

SHIRE OF NORTHAMPTON
BUDGET
FOR THE YEAR ENDED 30 JUNE 2019

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Basis of Preparation	3
Statement of Comprehensive Income by Program	4
Statement of Cash Flows	6
Rate Setting Statement by Program	7
Rates and Service Charges	8
Net Current Assets	11
Reconciliation of Cash	13
Fixed Assets	14
Asset Depreciation	16
Borrowings	17
Cash Backed Reserves	19
Fees and Charges	20
Grant Revenue	20
Other Information	21
Major Land Transactions	22
Trust	23
Significant Accounting Policies - Other	24

SHIRE'S VISION

A proud and unique community recognising the past and creating the future.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2019**

BY NATURE OR TYPE

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
Revenue				
Rates	1	4,622,864	4,332,891	4,335,996
Operating grants, subsidies and contributions	9	1,454,404	2,722,325	1,199,004
Fees and charges	8	1,265,424	1,360,901	1,191,265
Interest earnings	10(a)	121,750	130,373	113,100
		<u>7,464,442</u>	<u>8,546,490</u>	<u>6,839,365</u>
Expenses				
Employee costs		(3,003,415)	(2,932,047)	(2,855,051)
Materials and contracts		(2,288,238)	(2,610,783)	(2,230,052)
Utility charges		(359,390)	(378,558)	(354,175)
Depreciation on non-current assets	5	(3,607,500)	(3,608,056)	(3,631,550)
Interest expenses	10(c)	(60,159)	(70,686)	(70,683)
Insurance expenses		(251,088)	(225,034)	(210,845)
Other expenditure		(437,137)	(496,676)	(393,366)
		<u>(10,006,927)</u>	<u>(10,321,840)</u>	<u>(9,745,722)</u>
		<u>(2,542,485)</u>	<u>(1,775,350)</u>	<u>(2,906,357)</u>
Non-operating grants, subsidies and contributions	9	1,123,008	3,422,047	2,805,289
Profit on asset disposals	4(b)	40,000	6,318	6,500
Loss on asset disposals	4(b)	(5,000)	(173,950)	(10,000)
Net result		(1,384,477)	1,479,065	(104,568)
Other comprehensive income				
Total other comprehensive income		0	0	0
Total comprehensive income		(1,384,477)	1,479,065	(104,568)

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

FOR THE YEAR ENDED 30TH JUNE 2019

BASIS OF PREPARATION

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also 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 Northampton 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.

2017/18 ACTUAL BALANCES

Balances shown in this budget as 2017/18 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

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. Exclude 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.

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.

REVENUES (CONTINUED)

FEES AND CHARGES

Revenues (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, rebates etc.

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 2019

BY PROGRAM

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
Revenue				
Governance	1, 8, 9, 10(a),(b)	\$ 55,124	\$ 91,969	\$ 40,370
General purpose funding		5,554,570	5,985,451	5,133,939
Law, order, public safety		70,395	461,859	86,513
Health		54,497	63,100	48,403
Education and welfare		224,748	222,820	204,322
Housing		56,436	44,032	39,936
Community amenities		908,527	877,158	837,697
Recreation and culture		54,287	121,053	32,087
Transport		106,040	170,680	88,210
Economic services		256,169	284,494	199,128
Other property and services		123,649	223,874	128,760
		<u>7,464,442</u>	<u>8,546,490</u>	<u>6,839,365</u>
Expenses excluding finance costs	5,10(c),(e),(f)			
Governance		(870,344)	(877,808)	(862,407)
General purpose funding		(197,215)	(262,302)	(237,955)
Law, order, public safety		(401,396)	(675,401)	(396,906)
Health		(210,093)	(197,016)	(211,173)
Education and welfare		(284,868)	(347,766)	(279,600)
Housing		(73,516)	(105,327)	(108,267)
Community amenities		(1,565,743)	(1,463,344)	(1,503,911)
Recreation and culture		(1,663,727)	(1,468,931)	(1,627,447)
Transport		(4,213,373)	(4,139,684)	(4,019,103)
Economic services		(443,493)	(484,636)	(417,270)
Other property and services		(23,000)	(228,939)	(11,000)
		<u>(9,946,768)</u>	<u>(10,251,154)</u>	<u>(9,675,039)</u>
Finance costs	6, 10(d)			
Education and welfare		(17,777)	(18,410)	(18,410)
Housing		(9,789)	(11,043)	(11,043)
Community amenities		0	0	(2,850)
Recreation and culture		(1,383)	(2,850)	0
Transport		(9,561)	(15,622)	(15,620)
Other property and services		(21,649)	(22,761)	(22,760)
		<u>(60,159)</u>	<u>(70,686)</u>	<u>(70,683)</u>
		<u>(2,542,485)</u>	<u>(1,775,350)</u>	<u>(2,906,357)</u>
Non-operating grants, subsidies and contributions	9	1,123,008	3,422,047	2,805,289
Profit on disposal of assets	4(b)	40,000	6,318	6,500
(Loss) on disposal of assets	4(b)	(5,000)	(173,950)	(10,000)
Net result		<u>(1,384,477)</u>	<u>1,479,065</u>	<u>(104,568)</u>
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income		<u>(1,384,477)</u>	<u>1,479,065</u>	<u>(104,568)</u>

