

# SHIRE OF NORTHAMPTON

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2021

#### LOCAL GOVERNMENT ACT 1995

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#### **SHIRE'S VISION**

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

**SHIRE OF NORTHAMPTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*BY NATURE OR TYPE*  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	4,720,586	4,709,139	4,703,547
Operating grants, subsidies and contributions	9(a)	2,000,206	2,690,764	1,557,893
Fees and charges	8	1,174,701	1,258,415	1,280,648
Interest earnings	11(a)	82,500	75,737	106,450
		7,977,993	8,734,055	7,648,538
<b>Expenses</b>				
Employee costs		(3,675,853)	(3,242,225)	(3,365,648)
Materials and contracts		(2,513,572)	(2,348,215)	(2,164,572)
Utility charges		(346,790)	(383,669)	(320,250)
Depreciation on non-current assets	5	(2,240,500)	(2,238,473)	(2,149,300)
Interest expenses	11(c)	(68,476)	(68,082)	(64,877)
Insurance expenses		(198,215)	(177,465)	(209,440)
Other expenditure		(504,546)	(496,631)	(466,509)
		(9,547,952)	(8,954,760)	(8,740,596)
<b>Subtotal</b>				
		(1,569,959)	(220,705)	(1,092,058)
Non-operating grants, subsidies and contributions	9(b)	682,484	1,519,153	1,500,386
Profit on asset disposals	4(b)	62,500	14,007	20,280
Loss on asset disposals	4(b)	(12,000)	(177,140)	(29,000)
		732,984	1,356,020	1,491,666
<b>Net result</b>				
		<b>(836,975)</b>	<b>1,135,315</b>	<b>399,608</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>(836,975)</b>	<b>1,135,315</b>	<b>399,608</b>

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

# SHIRE OF NORTHAMPTON FOR THE YEAR ENDED 30 JUNE 2021

## BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of *AASB 1051 Land Under Roads* paragraph 15 and *AASB 116 Property, Plant and Equipment* paragraph 7.

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

## THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of 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 12 to the budget.

## 2019/20 ACTUAL BALANCES

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

## CHANGE IN ACCOUNTING POLICIES

On the 1 July 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 is not expected to impact the annual budget. Specific impacts of AASB 2018-7 have not been identified.

