



Shire of Kellerberrin



2020/2021 ANNUAL FINANCIAL BUDGET

*Adopted 21st July 2020
MIN 109/20*



SHIRE OF KELLERBERRIN

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

To welcome diversity, culture and industry; promote a safe and prosperous community with a rich, vibrant and sustainable lifestyle for all to enjoy.

SHIRE OF KELLERBERRIN
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)	2,251,616	2,239,577	2,239,173
Operating grants, subsidies and contributions	10(a)	1,246,710	2,297,426	1,210,299
Fees and charges	9	709,833	875,326	681,182
Interest earnings	12(a)	28,020	52,009	48,020
Other revenue	12(b)	353,701	445,355	353,876
		4,589,880	5,909,693	4,532,550
Expenses				
Employee costs		(1,895,888)	(1,706,692)	(1,854,090)
Materials and contracts		(1,286,980)	(1,191,167)	(1,402,916)
Utility charges		(299,737)	(319,899)	(358,373)
Depreciation on non-current assets	5	(2,702,042)	(2,711,683)	(2,449,981)
Interest expenses	12(d)	(91,126)	(112,889)	(98,897)
Insurance expenses		(185,165)	(193,196)	(219,689)
Other expenditure		(114,910)	(138,920)	(70,126)
		(6,575,848)	(6,374,446)	(6,454,072)
Subtotal		(1,985,968)	(464,753)	(1,921,522)
Non-operating grants, subsidies and contributions	10(b)	2,079,854	2,878,069	2,868,810
Profit on asset disposals	4(b)	16,977	14,930	48,000
Loss on asset disposals	4(b)	(18,000)	(16,402)	(71,952)
		2,078,831	2,876,597	2,844,858
Net result		92,863	2,411,844	923,336
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		92,863	2,411,844	923,336

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

SHIRE OF KELLERBERRIN FOR THE YEAR ENDED 30 JUNE 2021

BASIS OF PREPARATION

This 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 1996* 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 and *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 Kellerberrin 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.

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 - Grants

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 1996*. 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 1996*. Regulation 64 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 ceteratures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

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

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,9,10(a),12(a),12(b)	\$	\$	\$
Governance		15,500	22,573	9,000
General purpose funding		3,405,676	4,495,289	3,404,976
Law, order, public safety		33,498	33,665	44,797
Health		13,444	15,102	16,000
Education and welfare		5,200	5,200	5,200
Housing		3,000	13,360	163,920
Community amenities		178,826	165,663	141,021
Recreation and culture		37,250	137,775	46,350
Transport		155,965	149,408	152,910
Economic services		431,601	428,130	408,376
Other property and services		309,920	443,528	140,000
		4,589,880	5,909,693	4,532,550
Expenses excluding finance costs	4(a),5,12(c),(e),(f),(g)			
Governance		(761,402)	(655,647)	(748,305)
General purpose funding		(256,791)	(236,975)	(230,080)
Law, order, public safety		(159,305)	(186,388)	(183,249)
Health		(102,625)	(80,692)	(112,890)
Education and welfare		(33,367)	(17,417)	(31,199)
Housing		(42,191)	(22,323)	(132,892)
Community amenities		(564,466)	(469,071)	(552,569)
Recreation and culture		(1,277,298)	(1,222,060)	(1,312,011)
Transport		(2,449,702)	(2,432,653)	(2,249,382)
Economic services		(620,709)	(639,608)	(627,586)
Other property and services		(216,866)	(298,723)	(175,012)
		(6,484,722)	(6,261,557)	(6,355,175)
Finance costs	,7,6(a),12(d)			
Housing		(16,986)	(23,356)	(18,872)
Recreation and culture		(66,040)	(78,105)	(69,724)
Other property and services		(8,100)	(11,428)	(10,301)
		(91,126)	(112,889)	(98,897)
Subtotal		(1,985,968)	(464,753)	(1,921,522)
Non-operating grants, subsidies and contributions	10(b)	2,079,854	2,878,069	2,868,810
Profit on disposal of assets	4(b)	16,977	14,930	48,000
(Loss) on disposal of assets	4(b)	(18,000)	(16,402)	(71,952)
		2,078,831	2,876,597	2,844,858
Net result		92,863	2,411,844	923,336
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		92,863	2,411,844	923,336

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

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 task 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 community

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

HEALTH

To provide an operational framework for good community health

Food quality and pest control, immunisation services

EDUCATION AND WELFARE

To meet the needs of the community in these areas

Provision of Pre-School facilities

HOUSING

To provide and maintain housing for staff and the community.

