629,600	21,308,447	18,332,069
Expenses excluding finance costs	4(a),5,11(c),(e),(f)			
Governance		(1,689,431)	(1,608,443)	(1,014,468)
General purpose funding		(400,346)	(418,372)	(168,893)
Law, order, public safety		(413,635)	(489,294)	(614,843)
Health		(889,031)	(1,012,525)	(1,523,148)
Education and welfare		(1,041,379)	(419,538)	(399,035)
Housing		(93,376)	(7,556)	(29,993)
Community amenities		(3,752,805)	(3,760,835)	(3,895,486)
Recreation and culture		(5,424,667)	(4,049,920)	(5,771,038)
Transport		(12,515,161)	(10,417,949)	(11,858,931)
Economic services		(1,015,771)	(1,134,890)	(1,246,334)
Other property and services		(44,177)	(466,583)	55,475
		(27,279,779)	(23,785,905)	(26,466,694)
Finance costs	6(a),11(d)			
General purpose funding		(40,000)	(53,580)	0
Housing		(56,261)	(49,699)	(68,137)
Recreation and culture		(447)	(896)	(2,186)
Transport		(78,872)	(105,343)	(164,212)
Economic services		(15,505)	(16,397)	(25,087)
		(191,085)	(225,915)	(259,622)
Subtotal		(7,841,264)	(2,703,373)	(8,394,247)
Non-operating grants, subsidies and contributions	9(b)	16,233,630	2,636,143	3,639,968
Profit on disposal of assets	4(b)	41,258	0	0
(Loss) on disposal of assets	4(b)	(203,559)	0	(135,000)
		16,071,329	2,636,143	3,504,968
Net result		8,230,065	(67,230)	(4,889,279)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		8,230,065	(67,230)	(4,889,279)

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

GOVERNANCE

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

ACTIVITIES

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
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		10,295,965	6,984,191	7,285,776
Operating grants, subsidies and contributions		6,339,219	10,835,391	9,162,228
Fees and charges		3,356,473	4,068,140	3,699,340
Interest earnings		253,005	543,956	320,075
Goods and services tax		0	188,661	171,907
Other revenue		18,425	146,814	203,000
		20,263,087	22,767,153	20,842,326
Payments				
Employee costs		(7,325,883)	(6,379,827)	(7,080,355)
Materials and contracts		(9,051,182)	(8,099,121)	(10,059,723)
Utility charges		(1,015,601)	(1,011,421)	(1,011,098)
Interest expenses		(191,085)	(225,915)	(259,622)
Insurance expenses		(1,094,727)	(1,023,930)	(971,377)
Goods and services tax		0	0	(171,907)
Other expenditure		(337,755)	(720,981)	(415,050)
		(19,016,233)	(17,461,195)	(19,969,132)
Net cash provided by (used in) operating activities	3	1,246,854	5,305,958	873,194
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(1,736,330)	0	0
Payments for construction of infrastructure	4(a)	(20,123,938)	(4,088,731)	(5,482,735)
Non-operating grants, subsidies and contributions		16,233,630	2,636,143	3,639,968
Proceeds from sale of plant and equipment	4(b)	167,000	0	150,000
Net cash provided by (used in) investing activities		(5,459,638)	(1,452,588)	(1,692,767)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(389,274)	(5,648,349)	(5,642,809)
Proceeds from new borrowings	6(b)	500,000	2,000,000	2,000,000
Net cash provided by (used in) financing activities		110,726	(3,648,349)	(3,642,809)
Net increase (decrease) in cash held		(4,102,058)	205,021	(4,462,382)
Cash at beginning of year		6,236,281	6,031,260	6,383,450
Cash and cash equivalents at the end of the year	3	2,134,223	6,236,281	1,921,068