## KEY TERMS AND DEFINITIONS - NATURE OR TYPE

### REVENUES

#### RATES

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

#### SERVICE CHARGES

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

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

#### PROFIT ON ASSET DISPOSAL

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

## REVENUES (CONTINUED)

### OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

### NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

### FEES AND CHARGES

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

### INTEREST EARNINGS

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

### OTHER REVENUE / INCOME

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

## EXPENSES

### EMPLOYEE COSTS

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

### MATERIALS AND CONTRACTS

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

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

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

### INSURANCE

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

### LOSS ON ASSET DISPOSAL

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

### DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

### INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

### OTHER EXPENDITURE

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

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>Revenue</b>	1,8,9(a),11(a)	\$	\$	\$
Governance		69,400	90,708	60,154
General purpose funding		6,082,050	6,491,553	5,650,065
Law, order, public safety		75,621	180,964	73,383
Health		34,612	32,564	40,112
Education and welfare		216,658	224,287	226,362
Housing		77,836	67,851	53,436
Community amenities		868,847	887,642	886,277
Recreation and culture		30,065	93,438	81,418
Transport		183,646	180,813	180,166
Economic services		196,965	310,602	274,600
Other property and services		142,293	173,633	122,565
		7,977,993	8,734,055	7,648,538
<b>Expenses excluding finance costs</b>	4(a),5,11(b),(d)			
Governance		(857,374)	(923,017)	(896,152)
General purpose funding		(279,797)	(257,992)	(220,112)
Law, order, public safety		(364,629)	(434,914)	(338,993)
Health		(225,918)	(192,537)	(168,239)
Education and welfare		(249,102)	(95,062)	(297,868)
Housing		(70,823)	(92,620)	(92,380)
Community amenities		(1,621,783)	(1,598,819)	(1,584,857)
Recreation and culture		(1,742,758)	(1,535,264)	(1,639,690)
Transport		(3,743,596)	(3,128,744)	(2,949,439)
Economic services		(303,696)	(526,278)	(467,989)
Other property and services		(20,000)	(101,431)	(20,000)
		(9,479,476)	(8,886,678)	(8,675,719)
<b>Finance costs</b>	,6(a),11(c)			
Education and welfare		(16,435)	(17,126)	(17,126)
Housing		(7,156)	(8,496)	(8,497)
Recreation and culture		(12,210)	(13,683)	(10,973)
Transport		(13,382)	(8,212)	(7,716)
Other property and services		(19,293)	(20,565)	(20,565)
		(68,476)	(68,082)	(64,877)
<b>Subtotal</b>		(1,569,959)	(220,705)	(1,092,058)
Non-operating grants, subsidies and contributions	9(b)	682,484	1,519,153	1,500,386
Profit on disposal of assets	4(b)	62,500	14,007	20,280
(Loss) on disposal of assets	4(b)	(12,000)	(177,140)	(29,000)
		732,984	1,356,020	1,491,666
<b>Net result</b>		<b>(836,975)</b>	<b>1,135,315</b>	<b>399,608</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>(836,975)</b>	<b>1,135,315</b>	<b>399,608</b>

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

## KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

### OBJECTIVE

### ACTIVITIES

#### GOVERNANCE

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

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.

#### 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, protection of the environment and town planning schemes, cemetery and public conveniences.administration of

#### RECREATION AND CULTURE

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and operation of library, museum and other cultural facilities.playgrounds.

#### 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.

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		4,720,586	4,728,088	4,703,547
Operating grants, subsidies and contributions		2,000,206	2,729,067	1,557,893
Fees and charges		1,174,701	1,258,415	1,280,648
Interest earnings		82,500	75,737	106,450
		<b>7,977,993</b>	<b>8,791,307</b>	<b>7,648,538</b>
<b>Payments</b>				
Employee costs		(3,675,853)	(3,242,225)	(3,365,648)
Materials and contracts		(2,513,572)	(2,656,721)	(2,164,572)
Utility charges		(346,790)	(383,669)	(320,250)
Interest expenses		(68,476)	(68,082)	(64,877)
Insurance expenses		(198,215)	(177,465)	(209,440)
Other expenditure		(504,546)	(496,631)	(466,509)
		<b>(7,307,452)</b>	<b>(7,024,793)</b>	<b>(6,591,296)</b>
<b>Net cash provided by (used in) operating activities</b>	3	<b>670,541</b>	<b>1,766,514</b>	<b>1,057,242</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(1,112,490)	(1,099,599)	(1,626,935)
Payments for construction of infrastructure	4(a)	(2,150,855)	(2,634,257)	(2,907,901)
Non-operating grants, subsidies and contributions		682,484	1,519,153	1,500,386
Proceeds from sale of plant and equipment	4(b)	206,000	68,719	116,900
Proceeds on financial assets at amortised cost - self supporting loans	6(a)	34,126	36,391	36,391
<b>Net cash provided by (used in) investing activities</b>		<b>(2,340,735)</b>	<b>(2,109,593)</b>	<b>(2,881,159)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(190,417)	(157,324)	(157,325)
Proceeds from new borrowings	6(b)	0	340,000	365,000
<b>Net cash provided by (used in) financing activities</b>		<b>(190,417)</b>	<b>182,676</b>	<b>207,675</b>
<b>Net increase (decrease) in cash held</b>		<b>(1,860,611)</b>	<b>(160,403)</b>	<b>(1,616,242)</b>
Cash at beginning of year		2,738,115	2,898,520	2,880,313
<b>Cash and cash equivalents at the end of the year</b>	3	<b>877,504</b>	<b>2,738,117</b>	<b>1,264,071</b>