Provision and maintenance of housing for staff and the community.

COMMUNITY AMENITIES

Provide services required by the community

Rubbish collection services, operation of tips, noise control, administration of town planning scheme, maintenance of cemetery and provision of Land Care Services.

RECREATION AND CULTURE

To establish and manage efficiently infrastructure and resources which will help the social well being of the community

Maintenance of halls, aquatic centre, recreation centre, reserves and parks, library

TRANSPORT

To provide effective and efficient transport services to the community

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, depot maintenance, licensing services and airstrip maintenance

ECONOMIC SERVICES

To help promote the Shire and improve its economic wellbeing

The regulation and provision of tourism, area promotion, building control, sale yards, noxious weeds, vermin control and standpipes

OTHER PROPERTY AND SERVICES

Pooled costs and other unclassified transactions

Private works operations, plant repairs and operations costs.

SHIRE OF KELLERBERRIN
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		2,255,871	2,234,974	2,235,673
Operating grants, subsidies and contributions		1,203,818	2,028,989	1,201,674
Fees and charges		709,833	875,326	681,182
Interest earnings		28,020	52,009	48,020
Goods and services tax		352,171	388,091	265,787
Other revenue		353,701	445,355	353,876
		4,903,414	6,024,744	4,786,212
Payments				
Employee costs		(1,895,888)	(1,633,841)	(1,854,090)
Materials and contracts		(1,181,775)	(1,318,224)	(1,659,516)
Utility charges		(299,737)	(319,899)	(358,373)
Interest expenses		(91,126)	(114,375)	(97,697)
Insurance expenses		(185,165)	(193,196)	(219,689)
Goods and services tax		(352,171)	(352,171)	(265,787)
Other expenditure		(114,910)	(138,920)	(70,126)
		(4,120,772)	(4,070,626)	(4,525,278)
Net cash provided by (used in) operating activities	3	782,642	1,954,118	260,934
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(596,000)	(498,396)	(518,395)
Payments for construction of infrastructure	4(a)	(3,205,004)	(4,296,084)	(3,999,160)
Non-operating grants, subsidies and contributions		2,079,854	2,878,069	2,868,810
Proceeds from sale of plant and equipment	4(b)	295,000	265,817	373,000
Net cash provided by (used in) investing activities		(1,426,150)	(1,650,594)	(1,275,745)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(169,208)	(186,291)	(186,291)
Principal elements of lease payments	7	(10,842)	(10,523)	0
Net cash provided by (used in) financing activities		(180,050)	(196,814)	(186,291)
Net increase (decrease) in cash held		(823,558)	106,710	(1,201,102)
Cash at beginning of year		3,462,143	3,355,433	3,288,149
Cash and cash equivalents at the end of the year	3	2,638,585	3,462,143	2,087,047

