



**SHIRE OF EXMOUTH**  
**BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**COMMUNITY VISION**

To be a prosperous and sustainable community living in harmony with our natural environment

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2021**

**BY NATURE OR TYPE**

|   | NOTE  | 2020/21<br>Budget  | 2019/20<br>Actual  | 2019/20<br>Budget  |
|---|-------|--------------------|--------------------|--------------------|
|   |       | \$                 | \$                 | \$                 |
| <b>Revenue</b>                                    |       |                    |                    |                    |
| Rates   | 1(a)  | 3,470,000          | 3,444,805          | 3,434,306          |
| Operating grants, subsidies and contributions     | 9     | 1,054,000          | 2,156,025          | 976,000            |
| Fees and charges                                  | 8     | 6,585,000          | 5,922,923          | 7,165,610          |
| Interest earnings                                 | 10(a) | 131,000            | 171,065            | 195,051            |
| Other revenue                                     | 10(b) | 209,000            | 131,694            | 88,399             |
|   |       | 11,449,000         | 11,826,512         | 11,859,366         |
| <b>Expenses</b>                                   |       |                    |                    |                    |
| Employee costs                                    |       | (6,523,000)        | (6,135,310)        | (6,713,128)        |
| Materials and contracts                           |       | (3,785,000)        | (3,156,972)        | (3,664,652)        |
| Utility charges                                   |       | (830,000)          | (879,677)          | (799,314)          |
| Depreciation on non-current assets                | 5     | (3,607,000)        | (3,593,679)        | (2,905,447)        |
| Interest expenses                                 | 10(d) | (66,000)           | (123,077)          | (81,595)           |
| Insurance expenses                                |       | (430,000)          | (424,499)          | (462,594)          |
| Other expenditure                                 |       | (518,000)          | (443,909)          | (437,779)          |
|   |       | (15,759,000)       | (14,757,123)       | (15,064,509)       |
| <b>Subtotal</b>                                   |       |                    |                    |                    |
|   |       | (4,310,000)        | (2,930,611)        | (3,205,143)        |
| Non-operating grants, subsidies and contributions | 9     | 2,659,000          | 936,595            | 722,332            |
| Profit on asset disposals                         | 4(b)  | 0                  | 139,334            | 0                  |
| Loss on asset disposals                           | 4(b)  | 0                  | (20,633)           | (131,359)          |
|   |       | 2,659,000          | 1,055,296          | 590,973            |
| <b>Net result</b>                                 |       |                    |                    |                    |
|   |       | <b>(1,651,000)</b> | <b>(1,875,315)</b> | <b>(2,614,170)</b> |
| <b>Other comprehensive income</b>                 |       |                    |                    |                    |
| Changes on revaluation of non-current assets      |       | 0                  | 0                  | 0                  |
| <b>Total other comprehensive income</b>           |       | <b>0</b>           | <b>0</b>           | <b>0</b>           |
| <b>Total comprehensive income</b>                 |       |                    |                    |                    |
|   |       | <b>(1,651,000)</b> | <b>(1,875,315)</b> | <b>(2,614,170)</b> |

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

**FOR THE YEAR ENDED 30TH 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 Exmouth controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

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

**2019/20 ACTUAL BALANCES**

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

**CHANGE IN ACCOUNTING POLICIES**

On the 1 July 2019 the following new accounting policies are to be adopted and have impacted on the preparation of the budget:

- AASB 15 - Revenue from Contracts with Customers;
- AASB 16 - Leases; and
- AASB 1058 - Income of Not-for-Profit Entities.

Explanation of the changes arising from these standards is provided at Note 16.

**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 offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

**SERVICE CHARGES**

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

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

**PROFIT ON ASSET DISPOSAL**

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

**REVENUES (CONTINUED)****OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**FEES AND CHARGES**

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

**INTEREST EARNINGS**

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

**OTHER REVENUE / INCOME**

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

**EXPENSES****EMPLOYEE COSTS**

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

**MATERIALS AND CONTRACTS**

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

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

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

**INSURANCE**

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

**LOSS ON ASSET DISPOSAL**

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

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation 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.

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2021**
**BY REPORTING PROGRAM**

|   | NOTE               | 2020/21<br>Budget  | 2019/20<br>Actual  | 2019/20<br>Budget  |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>Revenue</b>                                    | 1, 8, 9, 10(a),(b) | \$                 | \$                 | \$                 |
| Governance  |                    | 0                  | 14,841             | 0                  |
| General purpose funding                           |                    | 4,477,000          | 5,392,312          | 4,544,376          |
| Law, order, public safety                         |                    | 12,000             | 35,069             | 16,020             |
| Health  |                    | 47,000             | 43,580             | 46,222             |
| Education and welfare                             |                    | 0                  | 2,155              | 1,600              |
| Housing   |                    | 59,000             | 59,487             | 44,200             |
| Community amenities                               |                    | 1,279,000          | 1,225,579          | 1,242,442          |
| Recreation and culture                            |                    | 907,000            | 600,838            | 709,450            |
| Transport   |                    | 3,735,000          | 3,726,469          | 4,624,579          |
| Economic services                                 |                    | 909,000            | 523,541            | 613,577            |
| Other property and services                       |                    | 24,000             | 202,641            | 16,900             |
|   |                    | 11,449,000         | 11,826,512         | 11,859,366         |
| <b>Expenses excluding finance costs</b>           | 5, 10(c)(e)(f)(f)  |                    |                    |                    |
| Governance  |                    | (840,500)          | (800,589)          | (780,925)          |
| General purpose funding                           |                    | (129,000)          | (81,539)           | (96,330)           |
| Law, order, public safety                         |                    | (356,000)          | (297,088)          | (335,438)          |
| Health  |                    | (300,500)          | (216,878)          | (301,351)          |
| Education and welfare                             |                    | (75,500)           | (69,725)           | (69,998)           |
| Housing   |                    | (58,000)           | (91,417)           | (21,990)           |
| Community amenities                               |                    | (1,707,500)        | (1,301,293)        | (1,811,343)        |
| Recreation and culture                            |                    | (5,376,000)        | (4,287,697)        | (4,797,129)        |
| Transport   |                    | (5,145,500)        | (4,879,386)        | (5,344,984)        |
| Economic services                                 |                    | (1,261,000)        | (808,499)          | (1,326,842)        |
| Other property and services                       |                    | (443,500)          | (1,799,935)        | 45,458             |
|   |                    | (15,693,000)       | (14,634,046)       | (14,840,872)       |
| <b>Finance costs</b>                              | 6, 10(d)           |                    |                    |                    |
| Housing   |                    | (24,000)           | (32,724)           | (65,557)           |
| Community amenities                               |                    | (3,000)            | (5,579)            | (81,953)           |
| Recreation and culture                            |                    | (28,000)           | (29,292)           | (55,948)           |
| Other property and services                       |                    | (11,000)           | (55,482)           | (20,179)           |
|   |                    | (66,000)           | (123,077)          | (223,637)          |
| <b>Subtotal</b>                                   |                    | (4,310,000)        | (2,930,611)        | (3,205,143)        |
| Non-operating grants, subsidies and contributions | 9                  | 2,659,000          | 936,595            | 722,332            |
| Profit on disposal of assets                      | 4(b)               | 0                  | 139,334            | 0                  |
| (Loss) on disposal of assets                      | 4(b)               | 0                  | (20,633)           | (131,359)          |
|   |                    | 2,659,000          | 1,055,296          | 590,973            |
| <b>Net result</b>                                 |                    | <b>(1,651,000)</b> | <b>(1,875,315)</b> | <b>(2,614,170)</b> |
| <b>Other comprehensive income</b>                 |                    |                    |                    |                    |
| Changes on revaluation of non-current assets      |                    | 0                  | 0                  | 0                  |
| <b>Total other comprehensive income</b>           |                    | <b>0</b>           | <b>0</b>           | <b>0</b>           |
| <b>Total comprehensive income</b>                 |                    | <b>(1,651,000)</b> | <b>(1,875,315)</b> | <b>(2,614,170)</b> |

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

**FOR THE YEAR ENDED 30TH JUNE 2021****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 resources.

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

The collection of rate revenue and the maintenance of valuation and rating records to support the collection process. General purpose government grant and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

The provision of bushfire control services, animal control and support for emergency services, as well as the maintenance and enforcement of local laws.

**HEALTH**

To provide an operational framework for environment and community health.

Maternal and infant health, preventative service and environmental health.

**EDUCATION AND WELFARE**

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

Maintenance of play group and senior citizens buildings.

**HOUSING**

To provide housing to staff members.

Administration and operation of residential housing for council staff.

**COMMUNITY AMENITIES**

To provide services required by the community.