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

SHIRE OF DERBY WEST KIMBERLEY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		5,293,692	4,019,736	5,464,095
		5,293,692	4,019,736	5,464,095
Revenue from operating activities (excluding rates)				
Governance		21,050	55,676	100
General purpose funding		3,299,472	6,015,752	3,114,345
Law, order, public safety		51,971	31,893	45,350
Health		737,679	895,776	699,038
Education and welfare		512,114	27,861	515,590
Housing		70,560	116,197	78,890
Community amenities		1,949,138	1,986,887	1,802,700
Recreation and culture		357,628	474,260	344,050
Transport		3,724,762	4,029,947	4,304,530
Economic services		87,600	91,283	94,500
Other property and services		62,919	240,511	47,200
		10,874,893	13,966,043	11,046,293
Expenditure from operating activities				
Governance		(1,689,431)	(1,608,443)	(1,014,468)
General purpose funding		(440,346)	(471,952)	(168,893)
Law, order, public safety		(413,635)	(489,294)	(614,843)
Health		(889,031)	(1,012,525)	(1,523,148)
Education and welfare		(1,041,379)	(419,538)	(399,035)
Housing		(349,637)	(57,255)	(233,130)
Community amenities		(3,752,805)	(3,760,835)	(3,895,486)
Recreation and culture		(5,425,114)	(4,050,816)	(5,773,224)
Transport		(12,594,033)	(10,523,292)	(12,023,143)
Economic services		(1,031,276)	(1,151,287)	(1,271,421)
Other property and services		(47,736)	(466,583)	55,475
		(27,674,423)	(24,011,820)	(26,861,316)
Non-cash amounts excluded from operating activities	2 (a)(i)	7,616,932	9,078,266	8,669,193
Amount attributable to operating activities		(3,888,906)	3,052,225	(1,681,735)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	16,233,630	2,636,143	3,639,968
Purchase property, plant and equipment	4(a)	(1,736,330)	0	0
Purchase and construction of infrastructure	4(a)	(20,123,938)	(4,088,731)	(5,482,735)
Proceeds from disposal of assets	4(b)	167,000	0	150,000
Amount attributable to investing activities		(5,459,638)	(1,452,588)	(1,692,767)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(389,274)	(5,648,349)	(5,642,809)
Proceeds from new borrowings	6(b)	500,000	2,000,000	2,000,000
Transfers to cash backed reserves (restricted assets)	7(a)	(85,000)	0	(288,465)
Transfers from cash backed reserves (restricted assets)	7(a)	526,853	0	20,000
Amount attributable to financing activities		552,579	(3,648,349)	(3,911,274)
Budgeted deficiency before general rates		(8,795,965)	(2,048,712)	(7,285,776)
Estimated amount to be raised from general rates	1	8,795,965	7,342,404	7,285,776
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii)	0	5,293,692	0

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 2021**

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SHIRE OF DERBY WEST KIMBERLEY
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV General	0.12575	1,493	37,015,848	4,654,583	0	0	4,654,583	4,954,542	5,085,050
Unimproved valuations									
UV Rural	0.06037	47	57,911,187	3,496,272	0	0	3,496,272	999,635	1,000,898
UV Mining	0.12075	105	3,542,997	427,803	5,000	5,000	437,803	897,992	907,574
UV Other	0.00000	0	0	0	0	0	0	439,943	278,646
Sub-Totals		1,645	98,470,032	8,578,658	5,000	5,000	8,588,658	7,292,112	7,272,168
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
GRV General	1,027	181	766,156	185,887	0	0	185,887	172,536	169,455
Unimproved valuations									
UV Rural	1,027	10	90,580	10,270	0	0	10,270	3,081	3,081
UV Mining	630	105	169,500	66,150	0	0	66,150	84,214	81,133
Sub-Totals		296	1,026,236	262,307	0	0	262,307	259,831	253,669
		1,941	99,496,268	8,840,965	5,000	5,000	8,850,965	7,551,943	7,525,837
Discounts (Refer note 1(f))							(55,000)	(48,239)	(79,404)
Concessions (Refer note 1(g))							0	(161,300)	(160,657)
Total amount raised from general rates							8,795,965	7,342,404	7,285,776