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

SHIRE OF KELLERBERRIN
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)		1,155,609	2,311,326	2,020,281
		1,155,609	2,311,326	2,020,281
Revenue from operating activities (excluding rates)				
Governance		27,538	25,689	34,000
General purpose funding		1,181,663	2,283,315	1,193,406
Law, order, public safety		33,498	33,665	44,797
Health		13,444	15,102	16,000
Education and welfare		5,200	5,200	5,200
Housing		3,000	13,360	163,920
Community amenities		178,826	165,663	141,021
Recreation and culture		37,250	137,775	46,350
Transport		158,879	157,357	159,910
Economic services		431,601	428,130	408,376
Other property and services		311,945	447,393	156,000
		2,382,844	3,712,649	2,368,980
Expenditure from operating activities				
Governance		(761,402)	(665,549)	(748,305)
General purpose funding		(256,791)	(236,975)	(230,080)
Law, order, public safety		(159,305)	(186,388)	(183,249)
Health		(102,625)	(80,692)	(112,890)
Education and welfare		(33,367)	(17,417)	(31,199)
Housing		(59,177)	(45,679)	(151,764)
Community amenities		(564,466)	(469,071)	(552,569)
Recreation and culture		(1,343,338)	(1,300,165)	(1,381,735)
Transport		(2,467,702)	(2,432,653)	(2,321,334)
Economic services		(620,709)	(639,608)	(627,586)
Other property and services		(224,966)	(316,651)	(185,313)
		(6,593,848)	(6,390,848)	(6,526,024)
Non-cash amounts excluded from operating activities	2 (a)(i)	2,703,065	2,430,722	2,473,933
Amount attributable to operating activities		(352,330)	2,063,849	337,170
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10(b)	2,079,854	2,878,069	2,868,810
Purchase property, plant and equipment	4(a)	(596,000)	(498,396)	(518,395)
Purchase and construction of infrastructure	4(a)	(3,205,004)	(4,296,084)	(3,999,160)
Proceeds from disposal of assets	4(b)	295,000	265,817	373,000
Amount attributable to investing activities		(1,426,150)	(1,850,594)	(1,275,745)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(169,208)	(186,291)	(186,291)
Principal elements of finance lease payments	7	(10,842)	(10,523)	0
Transfers to cash backed reserves (restricted assets)	8(a)	(465,483)	(1,272,806)	(1,258,099)
Transfers from cash backed reserves (restricted assets)	8(a)	200,000	0	171,395
Amount attributable to financing activities		(445,533)	(1,469,620)	(1,272,995)
Budgeted deficiency before general rates		(2,224,013)	(1,056,365)	(2,211,570)
Estimated amount to be raised from general rates	1	2,224,013	2,211,974	2,211,570
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii)	0	1,155,609	0

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

SHIRE OF KELLERBERRIN
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)		1,155,609	2,311,326	2,020,281
		1,155,609	2,311,326	2,020,281
Revenue from operating activities (excluding rates)				
Rates revenue other than revenue raised from general rates	1	27,603	27,603	27,603
Operating grants, subsidies and contributions	10(a)	1,246,710	2,297,426	1,210,299
Fees and charges	9	709,833	875,326	681,182
Interest earnings	12(a)	28,020	52,009	48,020
Other revenue	12(b)	353,701	445,355	353,876
Profit on asset disposals	4(b)	16,977	14,930	48,000
		2,382,844	3,712,649	2,368,980
Expenditure from operating activities				
Employee costs		(1,895,888)	(1,706,692)	(1,854,090)
Materials and contracts		(1,286,980)	(1,191,167)	(1,402,916)
Utility charges		(299,737)	(319,899)	(358,373)
Depreciation on non-current assets	5	(2,702,042)	(2,711,683)	(2,449,981)
Interest expenses	12(d)	(91,126)	(112,889)	(98,897)
Insurance expenses		(185,165)	(193,196)	(219,689)
Other expenditure		(114,910)	(138,920)	(70,126)
Loss on asset disposals	4(b)	(18,000)	(16,402)	(71,952)
		(6,593,848)	(6,390,848)	(6,526,024)
Operating activities excluded from budgeted deficiency				
Non-cash amounts excluded from operating activities	2 (a)(i)	2,703,065	2,430,722	2,473,933
Amount attributable to operating activities		(352,330)	2,063,849	337,170
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	10(b)	2,079,854	2,878,069	2,868,810
Purchase investment property	4(a)	0	0	0
Purchase property, plant and equipment	4(a)	(596,000)	(498,396)	(518,395)
Purchase and construction of infrastructure	4(a)	(3,205,004)	(4,296,084)	(3,999,160)
Purchase of right of use assets	4(a)	0	0	0
Proceeds from disposal of assets	4(b)	295,000	265,817	373,000
Amount attributable to investing activities		(1,426,150)	(1,650,594)	(1,275,745)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(169,208)	(186,291)	(186,291)
Principal elements of finance lease payments	6	(10,842)	(10,523)	0
Transfers to cash backed reserves (restricted assets)	8(a)	(465,483)	(1,272,806)	(1,258,099)
Transfers from cash backed reserves (restricted assets)	8(a)	200,000	0	171,395
Amount attributable to financing activities		(445,533)	(1,469,620)	(1,272,995)
Budgeted deficiency before general rates		(2,224,013)	(1,056,365)	(2,211,570)
Estimated amount to be raised from general rates	1(a)	2,224,013	2,211,974	2,211,570
Net current assets at end of financial year - surplus/(deficit)	2 (a)(III)	0	1,155,609	0

