

**SHIRE OF RAVENSTHORPE**

**BUDGET**

**FOR THE YEAR ENDED 30 JUNE 2020**

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**SHIRE'S VISION**

***Growing our Community***

SHIRE OF RAVENSTHORPE  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2020

BY NATURE OR TYPE

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	4,502,098	4,333,698	4,284,228
Operating grants, subsidies and contributions	9	1,718,517	15,473,935	11,509,522
Fees and charges	8	1,532,700	1,047,324	1,145,597
Interest earnings	10(a)	97,000	90,037	115,000
Other revenue	10(b)	802,300	662,981	80,000
		8,652,615	21,607,975	17,134,347
<b>Expenses</b>				
Employee costs		(4,502,324)	(3,621,429)	(3,512,288)
Materials and contracts		(3,316,347)	(15,294,916)	(12,266,388)
Utility charges		(220,270)	(209,070)	(285,550)
Depreciation on non-current assets	5	(1,978,847)	(1,942,406)	(3,302,576)
Interest expenses	10(d)	(75,860)	(85,360)	(85,280)
Insurance expenses		(217,762)	(300,119)	(303,732)
Other expenditure		(224,800)	(352,734)	(255,338)
		(10,536,210)	(21,806,034)	(20,011,152)
<b>Subtotal</b>				
		(1,883,595)	(198,059)	(2,876,805)
Non-operating grants, subsidies and contributions	9	2,295,500	1,293,001	2,320,177
Profit on asset disposals	4(b)	66,500	0	0
Loss on asset disposals	4(b)	(97,195)	(78,871)	(131,000)
		2,264,805	1,214,130	2,189,177
<b>Net result</b>				
		<b>381,210</b>	<b>1,016,071</b>	<b>(687,628)</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>381,210</b>	<b>1,016,071</b>	<b>(687,628)</b>

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

**SHIRE OF RAVENSTHORPE  
FOR THE YEAR ENDED 30TH JUNE 2020**

**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 Ravensthorpe controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

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

**2018/19 ACTUAL BALANCES**

Balances shown in this budget as 2018/19 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 15.

**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.

**SHIRE OF RAVENSTHORPE  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2020**

**BY REPORTING PROGRAM**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
<b>Revenue</b>	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		4,500	348	3,000
General purpose funding		5,566,306	6,349,368	5,364,428
Law, order, public safety		411,700	390,797	214,170
Health		14,000	4,483	3,000
Education and welfare		533,050	150,921	205,500
Housing		5,200	19,560	24,900
Community amenities		864,800	580,990	699,097
Recreation and culture		98,300	378,803	47,500
Transport		526,259	13,092,085	10,311,752
Economic services		196,500	141,697	141,000
Other property and services		432,000	498,923	120,000
		8,652,615	21,607,975	17,134,347
<b>Expenses excluding finance costs</b>	5,10(c)(e)(f)(g)			
Governance		(256,753)	(646,140)	(641,955)
General purpose funding		(795,891)	(263,790)	(222,492)
Law, order, public safety		(899,949)	(876,192)	(774,051)
Health		(366,844)	(294,154)	(278,922)
Education and welfare		(1,013,701)	(382,429)	(372,723)
Housing		(266,289)	(206,155)	(239,380)
Community amenities		(1,654,272)	(1,360,774)	(1,431,629)
Recreation and culture		(1,747,367)	(1,523,886)	(1,786,800)
Transport		(2,310,001)	(14,852,341)	(13,489,854)
Economic services		(493,502)	(297,426)	(349,466)
Other property and services		(655,781)	(1,017,387)	(338,600)
		(10,460,350)	(21,720,674)	(19,925,872)
<b>Finance costs</b>	6, 10(d)			
General purpose funding		0	(9,112)	0
Housing		(17,104)	(16,790)	(18,933)
Recreation and culture		(13,208)	(12,498)	(13,771)
Transport		(45,548)	(46,960)	(52,576)
		(75,860)	(85,360)	(85,280)
<b>Subtotal</b>		(1,883,595)	(198,059)	(2,876,805)
Non-operating grants, subsidies and contributions	9	2,295,500	1,293,001	2,320,177
Profit on disposal of assets	4(b)	66,500	0	0
(Loss) on disposal of assets	4(b)	(97,195)	(78,871)	(131,000)
		2,264,805	1,214,130	2,189,177
<b>Net result</b>		<b>381,210</b>	<b>1,016,071</b>	<b>(687,628)</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>381,210</b>	<b>1,016,071</b>	<b>(687,628)</b>

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

**SHIRE OF RAVENSTHORPE  
FOR THE YEAR ENDED 30TH JUNE 2020**

**KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

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

**OBJECTIVE**

**ACTIVITIES**

**GOVERNANCE**

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

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

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

To provide services to help ensure a safer community

Supervision of various locals laws relating to fire prevention, emergency services and animal control.

**HEALTH**

To provide an operational framework for environmental and community health.

Food quality and pest control, maintenance and contributions to health services and facilities.

**EDUCATION AND WELFARE**

To meet the needs of the community in these areas

Operation & provision of retirement units & Aged care services, Operation of the Cub House Child Care facility in Ravensthorpe & of Little Barrens Child Care in Hopetoun

**HOUSING**

Help ensure adequate housing for Council staff

Maintenance of staff and rental housing.

**COMMUNITY AMENITIES**

Provide services required by the community

Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, control and maintenance of coastal reserves and other community/environmental services.

**RECREATION AND CULTURE**

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

Maintenance of halls, sporting complexes, resource centres, parks and gardens and TV/Radio rebroadcast.

**TRANSPORT**

To provide effective and efficient transport services to the community.

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, parking facilities, traffic signs, depot maintenance and airstrips.

**ECONOMIC SERVICES**

To help promote the shire and its economic wellbeing.

The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and water supply including stand pipes.