Maintenance of rubbish service to residents and maintenance of sanitary landfill sites. Town planning and regional development, maintenance of cemeteries and other community amenities.

**RECREATION AND CULTURE**

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

Maintenance of public halls, centres, swimming pool, beaches, recreation centre and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and radio re-broadcasting facilities.

**TRANSPORT**

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

Construction and maintenance of roads, street, footpaths, depot, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. Administration and operation of airport and aerodrome.

**ECONOMIC SERVICES**

The promotion of the district to increase economic activities and the provision of building control within the shire.

Tourism, area promotion and building control.

**OTHER PROPERTY AND SERVICES**

To monitor and control Council's overheads operating accounts.

The provision of private works to the public and the maintenance of cost pools for plant operating, public works overheads and administration costs.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2021**

**BY NATURE OR TYPE**

|  | NOTE | 2020/21<br>Budget | 2019/20<br>Actual | 2019/20<br>Budget |
|--|------|-------------------|-------------------|-------------------|
|  |      | \$                | \$                | \$                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |      |                   |                   |                   |
| <b>Receipts</b>  |      |                   |                   |                   |
| Rates  |      | 3,470,000         | 3,314,927         | 3,434,306         |
| Operating grants, subsidies and contributions  |      | 1,054,000         | 2,185,861         | 976,000           |
| Fees and charges   |      | 6,585,000         | 5,922,923         | 7,165,610         |
| Interest earnings  |      | 131,000           | 171,065           | 195,051           |
| Other revenue  |      | 209,000           | 131,694           | 88,399            |
|  |      | 11,449,000        | 11,726,470        | 11,859,366        |
| <b>Payments</b>  |      |                   |                   |                   |
| Employee costs   |      | (6,523,000)       | (6,135,994)       | (6,713,128)       |
| Materials and contracts  |      | (3,785,000)       | (1,841,812)       | (3,664,652)       |
| Utility charges  |      | (830,000)         | (879,677)         | (799,314)         |
| Interest expenses  |      | (66,000)          | (133,412)         | (81,595)          |
| Insurance expenses   |      | (430,000)         | (424,499)         | (462,594)         |
| Other expenditure  |      | (518,000)         | (443,909)         | (437,779)         |
|  |      | (12,152,000)      | (9,859,303)       | (12,159,062)      |
| <b>Net cash provided by (used in) operating activities</b>                           | 3    | (703,000)         | 1,867,167         | (299,696)         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |      |                   |                   |                   |
| Payments for purchase of property, plant & equipment                                 | 4(a) | (2,859,000)       | (2,144,127)       | (2,158,100)       |
| Payments for construction of infrastructure  | 4(a) | (3,041,000)       | (1,552,095)       | (2,015,170)       |
| Non-operating grants, subsidies and contributions used for the development of assets | 9    | 2,659,000         | 936,595           | 722,332           |
| Proceeds from sale of plant & equipment  | 4(b) | 200,000           | 577,738           | 80,500            |
| <b>Net cash provided by (used in) investing activities</b>                           |      | (3,041,000)       | (2,181,889)       | (3,370,438)       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |      |                   |                   |                   |
| Repayment of borrowings  | 6(a) | (232,000)         | (223,637)         | (223,637)         |
| Proceeds from self supporting loans  | 6(a) | 23,000            | 3,000             | 0                 |
| Proceeds from new borrowings   | 6(b) | 0                 | 0                 | 0                 |
| <b>Net cash provided by (used in) financing activities</b>                           |      | (209,000)         | (220,637)         | (223,637)         |
| <b>Net increase (decrease) in cash held</b>  |      | (3,953,240)       | (535,359)         | (3,893,771)       |
| Cash at beginning of year  |      | 11,651,318        | 12,182,541        | 12,165,339        |
| <b>Cash and cash equivalents at the end of the year</b>                              | 3    | <b>7,698,318</b>  | <b>11,647,182</b> | <b>8,271,568</b>  |

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

**RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2021**

**BY NATURE OR TYPE**

|  | NOTE      | 2020/21<br>Budget | 2019/20<br>Actual | 2019/20<br>Budget |
|--|-----------|-------------------|-------------------|-------------------|
|  |           | \$                | \$                | \$                |
| <b>OPERATING ACTIVITIES</b>  |           |                   |                   |                   |
| <b>Net current assets at start of financial year - surplus/(deficit)</b> |           |                   |                   |                   |
|  | 2 (b)(i)  | 2,642,432         | 3,716,619         | 3,040,153         |
|  |           | 2,642,432         | 3,716,619         | 3,040,153         |
| <b>Revenue from operating activities (excluding rates)</b>               |           |                   |                   |                   |
| Specified area rates   | 1(e)      | 48,000            | 48,140            | 47,081            |
| Operating grants, subsidies and contributions                            | 9         | 1,054,000         | 2,156,025         | 976,000           |
| Fees and charges   | 8         | 6,585,000         | 5,922,923         | 7,165,610         |
| Interest earnings  | 10(a)     | 131,000           | 171,065           | 195,051           |
| Other revenue  | 10(b)     | 209,000           | 131,694           | 88,399            |
| Profit on asset disposals  | 4(b)      | 0                 | 139,334           | 0                 |
|  |           | 8,027,000         | 8,569,181         | 8,472,141         |
| <b>Expenditure from operating activities</b>                             |           |                   |                   |                   |
| Employee costs   |           | (6,523,000)       | (6,135,310)       | (6,713,128)       |
| Materials and contracts  |           | (3,785,000)       | (3,156,972)       | (3,664,652)       |
| Utility charges  |           | (830,000)         | (879,677)         | (799,314)         |
| Depreciation on non-current assets                                       | 5         | (3,607,000)       | (3,593,679)       | (2,905,447)       |
| Interest expenses  | 10(d)     | (66,000)          | (123,077)         | (81,595)          |
| Insurance expenses   |           | (430,000)         | (424,499)         | (462,594)         |
| Other expenditure  |           | (518,000)         | (443,909)         | (437,779)         |
| Loss on asset disposals  | 4(b)      | 0                 | (20,633)          | (131,359)         |
|  |           | (15,759,000)      | (14,777,756)      | (15,196,455)      |
| <b>Operating activities excluded from budgeted deficiency</b>            |           |                   |                   |                   |
| Non-cash amounts excluded from operating activities                      | 2 (b)(ii) | 3,607,000         | 3,796,978         | 3,196,907         |
| <b>Amount attributable to operating activities</b>                       |           | (1,482,568)       | 1,305,022         | (487,254)         |
| <b>INVESTING ACTIVITIES</b>  |           |                   |                   |                   |
| Non-operating grants, subsidies and contributions                        | 9         | 2,659,000         | 936,595           | 722,332           |
| Purchase property, plant and equipment                                   | 4(a)      | (2,859,000)       | (2,144,127)       | (2,158,100)       |
| Purchase and construction of infrastructure                              | 4(a)      | (3,041,000)       | (1,552,095)       | (2,015,170)       |
| Proceeds from disposal of assets   | 4(b)      | 200,000           | 577,738           | 80,500            |
| <b>Amount attributable to investing activities</b>                       |           | (3,041,000)       | (2,181,889)       | (3,370,438)       |
| <b>FINANCING ACTIVITIES</b>  |           |                   |                   |                   |
| Repayment of borrowings  | 6(a)      | (232,000)         | (223,637)         | (223,637)         |
| Proceeds from self supporting loans                                      | 6(a)      | 23,000            | 3,000             | 0                 |
| Transfers to cash backed reserves (restricted assets)                    | 7(a)      | (1,027,000)       | (1,042,229)       | (587,049)         |
| Transfers from cash backed reserves (restricted assets)                  | 7(a)      | 2,385,000         | 1,385,500         | 1,329,300         |
| <b>Amount attributable to financing activities</b>                       |           | 1,149,000         | 122,634           | 518,614           |
| <b>Budgeted deficiency before general rates</b>                          |           | (3,374,568)       | (754,233)         | (3,339,078)       |
| <b>Estimated amount to be raised from general rates</b>                  | 1         | 3,422,000         | 3,396,665         | 3,387,225         |
| <b>Net current assets at end of financial year - surplus/(deficit)</b>   | 2 (b)(i)  | 47,432            | 2,642,432         | 48,147            |

