

# SHIRE OF NORTHAMPTON

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2022

#### 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 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	4,646,218	4,726,214	4,720,586
Operating grants, subsidies and contributions	9(a)	2,883,980	3,639,591	2,000,206
Fees and charges	8	1,254,773	1,263,246	1,174,701
Interest earnings	12(a)	51,500	45,676	82,500
Other revenue	12(b)	0	503,739	0
		8,836,471	10,178,466	7,977,993
<b>Expenses</b>				
Employee costs		(3,837,409)	(3,603,544)	(3,675,853)
Materials and contracts		(2,809,898)	(3,368,947)	(2,513,572)
Utility charges		(326,395)	(347,470)	(346,790)
Depreciation on non-current assets	5	(2,353,300)	(2,351,792)	(2,240,500)
Interest expenses	12(d)	(61,171)	(75,789)	(68,476)
Insurance expenses		(211,641)	(196,519)	(198,215)
Other expenditure		(510,817)	(487,989)	(504,546)
		(10,110,631)	(10,432,050)	(9,547,952)
<b>Subtotal</b>		(1,274,160)	(253,584)	(1,569,959)
Non-operating grants, subsidies and contributions	9(b)	981,656	692,484	682,484
Profit on asset disposals	4(b)	26,000	92,928	62,500
Loss on asset disposals	4(b)	(10,500)	(51,919)	(12,000)
		997,156	733,493	732,984
<b>Net result</b>		<b>(277,004)</b>	<b>479,909</b>	<b>(836,975)</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>(277,004)</b>	<b>479,909</b>	<b>(836,975)</b>

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

# SHIRE OF NORTHAMPTON FOR THE YEAR ENDED 30 JUNE 2022

## 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 Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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 13 to the budget.

## 2020/21 ACTUAL BALANCES

Balances shown in this budget as 2020/21 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 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

## 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 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
<b>Revenue</b>	1,8,9(a),12(a),12(b)	\$	\$	\$
Governance		55,530	104,926	69,400
General purpose funding		5,481,789	7,191,668	6,082,050
Law, order, public safety		91,166	126,317	75,621
Health		29,112	29,364	34,612
Education and welfare		199,723	256,369	216,658
Housing		76,240	76,002	77,836
Community amenities		1,194,542	922,294	868,847
Recreation and culture		695,910	188,455	30,065
Transport		194,800	189,572	183,646
Economic services		231,555	224,989	196,965
Other property and services		586,104	868,510	142,293
		8,836,471	10,178,466	7,977,993
<b>Expenses excluding finance costs</b>	4(a),5,12(c)(e)(e)			
Governance		(917,940)	(847,821)	(857,374)
General purpose funding		(281,435)	(329,377)	(279,797)
Law, order, public safety		(371,591)	(388,801)	(364,629)
Health		(221,420)	(185,828)	(225,918)
Education and welfare		(231,854)	(232,670)	(249,102)
Housing		(75,109)	(74,887)	(70,823)
Community amenities		(1,611,155)	(1,549,671)	(1,621,783)
Recreation and culture		(1,887,678)	(1,629,044)	(1,742,758)
Transport		(3,832,189)	(3,288,706)	(3,743,596)
Economic services		(428,844)	(411,259)	(303,696)
Other property and services		(190,245)	(1,418,197)	(20,000)
		(10,049,460)	(10,356,261)	(9,479,476)
<b>Finance costs</b>	7,6(a),12(d)			
Education and welfare		(15,723)	(21,524)	(16,435)
Housing		(5,773)	(7,607)	(7,156)
Recreation and culture		(10,920)	(12,646)	(12,210)
Transport		(10,651)	(16,061)	(13,382)
Other property and services		(18,104)	(17,951)	(19,293)
		(61,171)	(75,789)	(68,476)
<b>Subtotal</b>		(1,274,160)	(253,584)	(1,569,959)
Non-operating grants, subsidies and contributions	9(b)	981,656	692,484	682,484
Profit on disposal of assets	4(b)	26,000	92,928	62,500
(Loss) on disposal of assets	4(b)	(10,500)	(51,919)	(12,000)
		997,156	733,493	732,984
<b>Net result</b>		<b>(277,004)</b>	<b>479,909</b>	<b>(836,975)</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>(277,004)</b>	<b>479,909</b>	<b>(836,975)</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.

#### **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, 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 the 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 and misc major event costs