**OTHER PROPERTY AND SERVICES**

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

Private works, plant repairs and operating costs. Licensing services, Future Fund and BankWest ATM.

**SHIRE OF RAVENSTHORPE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2020**

**BY NATURE OR TYPE**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		4,477,098	4,309,395	4,284,277
Operating grants, subsidies and contributions		5,233,517	15,954,317	15,887,642
Fees and charges		1,532,700	1,047,324	1,145,597
Interest earnings		97,000	90,037	115,000
Goods and services tax		1,970,082	2,116,568	298,810
Other revenue		802,300	662,981	80,000
		14,112,697	24,180,622	21,811,326
<b>Payments</b>				
Employee costs		(4,502,324)	(3,705,975)	(3,606,036)
Materials and contracts		(3,393,447)	(15,986,997)	(14,264,967)
Utility charges		(220,270)	(209,070)	(285,550)
Interest expenses		(75,860)	(88,080)	(81,701)
Insurance expenses		(217,762)	(300,119)	(303,732)
Goods and services tax		(1,970,082)	(1,970,082)	0
Other expenditure		(224,800)	(352,734)	(255,338)
		(10,604,545)	(22,613,057)	(18,797,324)
<b>Net cash provided by (used in) operating activities</b>	3	3,508,152	1,567,565	3,014,002
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(1,965,062)	(1,520,492)	(1,542,520)
Payments for construction of infrastructure	4(a)	(3,153,184)	(1,970,283)	(3,799,155)
Non-operating grants, subsidies and contributions used for the development of assets	9	2,295,500	1,293,001	2,320,177
Proceeds from sale of plant & equipment	4(b)	239,000	204,273	350,000
<b>Net cash provided by (used in) investing activities</b>		(2,583,746)	(1,993,501)	(2,671,498)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(209,795)	(201,680)	(201,680)
<b>Net cash provided by (used in) financing activities</b>		(209,795)	(201,680)	(201,680)
<b>Net increase (decrease) in cash held</b>		714,611	(627,616)	140,824
Cash at beginning of year		2,902,608	3,530,224	3,507,303
<b>Cash and cash equivalents at the end of the year</b>	3	<b>3,617,219</b>	<b>2,902,608</b>	<b>3,648,127</b>

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

**SHIRE OF RAVENSTHORPE  
RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2020**

**BY REPORTING PROGRAM**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2 (b)(i)	1,997,444	2,303,102	2,317,811
		1,997,444	2,303,102	2,317,811
<b>Revenue from operating activities (excluding rates)</b>				
Governance		4,500	348	3,000
General purpose funding		1,113,442	2,064,702	1,080,200
Law, order, public safety		411,700	390,797	214,170
Health		14,000	4,483	3,000
Education and welfare		533,050	150,921	205,500
Housing		5,200	19,560	24,900
Community amenities		864,800	580,990	699,097
Recreation and culture		98,300	378,803	47,500
Transport		571,259	13,092,085	10,311,752
Economic services		196,500	141,697	141,000
Other property and services		453,500	498,923	120,000
		4,266,251	17,323,309	12,850,119
<b>Expenditure from operating activities</b>				
Governance		(256,753)	(646,140)	(641,955)
General purpose funding		(795,891)	(272,902)	(222,492)
Law, order, public safety		(915,429)	(876,192)	(774,051)
Health		(366,844)	(294,154)	(278,922)
Education and welfare		(1,013,701)	(382,429)	(372,723)
Housing		(283,393)	(222,945)	(258,313)
Community amenities		(1,654,272)	(1,360,774)	(1,431,629)
Recreation and culture		(1,760,575)	(1,536,384)	(1,800,571)
Transport		(2,412,274)	(14,947,452)	(13,665,430)
Economic services		(501,327)	(297,426)	(349,466)
Other property and services		(672,946)	(1,048,107)	(346,600)
		(10,633,405)	(21,884,905)	(20,142,152)
Non-cash amounts excluded from operating activities	2 (b)(ii)	2,009,542	1,855,296	3,380,272
<b>Amount attributable to operating activities</b>		(2,360,168)	(403,198)	(1,593,950)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	2,295,500	1,293,001	2,320,177
Purchase property, plant and equipment	4(a)	(1,965,062)	(1,520,492)	(1,542,520)
Purchase and construction of infrastructure	4(a)	(3,153,184)	(1,970,283)	(3,799,155)
Proceeds from disposal of assets	4(b)	239,000	204,273	350,000
<b>Amount attributable to investing activities</b>		(2,583,746)	(1,993,501)	(2,671,498)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(209,795)	(201,680)	(201,680)
Transfers to cash backed reserves (restricted assets)	7(a)	(2,110,000)	(4,543,019)	(1,440,000)
Transfers from cash backed reserves (restricted assets)	7(a)	2,811,431	4,931,276	1,622,303
<b>Amount attributable to financing activities</b>		491,636	186,577	(19,377)
<b>Budgeted deficiency before general rates</b>		(4,452,278)	(2,210,122)	(4,284,825)
<b>Estimated amount to be raised from general rates</b>	1	4,452,864	4,284,666	4,284,228
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	<b>586</b>	<b>2,074,544</b>	<b>(597)</b>