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

**SHIRE OF KELLERBERRIN
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FOR THE YEAR ENDED 30 JUNE 2021**

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SHIRE OF KELLERBERRIN
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 \$	Budgeted rate revenue \$	Budgeted Interim rates \$	Budgeted back rates \$	2020/21 Budgeted total revenue \$	2019/20 Actual total revenue \$	2019/20 Budget total revenue \$
Differential general rate									
Gross rental valuations									
GRV Kellerberrin Residential	0.13368	332	3,086,076	409,873	0	0	409,873	397,712	395,859
GRV Other Residential	0.13368	3	19,240	2,572	0	0	2,572	2,572	2,572
GRV Kellerberrin Commercial	0.15360	29	645,937	99,216	0	0	99,216	97,136	99,216
GRV Other Commercial	0.15360	3	27,976	4,297	0	0	4,297	4,297	4,297
Unimproved valuations									
UV Mining Tenements	0.02036	0	0	0	0	0	0	0	0
UV Rural	0.02036	262	76,581,000	1,558,883	0	0	1,558,883	1,584,995	1,565,146
Sub-Totals	Minimum	629	80,340,229	2,074,841	0	0	2,074,841	2,066,712	2,067,090
Minimum payment									
Gross rental valuations									
GRV Kellerberrin Residential	782	59	69,644	46,138	0	0	46,138	47,702	47,702
GRV Other Residential	782	26	37,688	20,332	0	0	20,332	20,332	20,332
GRV Kellerberrin Commercial	859	26	72,194	22,334	0	0	22,334	22,334	22,334
GRV Other Commercial	859	2	170	1,718	0	0	1,718	1,718	1,718
Unimproved valuations									
UV Mining Tenements	782	1	2,970	782	0	0	782	782	782
UV Rural	782	74	1,300,600	57,868	0	0	57,868	52,394	51,612
Sub-Totals		188	1,483,246	149,172	0	0	149,172	145,262	144,480
Total amount raised from general rates									
		817	81,823,475	2,224,013	0	0	2,224,013	2,211,974	2,211,570
Ex-gratia rates									
							27,603	27,603	27,603
Total rates							2,251,616	2,239,577	2,239,173

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

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				
Full Payment	27/08/2020	0	0.0%	8.0% *
Option two				
First Instalment	27/08/2020	0	0.0%	8.0% *
Second Instalment	7/01/2021	0	0.0%	8.0% *
Option three				
First Instalment	27/08/2020	0	0.0%	8.0% *
Second Instalment	29/10/2020	0	0.0%	8.0% *
Third Instalment	7/01/2021	0	0.0%	8.0% *
Fourth Instalment	11/03/2021	0	0.0%	8.0% *

* - Penalty interest will not commence until 1st March 2021 due to CoVid 19

	2020/21 Budget revenue \$	2019/20 Actual revenue \$	2019/20 Budget revenue \$
Instalment plan admin charge revenue	0	1,925	2,000
Instalment plan interest earned	0	6,717	6,000
Unpaid rates and service charge interest earned	3,000	19,416	15,000
	3,000	28,058	23,000

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 Residential	Land predominantly used for Residential or other Non-rural purposes	The objective is to raise revenue to contribute to services desired by the community.	This is considered to be the base rate on which all other GRV rate levels are assessed.
GRV Commercial	Land predominately used for Commercial and Industrial purposes	The objective is to raise additional revenue at a higher level than similarly valued residential and non-rural land.	A higher rate is applied to this land use category to achieve a greater contribution to reflect the additional costs of servicing commercial and industrial activities including parking, waste control, landscaping and other infrastructure.