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

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Discount date	2/09/2020	0	0.0%	8.0%
Due date	16/09/2020	0	0.0%	8.0%
Grace period interest	21/09/2020	0	0.0%	8.0%
Option two				
1st instalment	16/09/2020	15	5.5%	8.0%
2nd instalment	18/01/2021	15	5.5%	8.0%
Option three				
1st instalment	16/09/2020	15	5.5%	8.0%
2nd instalment	17/11/2020	15	5.5%	8.0%
3rd instalment	18/01/2021	15	5.5%	8.0%
4th instalment	22/03/2021	15	5.5%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	12,000	12,210	10,500
Instalment plan interest earned	18,000	16,773	22,575
Unpaid rates and service charge interest earned	200,000	467,066	199,500
	230,000	496,049	232,575

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects	Reasons
GRV General Rate	Properties with Gross Rental Value as the basis of Valuation	This rate is to contribute to the service desired by the community. All GRV properties within the Shire have the same rate in the dollar applied. The Shire imposes a consistent minimum rate across the rating categories excluding UV Mining, ensuring all properties contribute an equitable rate amount to non-exclusive services	This is the base rate by which all GRV rated properties are assessed. The Minimum Rate recognizes that all ratepayers have an equal opportunity to enjoy the facilities and services provided by Council, regardless of the value of their property.
UV Mining	Consists of properties that are used for mining, exploration or prospecting purposes.	This category is rated higher than UV Rural to reflect the higher costs to Council as a result of these activities. A lesser minimum is applied to UV Mining properties.	The higher rate mining properties pay is to ensure they adequately contribute to the cost of the Shire services as they are heavy users of the Shire's infrastructure, and contribute to its deterioration at a far higher level than other properties. A lesser minimum has been applied to mining properties to ensure compliance with statutory limits.
UV Rural	Consists of properties valued on an Unimproved Valuation basis which are not classified as UV Mining.	The rate is base rate for UV properties and is set to achieve an equitable contribution to the cost of services desired by the community. The Shire imposes a consistent minimum rates across the rating categories excluding UV Mining, ensuring all properties contribute an equitable rate amount to non-exclusive services.	This is considered the base rate above which all other UV rated properties are assessed. The rate is proposed in order to levy a rate aligned with the impact on the Shire of servicing these properties i.e. heavy haulage vehicle movements, environmental health and strategic planning. These properties also have access to all other services and facilities provided by the Shire. The minimum rate recognizes that all ratepayers have an equal opportunity to enjoy the facilities and services provided by Council, regardless of the value of their property.

1. RATES AND SERVICE CHARGES (CONTINUED)

(d) Specified Area Rate

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

(e) Service Charges

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

(f) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which discount is granted
General rates			\$ 55,000	\$ 48,239	\$ 79,404	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.
			55,000	48,239	79,404	

(g) 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
Rates	Concession	Nil	\$ 0	\$ 0	\$ 161,300	\$ 160,657	Not applicable	Not applicable
Landing Fees	Waiver		\$ 20,000	20,000	36,922	55,000	100% of landing fees incurred by Royal Flying Doctor Service.	To retain the RFDS services in the community and acknowledge the vital service provided.
Fees and Charges	Waiver		\$ 2,000	2,000	500	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.
				22,000	198,722	217,657		

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

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

(i) Operating activities excluded from budgeted deficiency

The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.

Adjustments to operating activities

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
Less: Profit on asset disposals	4(b) (41,258)	0	0
Less: Movement in employee liabilities associated with restricted cash	0	(27,133)	(20,000)
Add: Loss on disposal of assets	4(b) 203,559	0	135,000
Add: Recognition of employee provision associated with restricted cash	0	452,441	0
Add: Change in accounting policies	0	1,229,423	0
Add: Depreciation on assets	5 7,454,631	7,423,535	8,554,193
Non cash amounts excluded from operating activities	7,616,932	9,078,266	8,669,193

(ii) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.