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

FOR THE YEAR ENDED 30TH JUNE 2019

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.

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, administration of health local laws and maintenance 'of the Northampton and Kalbarri doctors surgery.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre's, operational costs associated with Child Care facilities and Kalbarri Aged Care Housing maintenance.
HOUSING	To provide and maintain housing.	Provision and maintenance of housing.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE	To establish and effectively manage wellbeing of the community.	Maintenance of public halls, civic centres, aquatic various sporting facilities. Provision and operation of library, museum and other cultural facilities.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES	To help promote the shire and its economic wellbeing.	Tourism and area promotion including Lucky Bay and Little Bay camping areas. Port Gergory water supply and Building control.
OTHER PROPERTY AND SERVICES	To monitor and control Shire's overhead operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019

BY NATURE OR TYPE

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,622,864	4,282,734	4,335,996
Operating grants, subsidies and contributions		1,454,404	2,912,771	1,211,381
Fees and charges		1,265,424	1,360,901	1,191,265
Interest earnings		121,750	130,373	113,100
		<u>7,464,442</u>	<u>8,686,779</u>	<u>6,851,742</u>
Payments				
Employee costs		(3,003,415)	(2,932,047)	(2,855,051)
Materials and contracts		(2,288,238)	(4,816,385)	(2,230,052)
Utility charges		(359,390)	(378,558)	(354,175)
Interest expenses		(60,159)	(70,686)	(70,683)
Insurance expenses		(251,088)	(225,034)	(210,845)
Other expenditure		(437,137)	(503,204)	(393,366)
		<u>(6,399,427)</u>	<u>(8,925,914)</u>	<u>(6,114,172)</u>
Net cash provided by (used in) operating activities	3	<u>1,065,015</u>	<u>(239,135)</u>	<u>737,570</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(1,393,810)	(447,013)	(517,015)
Payments for construction of infrastructure	4(a)	(3,641,827)	(3,258,413)	(3,822,989)
Non-operating grants, subsidies and contributions used for the development of assets	9	1,123,008	3,422,047	2,805,289
Proceeds from sale of plant & equipment	4(b)	164,000	56,089	40,000
Net cash provided by (used in) investing activities		<u>(3,748,629)</u>	<u>(227,290)</u>	<u>(1,494,715)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6	(134,246)	(197,136)	(197,136)
Proceeds from self supporting loans	6(a)	34,794	34,826	(33,188)
Proceeds from new borrowings	6(b)	500,000	0	0
Net cash provided by (used in) financing activities		<u>400,548</u>	<u>(162,310)</u>	<u>(230,324)</u>
Net increase (decrease) in cash held		<u>(2,283,066)</u>	<u>(628,735)</u>	<u>(987,469)</u>
Cash at beginning of year		3,172,714	3,801,450	3,734,994
Cash and cash equivalents at the end of the year	3	<u><u>889,648</u></u>	<u><u>3,172,715</u></u>	<u><u>2,747,525</u></u>