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

**SHIRE OF NORTHAMPTON**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>		1,815,811	1,763,871	1,734,648
		1,815,811	1,763,871	1,734,648
<b>Revenue from operating activities (excluding rates)</b>				
Governance		81,900	102,552	71,434
General purpose funding		1,412,464	1,823,957	987,778
Law, order, public safety		75,621	180,964	73,383
Health		34,612	32,564	40,112
Education and welfare		216,658	224,287	226,362
Housing		77,836	67,851	53,436
Community amenities		868,847	887,642	886,277
Recreation and culture		30,065	93,438	81,418
Transport		233,646	182,976	189,166
Economic services		196,965	310,602	274,600
Other property and services		142,293	173,633	122,565
		3,370,907	4,080,466	3,006,531
<b>Expenditure from operating activities</b>				
Governance		(857,374)	(926,160)	(896,152)
General purpose funding		(279,797)	(257,992)	(220,112)
Law, order, public safety		(364,629)	(434,914)	(338,993)
Health		(225,918)	(192,537)	(168,239)
Education and welfare		(265,537)	(263,018)	(314,994)
Housing		(77,979)	(101,116)	(100,877)
Community amenities		(1,621,783)	(1,598,819)	(1,584,857)
Recreation and culture		(1,754,968)	(1,548,947)	(1,650,663)
Transport		(3,756,978)	(3,160,123)	(2,986,155)
Economic services		(315,696)	(526,278)	(467,989)
Other property and services		(39,293)	(121,996)	(40,565)
		(9,559,952)	(9,131,900)	(8,769,596)
Non-cash amounts excluded from operating activities	2 (a)(i)	2,190,000	2,401,606	2,041,120
<b>Amount attributable to operating activities</b>		(2,183,234)	(885,957)	(1,987,297)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9(b)	682,484	1,519,153	1,500,386
Purchase property, plant and equipment	4(a)	(1,112,490)	(1,099,599)	(1,626,935)
Purchase and construction of infrastructure	4(a)	(2,150,855)	(2,634,257)	(2,907,901)
Proceeds from disposal of assets	4(b)	206,000	68,719	116,900
Proceeds from self supporting loans	6(a)	34,126	36,391	36,391
<b>Amount attributable to investing activities</b>		(2,340,735)	(2,109,593)	(2,881,159)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(190,417)	(157,324)	(157,325)
Proceeds from new borrowings	6(b)	0	340,000	365,000
Transfers to cash backed reserves (restricted assets)	7(a)	(55,200)	(97,605)	(60,200)
Transfers from cash backed reserves (restricted assets)	7(a)	100,000	58,694	58,694
<b>Amount attributable to financing activities</b>		(145,617)	143,765	206,169
<b>Budgeted deficiency before general rates</b>		(4,669,586)	(2,851,785)	(4,662,287)
<b>Estimated amount to be raised from general rates</b>	1	4,669,586	4,667,596	4,662,287
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii)	<b>0</b>	<b>1,815,811</b>	<b>0</b>

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

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

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

## 1. RATES AND SERVICE CHARGES

### (a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
General GRV	0.079956	1,562	17,747,241	1,717,044			1,717,044	1,701,415	1,688,420
<b>Unimproved valuations</b>									
General UV	0.011983	437	193,618,765	2,351,382			2,351,382	2,355,757	2,355,757
<b>Sub-Totals</b>		1,999	211,366,006	4,068,426	0	0	4,068,426	4,057,172	4,044,177
	<b>Minimum</b>								
<b>Minimum payment</b>									
	\$								
<b>Gross rental valuations</b>									
General GRV	565	993	7,016,922	561,045			561,045	576,663	577,995
<b>Unimproved valuations</b>									
General UV	565	71	3,347,659	40,115			40,115	35,702	40,115
<b>Sub-Totals</b>		1,064	10,364,581	601,160	0	0	601,160	612,365	618,110
		3,063	221,730,587	4,669,586	0	0	4,669,586	4,669,537	4,662,287
Discounts (Refer note 1(e))							0	(1,941)	0
<b>Total amount raised from general rates</b>							4,669,586	4,667,596	4,662,287
Specified area rates (Refer note 1(c))							51,000	41,543	41,260
<b>Total rates</b>							4,720,586	4,709,139	4,703,547