Adjustments to net current assets

Less: Cash - restricted reserves	3 (1,110,801)	(1,552,654)	(1,821,117)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	18,697	(92,029)	0
- Employee benefit provisions	452,441	452,441	432,441
Total adjustments to net current assets	(639,663)	(1,192,242)	(1,388,676)

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
		\$	\$	\$
(iii) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents- unrestricted	3	598,825	3,392,517	99,951
Cash and cash equivalents - restricted				
Cash backed reserves	7	1,110,801	1,552,654	1,821,117
Unspent grants, subsidies and contributions	9	424,597	1,291,110	0
Receivables		3,740,130	5,240,130	3,896,091
Inventories		62,694	62,694	106,580
		5,937,047	11,539,105	5,923,739
Less: current liabilities				
Trade and other payables		(4,295,349)	(3,295,349)	(3,782,567)
Contract liabilities		(424,597)	(1,291,110)	0
Long term borrowings		(18,697)	92,029	0
Provisions		(558,741)	(558,741)	(752,496)
		(5,297,384)	(5,053,171)	(4,535,063)
Net current assets		639,663	6,485,934	1,388,676
Less: Total adjustments to net current assets	2 (a)(ii)	(639,663)	(1,192,242)	(1,388,676)
Closing funding surplus / (deficit)		0	5,293,692	0

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 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.

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 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.

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

LAND HELD FOR RESALE

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

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

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

CONTRACT LIABILITIES

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

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	2,134,223	6,236,281	99,951
Term deposits	0	0	1,821,117
	2,134,223	6,236,281	1,921,068
- Unrestricted cash and cash equivalents	598,825	3,392,517	99,951
- Restricted cash and cash equivalents	1,535,398	2,843,764	1,821,117
	2,134,223	6,236,281	1,921,068

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

Leave reserve	452,441	452,441	432,441
Office building reserve	314,511	814,511	814,511
Airport reserve	28,456	28,456	28,456
Wharf maintenance reserve	3,721	3,721	3,721
Economic development reserve	19,936	19,936	19,935
Fitzroy resource centre	46,771	46,771	46,771
Staff housing reserve	244,965	159,965	159,965
Energy development reserve	0	26,853	26,852
Capital works reserve	0	0	288,465
Unspent grants, subsidies and contributions	9 424,597	1,291,110	0
	1,535,398	2,843,764	1,821,117

Reconciliation of net cash provided by operating activities to net result

Net result		8,230,065	(67,230)	(4,889,279)
Depreciation	5	7,454,631	7,423,535	8,554,193
(Profit)/loss on sale of asset	4(b)	162,301	0	135,000
(Increase)/decrease in receivables		1,500,000	(1,061,827)	0
(Increase)/decrease in contract assets		0	0	2,338,350
(Increase)/decrease in inventories		0	30,344	0
Increase/(decrease) in payables		1,000,000	(682,366)	713,248
Increase/(decrease) in contract liabilities		(866,513)	2,520,533	(1,356,504)
Change in accounting policies transferred to retained surplus		0	0	(981,846)
Increase/(decrease) in employee provisions		0	(220,888)	0
Non-operating grants, subsidies and contributions		(16,233,630)	(2,636,143)	(3,639,968)
Net cash from operating activities		1,246,854	5,305,958	873,194

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 2021

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program									2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Governance	Law, order, public safety	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>												
Buildings - non-specialised	162,000	0	28,000	151,000	0	420,830	292,500	30,000	64,500	1,148,830	0	0
Plant and equipment	105,000	70,000	0	0	0	69,000	0	0	343,500	587,500	0	0
	267,000	70,000	28,000	151,000	0	489,830	292,500	30,000	408,000	1,736,330	0	0
<i>Infrastructure</i>												
Infrastructure - roads	0	0	0	0	0	0	16,700,871	0	0	16,700,871	3,353,722	4,466,407
Infrastructure - footpaths	0	0	0	0	0	0	190,000	0	0	190,000	0	0
Infrastructure - parks and ovals	0	0	0	0	310,000	1,300,000	0	0	0	1,610,000	0	0
Infrastructure - airports	0	0	0	0	0	0	0	0	0	0	374,582	502,250
Infrastructure - Derby wharf	0	0	0	0	0	0	0	0	0	0	0	100,000
Infrastructure - other	0	63,067	50,000	0	0	495,000	420,000	540,000	55,000	1,623,067	360,427	414,078
	0	63,067	50,000	0	310,000	1,795,000	17,310,871	540,000	55,000	20,123,938	4,088,731	5,482,735
Total acquisitions	267,000	133,067	78,000	151,000	310,000	2,284,830	17,603,371	570,000	463,000	21,860,268	4,088,731	5,482,735