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

RATES SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

BY REPORTING PROGRAM

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	2,122,202	593,148	649,494
		2,122,202	593,148	649,494
Revenue from operating activities (excluding rates)				
Governance		55,124	91,969	40,370
General purpose funding		972,206	1,691,563	837,424
Law, order, public safety		70,395	461,859	86,513
Health		54,497	63,100	52,403
Education and welfare		224,748	222,820	204,322
Housing		56,436	44,032	39,936
Community amenities		908,527	877,158	837,697
Recreation and culture		54,287	123,271	32,087
Transport		146,040	174,780	90,710
Economic services		256,169	284,494	199,128
Other property and services		123,649	223,874	128,760
		2,922,078	4,258,920	2,549,350
Expenditure from operating activities				
Governance		(870,344)	(877,808)	(862,407)
General purpose funding		(197,215)	(262,302)	(237,955)
Law, order, public safety		(401,396)	(675,401)	(396,906)
Health		(210,093)	(198,381)	(211,173)
Education and welfare		(302,645)	(366,176)	(298,010)
Housing		(83,305)	(116,370)	(119,310)
Community amenities		(1,565,743)	(1,463,553)	(1,506,761)
Recreation and culture		(1,665,110)	(1,639,021)	(1,627,447)
Transport		(4,227,934)	(4,160,442)	(4,044,723)
Economic services		(443,493)	(484,636)	(417,270)
Other property and services		(44,649)	(251,700)	(33,760)
		(10,011,927)	(10,495,790)	(9,755,722)
Operating activities excluded from budget				
(Profit) on asset disposals	4(b)	(40,000)	(6,318)	(6,500)
Loss on disposal of assets	4(b)	5,000	173,950	10,000
Depreciation on assets	5	3,607,500	3,608,056	3,631,550
Amount attributable to operating activities		(1,395,147)	(1,868,034)	(2,921,828)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9	1,123,008	3,422,047	2,805,289
Purchase property, plant and equipment	4(a)	(1,393,810)	(447,013)	(517,015)
Purchase and construction of infrastructure	4(a)	(3,641,827)	(3,258,413)	(3,822,989)
Proceeds from disposal of assets	4(a)	164,000	56,089	40,000
Amount attributable to investing activities		(3,748,629)	(227,290)	(1,494,715)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(134,246)	(197,136)	(197,136)
Proceeds from new borrowings	6(b)	500,000	0	0
Proceeds from self supporting loans	6(a)	34,794	34,826	33,188
Transfers to cash backed reserves (restricted assets)	7(a)	(66,200)	(285,495)	(67,467)
Transfers from cash backed reserves (restricted assets)	7(a)	227,064	371,443	351,443
Amount attributable to financing activities		561,412	(76,362)	120,028
Budgeted deficiency before general rates		(4,582,364)	(2,171,686)	(4,296,515)
Estimated amount to be raised from general rates	1	4,582,364	4,293,888	4,296,515
Net current assets at end of financial year - surplus/(deficit)	2	0	2,122,202	0

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 2019

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	Budgeted rate revenue \$	Budgeted interim rates \$	Budgeted back rates \$	2018/19 Budgeted total revenue \$	2017/18 Actual Revenue \$
Differential general rate or general rate								
General GRV	7.723000	1,559	17,507,262	1,644,791	0	0	1,644,791	1,619,472
General UV	1.305900	448	177,949,920	2,346,323	0	0	2,346,323	2,284,350
Sub-Totals		2,007	195,457,182	3,991,114	0	0	3,991,114	3,903,822
Minimum								
General GRV	550	1,020	7,264,017	561,000	0	0	561,000	522,056
General UV	550	55	2,316,410	30,250	0	0	30,250	23,005
Sub-Totals		1,075	9,580,427	591,250	0	0	591,250	545,061
Discounts/concessions (Refer note 1(e))		3,082	205,037,609	4,582,364	0	0	4,582,364	4,448,883
Total amount raised from general rates							0	(154,995)
Specified area rates (Refer note 1(c))							4,582,364	4,293,888
Total rates							40,500	39,003
							4,622,864	4,332,891

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

The general rates detailed for the 2018/19 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 rate(s) has/have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

No differential rating has been applied in the 2018/2019 budget.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single Full Payment	5-10-2018	0	0.00%	0.00%
Option two				
First Instalment	5-10-2018	5	0.00%	10.00%
Second Instalment	7-12-2018	5	5.00%	10.00%
Option three				
First Instalment	5-10-2018	5	0.00%	10.00%
Second Instalment	7-12-2018	5	5.00%	10.00%
Third Instalment	1-02-2019	5	5.00%	10.00%
Fourth Instalment	5-04-2019	5	5.00%	10.00%
			2018/19	2017/18
			Budget	Actual
			\$	\$
Pensioner Deferred Interest			1,250	1,244
Instalment plan interest earned			15,500	15,277
Unpaid rates and service charge interest earned			35,000	34,818