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

**SHIRE OF RAVENSTHORPE  
RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2020**

**BY NATURE OR TYPE**

	NOTE	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2 (b)(i)	1,997,444	2,303,102	2,317,811
		1,997,444	2,303,102	2,317,811
<b>Revenue from operating activities (excluding rates)</b>				
Rate revenue other than revenue raised from general rates	1	49,234	49,032	0
Operating grants, subsidies and contributions	9	1,718,517	15,473,935	11,509,522
Fees and charges	8	1,532,700	1,047,324	1,145,597
Interest earnings	10(a)	97,000	90,037	115,000
Other revenue	10(b)	802,300	662,981	80,000
Profit on asset disposals	4(b)	66,500	0	0
		4,266,251	17,323,309	12,850,119
<b>Expenditure from operating activities</b>				
Employee costs		(4,502,324)	(3,621,429)	(3,512,288)
Materials and contracts		(3,316,347)	(15,294,916)	(12,266,388)
Utility charges		(220,270)	(209,070)	(285,550)
Depreciation on non-current assets	5	(1,978,847)	(1,942,406)	(3,302,576)
Interest expenses	10(d)	(75,860)	(85,360)	(85,280)
Insurance expenses		(217,762)	(300,119)	(303,732)
Other expenditure		(224,800)	(352,734)	(255,338)
Loss on asset disposals	4(b)	(97,195)	(78,871)	(131,000)
		(10,633,405)	(21,884,905)	(20,142,152)
<b>Operating activities excluded from budgeted deficiency</b>				
Non-cash amounts excluded from operating activities	2 (b)(ii)	2,009,542	1,855,296	3,380,272
Movement in employee benefit provisions (non current)				0
<b>Amount attributable to operating activities</b>		(2,360,168)	(403,198)	(1,593,950)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	2,295,500	1,293,001	2,320,177
Purchase property, plant and equipment	4(a)	(1,965,062)	(1,520,492)	(1,542,520)
Purchase and construction of infrastructure	4(a)	(3,153,184)	(1,970,283)	(3,799,155)
Proceeds from disposal of assets	4(b)	239,000	204,273	350,000
<b>Amount attributable to investing activities</b>		(2,583,746)	(1,993,501)	(2,671,498)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(209,795)	(201,680)	(201,680)
Transfers to cash backed reserves (restricted assets)	7(a)	(2,110,000)	(4,543,019)	(1,440,000)
Transfers from cash backed reserves (restricted assets)	7(a)	2,811,431	4,931,276	1,622,303
<b>Amount attributable to financing activities</b>		491,636	186,577	(19,377)
<b>Budgeted deficiency before general rates</b>		(4,452,278)	(2,210,122)	(4,284,825)
<b>Estimated amount to be raised from general rates</b>	1	4,452,864	4,284,666	4,284,228
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	586	2,074,544	(597)

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



SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2019/20 Budgeted rate revenue	2019/20 Budgeted interim rates	2019/20 Budgeted back rates	2019/20 Budgeted total revenue	2018/19 Actual total revenue	2018/19 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
GRV Residential	0.117165	781	10,959,708	1,284,094	300	1,000	1,285,394	1,233,396	1,235,814
GRV Commercial	0.131567	34	1,404,972	184,848	0	0	184,848	178,253	178,253
GRV industrial	0.154430	35	512,772	79,187	0	0	79,187	76,362	76,362
GRV - Transient & Short Stay Accommodation	0.314867	2	852,800	268,519	0	0	268,519	256,955	256,955
<b>Unimproved valuations</b>									
UV - Mining	0.083600	62	2,381,526	199,096	3,700	0	202,796	175,136	1,929,007
UV - Other	0.008567	332	232,219,025	1,989,420	(1,000)	0	1,988,420	1,931,014	173,137
<b>Sub-Totals</b>		1,246	248,330,803	4,005,164	3,000	1,000	4,009,164	3,851,116	3,849,528
<b>Minimum</b>	\$								
<b>Minimum payment</b>									
<b>Gross rental valuations</b>									
GRV Residential	870.00	374	1,079,818	325,380	0	0	325,380	322,150	323,850
GRV Commercial	870.00	9	44,740	7,830	0	0	7,830	7,650	7,650
GRV industrial	870.00	12	45,268	10,440	0	0	10,440	10,200	10,200
GRV - Transient & Short Stay Accommodation	850.00	0	0	0	0	0	0	0	0
<b>Unimproved valuations</b>									
UV - Mining	320.00	55	76,564	17,600	0	0	17,600	16,200	76,500
UV - Other	850.00	97	5,257,135	82,450	0	0	82,450	77,350	16,500
<b>Sub-Totals</b>		547	6,503,525	443,700	0	0	443,700	433,550	434,700
		1,793	254,834,328	4,448,864	3,000	1,000	4,452,864	4,284,666	4,284,228
Discounts/concessions (Refer note 1(g))							0	0	0
<b>Total amount raised from general rates</b>							4,452,864	4,284,666	4,284,228
Ex Gratia Rates							49,234	49,032	0
<b>Total rates</b>							4,502,098	4,333,698	4,284,228

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

The general rates detailed for the 2019/20 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.

SHIRE OF RAVENSTHORPE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30TH JUNE 2020

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Single full payment	7 November 2019			11.0%
<b>Option two</b>				
First instalment	7 November 2019			11.0%
Second instalment	9 January 2020	10	5.5%	11.0%
Third instalment	12 March 2020	10	5.5%	11.0%
Fourth instalment	4 May 2020	10	5.5%	11.0%

	2019/20 Budget revenue	2018/19 Actual revenue	2018/19 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	12,000	10,150	13,000
Instalment plan interest earned	15,000	12,785	15,000
Unpaid rates and service charge interest earned	32,000	34,823	25,000
	59,000	57,758	53,000