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.

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Law, order, public safety	1,329	10,000	8,671	0	0	0	0	0	0	0	0	0
Housing	285,000	85,000	0	(200,000)	0	0	0	0	285,000	150,000	0	(135,000)
Recreation and culture	2,332	10,000	7,668	0	0	0	0	0	0	0	0	0
Other property and services	40,640	62,000	24,919	(3,559)	0	0	0	0	0	0	0	0
	329,301	167,000	41,258	(203,559)	0	0	0	0	285,000	150,000	0	(135,000)
By Class												
<u>Property, Plant and Equipment</u>												
Buildings - non-specialised	285,000	85,000	0	(200,000)	0	0	0	0	285,000	150,000	0	(135,000)
Plant and equipment	44,301	82,000	41,258	(3,559)	0	0	0	0	0	0	0	0
	329,301	167,000	41,258	(203,559)	0	0	0	0	285,000	150,000	0	(135,000)

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.

5. ASSET DEPRECIATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
By Program			
Governance	7,566	659	0
Law, order, public safety	35,621	26,134	25,233
Health	42,597	25,928	24,246
Education and welfare	53,094	53,028	53,028
Housing	166,941	185,008	166,733
Community amenities	711,387	710,501	710,062
Recreation and culture	830,541	821,683	804,731
Transport	5,208,961	5,206,067	6,381,398
Economic services	112,896	112,756	112,755
Other property and services	285,027	281,771	276,007
	7,454,631	7,423,535	8,554,193
By Class			
Buildings - non-specialised	1,291,267	955,681	730,382
Furniture and equipment	0	35,034	30,354
Plant and equipment	1,451,871	305,378	256,108
Infrastructure - roads	510,082	3,498,537	5,264,440
Infrastructure - footpaths	510,082	69,615	137,539
Infrastructure - drainage	1,181,382	670,464	659,241
Infrastructure - parks and ovals	1,086,655	122,109	1,476,129
Infrastructure - airports	278,455	1,007,363	0
Infrastructure - Derby wharf	0	186,580	0
Infrastructure - buildings and structures	0	572,774	0
Infrastructure - other	1,144,837	0	0
	7,454,631	7,423,535	8,554,193

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
Infrastructure - roads	8-40 years
Infrastructure - footpaths	15 years
Infrastructure - drainage	35 years
Infrastructure - parks and ovals	25 years
Infrastructure - airports	8 years
Infrastructure - Derby wharf	10 years
Infrastructure - buildings and structures	10 years
Infrastructure - other	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 2021