(d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
GRV Residential	Land predominant used for residential or other non-rural purposes	This payment level is considered the minimum contribution for basic services and infrastructure provided to residential and other non-rural land.	The Council believes a minimum payment level should be applied to all rateable land regardless of the value of the property to contribute to basic public services and infrastructure.
GRV Commercial Industrial	Land predominately used for Commercial and Industrial purposes	This payment level is considered the minimum contribution for basic services and infrastructure provided to commercial and industrial land.	The Council believes a minimum payment level should be applied to all rateable land regardless of the value of the property to contribute to basic public services and infrastructure. A higher minimum payment level is applied to all commercial and industrial properties to reflect the additional costs of servicing commercial and industrial activities including parking, waste control, landscaping and other infrastructure.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

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

(f) Service Charges

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(g) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30 June 2021.

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

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

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$

(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

Less: Profit on asset disposals	4(b)	(16,977)	(14,930)	(48,000)
Less: Movement in employee liabilities associated with restricted cash		0	77,947	0
Add: Loss on disposal of assets	4(b)	18,000	16,402	71,952
Add: Change in accounting policies		0	(360,380)	0
Add: Depreciation on assets	5	2,702,042	2,711,683	2,449,981
Non cash amounts excluded from operating activities		2,703,065	2,430,722	2,473,933

(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	(2,461,040)	(2,195,557)	(2,009,455)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		(169,208)	0	(186,291)
- Current portion of lease liabilities		(10,816)	26	0
- Employee benefit provisions		291,443	291,443	189,692
Add: Movement in provisions between current and non-current provisions		0	0	(20,063)
Total adjustments to net current assets		(2,349,621)	(1,904,088)	(2,026,117)

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	177,545	1,218,644	77,592
Cash and cash equivalents - restricted				
Cash backed reserves	3	2,461,040	2,195,557	2,009,455
Unspent grants, subsidies and contributions	10	0	47,942	0
Receivables		191,302	200,607	358,647
Inventories		3,563	3,563	5,384
		2,833,450	3,666,313	2,451,078
Less: current liabilities				
Trade and other payables		(372,410)	(267,205)	(421,580)
Contract liabilities		0	(47,942)	0
Lease liabilities		10,816	(26)	0
Long term borrowings		169,208	0	186,291
Provisions		(291,443)	(291,443)	(189,692)
		(483,829)	(606,616)	(424,981)
Net current assets		2,349,621	3,059,697	2,026,117
Less: Total adjustments to net current assets	2 (a)(II)	(2,349,621)	(1,904,088)	(2,026,117)
Closing funding surplus / (deficit)		0	1,155,609	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 Kellerberrin 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 Kellerberrin contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Kellerberrin 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 Kellerberrin'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 Kellerberrin'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 Kellerberrin'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		2,638,585	3,462,143	2,087,047
		2,638,585	3,462,143	2,087,047
- Unrestricted cash and cash equivalents		177,545	1,218,644	77,592
- Restricted cash and cash equivalents		2,461,040	2,243,499	2,009,455
		2,638,585	3,462,143	2,087,047
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:				
Leave reserve		77,101	76,682	76,626
Plant Replacement Reserve		323,293	420,992	249,380
Special Projects Reserve		44,832	44,588	44,588
Housing Reserve		192,385	191,319	191,259
Community Bus Reserve		67,770	67,402	67,335
Swimming Pool Reserve		1,811,006	1,250,687	1,246,252
Pathways Reserve		51,335	51,056	51,056
Sports and Recreation Reserve		93,338	92,831	82,959
Unspent grants, subsidies and contributions	10	0	47,942	0
		2,461,040	2,243,499	2,009,455
Reconciliation of net cash provided by operating activities to net result				
Net result		92,863	2,411,844	923,336
Depreciation	5	2,702,042	2,711,683	2,449,981
(Profit)/loss on sale of asset	4(b)	1,023	1,472	23,952
(Increase)/decrease in receivables		9,305	78,939	(12,125)
(Increase)/decrease in inventories		0	0	(1,600)
Increase/(decrease) in payables		105,205	(137,280)	(564,800)
Increase/(decrease) in contract liabilities		(47,942)	(312,438)	0
Increase/(decrease) in employee provisions		0	77,947	0
Change in accounting policies transferred to retained surplus		0	0	311,000
Non-operating grants, subsidies and contributions		(2,079,854)	(2,878,069)	(2,868,810)
Net cash from operating activities		782,642	1,954,118	280,934