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



**RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2021**

**BY REPORTING PROGRAM**

|  | NOTE      | 2020/21<br>Budget | 2019/20<br>Actual | 2019/20<br>Budget |
|--|-----------|-------------------|-------------------|-------------------|
|  |           | \$                | \$                | \$                |
| <b>OPERATING ACTIVITIES</b>  |           |                   |                   |                   |
| <b>Net current assets at start of financial year - surplus/(deficit)</b> | 2 (b)(i)  | 2,642,432         | 3,716,619         | 3,040,153         |
|  |           | 2,642,432         | 3,716,619         | 3,040,153         |
| <b>Revenue from operating activities (excluding rates)</b>               |           |                   |                   |                   |
| Governance   |           | 0                 | 14,841            | 0                 |
| General purpose funding  |           | 1,055,000         | 1,995,647         | 1,157,151         |
| Law, order, public safety  |           | 12,000            | 35,069            | 16,020            |
| Health   |           | 47,000            | 43,580            | 46,222            |
| Education and welfare  |           | 0                 | 2,155             | 1,600             |
| Housing  |           | 59,000            | 59,487            | 44,200            |
| Community amenities  |           | 1,279,000         | 1,225,579         | 1,242,442         |
| Recreation and culture   |           | 907,000           | 600,838           | 709,450           |
| Transport  |           | 3,735,000         | 3,865,803         | 4,624,579         |
| Economic services  |           | 909,000           | 523,541           | 613,577           |
| Other property and services  |           | 24,000            | 202,641           | 16,900            |
|  |           | 8,027,000         | 8,569,181         | 8,472,141         |
| <b>Expenditure from operating activities</b>                             |           |                   |                   |                   |
| Governance   |           | (840,500)         | (800,589)         | (780,925)         |
| General purpose funding  |           | (129,000)         | (81,539)          | (96,330)          |
| Law, order, public safety  |           | (356,000)         | (297,088)         | (335,438)         |
| Health   |           | (300,500)         | (216,878)         | (301,351)         |
| Education and welfare  |           | (75,500)          | (69,725)          | (69,998)          |
| Housing  |           | (82,000)          | (124,141)         | (87,547)          |
| Community amenities  |           | (1,710,500)       | (1,306,872)       | (1,893,296)       |
| Recreation and culture   |           | (5,404,000)       | (4,316,989)       | (4,853,077)       |
| Transport  |           | (5,145,500)       | (4,900,019)       | (5,476,930)       |
| Economic services  |           | (1,261,000)       | (808,499)         | (1,326,842)       |
| Other property and services  |           | (454,500)         | (1,855,417)       | 25,279            |
|  |           | (15,759,000)      | (14,777,756)      | (15,196,455)      |
| Non-cash amounts excluded from operating activities                      | 2 (b)(ii) | 3,607,000         | 3,796,978         | 3,196,907         |
| <b>Amount attributable to operating activities</b>                       |           | (1,482,568)       | 1,305,022         | (487,254)         |
| <b>INVESTING ACTIVITIES</b>  |           |                   |                   |                   |
| Non-operating grants, subsidies and contributions                        | 9         | 2,659,000         | 936,595           | 722,332           |
| Purchase property, plant and equipment                                   | 4(a)      | (2,859,000)       | (2,144,127)       | (2,158,100)       |
| Purchase and construction of infrastructure                              | 4(a)      | (3,041,000)       | (1,552,095)       | (2,015,170)       |
| Proceeds from disposal of assets   | 4(b)      | 200,000           | 577,738           | 80,500            |
| <b>Amount attributable to investing activities</b>                       |           | (3,041,000)       | (2,181,889)       | (3,370,438)       |
| <b>FINANCING ACTIVITIES</b>  |           |                   |                   |                   |
| Repayment of borrowings  | 6(a)      | (232,000)         | (223,637)         | (223,637)         |
| Proceeds from new borrowings   | 6(b)      | 0                 | 0                 | 0                 |
| Proceeds from self supporting loans                                      | 6(a)      | 23,000            | 3,000             | 0                 |
| Transfers to cash backed reserves (restricted assets)                    | 7(a)      | (1,027,000)       | (1,042,229)       | (587,049)         |
| Transfers from cash backed reserves (restricted assets)                  | 7(a)      | 2,385,000         | 1,385,500         | 1,329,300         |
| <b>Amount attributable to financing activities</b>                       |           | 1,149,000         | 122,634           | 518,614           |
| <b>Budgeted deficiency before general rates</b>                          |           | (3,374,568)       | (754,233)         | (3,339,078)       |
| <b>Estimated amount to be raised from general rates</b>                  | 1         | 3,422,000         | 3,396,665         | 3,387,225         |
| <b>Net current assets at end of financial year - surplus/(deficit)</b>   | 2 (b)(i)  | <b>47,432</b>     | <b>2,642,432</b>  | <b>48,147</b>     |

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

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

## 1. RATES AND SERVICE CHARGES

### (a) Rating Information

| RATE TYPE  | Rate in | Number<br>of<br>properties | Rateable<br>value | 2020/21<br>Budgeted<br>rate<br>revenue | 2020/21<br>Budgeted<br>interim<br>rates | 2020/21<br>Budgeted<br>back<br>rates | 2020/21<br>Budgeted<br>total<br>revenue | 2019/20<br>Actual<br>total<br>revenue | 2019/20<br>Budget<br>total<br>revenue |
|--|---------|----------------------------|-------------------|--|---|--------------------------------------|---|---------------------------------------|---------------------------------------|
|  | \$      |                            | \$                | \$                                     | \$                                      | \$                                   | \$                                      | \$                                    | \$                                    |
| <b>Differential general rate or general rate</b> |         |                            |                   |  |   |                                      |   |                                       |                                       |
| <b>Gross rental valuations</b>                   |         |                            |                   |  |   |                                      |   |                                       |                                       |
| General  | 0.07510 | 1,181                      | 29,059,377        | 2,182,000                              | 5,000                                   | 1,000                                | 2,188,000                               | 2,187,450                             | 2,195,470                             |
| Marina Developed                                 | 0.10130 | 101                        | 3,621,207         | 367,000                                | 0                                       | 0                                    | 367,000                                 | 369,758                               | 356,161                               |
| Holiday Homes                                    | 0.10410 | 78                         | 1,992,380         | 207,000                                | 0                                       | 0                                    | 207,000                                 | 186,258                               | 171,084                               |
| Vacant Land                                      | 0.15010 | 232                        | 2,383,884         | 358,000                                | 0                                       | 0                                    | 358,000                                 | 366,722                               | 383,933                               |
| <b>Unimproved valuations</b>                     |         |                            |                   |  |   |                                      |   |                                       |                                       |
| Mining   | 0.15990 | 12                         | 359,652           | 58,000                                 | 1,000                                   | 1,000                                | 60,000                                  | 56,054                                | 48,121                                |
| Rural  | 0.08000 | 7                          | 658,420           | 53,000                                 | 0                                       | 0                                    | 53,000                                  | 40,718                                | 45,541                                |
| <b>Sub-Totals</b>                                |         | 1,611                      | 38,074,920        | 3,225,000                              | 6,000                                   | 2,000                                | 3,233,000                               | 3,206,960                             | 3,200,310                             |
| <b>Minimum</b>                                   |         |                            |                   |  |   |                                      |   |                                       |                                       |
| <b>Minimum payment</b>                           |         |                            |                   |  |   |                                      |   |                                       |                                       |
| \$   |         |                            |                   |  |   |                                      |   |                                       |                                       |
| <b>Gross rental valuations</b>                   |         |                            |                   |  |   |                                      |   |                                       |                                       |
| General  | 930     | 84                         | 842,002           | 78,000                                 | 0                                       | 0                                    | 78,000                                  | 78,120                                | 78,120                                |
| Marina Developed                                 | 930     | 1                          | 0                 | 1,000                                  | 0                                       | 0                                    | 1,000                                   | 1,665                                 | 930                                   |
| Vacant Land                                      | 735     | 146                        | 483,700           | 107,000                                | 0                                       | 0                                    | 107,000                                 | 106,425                               | 104,370                               |
| <b>Unimproved valuations</b>                     |         |                            |                   |  |   |                                      |   |                                       |                                       |
| Mining   | 230     | 10                         | 8,426             | 2,000                                  | 0                                       | 0                                    | 2,000                                   | 2,760                                 | 2,760                                 |
| Rural  | 735     | 1                          | 5,800             | 1,000                                  | 0                                       | 0                                    | 1,000                                   | 735                                   | 735                                   |
| <b>Sub-Totals</b>                                |         | 242                        | 1,339,928         | 189,000                                | 0                                       | 0                                    | 189,000                                 | 189,705                               | 186,915                               |
|  |         | 1,853                      | 39,414,848        | 3,414,000                              | 6,000                                   | 2,000                                | 3,422,000                               | 3,396,665                             | 3,387,225                             |
| Discounts/concessions (Refer note 1(g))          |         |                            |                   |  |   |                                      | 0                                       | 0                                     | 0                                     |
| <b>Total amount raised from general rates</b>    |         |                            |                   |  |   |                                      | 3,422,000                               | 3,396,665                             | 3,387,225                             |
| Specified area rates (Refer note 1(e))           |         |                            |                   |  |   |                                      | 48,000                                  | 48,140                                | 47,081                                |
| <b>Total rates</b>                               |         |                            |                   |  |   |                                      | 3,470,000                               | 3,444,805                             | 3,434,306                             |

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

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.