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

	Basis of valuation	Rate in	Rateable value	2018/19 Budgeted specified area rate revenue	2018/19 Interim specified area rate revenue	2018/19 Back specified area rate revenue	2018/19 Total specified area rate revenue	2017/18 Actual revenue
Specified area rate								
Port Gregory Water Supply	GRV	1.8768	\$ 559,464	\$ 10,500	\$ 0	\$ 0	\$ 10,500	\$ 9,481
Kalbarri Tourism Rate	GRV	0.1746	17,194,206	30,000	0	0	30,000	29,522
			17,753,670	40,500	0	0	40,500	39,003

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
Specified area rate				
<u>Port Gregory Water Supply</u>		\$ 10,500	\$ 0	\$ 0
The specified area rate for the Port Gregory Water Supply is levied on all rateable Port Gregory Gross Rental Value designated properties for the operation of the Port Gregory water supply. The amount required has been estimated as the cost to operated the water supply for 2017/2018.				
<u>Kalbarri Tourism Rate</u>		30,000	0	0
The specified area rate for Kalbarri Tourism is levied on all rateable Kalbarri Gross Rental Value designated properties in accordance with the Kalbarri Town Planning Scheme No. 9				
		40,500	0	0

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2019.

(e) Rates discounts

Rate or fee to which discount is granted	Disc % or Amount (\$)	2018/19 Budget	2017/18 Actual	Circumstances in which discount is granted
No discount provided for 2018/2019	0%	\$ 0	\$ 154,995	
		0	154,995	

(f) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2019.

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

2. NET CURRENT ASSETS

	Note	2018/19 Budget	2017/18 Actual
		\$	\$
Composition of estimated net current assets			
Current assets			
Cash - unrestricted	3	112,671	2,234,873
Cash - restricted reserves	3	776,977	937,841
Receivables		495,232	495,232
Inventories		246,778	246,778
		<u>1,631,658</u>	<u>3,914,724</u>
Less: current liabilities			
Trade and other payables		(619,681)	(619,681)
Long term borrowings		(500,000)	(134,246)
Provisions		(713,246)	(713,246)
		<u>(1,832,927)</u>	<u>(1,467,173)</u>
Unadjusted net current assets		-201,269	2,447,551
Adjustments			
Less: Cash - restricted reserves	3	(776,977)	(937,841)
Less: Land held for resale		(235,000)	(235,000)
Add: Current portion of borrowings		500,000	134,246
Add: Current liabilities not expected to be cleared at end of year		713,246	713,246
Adjusted net current assets - surplus/(deficit)		0	2,122,202

Reason for Adjustments

The differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with *Local Government (Financial Management) Regulation 32* as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments above.

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 of Northampton's operational cycle. In the case of liabilities where the Shire of Northampton 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 of Northampton's intentions to release for sale.

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.

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

2. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

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 Northampton 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.

PROVISIONS

Provisions are recognised when the Shire of Northampton 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 Northampton contributes to a number of superannuation funds on behalf of employees.

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

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire of Northampton'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 Northampton'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 Northampton'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 2019**

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:

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
Cash - unrestricted	112,671	2,234,873	13,666
Cash - restricted	776,977	937,841	2,733,859
	<u>889,648</u>	<u>3,172,714</u>	<u>2,747,525</u>

The following restrictions have been imposed by regulation or other externally imposed requirements:

Leave Reserve	247,544	237,544	238,754
Roadworks Reserve	28,250	26,250	26,630
Kalbarri Airport Reserve	65,372	45,172	66,949
Computer & Office Equipment Reserve	33,405	31,905	32,225
House & Building Reserve	110,618	98,118	98,752
Kalbarri Aged Persons Accommodation Reserve	0	227,064	0
Land Development Reserve	255,288	235,288	240,004
Port Gregory Water Supply Reserve	36,500	36,500	36,500
	<u>776,977</u>	<u>937,841</u>	<u>739,814</u>