**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**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 Residential	Properties within the townsite boundaries which have a zoning of residential or rural residential.	This rate is to contribute to service desired by the community	This is considered to be the base rate above which all other GRV rated properties are assessed
GRV Commercial	Properties zoned tourism or mixed use with predominately a commercial or tourism land use.	The objective is to raise additional revenue to contribute towards higher costs associated with commercial activity	The higher rate reflects the additional cost of servicing commercial activity including car parking, landscaping and other amenities. In addition, costs associated with tourism, economic development and regulatory compliance benefit this category.
GRV Industrial	Properties zoned light and general industry with predominately an industrial use.	The objective is to raise additional revenue to contribute towards higher costs associated with industrial activity	The higher rate reflects the additional cost of servicing industrial activity including car parking, landscaping and other amenities. Costs for environmental and regulatory compliances is higher for this category and is reflected in the rate in the dollar.
GRV Transient and Short Stay Accommodation	Properties predominately used for the purpose of Transient Workforce or Short Stay Accommodation.	The objective is to raise additional revenue to contribute towards higher costs associated with servicing this accommodation base.	The higher rate reflects additional costs including airport and sanitation infrastructure, recreational facilities including gymnasiums and swimming pool, together with a higher road use concentration within the Shire.
UV Rural	Consists of properties used predominately for rural purposes.	This rate is to contribute to service desired by the community	This is considered to be the base rate above which all other UV rated properties are assessed.
UV Mining	Properties with a land use associated with mining, exploration or prospecting purposes.	The objective is to raise additional revenue to contribute towards higher costs associated with mining activity	The higher rate reflects the ongoing costs involved in maintaining the Shire's substantial road network that services this land use.

**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

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

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

**Differential Minimum Payment**

<b>Description</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
All rating categories above except UV Mining, UV Other & GRV Transient & Short Stay Accommodation	Refer Above	This rate is considered the minimum contribution for basic services and infrastructure	This is considered to be the base minimum for all GRV and UV rated properties except UV Mining, UV Other and GRV Transient & Short Stay Accommodation.
UV Mining	Properties with a land use associated with mining, exploration or prospecting purposes.	This rate is lower than other rating categories recognising relatively less costs associated with providing services to principally small undeveloped mining tenements.	This provides equitable distribution of the rate burden and ensures less than 50% of properties in this category are paying the minimum amount in accordance with Section 6.35 of the Local Government Act 1995.
UV Other & GRV Transient & Short Stay Accommodation	Properties used predominantly for rural purposes and transient accommodation.	This rate is lower than the base minimum.	This lower minimum reflects a slight discount on the base minimum in recognition of the level of access to basic services and infrastructure.

**(d) Variation in Adopted Differential Rates to Local Public Notice**

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

<b>Differential general rate or general rate</b>	<b>Proposed Rate in \$</b>	<b>Adopted Rate in \$</b>	<b>Reasons for the difference</b>
<b>Gross rental valuations</b>			
GRV Residential	0.117165	0.117165	No Change
GRV Commercial	0.131567	0.131567	No Change
GRV industrial	0.154430	0.154430	No Change
GRV - Transient & Short Stay Accommodation	0.314867	0.314867	No Change
<b>Unimproved valuations</b>			
UV - Mining	0.083600	0.083600	No Change
UV - Other	0.008567	0.008567	No Change
<b>Minimum payment</b>	<b>Proposed Minimum \$</b>	<b>Adopted Minimum \$</b>	<b>Reasons for the difference</b>
<b>Gross rental valuations</b>			
GRV Residential	870.00	870.00	No Change
GRV Commercial	870.00	870.00	No Change
GRV industrial	870.00	870.00	No Change
GRV - Transient & Short Stay Accommodation	850.00	850.00	No Change
<b>Unimproved valuations</b>			
UV - Mining	320.00	320.00	No Change
UV - Other	850.00	850.00	No Change

**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

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

**(e) Specified Area Rate - Effluent**

	Basis of valuation	Rate in	Rateable value	2019/20 Budget specified area rate revenue	2019/20 Interim specified area rate revenue	2019/20 Back specified area rate revenue	2019/20 Total budget specified area rate revenue	2018/19 Actual revenue	2018/19 Budget revenue
<b>Effluent Rate</b>		\$	\$	\$	\$	\$	\$	\$	\$
Ravensthorpe	GRV	0.02325	2,081,144	48,391	0	0	48,391	47,905	47,905
Ravensthorpe	Minimum	200.00000	413,665	16,000	0	0	16,000	14,060	14,060
Munglinup	GRV	0.02656	58,968	1,566	0	0	1,566	1,513	1,513
Munglinup	Minimum	200.00000	27,872	800	0	0	800	760	760
Sewerage - 1st Fixture	Minimum	200.00000		1,000	0	0	1,000	950	950
Sewerage - Additional Fixture	Minimum	125.00000		5,000	0	0	5,000	5,000	5,000
			2,581,649	72,757	0	0	72,757	70,188	70,188

	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>			\$	\$	\$
Effluent Rate	The effluent ate income services the maintenance and upgrade of the Ravensthorpe and Munglinup sewerage systems.	Ravensthorpe and Munglinup	72,757	0	72,757
			72,757	0	72,757

**(f) Service Charges**

The Shire did not raise service charges for the year ended 30th June 2020.

**(g) Waivers or concessions**

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2020.

SHIRE OF RAVENSTHORPE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30TH JUNE 2020

2 (a). NET CURRENT ASSETS

		2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
Note		\$	\$	\$	\$
<b>Composition of estimated net current assets</b>					
<b>Current assets</b>					
	Cash - unrestricted	904,880	(511,162)	(511,162)	28,403
3	Cash - restricted reserves	2,712,339	3,413,770	3,413,770	3,619,724
	Receivables	861,107	4,351,107	4,351,107	269,000
	Inventories	2,704	2,704	2,704	17,000
		4,481,030	7,256,419	7,256,419	3,934,127
<b>Less: current liabilities</b>					
	Trade and other payables	(1,768,105)	(1,845,205)	(1,768,105)	(315,000)
	Long term borrowings	(308,412)	(98,617)	(98,617)	(209,799)
	Provisions	(377,707)	(377,707)	(377,707)	(390,000)
		(2,454,224)	(2,321,529)	(2,244,429)	(914,799)
	<b>Net current assets</b>	2,026,806	4,934,890	5,011,990	3,019,328

SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

2 (b). NET CURRENT ASSETS (CONTINUED)