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

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<br>plan admin<br>charge | Instalment<br>plan<br>interest<br>rate | Unpaid<br>rates<br>interest<br>rates |
|---------------------|------------|------------------------------------|--|--------------------------------------|
|                     |            | \$                                 | %                                      | %                                    |
| <b>Option one</b>   |            |                                    |  |                                      |
| Single full payment | 3/09/2020  | 0                                  | 0.0%                                   | 8.0%                                 |
| <b>Option two</b>   |            |                                    |  |                                      |
| First instalment    | 3/09/2020  | 0                                  | 0.0%                                   | 8.0%                                 |
| Second instalment   | 15/11/2020 | 0                                  | 0.0%                                   | 8.0%                                 |
| <b>Option three</b> |            |                                    |  |                                      |
| First instalment    | 3/09/2020  | 0                                  | 0.0%                                   | 8.0%                                 |
| Second instalment   | 15/11/2020 | 0                                  | 0.0%                                   | 8.0%                                 |
| Third instalment    | 21/01/2021 | 0                                  | 0.0%                                   | 8.0%                                 |
| Fourth instalment   | 1/04/2021  | 0                                  | 0.0%                                   | 8.0%                                 |

|   | 2020/21<br>Budget<br>revenue | 2019/20<br>Actual<br>revenue | 2019/20<br>Budget<br>revenue |
|---|------------------------------|------------------------------|------------------------------|
|   | \$                           | \$                           | \$                           |
| Instalment plan admin charge revenue            | 0                            | 15,138                       | 19,000                       |
| Instalment plan interest earned                 | 0                            | 17,256                       | 18,000                       |
| Unpaid rates and service charge interest earned | 17,000                       | 37,140                       | 40,000                       |
|   | 17,000                       | 69,534                       | 77,000                       |

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**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**

| <b>Description</b>      | <b>Characteristics</b>   | <b>Objects</b>  | <b>Reasons</b>   |
|-------------------------|--|---|--|
| GRV General             | Properties zoned as:<br>Industrial<br>Mixed Use<br>Strategic Industrial<br>Tourist<br>Composite Development<br>Residential<br>Residential Development<br>Urban Residential (Preston Street)<br>Properties within Wilderness Estate | Revenue derived from this category assists funding to operate efficiently the service levels expected by the community as outlined in our Strategic Plan and Corporate Business Plan  | Means any land that is predominantly used for singular and multi-dwelling and is zoned in accordance with the characteristics detailed.  |
| GRV Marina<br>Developed | Developed properties zoned as marina.  | The objective of this rate is to raise additional revenue required to fund costs associated with the higher level of maintenance provided to these properties including maintaining the seawall to north of marina, maintain jetties, canal footbridge, beach stabilisation, responsible for boat ramps and associated with car/trailer car park within the area and maintenance of waterway adjoining public open space. | The rate applies to developed properties zoned as marina.  |
| GRV Holiday Homes       | Restricted properties that have received town planning approval to operate as a short term holiday accommodation.  | Means any land approved and predominantly used to provide holiday accommodation.  | The rate in the dollar for these homes is acknowledging the approved use of the property as a holiday home. This additional amount is to contribute to Tourism and marketing and related projects throughout the district. |

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) Objectives and Reasons for Differential Rating**

|                 |   |  |   |
|-----------------|---|--|---|
| GRV Vacant Land | Vacant land located within the townsite boundaries          | The objective of this rate is to encourage development of vacant land and to assist with the higher level of service provided to these properties. | This category is rated higher than the GRV General rate to assist with costs associated with firebreak maintenance, upgrade and renewal of the street network, roadside sweeping, CBD car parking, landscaping, dust control managements, drainage, footbridge lighting, street furniture and other amenities. Additionally it includes the development of tourist related services and infrastructure. |
| UV Mining       | Properties with a land use associated with mining tenements | The objective of this rate is to raise additional revenue to fund costs associated with mining activity.   | The objective is to raise additional revenue to contribute towards higher costs including but not limited to frequent heavy vehicle use over extensive lengths of Shire roads throughout the year.  |
| UV Rural        | Properties used predominantly for rural purposes.           | This rate is required to meet our community expectations and needs in our Strategic Community and Corporate Business Plan.                         | This is considered the base rate above which all other UV rated properties are assessed.  |

**(d) Differential Minimum Payment**

| Description         | Characteristics                    | Objects   | Reasons   |
|---------------------|------------------------------------|---|---|
| GRV Rate Categories | Includes all GRV rated properties. | This rate is considered the minimum contribution for basic services and infrastructure. | This is considered to be the base minimum for GRV rated properties. |
| UV Rate Categories  | Includes all UV rated properties.  | This rate is considered the minimum contribution for basic services and infrastructure. | This is considered to be the base minimum for UV rated properties.  |

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

|                            | Basis of valuation | Rate in | Rateable value | 2020/21 Budget specified area rate revenue | 2020/21 Interim specified area rate revenue | 2020/21 Back specified area rate revenue | 2020/21 Total budget specified area rate revenue | 2019/20 Actual revenue | 2019/20 Budget revenue |
|----------------------------|--------------------|---------|----------------|--|---|--|--|------------------------|------------------------|
| <b>Specified area rate</b> |                    | \$      | \$             | \$   | \$  | \$                                       | \$   | \$                     | \$                     |
| Marina Specified Area      | GRV Marina         | 0.01339 | 3,621,207      | 48,000                                     | 0   | 0  | 48,000   | 48,140                 | 47,081                 |
|                            |                    |         | 3,621,207      | 48,000                                     | 0   | 0  | 48,000   | 48,140                 | 47,081                 |

|                            | Purpose of the rate  | Area or properties rate is to be imposed on | Budgeted rate applied to costs | Budgeted rate set aside to reserve | Reserve Amount to be applied to costs |
|----------------------------|--|---|--------------------------------|------------------------------------|---------------------------------------|
| <b>Specified area rate</b> |  |   | \$                             | \$                                 | \$                                    |
| Marina Specified Area      | The proceeds of the rate applied in full on the environmental monitoring and maintenance of the canal waterway, dredging and entrance channel navigation including both onshore and offshore, cost of clearing the sand traps, maintaining the main breakwaters including all breakwaters and groynes surrounding and protecting the Outer Harbour and other preservation works in accordance with the Exmouth Marina Village agreement between Minister for Transport, Landcorp & Shire of Exmouth. | Properties zoned Marina and Marina canals   | 0                              | 48,000                             | 0                                     |
|                            |  |   | 0                              | 48,000                             | 0                                     |

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2018**

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(f) Service Charges**

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

**(g) Waivers or concessions**

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

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

2 (a). NET CURRENT ASSETS

| Note   | 2020/21                | 2020/21                | 2019/20                             | 2019/20                |
|--|------------------------|------------------------|-------------------------------------|------------------------|
|  | Budget<br>30 June 2021 | Budget<br>30 June 2020 | Estimated<br>Actual<br>29 June 2020 | Budget<br>29 June 2020 |
|  | \$                     | \$                     | \$                                  | \$                     |
| <b>Composition of estimated net current assets</b> |                        |                        |                                     |                        |
| <b>Current assets</b>                              |                        |                        |                                     |                        |
| Cash - unrestricted                                | 47,432                 | 2,642,432              | 2,642,432                           | (1,080,588)            |
| Cash - restricted reserves                         | 7,650,886              | 9,008,886              | 9,008,886                           | 8,609,905              |
| Receivables  | 1,933,000              | 1,956,000              | 1,956,000                           | 1,822,643              |
| Inventories  | 56,000                 | 56,000                 | 56,000                              | 55,830                 |
|  | 9,687,318              | 13,663,318             | 13,663,318                          | 9,407,790              |
| <b>Less: current liabilities</b>                   |                        |                        |                                     |                        |
| Trade and other payables                           | (1,989,000)            | (1,989,000)            | (1,989,000)                         | (925,066)              |
| Long term borrowings                               | (240,000)              | (232,000)              | (232,000)                           | (180,620)              |
| Provisions   | (958,000)              | (958,000)              | (958,000)                           | (958,906)              |
|  | (3,187,000)            | (3,179,000)            | (3,179,000)                         | (2,064,592)            |
| <b>Net current assets</b>                          | <b>6,500,318</b>       | <b>10,484,318</b>      | <b>10,484,318</b>                   | <b>7,343,198</b>       |