Reconciliation of net cash provided by operating activities to net result

Net result	(1,384,477)	1,479,065	(104,568)
Depreciation	3,607,500	3,608,056	3,631,550
(Profit)/loss on sale of asset	(35,000)	167,632	3,500
(Increase)/decrease in receivables	0	133,761	12,377
(Increase)/decrease in inventories	0	(3,582)	0
Increase/(decrease) in payables	0	(2,202,020)	0
Grants/contributions for the development of assets	(1,123,008)	(3,422,047)	(2,805,289)
Net cash from operating activities	<u>1,065,015</u>	<u>(239,135)</u>	<u>737,570</u>

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 2019

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program											2017/18 Actual 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		2018/19 Budget total
<u>Property, Plant and Equipment</u>													
Land - freehold land	0	0	0	0	0	0	0	0	5,910	0	0	5,910	0
Buildings - specialised	0	0	0	0	0	0	0	0	42,000	0	0	714,400	178,549
Furniture and equipment	32,500	0	0	0	0	0	0	0	0	0	0	32,500	22,220
Plant and equipment	0	0	0	0	0	0	0	0	641,000	0	0	641,000	246,244
	32,500	0	0	0	0	0	0	0	688,910	0	0	1,393,810	447,013
<u>Infrastructure</u>													
Infrastructure - Roads	0	0	0	0	0	0	0	0	2,647,629	0	0	2,647,629	2,500,245
Infrastructure - Footpaths	0	0	0	0	0	0	0	0	115,400	0	0	378,413	494,793
Infrastructure - Parks and ovals	0	0	0	0	0	0	0	0	492,785	0	0	615,785	263,375
	0	0	0	0	0	0	0	0	2,763,029	0	0	3,641,827	3,258,413
Total acquisitions	32,500	0	0	0	0	0	0	0	3,451,939	123,000	0	5,035,637	3,705,426

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

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	Net book value	Sale proceeds	2018/19 Budget		2017/18 Actual		2017/18 Budget	
	\$	\$	Profit	Loss	Profit	Loss	Profit	Loss
			\$	\$	\$	\$	\$	\$
By Program								
Health	0	0	0	0	0	(1,365)	4,000	0
Community amenities	0	0	0	0	0	(209)	0	0
Recreation and culture	0	0	0	0	2,218	(167,240)	0	0
Transport	129,000	164,000	40,000	(5,000)	4,100	(5,136)	2,500	(10,000)
	129,000	164,000	40,000	(5,000)	6,318	(173,950)	6,500	(10,000)
By Class								
<u>Property, Plant and Equipment</u>								
Plant and equipment	129,000	164,000	40,000	(5,000)	6,318	(6,710)	6,500	(10,000)
<u>Infrastructure</u>								
Infrastructure - Parks and ovals	0	0	0	0	0	(167,240)	0	0
	129,000	164,000	40,000	(5,000)	6,318	(173,950)	6,500	(10,000)

5. ASSET DEPRECIATION

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
By Program			
Governance	31,500	31,737	45,000
Law, order, public safety	57,000	56,751	61,500
Health	23,750	23,125	33,500
Education and welfare	6,500	6,385	21,000
Housing	30,000	29,630	55,000
Community amenities	51,250	54,698	41,550
Recreation and culture	383,000	381,305	487,000
Transport	2,990,000	2,989,498	2,850,000
Economic services	34,500	34,927	37,000
	3,607,500	3,608,056	3,631,550
By Class			
Furniture and equipment	9,000	8,884	7,000
Plant and equipment	384,500	384,499	300,000
Land and Buildings	399,000	398,690	620,000
Infrastructure - Roads	2,545,000	2,545,599	2,500,000
Infrastructure - Footpaths	21,500	21,355	18,000
Infrastructure - Drainage	56,000	56,148	55,000
Infrastructure - Parks and ovals	148,000	148,198	81,550
Infrastructure - Airports	44,500	44,683	50,000
	3,607,500	3,608,056	3,631,550

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 of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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.