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 KELLERBERRIN
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												
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services	2020/21 Budget total	2019/20 Actual total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>													
Buildings - non-specialised	0	0	0	0	0	0	0	0	0	0	0	0	34,400
Buildings - specialised	0	0	0	0	0	0	0	0	0	0	0	0	33,501
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	0	0	6,750
Plant and equipment	172,000	0	0	0	0	0	0	0	424,000	0	0	596,000	423,745
	172,000	0	0	0	0	0	0	0	424,000	0	0	596,000	498,396
<i>Infrastructure</i>													
Infrastructure - roads	0	0	0	0	0	0	0	0	2,065,004	0	0	2,065,004	3,736,357
Infrastructure - footpaths	0	0	0	0	0	0	0	0	0	0	0	0	22,113
Infrastructure - drainage	0	0	0	0	0	0	0	0	0	0	0	0	150,169
Infrastructure - public facilities	0	0	0	0	0	0	0	1,000,000	110,000	0	30,000	1,140,000	387,445
	0	0	0	0	0	0	0	1,000,000	2,175,004	0	30,000	3,205,004	4,296,084
Total acquisitions	172,000	0	0	0	0	0	0	1,000,000	2,599,004	0	30,000	3,801,004	4,794,480

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 172. (f). 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 KELLERBERRIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21			2020/21			2019/20			2019/20			2019/20			2019/20		
	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
	148,962	161,000	12,038	0	149,514	142,728	3,116	(9,902)	138,000	163,000	25,000	0	138,000	163,000	25,000	0		
	139,086	124,000	2,914	(18,000)	34,778	42,727	7,949	0	163,952	99,000	7,000	(71,952)	163,952	99,000	7,000	(71,952)		
	7,975	10,000	2,025	0	82,997	80,362	3,865	(6,500)	95,000	111,000	16,000	0	95,000	111,000	16,000	0		
	286,023	295,000	16,977	(18,000)	267,289	265,817	14,930	(16,402)	396,952	373,000	48,000	(71,952)	396,952	373,000	48,000	(71,952)		
	7,975	10,000	2,025	0	6,500	0	0	(6,500)	0	0	0	0	0	0	0	0		
	0	0	0	0	5,144	0	0	(5,144)	75,000	80,000	5,000	0	75,000	80,000	5,000	0		
	0	0	0	0	76,497	80,362	3,865	0	0	0	0	0	0	0	0	0		
	288,048	285,000	14,952	(18,000)	179,148	185,455	11,065	(4,758)	321,952	283,000	43,000	(71,952)	321,952	283,000	43,000	(71,952)		
	286,023	295,000	16,977	(18,000)	267,289	265,817	14,930	(16,402)	396,952	373,000	48,000	(71,952)	396,952	373,000	48,000	(71,952)		

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

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

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

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

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
21,208	21,940	37,193
45,929	45,953	75,205
5,447	5,259	8,242
4,216	4,218	5,018
53,033	53,062	37,284
20,402	20,413	20,993
371,095	377,632	383,934
1,581,573	1,583,004	1,428,188
22,301	22,313	24,147
576,838	577,889	429,777
2,702,042	2,711,683	2,449,981

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Infrastructure - public facilities
Right of use - furniture and fittings