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

Purpose	Loan Number	Institution	Interest Rate	Budget	2020/21	2020/21	Budget	2020/21	Actual	2019/20	2019/20	Actual	2019/20	Budget	2019/20	2019/20	Budget	2019/20
				Principal	Budget	Budget	Principal	Principal		Actual	Actual	Actual	Actual		Principal	Budget	Budget	Budget
				1 July 2020	New Loans	Principal Repayments	Principal outstanding 30 June 2021	Budget Interest Repayments	1 July 2019	New Loans	Principal Repayments	Principal outstanding 30 June 2020	Actual Interest Repayments	1 July 2019	New Loans	Principal Repayments	Principal outstanding 30 June 2020	Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																		
Loan 136- Staff Housing	136	WATC	3.2%	97,298	0	(22,023)	75,275	(5,935)	117,945	0	(20,647)	97,298	(6,589)	117,945	0	(20,646)	97,299	(7,404)
Loan 146 - Staff Housing	146	WATC	3.2%	610,251	0	(45,371)	564,880	(37,922)	652,881	0	(42,630)	610,251	(29,993)	652,881	0	(42,630)	610,251	(40,663)
Loan 148 - Staff Housing	148	WATC	2.2%	280,734	0	(18,112)	262,622	(12,404)	306,437	0	(25,703)	280,734	(13,117)	306,437	0	(25,703)	280,734	(20,070)
Recreation and culture																		
Loan 135 - Civic Centre renovations	135	WATC	2.7%	16,791	0	(16,791)	0	(447)	49,055	0	(32,264)	16,791	(896)	49,055	0	(32,264)	16,791	(2,186)
Transport																		
Loan 145 - Wharf Fenders and boat ramp	145	WATC	3.4%	218,673	0	(25,277)	193,396	(14,596)	253,528	0	(34,855)	218,673	(16,202)	253,528	0	(34,855)	218,673	(24,956)
Loan 150 - Derby Infrastructure	150	WATC	0.6%	0	0	0	0	0	5,315,200	0	(5,315,200)	0	(61,249)	5,315,200	0	(5,315,200)	0	(92,883)
Loan 152- Refinance Derby Airport Infrastructure and Wharf	152	WATC	1.7%	326,001	0	(186,455)	139,546	(32,205)	378,892	0	(52,891)	326,001	(10,592)	0	2,000,000	(86,491)	1,913,509	(30,000)
Loan 151 - Fitzroy Airport infrastructure	151	WATC	1.5%	1,907,970	0	(36,605)	1,871,365	(9,571)	0	2,000,000	(92,030)	1,907,970	(17,300)	378,892	0	(52,891)	326,001	(16,373)
Loan 153	153	WATC	2.5%	0	500,000	(16,000)	484,000	(22,500)	0	0	0	0	0	0	0	0	0	0
Economic services																		
Loan 149 - Derby visitors centre	149	WATC	2.2%	350,918	0	(22,640)	328,278	(15,505)	383,047	0	(32,129)	350,918	(16,397)	383,047	0	(32,129)	350,918	(25,087)
				3,808,636	500,000	(389,274)	3,919,362	(151,085)	7,456,985	2,000,000	(5,648,349)	3,808,636	(172,335)	7,456,985	2,000,000	(5,642,809)	3,814,176	(259,622)

All borrowing repayments, will be financed by general purpose revenue.

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Loan 153 - Capital Works Projects	WATC	Debenture	10	2.5%	\$ 500,000	\$ 38,150	\$ 500,000	\$ 0
					500,000	38,150	500,000	0

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2020/21 Budget	New loans unspent at 30 June 2021	Amount as at 30 June 2021
Loan 152 - Derby Wharf Infrastructure	Finalise Wharf Revitalisation - Wharf Gate		\$ 100,000	\$ 100,000	\$ 0	\$ 0
			100,000	100,000	0	0

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	2,000,000	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	50,000	50,000	50,000
Credit card balance at balance date	0	(3,137)	0
Total amount of credit unused	2,050,000	46,863	50,000
Loan facilities			
Loan facilities in use at balance date	3,919,362	3,808,636	3,814,176
Unused loan facilities at balance date	0	2,781,371	0

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	452,441	0	0	452,441	452,441	0	0	452,441	452,441	0	(20,000)	432,441
(b) Office building reserve	814,511	0	(500,000)	314,511	814,511	0	0	814,511	814,511	0	0	814,511
(c) Airport reserve	28,456	0	0	28,456	28,456	0	0	28,456	28,456	0	0	28,456
(d) 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	19,935	0	0	19,935
(f) Fitzroy resource centre	46,771	0	0	46,771	46,771	0	0	46,771	46,771	0	0	46,771
(g) Staff housing reserve	159,965	85,000	0	244,965	159,965	0	0	159,965	159,965	0	0	159,965
(h) Energy development reserve	26,853	0	(26,853)	0	26,853	0	0	26,853	26,852	0	0	26,852
(i) Capital works reserve	0	0	0	0	0	0	0	0	0	288,465	0	288,465
	1,552,654	85,000	(526,853)	1,110,801	1,552,654	0	0	1,552,654	1,552,652	288,465	(20,000)	1,821,117