DEPRECIATION (CONTINUED)

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

Buildings - non-specialised	30-50 Years
Buildings - specialised	30-50 Years
Furniture and equipment	4-10 Years
Plant and equipment	5-15 Years
Sealed Roads - Pavement	40-50 Years
Bituminous Seals	20-30 Years
Asphalt Surfaces	20-30 Years
Pavement	40-50 Years
Gravel Sheet	10-15 Years
Infrastructure - Roads	20-50 Years
Infrastructure - Footpaths	10-20 Years
Infrastructure - Drainage	50-75 Years
Infrastructure - Parks and ovals	40-50 Years
Infrastructure - Airports	40-50 Years
Infrastructure - Water supply	50-75 Years

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	Principal 30-Jun-18	New loans	Principal repayments		Principal outstanding		Interest repayments	
			2018/19 Budget	2017/18 Actual	2018/19 Budget	2017/18 Actual	2018/19 Budget	2017/18 Actual
Housing								
154 - Staff Housing	256,641	0	33,194	32,134	223,447	256,641	9,789	11,043
Recreation and culture								
148A - Library Extensions Kal	26,733	0	26,733	25,672	0	26,733	939	2,180
156 - RSL Hall Development	0	500,000	0	0	500,000	0	0	0
Transport								
149 - Plant Purchases	0	0	0	68,156	0	0	0	4,284
153 - Plant Purchases	214,339	0	39,525	37,983	174,814	214,339	9,561	11,338
	497,713	500,000	99,452	163,945	898,261	497,713	20,289	28,845
Self Supporting Loans								
Housing								
155 - Pioneer Lodge	386,552	0	13,984	13,448	372,568	386,552	17,777	18,410
151 - Kalbarri Bowling Club	7,459	0	3,621	3,416	3,838	7,459	444	670
152 - Staff Housing	328,941	0	17,189	16,327	311,752	328,941	21,649	22,761
	722,952	0	34,794	33,191	688,158	722,952	39,870	41,841
	1,220,665	500,000	134,246	197,136	1,586,419	1,220,665	60,159	70,686

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 2019

6. INFORMATION ON BORROWINGS (CONTINUED)

(b) New borrowings - 2018/19

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
RSL Hall Development	WATC	Fixed	10	4.00	500,000	0	500,000	0
					500,000	0	500,000	0

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2018 nor is it expected to have unspent borrowing funds as at 30th June 2019.

(d) Credit Facilities

Undrawn borrowing facilities credit standby arrangements

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	10,000	10,000	10,000
Credit card balance at balance date	(2,500)	(2,896)	0
Total amount of credit unused	7,500	7,104	10,000

Loan facilities

Loan facilities in use at balance date	1,586,419	1,220,665	1,220,665
--	-----------	-----------	-----------

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 2019

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2018/19 Budget Opening Balance	2018/19 Budget Closing Balance	2018/19 Budget Transfer (from)	2018/19 Actual Opening Balance	2018/19 Actual Closing Balance	2018/19 Actual Transfer (from)	2017/18 Actual Closing Balance	2017/18 Budget Opening Balance	2017/18 Budget Transfer to	2017/18 Budget Transfer (from)	2017/18 Budget Closing Balance
Leave Reserve	\$ 237,544	\$ 247,544	\$ 0	\$ 228,314	\$ 237,544	\$ 0	\$ 237,544	\$ 228,314	\$ 10,440	\$ 0	\$ 238,754
Roadworks Reserve	26,250	28,250	0	49,940	26,250	(25,310)	26,250	49,940	2,000	(25,310)	26,630
Kalbarri Airport Reserve	45,172	65,372	0	44,922	45,172	(20,000)	45,172	44,922	22,027	0	66,949
Computer & Office Equipment Reserve	31,905	33,405	0	30,725	31,905	0	31,905	30,725	1,500	0	32,225
Plant Reserve	0	0	0	0	0	0	0	0	0	(7,319)	0
House & Building Reserve	98,118	110,618	0	86,252	98,118	0	98,118	86,252	12,500	0	98,752
Kalbarri Aged Persons Accommodation Re:	227,064	0	(227,064)	245,883	227,064	(245,883)	227,064	245,882	0	(245,882)	0
Northampton Aged Persons Reserve	0	0	0	5,024	0	(5,024)	0	5,024	0	(5,024)	0
Town Planning Scheme Reserve	0	0	0	3,596	0	(3,596)	0	3,596	0	(3,596)	0
Specified Area Rate Reserve	0	0	0	5,038	0	(5,038)	0	5,038	0	(5,038)	0
Land Development Reserve	235,288	255,288	0	221,004	235,288	0	235,288	221,004	19,000	0	240,004
Kalbarri Tennis/Netball/ Basketball Court R:	0	0	0	78	0	(78)	0	78	0	(78)	0
Port Gregory Water Supply Reserve	36,500	36,500	0	36,500	36,500	0	36,500	36,500	0	0	36,500
Kalbarri Parkland Redevelopment Reserve	0	0	0	59,196	0	(59,195)	0	59,196	0	(59,196)	0
	937,841	776,977	(227,064)	1,023,791	937,841	(371,443)	937,841	1,023,790	67,467	(351,443)	739,814