53,777	53,969	38,674
239,192	240,045	239,430
27,513	27,611	28,848
591,023	593,132	568,419
1,367,580	1,372,460	1,177,733
51,471	51,655	41,716
135,971	136,456	118,192
229,203	230,021	236,969
6,312	6,334	0
2,702,042	2,711,683	2,449,981

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:

Asset Class	Useful life
Buildings	30 to 50 Years
Furniture and Equipment	4 to 10 Years
Plant and Equipment	5 to 15 Years
Sealed Roads and Streets	
- Formation	Not Depreciated
- Pavement	50 Years
Seal	
- Bituminous Seals	20 Years
- Asphalt Surfaces	25 Years
Gravel Roads	
- Formation	Not Depreciated
- Pavement	50 Years
- Gravel Sheet	12 Years
Formed Roads	
- Formation	Not Depreciated
- Pavement	50 Years
Footpaths - Slabs	20 Years
Footpaths - Concrete	50 Years
Sewerage Piping	100 Years
Water supply piping	75 Years
Drainage Systems	75 Years
Right of use - furniture and fittings	4 to 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 life and amortisation method are reviewed at the end of each financial year.

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

SHIRE OF KELLERBERRIN

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	2020/21		2020/21		2020/21		2019/20		2019/20		2019/20		2019/20		2019/20	
				Budget Principal 1 July 2020	Budget New Loans	Budget Principal outstanding 30 June 2021	Budget Interest Repayments	Actual Principal 1 July 2021	Actual New Loans	Actual Principal outstanding 30 June 2020	Actual Interest Repayments	Budget Principal 1 July 2019	Budget New Loans	Budget Principal outstanding 30 June 2020	Budget Interest Repayments				
Housing				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Police Houses (Hammond St)				592,052	0	(64,259)	527,793	(16,968)	654,425	0	(62,373)	592,052	0	(62,373)	592,052	(18,872)			
Recreation and Culture																			
Loan 118 - Recreation Centre				1,054,068	0	(68,467)	985,581	(65,530)	1,118,360	0	(64,262)	1,054,068	0	(64,262)	1,054,068	(66,724)			
Other property and services				0	0	0	0	0	24,284	0	(24,284)	0	0	(24,284)	0	(1,071)			
Loan 117 Residence Lease Street				268,923	0	(38,462)	233,461	(8,100)	305,255	0	(35,332)	268,923	0	(35,332)	268,924	(9,230)			
Loan 119 14 CEACA Units																			
				1,818,043	0	(168,208)	1,746,835	(80,816)	2,102,334	0	(186,281)	1,818,043	0	(186,281)	1,916,044	(66,887)			

All borrowing repayments will be financed by general purpose revenue.

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

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

(c) Unspent borrowings

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

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	500,000	500,000	500,000
Bank overdraft at balance date	0	0	0
Credit card limit	15,000	15,000	15,000
Credit card balance at balance date	0	(3,488)	0
Total amount of credit unused	515,000	511,512	515,000
Loan facilities			
Loan facilities in use at balance date	1,746,835	1,916,043	1,916,044

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2020	2020/21 Budgeted Increase/ (Decrease)	Amount as at 30th June 2021
			\$	\$	\$
NAB	To cover shortfalls in cash flows when required	June 2013	500,000	0	500,000
			500,000	0	500,000

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.

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

7. LEASE LIABILITIES

LEASE LIABILITIES

Purpose	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2020		2020/21 Budget Lease Principal		2020/21 Budget Lease Interest		2020/21 Budget Lease Principal outstanding 30 June 2021		2020/21 Budget Lease Interest		2019/20 Actual Lease Principal outstanding 30 June 2020		2019/20 Actual Lease Interest		2019/20 Budget Lease Principal outstanding 30 June 2020		2019/20 Budget Lease Interest		
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
				Lease	Lease	Budget	Budget	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget
Recreation and culture	MAIA Financial	2.98%	4 Yrs	21,147	0	(10,842)	10,305	(510)	31,870	0	(10,523)	21,147	(829)	21,147	0	(10,523)	(829)	0	0	0	0	
				21,147	0	(10,842)	10,305	(510)	31,870	0	(10,523)	21,147	(829)	21,147	0	(10,523)	(829)	0	0	0	0	0