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	2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
		\$	\$	\$	\$
<b>(i) Current assets and liabilities excluded from budgeted deficiency</b>					
<b>Net current assets</b>	2	2,026,806	4,934,890	5,011,990	3,019,328
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.					
<b>Adjustments to net current assets</b>					
Less: Cash - restricted reserves	3	(2,712,339)	(3,413,770)	(3,413,770)	(3,619,724)
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings		308,412	98,617	98,617	209,799
- Employee benefit provisions		377,707	377,707	377,707	390,000
<b>Adjusted net current assets - surplus/(deficit)</b>		586	1,997,444	2,074,544	(597)
<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	4(b)	(66,500)	0	0	0
Less: Non-cash grants and contributions for assets		0	(77,100)	0	0
Add: Loss on disposal of assets	4(b)	97,195	78,871	78,871	131,000
Add: Movement in employee benefit provisions (non-current)		0	(162,792)	(162,792)	(53,304)
Add: Movement in Employee Benefit Provisions		0	(1,777)	(1,777)	0
Add: Adjustment to Pensioner Deferred Prior Year		0	0	(1,412)	0
Add: Change in accounting policies	15	0	77,100	0	0
Add: Depreciation on assets	5	1,978,847	1,942,406	1,942,406	3,302,576
<b>Non cash amounts excluded from operating activities</b>		2,009,542	1,856,708	1,855,296	3,380,272

(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 15 for further explanation of the impact of the changes in accounting policies

**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 Ravensthorpe 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 Ravensthorpe contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Ravensthorpe 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 Ravensthorpe'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 Ravensthorpe'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 Ravensthorpe's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**LAND HELD FOR RESALE**

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

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

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



**SHIRE OF RAVENSTHORPE**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2020**

**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>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
Cash - unrestricted	904,880	(511,162)	28,403
Cash - restricted	2,712,339	3,413,770	3,619,724
	<b>3,617,219</b>	<b>2,902,608</b>	<b>3,648,127</b>
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Leave Reserve	42,825	42,329	67,974
Plant Reserve	566,913	434,818	437,760
Emergency Farm Water Reserve	27,289	26,973	27,156
Building Reserve	1,031,221	1,532,899	1,543,270
Road and Footpath Reserve	354,543	426,545	429,540
Swimming Pool Upgrade Reserve	45,056	44,534	44,726
Airport Reserve	381,268	388,955	444,085
Waste & Sewerage Reserve	263,224	300,701	337,735
State Barrier Fence Reserve	0	216,016	287,478
	<b>2,712,339</b>	<b>3,413,770</b>	<b>3,619,724</b>
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	381,210	1,016,071	(687,628)
Depreciation	1,978,847	1,942,406	3,302,576
(Profit)/loss on sale of asset	30,695	78,871	131,000
(Increase)/decrease in receivables	3,490,000	602,565	4,676,979
(Increase)/decrease in inventories	0	13,543	(753)
Increase/(decrease) in payables	(154,200)	(630,098)	(2,034,691)
Increase/(decrease) in employee provisions	0	(162,792)	(53,304)
Change in accounting policies transferred to retained surplus (refer to Note 15)	77,100	0	0
Grants/contributions for the development of assets	(2,295,500)	(1,293,001)	(2,320,177)
<b>Net cash from operating activities</b>	<b>3,508,152</b>	<b>1,567,565</b>	<b>3,014,002</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.

SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program											2019/20 Budget total	2018/19 Actual total	2018/19 Budget total
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>														
Land - freehold land	0	0	41,500	0	0	0	0	0	205,000	0	0	246,500	439,000	0
Land - vested in and under the cc	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	0	0	0	0	0	145,220	0	0	0	0	0	145,220	10,557	11,020
Buildings - specialised	0	0	24,000	11,000	8,742	0	0	59,700	0	0	37,900	141,342	0	0
Furniture and equipment	0	0	0	0	0	0	0	67,000	83,000	0	53,000	203,000	82,677	125,000
Plant and equipment	0	0	50,000	0	0	0	29,000	175,000	660,000	50,000	265,000	1,229,000	988,258	1,406,500
Right of Use (Leased Assets)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	115,500	11,000	8,742	145,220	29,000	301,700	948,000	50,000	355,900	1,965,062	1,520,492	1,542,520
<i>Infrastructure</i>														
Infrastructure - Roads	0	0	0	0	0	0	0	0	2,307,100	0	0	2,307,100	976,047	2,716,716
Infrastructure - Footpaths	0	0	0	0	0	0	0	0	77,000	0	0	77,000	40,842	184,545
Infrastructure - Drainage	0	0	0	0	0	0	0	0	49,000	0	0	49,000	0	0
Infrastructure - Parks & Ovals	0	0	0	0	0	0	0	80,840	0	0	0	80,840	396,626	389,894
Infrastructure - Other	0	0	0	0	0	0	262,000	0	0	365,000	0	627,000	10,197	16,000
Infrastructure - Airports	0	0	0	0	0	0	0	0	12,244	0	0	12,244	546,571	492,000
	0	0	0	0	0	0	262,000	80,840	2,445,344	365,000	0	3,153,184	1,970,283	3,799,155
<b>Total acquisitions</b>	0	0	115,500	11,000	8,742	145,220	291,000	382,540	3,393,344	415,000	355,900	5,118,246	3,490,775	5,341,675

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

Capital Expenditure\_Income

Capital Funding Sources

SHIRE OF RAVENSTHORPE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30TH JUNE 2020