(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	TBD	To be used to fund annual and long service leave requirements
Roadworks Reserve	TBD	To be used to fund major reseals of bitumen roads and other major road construction works including footpath construction
Kalbarri Airport Reserve	TBD	To be used for the maintenance and construction of the Kalbarri Airport
Computer & Office Equipment Reserve	TBD	To be used to for the purchase and upgrade of office equipment and computers
Plant Reserve	TBD	To be used for the purchase of major plant
House & Building Reserve	TBD	To be used for the construction of new housing and upgrades to buildings under Council control
Kalbarri Aged Persons Accommodation Re:	2018/2019	To be used for the construction of live in aged care facilities in Kalbarri
Specified Area Rate Reserve	TBD	To be used for unspent Specified Area Rate monies allocated and not expended during the financial year
Land Development Reserve	TBD	To be used for the development of Council land for sale on the open market
Port Gregory Water Supply Reserve	TBD	To be used for the replacement of the Port Gregory pipeline.
TBD = To Be Determined		

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2018/19	2018/19	2018/19	2018/19	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18
	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget
	Opening	Transfer	Closing	Opening	Closing	Transfer	Closing	Transfer	Closing	Opening	Transfer	Closing
	Balance	to	Balance	Balance	Balance	(from)	Balance	(from)	Balance	Balance	(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	237,544	10,000	247,544	228,314	237,544	0	237,544	0	228,314	10,440	0	238,754
Roadworks Reserve	26,250	2,000	28,250	49,940	26,250	0	26,250	(25,310)	49,940	2,000	(25,310)	26,630
Kalbarri Airport Reserve	45,172	20,200	65,372	44,922	45,172	(20,000)	45,172	(20,000)	44,922	22,027	0	66,949
Computer & Office Equipment Reserve	31,905	1,500	33,405	30,725	31,905	0	31,905	0	30,725	1,500	0	32,225
Plant Reserve	0	0	0	7,319	0	(7,319)	0	(7,319)	0	0	(7,319)	0
House & Building Reserve	98,118	12,500	110,618	86,252	98,118	0	98,118	0	86,252	12,500	0	98,752
Kalbarri Aged Persons Accommodation Re:	227,064	0	(227,064)	245,883	227,064	(245,883)	227,064	(245,883)	245,882	0	(245,882)	0
Northampton Aged Persons Reserve	0	0	0	5,024	0	(5,024)	0	(5,024)	5,024	0	(5,024)	0
Town Planning Scheme Reserve	0	0	0	3,596	0	(3,596)	0	(3,596)	3,596	0	(3,596)	0
Specified Area Rate Reserve	0	0	0	5,038	0	(5,038)	0	(5,038)	5,038	0	(5,038)	0
Land Development Reserve	235,288	20,000	255,288	221,004	235,288	0	235,288	0	221,004	19,000	0	240,004
Kalbarri Tennis/Netball/ Basketball Court R	0	0	0	78	0	(78)	0	(78)	78	0	(78)	0
Port Gregory Water Supply Reserve	36,500	0	36,500	36,500	36,500	0	36,500	0	36,500	0	0	36,500
Kalbarri Parkland Redevelopment Reserve	0	0	0	59,196	0	(59,196)	0	(59,196)	59,196	0	(59,196)	0
	937,841	66,200	776,977	1,023,791	937,841	(371,443)	285,495	(371,443)	1,023,790	67,467	(351,443)	739,814