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

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

## 1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Single Payment	2-10-2020	0	0.0%	8.0%
<b>Option two</b>				
First Installemnt	2-10-2020	5	5.0%	8.0%
Second Installemnt	4-12-2020	5	5.0%	8.0%
<b>Option three</b>				
First Installemnt	2-10-2020	5	5.0%	8.0%
Second Installemnt	4-12-2020	5	5.0%	8.0%
Third Installemnt	5-02-2021	5	5.0%	8.0%
Fourth Installemnt	6-04-2021	5	5.0%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	20,000	18,506	20,000
Unpaid rates and service charge interest earned	32,500	21,144	31,450
	52,500	39,650	51,450

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

	Basis of valuation	Rate in	Rateable value	2020/21 Budget specified area rate revenue	2020/21 Interim specified area rate revenue	2020/21 Back specified area rate revenue	2020/21 Total budget specified area rate revenue	2019/20 Actual revenue	2019/20 Budget revenue
<b>Specified area rate</b>		\$	\$	\$	\$	\$	\$	\$	\$
Port Gregory Water Supply	GRV	0.03690	569,036	21,000			21,000	11,217	11,260
Kalbarri Tourism Rate	GRV	0.00172	17,443,404	30,000			30,000	30,326	30,000
			18,012,440	51,000	0	0	51,000	41,543	41,260

	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>			\$	\$	\$
Port Gregory Water Supply	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 2019/2020.		21,000	0	0
Kalbarri Tourism Rate	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		30,000	0	0
			51,000	0	0

(d) Service Charges

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

(e) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which discount is granted
Write Off			\$ 0	\$ 1,941	\$	Minor Write Off's and Adjustments
			0	1,941	0	

(f) Waivers or concessions

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

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

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

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

(i) Operating activities excluded from budgeted deficiency

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

Adjustments to operating activities

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
Less: Profit on asset disposals	4(b)	(62,500)	(14,007)	(20,280)
Less: Movement in contract liabilities associated with restricted cash		0	0	(116,900)
Add: Loss on disposal of assets	4(b)	12,000	177,140	29,000
Add: Depreciation on assets	5	2,240,500	2,238,473	2,149,300
<b>Non cash amounts excluded from operating activities</b>		<b>2,190,000</b>	<b>2,401,606</b>	<b>2,041,120</b>

(ii) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - restricted reserves	3	(920,239)	(965,039)	(927,635)
Less: Current assets not expected to be received at end of year				
- Land held for resale		(235,000)	(235,000)	(235,000)
- Accruals				(125,162)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		0	0	157,324
- Employee benefit provisions		735,158	735,158	757,961
Add: Movement in provisions between current and non-current provisions		22,806	22,806	
<b>Total adjustments to net current assets</b>		<b>(397,275)</b>	<b>(442,075)</b>	<b>(372,512)</b>

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

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020	
Note	\$	\$	\$	
<b>(iii) Composition of estimated net current assets</b>				
<b>Current assets</b>				
Cash and cash equivalents- unrestricted	3	(58,061)	1,773,076	(307,885)
Cash and cash equivalents - restricted				
Cash backed reserves	3	920,239	965,039	927,635
Unspent borrowings	6(c)	0	0	412,100
Unspent grants, subsidies and contributions	9	15,326	0	232,221
Receivables		446,772	446,772	446,399
Inventories		244,514	244,514	243,023
		1,568,790	3,429,401	1,953,493
<b>Less: current liabilities</b>				
Trade and other payables		(436,357)	(436,357)	(665,696)
Long term borrowings		0	0	(157,324)
Provisions		(735,158)	(735,158)	(757,961)
		(1,171,515)	(1,171,515)	(1,580,981)
<b>Net current assets</b>		397,275	2,257,886	372,512
<b>Less: Total adjustments to net current assets</b>	2 (a)(ii)	(397,275)	(442,075)	(372,512)
<b>Closing funding surplus / (deficit)</b>		0	1,815,811	0

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

**2 (b). NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire's intentions to release for sale.

**TRADE AND OTHER PAYABLES**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of 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.