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss	2018/19 Actual Net Book Value	2018/19 Actual Sale Proceeds	2018/19 Actual Profit	2018/19 Actual Loss	2018/19 Budget Net Book Value	2018/19 Budget Sale Proceeds	2018/19 Budget Profit	2018/19 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Law, order, public safety	32,480	17,000	0	(15,480)		0	0	0		0	0	0
Transport	106,725	95,000	45,000	(56,725)	185,404	137,253	0	(48,151)	362,000	239,000	0	(123,000)
Economic services	12,825	5,000	0	(7,825)		0	0	0		0	0	0
Other property and services	117,665	122,000	21,500	(17,165)	97,740	67,020	0	(30,720)	119,000	111,000	0	(8,000)
	269,695	239,000	66,500	(97,195)	283,144	204,273	0	(78,871)	481,000	350,000	0	(131,000)
<b>By Class</b>												
<u>Property, Plant and Equipment</u>												
Plant and equipment	269,695	239,000	66,500	(97,195)	283,144	204,273	0	(78,871)	481,000	350,000		(131,000)
	269,695	239,000	66,500	(97,195)	283,144	204,273	0	(78,871)	481,000	350,000	0	(131,000)

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

Purchase & Disposals 2019/2020

**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**5. ASSET DEPRECIATION**

**By Program**

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

**By Class**

Buildings - non-specialised  
Buildings - specialised  
Furniture and equipment  
Plant and equipment  
Right of Use (Leased Assets)  
Infrastructure - Roads  
Infrastructure - Footpaths  
Infrastructure - Drainage  
Infrastructure - Parks & Ovals  
Infrastructure - Other  
Infrastructure - Airports

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
	154,417	154,417	167,206
	21,673	21,674	21,754
	58,164	58,164	63,452
	32,552	32,552	35,133
	297,687	297,687	229,420
	567,270	567,271	637,237
	271,854	271,854	1,543,386
	32,232	32,233	31,007
	542,998	506,554	573,981
	<b>1,978,847</b>	<b>1,942,406</b>	<b>3,302,576</b>
	33,552	33,552	0
	616,227	616,228	707,738
	34,601	34,602	36,195
	643,511	607,067	673,233
	93,951	93,951	0
	164,267	164,267	1,195,579
	19,432	19,432	92,808
	2,994	2,994	114,373
	110,149	110,149	138,332
	200,807	200,808	118,239
	59,356	59,356	226,079
	<b>1,978,847</b>	<b>1,942,406</b>	<b>3,302,576</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.

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

Buildings - non-specialised	30 to 50 years
Buildings - specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - Roads	20 to 50 years
Infrastructure - Footpaths	20 years
Infrastructure - Drainage	75 years
Infrastructure - Parks and Ovals	20 to 50 years
Infrastructure - Other	20 to 50 years

**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.

SHIRE OF RAVENSTHORPE  
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	2019/20	2019/20	2019/20	Budget	Actual	2018/19	2018/19	2018/19	Actual	Budget	2018/19	2018/19	2018/19	Budget
	Principal 1 July 2019	Budget New loans	Budget Principal repayments	Budget Interest repayments	Principal outstanding 30 June 2020	Principal 1 July 2018	Actual New loans	Actual Principal repayments	Actual Interest repayments	Principal outstanding 30 June 2019	Principal 1 July 2018	Budget New loans	Budget Principal repayments	Budget Interest repayments	Principal outstanding 30 June 2019
		\$	\$	\$	\$		\$	\$	\$			\$	\$	\$	\$
<b>Housing</b>															
Loan 145 - Staff Housing	224,963	0	34,883	7,599	190,080	258,870	0	33,907	7,615	224,963	258,870	0	33,907	8,779	224,963
Loan 147 - Daw Street	238,792	0	16,458	9,505	222,334	254,711	0	15,919	9,176	238,792	254,711	0	15,919	10,153	238,792
<b>Recreation and culture</b>															
Loan 146 - HCC	311,991	0	13,599	13,208	298,392	325,114	0	13,123	12,498	311,991	325,114	0	13,123	13,772	311,991
<b>Transport</b>															
Loan 138D - Town Streets	291,313	0	28,614	20,881	262,699	318,113	0	26,800	20,893	291,313	318,113	0	26,801	22,889	291,312
Loan 144 - Town Streets	157,963	0	50,086	8,310	107,877	205,645	0	47,682	9,774	157,963	205,645	0	47,682	11,005	157,963
Loan 143B - Town Streets	201,467	0	31,240	6,805	170,227	231,832	0	30,365	6,819	201,467	231,832	0	30,365	7,862	201,467
Loan 138E - Town Streets	267,881	0	34,915	9,552	232,966	301,765	0	33,884	9,473	267,881	301,765	0	33,884	10,820	267,881
	1,694,370	0	209,795	75,860	1,484,575	1,896,050	0	201,680	76,248	1,694,370	1,896,050	0	201,680	85,280	1,694,369
	1,694,370	0	209,795	75,860	1,484,575	1,896,050	0	201,680	76,248	1,694,370	1,896,050	0	201,680	85,280	1,694,369

All borrowing repayments will be financed by general purpose revenue.

**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

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

**(b) New borrowings - 2019/20**

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2020

**(c) Unspent borrowings**

The Shire had no unspent borrowing funds as at 30th June 2019 nor is it expected to have unspent borrowing funds as at 30th June 2020.

**(d) Credit Facilities**

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit	500,000	250,000	250,000
Bank overdraft at balance date	0	0	0
Credit card limit	22,000	22,000	22,000
Credit card balance at balance date	0	(3,728)	0
<b>Total amount of credit unused</b>	<b>522,000</b>	<b>268,272</b>	<b>272,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	1,484,575	1,694,370	1,694,369

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2019	2019/20 Budgeted Increase/ (Decrease)	Amount as at 30th June 2020
			\$	\$	\$
Bankwest	Working Capital	2009	250,000	250,000	500,000
			250,000	250,000	500,000

**SIGNIFICANT ACCOUNTING POLICIES**

**BORROWING COSTS**

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

SHIRE OF RAVENSTHORPE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30TH JUNE 2020