(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) 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) 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 resource centre	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 development reserve	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
(i) Capital works reserve	Ongoing	To help with the construction/maintenance of major capital works

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance	2,250	0	0
General purpose funding	18,125	19,240	15,000
Law, order, public safety	20,100	24,009	26,300
Health	34,000	47,656	34,000
Housing	70,560	97,263	78,890
Community amenities	1,948,138	1,983,292	1,801,700
Recreation and culture	95,800	106,098	116,300
Transport	1,120,000	1,750,741	1,510,300
Economic services	47,500	16,665	94,400
Other property and services	0	23,176	22,450
	3,356,473	4,068,140	3,699,340

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
Governance	21,440	0	(21,440)	0	0	16,600	54,863	0
General purpose funding	0	25,000	(25,000)	0	0	3,028,317	5,452,557	2,779,270
Law, order, public safety	0	231,000	(231,000)	0	0	19,000	7,885	0
Health	186,316	505,766	(630,915)	61,167	0	703,679	838,121	661,288
Education and welfare	284,614	205,000	(489,614)	0	0	512,114	27,829	494,590
Housing	0	0	0	0	0	0	6,171	0
Community amenities	0	0	0	0	0	1,000	3,323	0
Recreation and culture	20,000	0	(20,000)	0	0	252,160	356,629	94,500
Transport	0	0	0	0	0	2,604,762	2,278,444	2,794,230
Economic services	0	0	0	0	0	30,100	7,892	0
Other property and services	0	0	0	0	0	38,000	173,419	0
	512,370	966,766	(1,417,969)	61,167	0	7,205,732	9,207,133	6,823,878
(b) Non-operating grants, subsidies and contributions								
General purpose funding	0	0	0	0	0	3,866,830	0	0
Law, order, public safety	0	0	0	0	0	231,000	183,078	414,078
Transport	778,740	119,378,049	(119,793,359)	363,430	0	12,135,800	2,453,065	3,225,890
	778,740	119,378,049	(119,793,359)	363,430	0	16,233,630	2,636,143	3,639,968
Total	1,291,110	120,344,815	(121,211,328)	424,597	0	23,439,362	11,843,276	10,463,846

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

	Budget Closing Balance 30 June 2021	Actual Balance 30 June 2020
Unspent grants, subsidies and contributions	424,597	1,291,110
	424,597	1,291,110

SHIRE OF DERBY WEST KIMBERLEY
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
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			
- Other funds	35,005	60,117	98,000
Other interest revenue (refer note 1b)	218,000	483,839	222,075
	253,005	543,956	320,075

* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5%.

(b) Other revenue

Reimbursements and recoveries	18,425	146,814	112,109
Other	0	0	90,891
	18,425	146,814	203,000

The net result includes as expenses

(c) Auditors remuneration

Audit services	80,000	75,250	65,000
	80,000	75,250	65,000

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	151,085	172,335	259,622
Other	40,000	53,580	0
	191,085	225,915	259,622

(e) Elected members remuneration

Meeting fees	148,500	176,095	148,500
President's allowance	65,000	62,727	63,000
Deputy President's allowance	15,000	15,682	16,000
Telecommunications allowance	6,000	0	12,000
	234,500	254,504	239,500

(f) Write offs

General rate	5,000	0	0
	5,000	0	0

12. TRUST FUNDS

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

Detail	Balance 30 June 2020	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2021
	\$	\$	\$	\$
Parking/footpath/streets contributions	295,981	0	0	295,981
	295,981	0	0	295,981

13. 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.