**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 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.

**LEASE LIABILITIES**

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

**TRADE AND OTHER RECEIVABLES**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

Provision is made for the Shire of 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.

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

### 3. RECONCILIATION OF CASH

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

	Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Cash at bank and on hand		861,451	2,722,062	1,264,071
Term deposits		16,053	16,053	0
		877,504	2,738,115	1,264,071
- Unrestricted cash and cash equivalents		(58,061)	1,773,076	(307,885)
- Restricted cash and cash equivalents		935,565	965,039	1,571,956
		877,504	2,738,115	1,264,071
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:				
Leave reserve		263,511	253,511	256,008
Roadworks Reserve		30,639	28,639	29,641
Kalbarri Airport Reserve		105,622	85,422	85,515
Computer Office Equipment Reserve		34,446	33,446	33,945
House and Building Reserve		132,863	120,863	121,865
Land Development Reserve		316,658	306,658	264,161
Port Gregory Water Supply Reserve		36,500	36,500	36,500
Tourism Infrastructure Reserve		0	100,000	100,000
Unspent borrowings	6(c)	0	0	412,100
Unspent grants, subsidies and contributions	9	15,326	0	232,221
		935,565	965,039	1,571,956
<b>Reconciliation of net cash provided by operating activities to net result</b>				
<b>Net result</b>		(836,975)	1,135,315	399,608
Depreciation	5	2,240,500	2,238,473	2,149,300
(Profit)/loss on sale of asset	4(b)	(50,500)	163,133	8,720
(Increase)/decrease in receivables		0	57,252	
(Increase)/decrease in inventories		0	(1,491)	
Increase/(decrease) in payables		0	(307,015)	
Non-operating grants, subsidies and contributions		(682,484)	(1,519,153)	(1,500,386)
<b>Net cash from operating activities</b>		670,541	1,766,514	1,057,242

#### SIGNIFICANT ACCOUNTING POLICES

##### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

##### FINANCIAL ASSETS AT AMORTISED COST

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program				2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Governance	Community amenities	Recreation and culture	Transport			
	\$	\$	\$	\$	\$	\$	
<b><i>Property, Plant and Equipment</i></b>							
Buildings		309,090	25,000		334,090	698,106	854,035
Furniture and equipment	70,000				70,000	18,705	21,500
Plant and equipment	43,000			665,400	708,400	382,788	751,400
	113,000	309,090	25,000	665,400	1,112,490	1,099,599	1,626,935
<b><i>Infrastructure</i></b>							
Infrastructure - roads				1,366,195	1,366,195	1,886,790	1,928,213
Infrastructure - footpaths/carparks		70,000	264,400	204,120	538,520	331,551	536,238
Infrastructure - drainage					0		0
Infrastructure - parks and ovals		58,500	159,640		218,140	372,595	443,450
Infrastructure - airport				28,000	28,000		
Water & Sewer					0	43,321	
	0	128,500	424,040	1,598,315	2,150,855	2,634,257	2,907,901
<b>Total acquisitions</b>	<b>113,000</b>	<b>437,590</b>	<b>449,040</b>	<b>2,263,715</b>	<b>3,263,345</b>	<b>3,733,856</b>	<b>4,534,836</b>