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2019/20 Budget Opening Balance	2019/20 2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance	2018/19 Actual Opening Balance	2018/19 2018/19 Actual Transfer to	2018/19 Actual Transfer (from)	2018/19 Actual Closing Balance	2018/19 Budget Opening Balance	2018/19 2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	42,329	496	0	42,825	94,483	846	(53,000)	42,329	94,483	26,491	(53,000)	67,974
Plant Reserve	434,818	1,005,095	(873,000)	566,913	430,959	3,859	0	434,818	430,959	6,801	0	437,760
Emergency Farm Water Reserve	26,973	316	0	27,289	26,734	239	0	26,973	26,734	422	0	27,156
Building Reserve	1,532,899	1,087,962	(1,589,640)	1,031,221	1,519,294	4,522,578	(4,508,973)	1,532,899	1,519,294	1,223,976	(1,200,000)	1,543,270
Road and Footpath Reserve	426,545	4,998	(77,000)	354,543	422,867	3,678	0	426,545	422,867	6,673	0	429,540
Swimming Pool Upgrade Reserve	44,534	522	0	45,056	44,031	503	0	44,534	44,031	695	0	44,726
Airport Reserve	388,955	4,557	(12,244)	381,268	751,528	6,730	(369,303)	388,955	751,528	61,860	(369,303)	444,085
Waste & Sewerage Reserve	300,701	3,523	(41,000)	263,224	298,032	2,669	0	300,701	298,032	39,703	0	337,735
State Barrier Fence Reserve	216,016	2,531	(218,547)	0	214,099	1,917	0	216,016	214,099	73,379	0	287,478
	3,413,770	2,110,000	(2,811,431)	2,712,339	3,802,027	4,543,019	(4,931,276)	3,413,770	3,802,027	1,440,000	(1,622,303)	3,619,724

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Leave Reserve	Ongoing	To be used to fund long service leave and non-current annual leave requirements.
Plant Reserve	Ongoing	To be used to assist in the purchasing of major plant and machinery.
Emergency Farm Water Reserve	Ongoing	To be used for the repair and/or construction of emergency farm water supplies.
Building Reserve	Ongoing	To be used for the construction, refurbishment, modification or renovation of all buildings.
Road and Footpath Reserve	Ongoing	To be used for the construction, rejuvenation, resealing or repair to the road & footpath network.
Swimming Pool Upgrade Reserve	Ongoing	To be used towards any major repairs or renovations of the Ravensthorpe Swimming Pool.
Airport Reserve	Ongoing	To be used for the construction, reconstruction, repairs or modification of activities including buildings, tarmac, airstrip and associated infrastructure at the Ravensthorpe Airport.
Waste & Sewerage Reserve	Ongoing	To be used for the repair and/or construction of waste and sewerage facilities.
State Barrier Fence Reserve	2019/2020	To be used for the extension of the State Barrier Fence from Ravensthorpe to Esperance.

SHIRE OF RAVENSTHORPE  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30TH JUNE 2020

7. CASH BACKED RESERVES (CONTINUED)

(c) Cash Backed Reserves - Change in Use

It is the Council's intention to utilise the Building Reserve to provide working capital whilst undertaking Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) funded projects following the February 2017 flood event. This prevents the need to extend the Municipal Overdraft Facility, thereby reducing costs.

Cash Backed Reserve	Proposed new purpose of the reserve	Objects of changing of the reserve	Reasons for changing the use of the reserve	2019/20 Budget amount to be used	2019/20 Budget amount change of purpose
Building Reserve	Addition to existing purpose - provide working capital for WANDRRA funded projects	Optimal cashflow management	Provide cashflow and reducing financing costs of WANDRRA funded projects whilst seeing MRWA reimbursement	\$ 1,070,000	\$ 1,070,000
				1,070,000	1,070,000



**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**8. FEES & CHARGES REVENUE**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
Governance	0	0	70,200
General purpose funding	21,500	20,452	0
Law, order, public safety	32,700	30,127	19,800
Health	14,000	4,483	3,000
Education and welfare	401,000	45,007	155,500
Housing	5,200	17,480	0
Community amenities	515,000	504,399	480,097
Recreation and culture	59,800	109,840	43,500
Transport	345,000	170,701	207,500
Economic services	116,500	121,696	141,000
Other property and services	22,000	23,139	25,000
	<b>1,532,700</b>	<b>1,047,324</b>	<b>1,145,597</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**

Governance	500	0	900,000
General purpose funding	930,708	1,890,351	3,000
Law, order, public safety	364,000	343,584	194,370
Education and welfare	124,050	70,107	50,000
Housing	0	1,115	24,900
Community amenities	0	0	219,000
Recreation and culture	38,000	224,589	4,000
Transport	181,259	12,920,647	10,104,252
Economic services	80,000	20,000	0
Other property and services	0	3,542	10,000
	<b>1,718,517</b>	<b>15,473,935</b>	<b>11,509,522</b>

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

Law, order, public safety	0	41,321	11,020
Education and welfare	36,100	0	0
Recreation and culture	67,000	24,802	158,870
Transport	2,132,400	1,226,878	2,150,287
Economic services	60,000	0	0
	<b>2,295,500</b>	<b>1,293,001</b>	<b>2,320,177</b>

**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**10. OTHER INFORMATION**

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	40,000	34,046	60,000
- Other funds	10,000	8,383	15,000
Other interest revenue (refer note 1b)	47,000	47,608	40,000
	<b>97,000</b>	<b>90,037</b>	<b>115,000</b>
<b>(b) Other revenue</b>			
Reimbursements and recoveries	727,480	530,926	80,000
Other	74,820	132,055	0
	<b>802,300</b>	<b>662,981</b>	<b>80,000</b>
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	39,000	1,060	30,000
	<b>39,000</b>	<b>1,060</b>	<b>30,000</b>
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	75,860	76,248	85,280
Interest expense on lease liabilities	0	0	0
Other	0	9,112	0
	<b>75,860</b>	<b>85,360</b>	<b>85,280</b>
<b>(e) Elected members remuneration</b>			
Meeting fees	99,500	97,500	97,500
President's allowance	13,000	13,000	13,000
Deputy President's allowance	3,250	3,250	3,250
Travelling expenses	15,000	14,712	15,000
Telecommunications allowance	8,000	7,588	7,588
	<b>138,750</b>	<b>136,050</b>	<b>136,338</b>
<b>(f) Write offs</b>			
General rate	4,000	323	5,000
	<b>4,000</b>	<b>323</b>	<b>5,000</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**LEASES**

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

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability.