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

**Operating activities excluded from 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                | 2020/21                | 2019/20                             | 2019/20                |
|---|------------------------|------------------------|-------------------------------------|------------------------|
|   | Budget<br>30 June 2021 | Budget<br>30 June 2020 | Estimated<br>Actual<br>29 June 2020 | Budget<br>29 June 2020 |
|   | \$                     | \$                     | \$                                  | \$                     |
| <b>(i) Current assets and liabilities excluded from budgeted deficiency</b>   |                        |                        |                                     |                        |
| <b>Net current assets</b>   | 6,500,318              | 10,484,318             | 10,484,318                          | 7,343,198              |
| The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement. |                        |                        |                                     |                        |
| <b>Adjustments to net current assets</b>  |                        |                        |                                     |                        |
| Less: Unspent borrowings  | 0                      | 0                      | 0                                   | (410,000)              |
| Less: Cash - restricted reserves  | (7,650,886)            | (9,008,886)            | (9,008,886)                         | (8,609,905)            |
| Less: Community Loans   | 0                      | (23,000)               | (23,000)                            | 0                      |
| Add: Current liabilities not expected to be cleared at end of year  |                        |                        |                                     |                        |
| - Current portion of borrowings   | 240,000                | 232,000                | 232,000                             | 180,620                |
| - Employee benefit provisions   | 958,000                | 958,000                | 958,000                             | 0                      |
| <b>Adjusted net current assets - surplus/(deficit)</b>  | <b>47,432</b>          | <b>2,642,432</b>       | <b>2,642,432</b>                    | <b>(1,496,087)</b>     |
| <b>(ii) Operating activities excluded from budgeted deficiency</b>  |                        |                        |                                     |                        |
| The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.    |                        |                        |                                     |                        |
| <b>Adjustments to operating activities</b>  |                        |                        |                                     |                        |
| Less: Profit on asset disposals   | 0                      | (139,334)              | (139,334)                           | 0                      |
| Less: Movement in liabilities associated with restricted cash   | 0                      | 322,000                | 322,000                             | 160,101                |
| Add: Loss on disposal of assets   | 0                      | 20,633                 | 20,633                              | 131,359                |
| Add: Depreciation on assets   | 3,607,000              | 3,593,679              | 3,593,679                           | 2,905,447              |
| <b>Non cash amounts excluded from operating activities</b>  | <b>3,607,000</b>       | <b>3,796,978</b>       | <b>3,796,978</b>                    | <b>3,196,907</b>       |

**(iii) Reason for adjustment to Adjusted net current assets - surplus/(deficit) on 1 July 2019**

The Shire has elected to retrospectively apply the cumulative effect of applying AASB 1058 Income of Not-for-Profit Entities at the date of initial application of the standard, being 1 July 2019. The impact of applying the standard was to recognise unspent grants and contributions for construction of recognisable non-financial assets controlled by the Shire as a liability. The opening budgeted surplus/deficit on 1 July 2019 has been amended accordingly from the estimated actual closing surplus/deficit.

Refer to note 16 for further explanation of the impact of the changes in accounting policies



**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**2 (c). 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 Exmouth 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 Exmouth contributes to a number of superannuation funds on behalf of employees.

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

**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.

**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.

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

Provision is made for the Shire of Exmouth'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 Exmouth'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 Exmouth'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.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**3. RECONCILIATION OF CASH**

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

|  | <b>2020/21<br/>Budget</b> | <b>2019/20<br/>Actual</b> | <b>2019/20<br/>Budget</b> |
|--|---------------------------|---------------------------|---------------------------|
|  | \$                        | \$                        | \$                        |
| Cash - unrestricted  | 47,432                    | 2,642,432                 | (1,080,588)               |
| Cash - restricted  | 7,650,886                 | 9,008,886                 | 8,609,905                 |
|  | <b>7,698,318</b>          | <b>11,651,318</b>         | <b>7,529,317</b>          |
| The following restrictions have been imposed by regulation or other externally imposed requirements: |                           |                           |                           |
| Leave Reserve  | 704,534                   | 695,534                   | 697,572                   |
| Aviation Reserve   | 1,171,528                 | 1,166,528                 | 1,232,588                 |
| Building Infrastructure Reserve  | 86,735                    | 595,735                   | 585,256                   |
| Community Development Fund Reserve   | 1,382,402                 | 1,375,402                 | 1,358,002                 |
| Community Interest Free Loans Reserve  | 325,436                   | 321,436                   | 345,355                   |
| Insurance/Natural Disasters Reserve  | 185,009                   | 183,009                   | 184,069                   |
| Land Acquisition & Disposal Reserve  | 176,825                   | 736,825                   | 717,892                   |
| Marina Canal Reserve (Specified Area Rates)  | 412,253                   | 360,253                   | 313,921                   |
| Marina Village Asset Replace & Preservation Reserve  | 33,267                    | 33,267                    | 33,460                    |
| Mosquito Management  | 10,108                    | 10,108                    | 10,000                    |
| Ningaloo Centre  | 258,826                   | 255,826                   | 335,643                   |
| Plant Reserve  | 500,938                   | 187,938                   | 579,424                   |
| Public Radio Infrastructure Reserve  | 5,158                     | 5,158                     | 5,188                     |
| Rehabilitation Reserve   | 255,106                   | 252,106                   | 252,900                   |
| Roads Reserve  | 405,820                   | 592,820                   | 591,106                   |
| Shire Staff Housing Reserve  | 138,373                   | 136,373                   | 135,479                   |
| Swimming Pool Reserve  | 654,808                   | 547,808                   | 549,079                   |
| Tourism Development Fund   | 203,000                   | 200,000                   | 0                         |
| Town Planning Scheme Reserve   | 21,854                    | 21,854                    | 21,969                    |
| Waste & Recycle Reserve  | 604,906                   | 1,073,906                 | 803,302                   |
| Shire President COVID-19 Relief Fund   | 40,000                    | 40,000                    | 0                         |
| Unspent Grants   | 74,000                    | 217,000                   | (142,300)                 |
|  | <b>7,650,886</b>          | <b>9,008,886</b>          | <b>8,609,905</b>          |
| <b>Reconciliation of net cash provided by operating activities to net result</b>                     |                           |                           |                           |
| <b>Net result</b>  | <b>(1,651,000)</b>        | <b>(1,875,315)</b>        | <b>(2,614,170)</b>        |
| Depreciation   | 3,607,000                 | 3,593,679                 | 2,905,447                 |
| (Profit)/loss on sale of asset   | 0                         | (118,701)                 | 131,359                   |
| (Increase)/decrease in receivables   | 0                         | (100,042)                 | 0                         |
| (Increase)/decrease in inventories   | 0                         | 321,397                   | 0                         |
| Increase/(decrease) in payables  | 0                         | 983,428                   | 0                         |
| Increase/(decrease) in employee provisions   | 0                         | (684)                     | 0                         |
| Grants/contributions for the development of assets   | (2,659,000)               | (936,595)                 | (722,332)                 |
| <b>Net cash from operating activities</b>  | <b>(703,000)</b>          | <b>1,867,167</b>          | <b>(299,696)</b>          |

**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.

NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH 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<br>Budget total | 2019/20<br>Actual total | 2019/20<br>Budget total |
|--------------------------------------|------------------------|---------------------------|------------------|----------------------|-----------------------------------|-------------------------|-------------------------|-------------------------|
|                                      | Community<br>amenities | Recreation<br>and culture | Transport        | Economic<br>services | Other<br>property and<br>services |                         |                         |                         |
|                                      | \$                     | \$                        | \$               | \$                   | \$                                | \$                      | \$                      |                         |
| <i>Property, Plant and Equipment</i> |                        |                           |                  |                      |                                   |                         |                         |                         |
| Land - freehold land                 | 0                      | 0                         | 0                | 0                    | 325,000                           | 325,000                 | 0                       | 0                       |
| Buildings - non-specialised          | 0                      | 0                         | 0                | 0                    | 0                                 | 0                       | 0                       | 87,000                  |
| Buildings - specialised              | 0                      | 1,538,000                 | 0                | 140,000              | 140,000                           | 1,818,000               | 990,216                 | 1,076,100               |
| Furniture and equipment              | 0                      | 50,000                    | 10,000           | 0                    | 0                                 | 60,000                  | 0                       | 0                       |
| Plant and equipment                  | 0                      | 0                         | 656,000          | 0                    | 0                                 | 656,000                 | 1,153,911               | 995,000                 |
|                                      | 0                      | 1,588,000                 | 666,000          | 140,000              | 465,000                           | 2,859,000               | 2,144,127               | 2,158,100               |
| <i>Infrastructure</i>                |                        |                           |                  |                      |                                   |                         |                         |                         |
| Infrastructure - Roads               | 0                      | 0                         | 1,738,000        | 0                    | 0                                 | 1,738,000               | 897,000                 | 918,782                 |
| Infrastructure - Other               | 868,000                | 115,000                   | 0                | 0                    | 320,000                           | 1,303,000               | 655,095                 | 1,096,388               |
|                                      | 868,000                | 115,000                   | 1,738,000        | 0                    | 320,000                           | 3,041,000               | 1,552,095               | 2,015,170               |
| <b>Total acquisitions</b>            | <b>868,000</b>         | <b>1,703,000</b>          | <b>2,404,000</b> | <b>140,000</b>       | <b>785,000</b>                    | <b>5,900,000</b>        | <b>3,696,222</b>        | <b>4,173,270</b>        |