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

**SIGNIFICANT ACCOUNTING POLICIES**

**RECOGNITION OF ASSETS**

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
<b>By Program</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance	8,500	21,000	12,500	0	19,663	28,364	11,844	(3,143)	17,120	28,400	11,280	0
Education and welfare		0	0	0	150,830	0	0	(150,830)		0	0	0
Transport	95,000	145,000	50,000	0	61,359	40,355	2,163	(23,167)	108,500	88,500	9,000	(29,000)
Economic services	52,000	40,000	0	(12,000)		0	0	0		0	0	0
	155,500	206,000	62,500	(12,000)	231,852	68,719	14,007	(177,140)	125,620	116,900	20,280	(29,000)
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Buildings		0			150,830	0		(150,830)		0		
Plant and equipment	155,500	206,000	62,500	(12,000)	81,022	68,719	14,007	(26,310)	125,620	116,900	20,280	(29,000)
	155,500	206,000	62,500	(12,000)	231,852	68,719	14,007	(177,140)	125,620	116,900	20,280	(29,000)

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

**SIGNIFICANT ACCOUNTING POLICIES**

**GAINS AND LOSSES ON DISPOSAL**

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

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

5. ASSET DEPRECIATION

By Program

Governance	40,000	39,974	37,500
Law, order, public safety	76,000	76,263	62,000
Health	24,000	23,766	24,500
Education and welfare	4,700	4,620	6,500
Housing	32,000	31,829	30,000
Community amenities	56,300	56,335	54,800
Recreation and culture	408,000	408,034	396,000
Transport	1,561,000	1,559,278	1,501,000
Economic services	38,500	38,374	37,000

By Class

Buildings	409,300	408,963	400,000
Furniture and equipment	15,500	15,447	19,300
Plant and equipment	462,700	462,241	440,000
Infrastructure - roads	1,049,900	1,048,963	1,005,000
Infrastructure - footpaths/carparks	55,400	55,336	45,000
Infrastructure - drainage	71,400	71,328	70,000
Infrastructure - parks and ovals	134,000	133,910	130,000
Infrastructure - airport	42,300	42,285	40,000
	2,240,500	2,238,473	2,149,300

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
40,000	39,974	37,500
76,000	76,263	62,000
24,000	23,766	24,500
4,700	4,620	6,500
32,000	31,829	30,000
56,300	56,335	54,800
408,000	408,034	396,000
1,561,000	1,559,278	1,501,000
38,500	38,374	37,000
2,240,500	2,238,473	2,149,300
409,300	408,963	400,000
15,500	15,447	19,300
462,700	462,241	440,000
1,049,900	1,048,963	1,005,000
55,400	55,336	45,000
71,400	71,328	70,000
134,000	133,910	130,000
42,300	42,285	40,000
2,240,500	2,238,473	2,149,300

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

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

Buildings	50 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	
Infrastructure - footpaths/carparks	20 years
Infrastructure - drainage	80 years
Infrastructure - parks and ovals	30 to 75 years
Infrastructure - airport	10 to 60 Years

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

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

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal	2020/21 Budget New Loans	2020/21 Budget Principal Repayments	Budget Principal outstanding 30 June 2021	2020/21 Budget Interest Repayments	Actual Principal 1 July 2019	2019/20 Actual New Loans	2019/20 Actual Principal Repayments	Actual Principal outstanding 30 June 2020	2019/20 Actual Interest Repayments	Budget Principal 1 July 2019	2019/20 Budget New Loans	2019/20 Budget Principal Repayments	Budget Principal outstanding 30 June 2020	2019/20 Budget Interest Repayments	
				1 July 2020	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Education and welfare</b>																			
Staff Housing	154			189,159		(35,418)	153,741	(7,156)	223,447		(34,288)	189,159	(8,497)	223,447		(34,288)	189,159	(8,497)	
<b>Housing</b>																			
<b>Recreation and culture</b>																			
RSL Hall Development	156			454,484		(46,459)	408,025	(12,210)	500,000		(45,516)	454,484	(13,480)	500,000		(45,516)	454,484	(10,771)	
<b>Transport</b>																			
Plant Purchases	153			133,684		(42,800)	90,884	(5,789)	174,814		(41,130)	133,684	(7,716)	174,814		(41,130)	133,684	(7,716)	
Plant Purchases	157			340,000		(31,614)	308,386	(7,593)		340,000		340,000	(496)	0	365,000		365,000	0	
				1,117,327	0	(156,291)	961,036	(32,748)	898,261	340,000	(120,934)	1,117,327	(30,189)	898,261	365,000	(120,934)	1,142,327	(26,984)	
<b>Self Supporting Loans</b>																			
<b>Education and welfare</b>																			
Pioneer Lodge	155	0	0	358,026	0	(15,122)	342,904	(16,435)	372,568	0	(14,542)	358,026	(17,126)	372,568	0	(14,542)	358,026	(17,126)	
<b>Housing</b>																			
Staff Housing	152	0	0	293,743	0	(19,004)	274,739	(19,293)	311,752	0	(18,009)	293,743	(20,565)	311,752	0	(18,010)	293,742	(20,565)	
<b>Recreation and culture</b>																			
Kalbarri Bowling Club	151	0	0	0	0	0	0	0	3,839	0	(3,839)	0	(202)	3,839	0	(3,839)	0	(202)	
				651,769	0	(34,126)	617,643	(35,728)	688,159	0	(36,390)	651,769	(37,893)	688,159	0	(36,391)	651,768	(37,893)	
				1,769,096	0	(190,417)	1,578,679	(68,476)	1,586,420	340,000	(157,324)	1,769,096	(68,082)	1,586,420	365,000	(157,325)	1,794,095	(64,877)	