At the commencement date, a lessee shall measure the right-of-use asset at cost.

**LEASES (CONTINUED)**

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**11. MAJOR LAND TRANSACTIONS AND TRADING UNDERTAKINGS**

It is not anticipated the Shire will be party to any Major Land Transactions or Trading Undertakings during 2019/20.

**12. INTERESTS IN JOINT ARRANGEMENTS**

**1. Regional Record Service**

The Shire of Ravensthorpe together with the City of Kalgoorlie-Boulder and with the Shires of Coolgardie, Dundas, Esperance, Laverton, Leonara, Menzies, Ngaanyatjaraku and Wiluna have a joint arrangement with regard to the provision of a Regional Record service. The only asset under this joint arrangement is a building.

The Shire of Ravensthorpe's one-tenth share of this asset is included in Land and Buildings as follows:

		<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
		\$	\$	\$
<b>Non-current assets</b>				
Plant and equipment	Asset# B708	66,700	72,500	72,500
Less: accumulated depreciation		(8,468)	(5,800)	(5,800)
		<b>58,232</b>	<b>66,700</b>	<b>66,700</b>

**2. Ravensthorpe Region Landfill**

The Shire of Ravensthorpe together with the Shire of Jerramungup, have entered into a joint operation with regard to a regional waste management facility located on Reserve 7380, Moir Road Ravensthorpe.

The agreement between both Shire's govern the operation of the waste facility, covering operating and capital costs, responsibilities of the two Shire's, setting of fees and charges, record keeping etc. The Shire of Ravensthorpe is responsible for the day to day management of the facility. Key operating decisions in relations to the operating cost and future capital cost of the facility are to be agreed by both Shire's.

The regional waste facility commenced its operation in February 2018. Building of the facility was fully funded and is recognised in the financials of the Shire of Ravensthorpe as outlined below:

		<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
		\$	\$	\$
<b>Non-current assets</b>				
Infrastructure - Other	Asset# I523	2,010,071	2,181,488	2,181,488
Less: accumulated depreciation		(252,209)	(171,417)	(171,417)
		<b>1,757,862</b>	<b>2,010,071</b>	<b>2,010,071</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**INTERESTS IN JOINT ARRANGEMENTS**

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

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

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

**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**13. TRUST FUNDS**

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

Detail	Balance 1 July 2019	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2020
	\$	\$	\$	\$
Rehabilitation Bond - Barmingo	6,866	0	0	6,866
Rural Subdivisions Shed Bonds	43,494	0	0	43,494
Subdivision Maintenance bonds	14,375	0	0	14,375
	64,735	0	0	64,735

**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**14. SIGNIFICANT ACCOUNTING POLICIES - OTHER  
INFORMATION**

**GOODS AND SERVICES TAX (GST)**

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

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

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

**ROUNDING OFF FIGURES**

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

**COMPARATIVE FIGURES**

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

**BUDGET COMPARATIVE FIGURES**

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

**REVENUE RECOGNITION**

Accounting Policies for the recognition of income and revenue from contracts with customers is described in Note 15.

**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**15. SIGNIFICANT ACCOUNTING POLICIES - CHANGE  
IN ACCOUNTING POLICIES**

This note explains the impact of the adoption of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income for Not-for-Profit Entities.

**REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Shire of Ravensthorpe adopted AASB 15 on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire of Ravensthorpe has adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

	AASB 118 carrying amount 30 June 19	Reclassification	AASB 15 carrying amount 01 July 19
	\$	\$	\$
Contract assets	0	0	0
Contract liabilities - current			
Unspent grants, contributions and reimbursements	0	0	0
Developer contributions	0	0	0
Contract liabilities non-current			
Developer contributions	0	0	0
Cash in lieu of parking	0	0	0
Adjustment to retained surplus from adoption of AASB 15		0	

**LEASES**

On adoption of AASB 16, for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire of Ravensthorpe is not required to make any adjustments on transition for leases for which the underlying asset is of low value. 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).

**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**15. SIGNIFICANT ACCOUNTING POLICIES - CHANGE  
IN ACCOUNTING POLICIES (Continued)**

**INCOME FOR NOT-FOR-PROFIT ENTITIES**

The Shire of Ravensthorpe has adopted AASB 1058 from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire of Ravensthorpe has adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB as compared to AASB 1004 Contributions before the change:

	AASB 1004 carrying amount 30 June 19	Reclassification	AASB 1058 carrying amount 01 July 19
	\$	\$	\$
Trade and other payables	1,768,105	77,100	1,845,205
Adjustment to retained surplus from adoption of AASB 1058		(77,100)	

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised by the Shire of Ravensthorpe. When the taxable event occurs the financial liability is extinguished and the Shire of Ravensthorpe recognises income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration that was significantly less than fair value principally to enable the Shire of Ravensthorpe to further its objectives may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services in relation to Volunteer Fire Services have been recognised in budgeted revenue and budgeted expenditure as the fair value of the services can be reliably estimated and the services would have been purchased if they had not been donated.

The impact on the Shire of Ravensthorpe of the changes as at 1 July 2019 is as follows:

	2019
	\$
Retained surplus - 30/06/2019	0
Adjustment to retained surplus from adoption of AASB 15	0
Adjustment to retained surplus from adoption of AASB 1058	(77,100)
Retained surplus - 01/07/2019	(77,100)