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

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

|                                      | 2020/21<br>Budget<br>Net Book<br>Value | 2020/21<br>Budget<br>Sale<br>Proceeds | 2020/21<br>Budget<br>Profit | 2020/21<br>Budget<br>Loss | 2019/20<br>Actual<br>Net Book<br>Value | 2019/20<br>Actual<br>Sale<br>Proceeds | 2019/20<br>Actual<br>Profit | 2019/20<br>Actual<br>Loss | 2019/20<br>Budget<br>Net Book<br>Value | 2019/20<br>Budget<br>Sale<br>Proceeds | 2019/20<br>Budget<br>Profit | 2019/20<br>Budget<br>Loss |
|--------------------------------------|--|---------------------------------------|-----------------------------|---------------------------|--|---------------------------------------|-----------------------------|---------------------------|--|---------------------------------------|-----------------------------|---------------------------|
| <b>By Program</b>                    | \$                                     | \$                                    | \$                          | \$                        | \$                                     | \$                                    | \$                          | \$                        | \$                                     | \$                                    | \$                          | \$                        |
| Transport                            | 200,000                                | 200,000                               | 0                           | 0                         | 459,037                                | 577,738                               | 139,334                     | (20,633)                  | 211,859                                | 80,500                                | 0                           | (131,359)                 |
|                                      | 200,000                                | 200,000                               | 0                           | 0                         | 459,037                                | 577,738                               | 139,334                     | (20,633)                  | 211,859                                | 80,500                                | 0                           | (131,359)                 |
| <b>By Class</b>                      |  |                                       |                             |                           |  |                                       |                             |                           |  |                                       |                             |                           |
| <u>Property, Plant and Equipment</u> |  |                                       |                             |                           |  |                                       |                             |                           |  |                                       |                             |                           |
| Plant and equipment                  | 200,000                                | 200,000                               | 0                           | 0                         | 459,037                                | 577,738                               | 139,334                     | (20,633)                  | 211,859                                | 80,500                                | 0                           | (131,359)                 |
|                                      | 200,000                                | 200,000                               | 0                           | 0                         | 459,037                                | 577,738                               | 139,334                     | (20,633)                  | 211,859                                | 80,500                                | 0                           | (131,359)                 |

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**5. ASSET DEPRECIATION**

**By Program**

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

**By Class**

|                             |
|-----------------------------|
| Buildings - non-specialised |
| Buildings - specialised     |
| Furniture and equipment     |
| Plant and equipment         |
| Infrastructure - Roads      |
| Infrastructure - Other      |

|  | 2020/21<br>Budget | 2019/20<br>Actual | 2019/20<br>Budget |
|--|-------------------|-------------------|-------------------|
|  | \$                | \$                | \$                |
|  | 13,000            | 12,333            | 12,863            |
|  | 17,500            | 16,965            | 13,534            |
|  | 39,000            | 39,319            | 39,260            |
|  | 111,500           | 109,559           | 108,559           |
|  | 113,500           | 115,049           | 112,482           |
|  | 1,027,500         | 1,039,051         | 670,251           |
|  | 1,913,000         | 1,895,056         | 1,569,258         |
|  | 52,000            | 51,070            | 51,536            |
|  | 320,000           | 315,277           | 327,704           |
|  | <b>3,607,000</b>  | <b>3,593,679</b>  | <b>2,905,447</b>  |
|  | 82,500            | 90,213            | 89,322            |
|  | 955,500           | 946,327           | 572,339           |
|  | 260,500           | 257,434           | 260,478           |
|  | 375,000           | 372,625           | 392,711           |
|  | 1,441,000         | 1,426,985         | 1,097,405         |
|  | 492,500           | 500,095           | 493,192           |
|  | <b>3,607,000</b>  | <b>3,593,679</b>  | <b>2,905,447</b>  |

**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.

**DEPRECIATION (CONTINUED)**

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

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

**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.

NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

| Purpose                            | Budget<br>Principal<br>1 July 2020 | 2020/21<br>Budget<br>New<br>loans | 2020/21<br>Budget<br>Principal<br>repayments | 2020/21<br>Budget<br>Interest<br>repayments | Budget<br>Principal<br>outstanding<br>30 June 2021 | Actual<br>Principal<br>1 July 2019 | 2019/20<br>Actual<br>New<br>loans | 2019/20<br>Actual<br>Principal<br>repayments | 2019/20<br>Actual<br>Interest<br>repayments | Actual<br>Principal<br>outstanding<br>29 June 2020 | Budget<br>Principal<br>1 July 2019 | 2019/20<br>Budget<br>New<br>loans | 2019/20<br>Budget<br>Principal<br>repayments | 2019/20<br>Budget<br>Interest<br>repayments | Budget<br>Principal<br>outstanding<br>29 June 2020 |
|------------------------------------|------------------------------------|-----------------------------------|--|---|--|------------------------------------|-----------------------------------|--|---|--|------------------------------------|-----------------------------------|--|---|--|
|                                    |                                    | \$                                | \$   | \$  | \$   |                                    | \$                                | \$   | \$  |  | \$                                 | \$                                | \$   | \$  | \$   |
| <b>Housing</b>                     |                                    |                                   |  |   |  |                                    |                                   |  |   |  |                                    |                                   |  |   |  |
| 80 - Staff Dwellings               | 548,983                            | 0                                 | 69,000                                       | 24,000                                      | 479,983  | 614,540                            | 0                                 | 65,557                                       | 32,724                                      | 548,983  | 614,540                            | 0                                 | 65,557                                       | 27,659                                      | 548,983  |
| <b>Community amenities</b>         |                                    |                                   |  |   |  |                                    |                                   |  |   |  |                                    |                                   |  |   |  |
| 81 - Rubbish Truck                 | 219,915                            |                                   | 84,000                                       | 4,000                                       | 135,915  | 301,868                            |                                   | 81,953                                       | 5,579                                       | 219,915  | 301,868                            |                                   | 81,953                                       | 5,579                                       | 219,915  |
| <b>Recreation and culture</b>      |                                    |                                   |  |   |  |                                    |                                   |  |   |  |                                    |                                   |  |   |  |
| 82 - Ningaloo Centre               | 837,551                            | 0                                 | 58,000                                       | 27,000                                      | 779,551  | 893,499                            | 0                                 | 55,948                                       | 29,292                                      | 837,551  | 893,499                            | 0                                 | 55,948                                       | 29,292                                      | 837,551  |
| <b>Other property and services</b> |                                    |                                   |  |   |  |                                    |                                   |  |   |  |                                    |                                   |  |   |  |
| 76 - 1 Bennette Street             | 218,875                            | 0                                 | 21,000                                       | 11,000                                      | 197,875  | 239,054                            | 0                                 | 20,179                                       | 13,801                                      | 218,875  | 239,054                            | 0                                 | 20,179                                       | 11,797                                      | 218,875  |
|                                    | 1,825,324                          | 0                                 | 232,000                                      | 66,000                                      | 1,593,324  | 2,048,961                          | 0                                 | 223,637                                      | 81,396                                      | 1,825,324  | 2,048,961                          | 0                                 | 223,637                                      | 74,327                                      | 1,825,324  |
|                                    | 1,825,324                          | 0                                 | 232,000                                      | 66,000                                      | 1,593,324  | 2,048,961                          | 0                                 | 223,637                                      | 81,396                                      | 1,825,324  | 2,048,961                          | 0                                 | 223,637                                      | 74,327                                      | 1,825,324  |

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

The self supporting loan(s) repayment will be fully reimbursed.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**6. INFORMATION ON BORROWINGS (CONTINUED)**