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.

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

**6. INFORMATION ON BORROWINGS**

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

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

**(c) Unspent borrowings**

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

**(d) Credit Facilities**

	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
	\$	\$	\$
<b>Undrawn borrowing facilities</b>			
<b>credit standby arrangements</b>			
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)	(798)	(2,500)
<b>Total amount of credit unused</b>	<b>7,500</b>	<b>9,202</b>	<b>7,500</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	1,578,679	1,769,096	1,794,095
Unused loan facilities at balance date	0	0	87,900

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

## 7. CASH BACKED RESERVES

### (a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	253,511	10,000		263,511	246,008	7,503		253,511	246,008	10,000		256,008
(b) Roadworks Reserve	28,639	2,000		30,639	27,641	998		28,639	27,641	2,000		29,641
(c) Kalbarri Airport Reserve	85,422	20,200		105,622	65,315	20,107		85,422	65,315	20,200		85,515
(d) Computer Office Equipment Reserve	33,446	1,000		34,446	32,944	502		33,446	32,945	1,000		33,945
(e) House and Building Reserve	120,863	12,000		132,863	109,865	10,998		120,863	109,865	12,000		121,865
(f) Kalbarri Aged Persons Accommodation Reserve	0			0	58,694	0	(58,694)	0	58,694		(58,694)	0
(g) Land Development Reserve	306,658	10,000		316,658	249,161	57,497		306,658	249,161	15,000		264,161
(h) Port Gregory Water Supply Reserve	36,500	0		36,500	36,500			36,500	36,500			36,500
(i) Tourism Infrastructure Reserve	100,000		(100,000)	0	100,000			100,000	100,000			100,000
	965,039	55,200	(100,000)	920,239	926,128	97,605	(58,694)	965,039	926,129	60,200	(58,694)	927,635

### (b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	TBD	To be used to fund annual and long service leave requirements
(b) Roadworks Reserve	TBD	To be used to fund major reseals of bitumen roads and other major road construction works including footpath construction
(c) Kalbarri Airport Reserve	TBD	To be used for the maintenance and construction of the Kalbarri Airport
(d) Computer Office Equipment Reserve	TBD	To be used to for the purchase and upgrade of office equipment and computers
(e) House and Building Reserve	TBD	To be used for the construction of new housing and upgrades to buildings under Council control
(f) Kalbarri Aged Persons Accommodation Reserve	2019/2020	To be used for the construction of live in aged care facilities in Kalbarri
(g) Land Development Reserve	TBD	To be used for the development of Council land for sale on the open market.
(h) Port Gregory Water Supply Reserve	TBD	To be used for the replacement of the Port Gregory pipeline.
(i) Tourism Infrastructure Reserve	2020/2021	To be used for the development of Tourism Infrastructure.