Purpose

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

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

8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

[illegible]

8. CASH BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	To be used to fund employees Long Service Leave
(b) Plant Replacement Reserve	Ongoing	To be used for the future purchase of Plant and Machinery
(c) Special Projects Reserve	Ongoing	To be used in the funding of Special Projects
(d) Housing Reserve	Ongoing	To be used for the provision of Staff Housing
(e) Community Bus Reserve	Ongoing	To subsidise the replacement of Community Bus
(f) Swimming Pool Reserve	2022/2023	To be used to improve the Swimming Pool Facilities
(g) Pathways Reserve	Ongoing	To be used for the construction of new Pathways
(h) Sports and Recreation Reserve	Ongoing	To provide Sporting and Recreation Amenities

SHIRE OF KELLERBERRIN
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9. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance	4,000	4,000	4,000
General purpose funding	75,448	78,315	75,191
Law, order, public safety	4,150	4,319	6,000
Health	13,444	15,102	16,000
Education and welfare	5,200	5,200	5,200
Housing	161,720	164,844	153,920
Community amenities	142,521	153,622	141,021
Recreation and culture	17,250	19,448	21,350
Transport	7,000	6,569	7,000
Economic services	184,100	204,778	156,500
Other property and services	95,000	219,329	95,000
	709,833	875,326	681,182

10. 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	0	6,500	(6,500)	0	0	6,500	1,500	0
General purpose funding	0	0	0	0	0	1,025,592	2,098,313	1,025,592
Law, order, public safety	12,277	29,348	(41,625)	0	0	29,348	29,348	38,797
Community amenities	35,665	36,305	(71,970)	0	0	36,305	11,951	0
Recreation and culture	0	0	0	0	0	0	15,477	0
Transport	0	0	0	0	0	148,965	142,839	145,910
	47,942	72,153	(120,095)	0	0	1,246,710	2,297,426	1,210,299
(b) Non-operating grants, subsidies and contributions								
Law, order, public safety	0	0	0	0	0	0	8,238	0
Recreation and culture	0	1,000,000	(1,000,000)	0	0	1,000,000	0	0
Transport	0	1,079,854	(1,079,854)	0	0	1,079,854	2,869,831	2,868,810
	0	2,079,854	(2,079,854)	0	0	2,079,854	2,878,069	2,868,810
Total	47,942	2,152,007	(2,189,949)	0	0	3,326,564	5,175,495	4,079,109

(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	0	47,942
	0	47,942

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11. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

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

12. OTHER INFORMATION

The net result Includes as revenues

(a) Interest earnings

Investments			
- Reserve funds	12,000	13,017	12,000
- Other funds	13,020	12,859	15,020
Other interest revenue (refer note 1b)	3,000	26,133	21,000
	28,020	52,009	48,020

(b) Other revenue

Reimbursements and recoveries	323,201	351,254	319,576
Other	30,500	94,101	34,300
	353,701	445,355	353,876

The net result Includes as expenses

(c) Auditors remuneration

Audit services	42,000	37,000	42,000
Other services	0	800	0
	42,000	37,800	42,000

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	90,616	112,060	98,897
Interest expense on lease liabilities	510	829	0
	91,126	112,889	98,897

(e) Elected members remuneration

Meeting fees	17,050	16,600	17,050
President's allowance	5,000	5,000	5,000
Travelling expenses	3,850	3,700	3,850
Telecommunications allowance	3,000	2,101	3,360
	28,900	27,401	29,260

(f) Write offs

General rate	19,000	10,880	15,116
	19,000	10,880	15,116

(g) Low Value lease expenses

Office equipment	0	2,520	2,520
Property lease	0	723	723
	0	3,243	3,243

13. 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
	\$	\$	\$	\$
Nil	0	0	0	0
	0	0	0	0

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