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

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

**(c) Unspent borrowings**

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

**(d) Credit Facilities**

|   | <b>2020/21<br/>Budget</b> | <b>2019/20<br/>Actual</b> | <b>2019/20<br/>Budget</b> |
|---|---------------------------|---------------------------|---------------------------|
|   | \$                        | \$                        | \$                        |
| <b>Undrawn borrowing facilities<br/>credit standby arrangements</b> |                           |                           |                           |
| Bank overdraft limit  | 400,000                   | 400,000                   | 400,000                   |
| Bank overdraft at balance date                                      | 0                         | 0                         | 0                         |
| Credit card limit   | 24,000                    | 24,000                    | 24,000                    |
| <b>Total amount of credit unused</b>                                | <b>424,000</b>            | <b>424,000</b>            | <b>424,000</b>            |
| <b>Loan facilities</b>  |                           |                           |                           |
| Loan facilities in use at balance date                              | 1,593,324                 | 1,825,324                 | 1,825,324                 |
| Unused loan facilities at balance date                              | 0                         | 0                         | 410,000                   |

**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 or sale.

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

|   | 2020/21   | 2020/21     | 2020/21         | 2019/20   | 2019/20     | 2019/20         | 2019/20     | 2019/20   | 2019/20   | 2019/20         | 2019/20     |           |
|---|-----------|-------------|-----------------|-----------|-------------|-----------------|-------------|-----------|-----------|-----------------|-------------|-----------|
|   | Budget    | Budget      | Budget          | Actual    | Actual      | Actual          | Actual      | Budget    | 2019/20   | Budget          | Budget      |           |
|   | Opening   | Transfer to | Transfer (from) | Opening   | Transfer to | Transfer (from) | Closing     | Opening   | Budget    | Transfer (from) | Closing     |           |
|   | Balance   | Balance     | Balance         | Balance   | Balance     | Balance         | Balance     | Balance   | Balance   | Balance         | Balance     |           |
|   | \$        | \$          | \$              | \$        | \$          | \$              | \$          | \$        | \$        | \$              | \$          |           |
| Leave Reserve                                       | 695,534   | 9,000       | 0               | 704,534   | 688,110     | 7,424           | 0           | 695,534   | 688,110   | 9,462           | 0           | 697,572   |
| Aviation Reserve                                    | 1,166,528 | 15,000      | (10,000)        | 1,171,528 | 1,244,600   | 13,428          | (91,500)    | 1,166,528 | 1,244,600 | 17,988          | (30,000)    | 1,232,588 |
| Building Infrastructure Reserve                     | 595,735   | 8,000       | (517,000)       | 86,735    | 628,949     | 6,786           | (40,000)    | 595,735   | 628,949   | 6,307           | (50,000)    | 585,256   |
| Community Development Fund Reserve                  | 1,375,402 | 18,000      | (11,000)        | 1,382,402 | 1,360,721   | 14,681          | 0           | 1,375,402 | 1,360,721 | 27,281          | (30,000)    | 1,358,002 |
| Community Interest Free Loans Reserve               | 321,436   | 4,000       | 0               | 325,436   | 339,770     | 3,666           | (22,000)    | 321,436   | 339,770   | 5,585           | 0           | 345,355   |
| Insurance/Natural Disasters Reserve                 | 183,009   | 2,000       | 0               | 185,009   | 181,056     | 1,953           | 0           | 183,009   | 181,056   | 3,013           | 0           | 184,069   |
| Land Acquisition & Disposal Reserve                 | 736,825   | 10,000      | (570,000)       | 176,825   | 717,892     | 443,933         | (425,000)   | 736,825   | 717,892   | 0               | 0           | 717,892   |
| Marina Canal Reserve (Specified Area Rates)         | 360,253   | 52,000      | 0               | 412,253   | 308,782     | 51,471          | 0           | 360,253   | 308,782   | 5,139           | 0           | 313,921   |
| Marina Village Asset Replace & Preservation Reserve | 33,267    | 0           | 0               | 33,267    | 32,912      | 355             | 0           | 33,267    | 32,912    | 548             | 0           | 33,460    |
| Mosquito Management                                 | 10,108    | 0           | 0               | 10,108    | 10,000      | 108             | 0           | 10,108    | 10,000    | 0               | 0           | 10,000    |
| Ningaloo Centre                                     | 255,826   | 3,000       | 0               | 258,826   | 253,095     | 2,731           | 0           | 255,826   | 253,095   | 82,548          | 0           | 335,643   |
| Plant Reserve                                       | 187,938   | 502,000     | (189,000)       | 500,938   | 984,318     | 10,620          | (807,000)   | 187,938   | 984,318   | 402,106         | (807,000)   | 579,424   |
| Public Radio Infrastructure Reserve                 | 5,158     | 0           | 0               | 5,158     | 5,103       | 55              | 0           | 5,158     | 5,103     | 85              | 0           | 5,188     |
| Rehabilitation Reserve                              | 252,106   | 3,000       | 0               | 255,106   | 249,415     | 2,691           | 0           | 252,106   | 249,415   | 3,485           | 0           | 252,900   |
| Roads Reserve                                       | 592,820   | 273,000     | (460,000)       | 405,820   | 586,492     | 6,328           | 0           | 592,820   | 586,492   | 4,614           | 0           | 591,106   |
| Shire Staff Housing Reserve                         | 136,373   | 2,000       | 0               | 138,373   | 134,917     | 1,456           | 0           | 136,373   | 134,917   | 562             | 0           | 135,479   |
| Swimming Pool Reserve                               | 547,808   | 107,000     | 0               | 654,808   | 541,961     | 5,847           | 0           | 547,808   | 541,961   | 7,118           | 0           | 549,079   |
| Tourism Development Fund                            | 200,000   | 3,000       | 0               | 203,000   | 0           | 200,000         | 0           | 200,000   | 0         | 0               | 0           | 0         |
| Town Planning Scheme Reserve                        | 21,854    | 0           | 0               | 21,854    | 21,621      | 233             | 0           | 21,854    | 21,621    | 348             | 0           | 21,969    |
| Waste & Recycle Reserve                             | 1,073,906 | 16,000      | (485,000)       | 604,906   | 1,062,443   | 11,463          | 0           | 1,073,906 | 1,062,442 | 10,860          | (270,000)   | 803,302   |
| Shire President COVID-19 Relief Fund                | 40,000    | 0           | 0               | 40,000    | 0           | 40,000          | 0           | 40,000    | 0         | 0               | 0           | 0         |
| Unspent Grants                                      | 217,000   | 0           | (143,000)       | 74,000    | 0           | 217,000         | 0           | 217,000   | 0         | 0               | (142,300)   | (142,300) |
|   | 9,008,886 | 1,027,000   | (2,385,000)     | 7,650,886 | 9,352,157   | 1,042,229       | (1,385,500) | 9,008,886 | 9,352,156 | 587,049         | (1,329,300) | 8,609,905 |

(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  | Purpose of the reserve  |
|---|---|
| Leave Reserve                                       | To be used for annual and long service leave requirements.  |
| Aviation Reserve                                    | To be used to fund aviation improvements.   |
| Building Infrastructure Reserve                     | To be used for the development, preservation and maintenance of building infrastructure within the Shire of Exmouth.  |
| Community Development Fund Reserve                  | To be used for major community development initiatives.   |
| Community Interest Free Loans Reserve               | To be used to fund major community development projects.  |
| Insurance/Natural Disasters Reserve                 | To be used for the purpose of funding insurance claims where the excess is higher than the cost of repairs in addition to any weather related insurance/WANDRRA claims. |
| Land Acquisition & Disposal Reserve                 | To be used to fund the acquisition and disposal of land and buildings, and provide contributions for land development within the Shire of Exmouth.                      |
| Marina Canal Reserve (Specified Area Rates)         | To be used for the purpose of funding future dredging costs as well as environmental water control and maintenance of the canals.                                       |
| Marina Village Asset Replace & Preservation Reserve | These funds were derived from levying specified area rate titles Marina Specified Area Rate.  |
| Mosquito Management                                 | To be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village.  |
| Ningaloo Centre                                     | To be used in years where mosquito-borne disease/nuisance is greater than normal.   |
| Plant Reserve                                       | To be used for the preservation and maintenance of the Ningaloo Centre.   |
| Public Radio Infrastructure Reserve                 | To be used for the purchase of major plant and equipment.   |
| Rehabilitation Reserve                              | To be used for to maintain the rebroadcasting infrastructure.   |
| Roads Reserve                                       | To be used to manage the funds associated with the environmental rehabilitation of the sand and gravel pits within the Shire of Exmouth.                                |
| Shire Staff Housing Reserve                         | To be used for the preservation and maintenance of roads.   |
| Swimming Pool Reserve                               | To be used to fund housing for staff.   |
| Tourism Development Fund                            | To be used to fund swimming pool upgrades.  |
| Town Planning Scheme Reserve                        | To be used to fund the development and implementation of initiatives to achieve the strategic tourism and economic developments of the Shire of Exmouth.                |
| Waste & Recycle Reserve                             | To be used to fund the purpose of funding a review of the future Town Planning Scheme.  |
| Shire President COVID-19 Relief Fund                | To be used to fund capital and operational costs of Refuse Site including implementation of post closure plan.  |
| Unspent Grants                                      | To be used to support the community who are severely financially affected by COVID-19.  |
|   | To be used to contain funds that are derived from unspent or prepaid grants and contributions from external parties.  |