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

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance	11,700	12,407	11,300
Law, order, public safety	14,000	14,200	14,500
Health	11,612	11,652	11,612
Education and welfare	66,435	55,363	107,126
Housing	69,836	59,686	46,436
Community amenities	827,247	835,741	828,077
Recreation and culture	12,665	12,259	12,916
Transport	3,241	2,741	3,841
Economic services	137,965	234,819	224,840
Other property and services	20,000	19,547	20,000
	1,174,701	1,258,415	1,280,648

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
<b>(a) Operating grants, subsidies and contributions</b>								
Governance				0		57,700	78,301	48,854
General purpose funding				0		1,329,964	1,748,221	881,328
Law, order, public safety				0		61,621	166,764	58,883
Health				0		23,000	20,912	28,500
Education and welfare				0		150,223	168,924	119,236
Housing				0		8,000	8,165	7,000
Community amenities				0		41,600	51,901	58,200
Recreation and culture				0		17,400	81,179	68,502
Transport				0		180,405	178,072	176,325
Economic services				0		8,000	34,239	8,500
Other property and services				0		122,293	154,086	102,565
	0	0	0	0	0	2,000,206	2,690,764	1,557,893
<b>(b) Non-operating grants, subsidies and contributions</b>								
Law, order, public safety				0		0	10,000	0
Recreation and culture				0		0	165,895	146,910
Transport	15,326	0		15,326	0	682,484	1,343,258	1,353,476
	15,326	0	0	15,326	0	682,484	1,519,153	1,500,386
Total	15,326	0	0	15,326	0	2,682,690	4,209,917	3,058,279
<b>(c) Unspent grants, subsidies and contributions were restricted as follows:</b>								
				<b>Budget Closing Balance 30 June 2021</b>	<b>Actual Balance 30 June 2020</b>			
Unspent grants, subsidies and contributions				15,326	0			
				15,326	0			

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

**10. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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

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

## 11. OTHER INFORMATION

### The net result includes as revenues

#### (a) Interest earnings

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Investments			
- Reserve funds	20,200	11,973	25,200
- Other funds	9,800	24,114	29,800
Other interest revenue (refer note 1b)	52,500	39,650	51,450
	82,500	75,737	106,450

\* 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	40,000	40,000
Other services	5,900	4,250	3,900
	45,900	44,250	43,900

#### (c) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	68,476	68,082	64,877
	68,476	68,082	64,877

#### (d) Elected members remuneration

Meeting fees	29,350		29,350
Mayor/President's allowance	14,000	14,000	14,000
Deputy Mayor/President's allowance	3,500	3,500	3,500
Travelling expenses	10,000		10,000
Telecommunications allowance	4,500	4,500	4,500
	61,350	22,000	61,350

## 12. TRUST FUNDS

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

Detail	Balance 30 June 2020	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2021
	\$	\$	\$	\$
Building Levies (BCITF & BRB)	183	11,000	(11,183)	0
Community Bus Bond	4,600	2,000	(2,000)	4,600
Unclaimed Monies - Rates	4,044		(4,044)	(0)
RSL Hall Key Bond	230	400	(630)	0
Special Series Plates	0	1,200	(1,200)	0
Northampton Child Care Association	16,547		(16,547)	(0)
One Life	1,440		(1,440)	(0)
Rubbish Tip Key Bond	1,800			1,800
Horrocks - Skatepark	1,050			1,050
RSL - Kalbarri Memorial	17,326			17,326
DOT - Department of Transport	0	48,000	(48,000)	0
	47,219	62,600	(85,044)	24,775

### 13. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

#### GOODS AND SERVICES TAX (GST)

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

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

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

#### CRITICAL ACCOUNTING ESTIMATES

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

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

#### ROUNDING OFF FIGURES

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

#### COMPARATIVE FIGURES

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

#### BUDGET COMPARATIVE FIGURES

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