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

7. CASH BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Leave Reserve	TBD	To be used to fund annual and long service leave requirements
Roadworks Reserve	TBD	To be used to fund major reseals of bitumen roads and other major road construction works including footpath construction
Kalbarri Airport Reserve	TBD	To be used for the maintenance and construction of the Kalbarri Airport
Computer & Office Equipment Reserve	TBD	To be used to for the purchase and upgrade of office equipment and computers
Plant Reserve	TBD	To be used for the purchase of major plant
House & Building Reserve	TBD	To be used for the construction of new housing and upgrades to buildings under Council control
Kalbarri Aged Persons Accommodation Re:	2018/2019	To be used for the construction of live in aged care facilities in Kalbarri
Specified Area Rate Reserve	TBD	To be used for unspent Specified Area Rate monies allocated and not expended during the financial year
Land Development Reserve	TBD	To be used for the development of Council land for sale on the open market.
Port Gregory Water Supply Reserve	TBD	To be used for the replacement of the Port Gregory pipeline.
TBD = To Be Determined		

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

8. FEES & CHARGES REVENUE

	2018/19 Budget	2017/18 Actual
	\$	\$
Governance	10,450	10,796
Law, order, public safety	15,450	14,665
Health	11,497	11,243
Education and welfare	93,107	106,556
Housing	46,436	33,789
Community amenities	837,377	856,500
Recreation and culture	12,958	12,192
Transport	3,080	3,099
Economic services	210,069	206,141
Other property and services	25,000	105,920
	1,265,424	1,360,901

9. GRANT REVENUE

	2018/19 Budget	2017/18 Actual
	\$	\$
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:		
By Program:		
Operating grants, subsidies and contributions		
Governance	44,674	81,173
General purpose funding	850,456	1,561,189
Law, order, public safety	54,945	447,194
Health	43,000	51,857
Education and welfare	131,641	116,264
Housing	10,000	10,244
Community amenities	71,150	20,659
Recreation and culture	41,329	108,860
Transport	102,960	167,581
Economic services	5,600	39,350
Other property and services	98,649	117,954
	1,454,404	2,722,325
Non-operating grants, subsidies and contributions		
Education and welfare	0	3,769
Recreation and culture	195,655	291,677
Transport	927,353	2,928,716
Economic services	0	197,885
	1,123,008	3,422,047

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

10. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
Investments			
- Reserve funds	31,200	23,431	30,640
- Other funds	38,800	55,603	30,460
Other interest revenue (refer note 1b)	51,750	51,339	52,000
	<u>121,750</u>	<u>130,373</u>	<u>113,100</u>

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

The net result includes as expenses

(b) Auditors remuneration

Audit services	40,000	11,809	18,400
Other services	3,900	3,080	6,500
	<u>43,900</u>	<u>14,889</u>	<u>24,900</u>

(c) Interest expenses (finance costs)

Borrowings (refer note 6(a))	60,159	70,686	70,683
	<u>60,159</u>	<u>70,686</u>	<u>70,683</u>

(d) Elected members remuneration

Meeting fees	23,850	21,575	21,830
Mayor/President's allowance	12,000	12,000	12,000
Deputy Mayor/President's allowance	2,500	2,500	2,500
Travelling expenses	5,000	4,668	2,000
Telecommunications allowance	4,500	4,500	4,500
	<u>47,850</u>	<u>45,243</u>	<u>42,830</u>

11. MAJOR LAND TRANSACTIONS

It is not anticipated any land transactions or major land transactions will occur in 2018/19.

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2018/19.

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

13. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture arrangements during 2018/19.

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:

Detail	Balance 30-Jun-18	Estimated amounts received	Estimated amounts paid	Estimated balance 30-Jun-19
	\$	\$	(\$)	\$
Transportable Housing Bonds	1,000	1,000	(2,000)	0
Footpath Deposits	24,713	2,000	(22,713)	4,000
Retentions - Subdivisions	40,289	0	(40,289)	0
Building Levies (BCITF & BRB)	1,501	23,000	(24,501)	0
Community Bus Bond	4,000	1,200	(3,600)	1,600
Unclaimed Monies	4,044	0	(4,044)	0
Council Housing Bonds	520	0	0	520
RSL Hall Key Bond	420	230	(460)	190
Special Series Plates	2,090	1,800	(3,890)	0
Kidsport	879	0	(879)	0
NCCA	47,483	0	(25,248)	22,235
Horrocks Memorial Wall	595	1,200	0	1,795
One Life	2,813	0	0	2,813
	<u>130,347</u>	<u>30,430</u>	<u>(127,624)</u>	<u>33,153</u>

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

**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 budget 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

Rates, grants, donations and other contributions are recognised as revenues when the Shire of Northampton obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.