**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**8. FEES & CHARGES REVENUE**

|                             | <b>2020/21<br/>Budget</b> | <b>2019/20<br/>Actual</b> | <b>2019/20<br/>Budget</b> |
|-----------------------------|---------------------------|---------------------------|---------------------------|
|                             | \$                        | \$                        | \$                        |
| General purpose funding     | 23,000                    | 37,501                    | 41,100                    |
| Law, order, public safety   | 8,000                     | 8,506                     | 12,020                    |
| Health                      | 47,500                    | 38,569                    | 36,222                    |
| Education and welfare       | 0                         | 450                       | 100                       |
| Housing                     | 59,000                    | 57,313                    | 44,200                    |
| Community amenities         | 1,258,500                 | 1,224,692                 | 1,129,767                 |
| Recreation and culture      | 577,500                   | 524,754                   | 573,470                   |
| Transport                   | 3,735,000                 | 3,816,446                 | 4,624,579                 |
| Economic services           | 876,000                   | 213,464                   | 597,577                   |
| Other property and services | 500                       | 1,228                     | 900                       |
|                             | <b>6,585,000</b>          | <b>5,922,923</b>          | <b>7,059,935</b>          |

**9. GRANT REVENUE**

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

**By Program:**

**Operating grants, subsidies and contributions**

|                             |                |                  |                  |
|-----------------------------|----------------|------------------|------------------|
| General purpose funding     | 900,000        | 1,787,080        | 920,000          |
| Law, order, public safety   | 0              | 0                | 160,000          |
| Health                      | 0              | 5,011            | 0                |
| Recreation and culture      | 18,000         | 11,887           | 0                |
| Transport                   | 0              | 101,772          | 0                |
| Economic services           | 33,000         | 0                | 0                |
| Other property and services | 18,000         | 17,092           | 16,000           |
|                             | <b>969,000</b> | <b>1,922,842</b> | <b>1,096,000</b> |

**Non-operating grants, subsidies and contributions**

|                        |                  |                |                |
|------------------------|------------------|----------------|----------------|
| Recreation and culture | 1,580,000        | 170,000        | 290,000        |
| Transport              | 1,079,000        | 766,595        | 432,332        |
|                        | <b>2,659,000</b> | <b>936,595</b> | <b>722,332</b> |

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**10. OTHER INFORMATION**

|  | <b>2020/21<br/>Budget</b> | <b>2019/20<br/>Actual</b> | <b>2019/20<br/>Budget</b> |
|--|---------------------------|---------------------------|---------------------------|
| <b>The net result includes as revenues</b>   | \$                        | \$                        | \$                        |
| <b>(a) Interest earnings</b>                 |                           |                           |                           |
| Investments                                  |                           |                           |                           |
| - Reserve funds                              | 114,000                   | 100,900                   | 117,051                   |
| - Other funds                                | 0                         | 15,769                    | 18,000                    |
| Other interest revenue (refer note 1b)       | 17,000                    | 54,396                    | 58,000                    |
|  | 131,000                   | 171,065                   | 193,051                   |
| <b>(b) Other revenue</b>                     |                           |                           |                           |
| Reimbursements and recoveries                | 209,000                   | 131,694                   | 88,399                    |
|  | 209,000                   | 131,694                   | 88,399                    |
| <b>The net result includes as expenses</b>   |                           |                           |                           |
| <b>(c) Auditors remuneration</b>             |                           |                           |                           |
| Audit services                               | 55,000                    | 50,685                    | 51,500                    |
| Other services                               | 11,000                    | 1,750                     | 35,800                    |
|  | 66,000                    | 52,435                    | 87,300                    |
| <b>(d) Interest expenses (finance costs)</b> |                           |                           |                           |
| Borrowings (refer Note 6(a))                 | 66,000                    | 81,396                    | 74,327                    |
| Other  | 0                         | 41,681                    | 0                         |
|  | 66,000                    | 123,077                   | 74,327                    |
| <b>(e) Elected members remuneration</b>      |                           |                           |                           |
| Meeting fees                                 | 86,000                    | 85,742                    | 85,752                    |
| Mayor/President's allowance                  | 30,000                    | 29,566                    | 29,565                    |
| Deputy Mayor/President's allowance           | 7,500                     | 7,391                     | 7,391                     |
| Travelling expenses                          | 10,000                    | 4,185                     | 18,900                    |
| Telecommunications allowance                 | 4,000                     | 3,931                     | 4,000                     |
|  | 137,500                   | 130,815                   | 145,608                   |

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

## 11. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transaction will occur in 2020/21

## 12. MAJOR TRADING UNDERTAKINGS

Learmonth Airport is the general aviation and regular transport for the Shire of Exmouth. It is the main 'regional base for aircraft charter operations and private flying in Exmouth. The Shire is responsible for operating the civil terminal, apron and taxiway; the RAAF are responsible for 'maintaining the other civil facilities used for civil aviation to comply with defence legislations and regulations.

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2021**

**BY NATURE OR TYPE**

|   | NOTE | 2020/21<br>Budget | 2019/20<br>Actual | 2019/20<br>Budget |
|---|------|-------------------|-------------------|-------------------|
|   |      | \$                | \$                | \$                |
| <b>Revenue</b>                                    |      |                   |                   |                   |
| Fees and charges                                  |      | 3,618,000         | 3,565,952         | 4,536,579         |
|   |      | 3,618,000         | 3,565,952         | 4,536,579         |
| <b>Expenses</b>                                   |      |                   |                   |                   |
| Employee costs                                    |      | (946,000)         | (1,300,606)       | (1,390,992)       |
| Materials and contracts                           |      | (1,019,500)       | (749,929)         | (1,039,476)       |
| Utility charges                                   |      | (116,000)         | (89,854)          | (125,000)         |
| Depreciation on non-current assets                |      | (338,500)         | (337,649)         | (338,037)         |
| Insurance expenses                                |      | (56,000)          | (56,029)          | (58,894)          |
| Other expenditure                                 |      | (500)             | (269,224)         | (260,500)         |
|   |      | (2,476,500)       | (2,803,291)       | (3,212,899)       |
| <b>Subtotal</b>                                   |      | 1,141,500         | 762,661           | 1,323,680         |
| Non-operating grants, subsidies and contributions | 9    | 20,000            | 255,000           | 0                 |
|   |      | 20,000            | 255,000           | 0                 |
| <b>Net result</b>                                 |      | <b>1,161,500</b>  | <b>1,017,661</b>  | <b>1,323,680</b>  |
| <b>Other comprehensive income</b>                 |      |                   |                   |                   |
| Changes on revaluation of non-current assets      |      | 0                 | 0                 | 0                 |
| <b>Total other comprehensive income</b>           |      | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| <b>Total comprehensive income</b>                 |      | <b>1,161,500</b>  | <b>1,017,661</b>  | <b>1,323,680</b>  |

## 13. MAJOR TRADING UNDERTAKINGS

It is not anticipated the Shire will be party to any joint venture arrangements during 2020/21.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021**

**14. 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:

| <b>Detail</b>                     | <b>Balance<br/>30 June 2020</b> | <b>Estimated<br/>amounts<br/>received</b> | <b>Estimated<br/>amounts<br/>paid</b> | <b>Estimated<br/>balance<br/>30 June 2021</b> |
|-----------------------------------|---------------------------------|---|---------------------------------------|---|
|                                   | \$                              | \$  | \$                                    | \$  |
| Exmouth Volunteer Fire & Rescue   | 50,828                          | 0   | 0                                     | 50,828  |
| Bond Deed Exmouth Marina Holdings | 18,186                          | 0   | 0                                     | 18,186  |
| Cash in Lieu POS                  | 212,473                         | 0   | 0                                     | 212,473                                       |
| BCITF Levy                        | 6,888                           | 0   | 0                                     | 6,888   |
| BSL Levy                          | 2,519                           | 0   | 0                                     | 2,519   |
| Unclaimed Monies                  | 7,616                           | 0   | 0                                     | 7,616   |
|                                   | <b>298,510</b>                  | <b>0</b>                                  | <b>0</b>                              | <b>298,510</b>                                |

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2021****15. 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.

**REVENUE RECOGNITION**

Accounting Policies for the recognition of income and revenue from contracts with customers is described in Note 16.