**SHIRE OF NORTHAMPTON**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		4,646,218	4,806,235	4,720,586
Operating grants, subsidies and contributions		2,883,980	3,323,961	2,000,206
Fees and charges		1,254,773	1,263,246	1,174,701
Interest received		51,500	45,676	82,500
Goods and services tax received		0	(73,028)	0
Other revenue		0	503,739	0
		8,836,471	9,869,829	7,977,993
<b>Payments</b>				
Employee costs		(3,837,409)	(3,531,797)	(3,675,853)
Materials and contracts		(2,809,898)	(3,432,613)	(2,513,572)
Utility charges		(326,395)	(347,470)	(346,790)
Interest expenses		(61,171)	(67,133)	(68,476)
Insurance paid		(211,641)	(196,519)	(198,215)
Other expenditure		(510,817)	(487,989)	(504,546)
		(7,757,331)	(8,063,521)	(7,307,452)
<b>Net cash provided by (used in)</b>				
<b>operating activities</b>	3	1,079,140	1,806,308	670,541
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(1,635,515)	(873,120)	(1,112,490)
Payments for construction of infrastructure	4(a)	(2,250,885)	(1,963,582)	(2,150,855)
Non-operating grants, subsidies and contributions	9(b)	981,656	692,484	682,484
Proceeds from sale of plant and equipment	4(b)	157,000	214,681	206,000
Proceeds on financial assets at amortised cost - self supporting loans		35,626	35,149	34,126
Proceeds on disposal of financial assets at fair value through profit and loss		0	(3,739)	
<b>Net cash provided by (used in)</b>				
<b>investing activities</b>		(2,712,118)	(1,898,127)	(2,340,735)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(196,293)	(190,417)	(190,417)
Proceeds on disposal of financial assets at amortised cost - term deposits		0	16,053	
Proceeds from new borrowings	6(a)	100,000	0	0
<b>Net cash provided by (used in)</b>				
<b>financing activities</b>		(96,293)	(174,364)	(190,417)
<b>Net increase (decrease) in cash held</b>		(1,729,271)	(266,183)	(1,860,611)
Cash at beginning of year		2,522,523	2,788,706	2,738,115
<b>Cash and cash equivalents at the end of the year</b>	3	<b>793,252</b>	<b>2,522,523</b>	<b>877,504</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 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>				
	2	1,846,346	1,711,253	1,815,811
		1,846,346	1,711,253	1,815,811
<b>Revenue from operating activities (excluding rates)</b>				
Specified area and ex gratia rates	1(c)	51,000	51,348	51,000
Operating grants, subsidies and contributions	9(a)	2,883,980	3,639,591	2,000,206
Fees and charges	8	1,254,773	1,263,246	1,174,701
Interest earnings	12(a)	51,500	45,676	82,500
Other revenue	12(b)	0	503,739	0
Profit on asset disposals	4(b)	26,000	92,928	62,500
		4,267,253	5,596,528	3,370,907
<b>Expenditure from operating activities</b>				
Employee costs		(3,837,409)	(3,603,544)	(3,675,853)
Materials and contracts		(2,809,898)	(3,368,947)	(2,513,572)
Utility charges		(326,395)	(347,470)	(346,790)
Depreciation on non-current assets	5	(2,353,300)	(2,351,792)	(2,240,500)
Interest expenses	12(d)	(61,171)	(75,789)	(68,476)
Insurance expenses		(211,641)	(196,519)	(198,215)
Other expenditure		(510,817)	(487,989)	(504,546)
Loss on asset disposals	4(b)	(10,500)	(51,919)	(12,000)
		(10,121,131)	(10,483,969)	(9,559,952)
Non-cash amounts excluded from operating activities	2(b)	2,337,800	2,310,783	2,190,000
<b>Amount attributable to operating activities</b>		<b>(1,669,732)</b>	<b>(865,405)</b>	<b>(2,183,234)</b>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9(b)	981,656	692,484	682,484
Payments for property, plant and equipment	4(a)	(1,635,515)	(873,120)	(1,112,490)
Payments for construction of infrastructure	4(a)	(2,250,885)	(1,963,582)	(2,150,855)
Proceeds from disposal of assets	4(b)	157,000	214,681	206,000
Proceeds from financial assets at amortised cost - self supporting loans		35,626	35,149	34,126
Proceeds on disposal of financial assets at fair value through profit and loss		0	(3,739)	0
<b>Amount attributable to investing activities</b>		<b>(2,712,118)</b>	<b>(1,898,127)</b>	<b>(2,340,735)</b>
<b>Amount attributable to investing activities</b>		<b>(2,712,118)</b>	<b>(1,898,127)</b>	<b>(2,340,735)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(196,293)	(190,417)	(190,417)
Proceeds from new borrowings	6(b)	100,000	0	0
Transfers to cash backed reserves (restricted assets)	7(a)	(117,075)	(40,071)	(55,200)
Transfers from cash backed reserves (restricted assets)	7(a)	0	165,500	100,000
<b>Amount attributable to financing activities</b>		<b>(213,368)</b>	<b>(64,988)</b>	<b>(145,617)</b>
<b>Budgeted deficiency before general rates</b>		<b>(4,595,218)</b>	<b>(2,828,520)</b>	<b>(4,669,586)</b>
<b>Estimated amount to be raised from general rates</b>	1(a)	<b>4,595,218</b>	<b>4,674,866</b>	<b>4,669,586</b>
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2	<b>0</b>	<b>1,846,346</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 2022

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SHIRE OF NORTHAMPTON  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022

1. RATES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
General GRV	0.079956	1,459	20,058,557	1,591,761			1,591,761	1,727,310	1,717,044
<b>Unimproved valuations</b>									
General GRV	0.011493	428	203,434,031	2,338,452			2,338,452	2,346,396	2,351,382
<b>Sub-Totals</b>		1,887	223,492,588	3,930,213	0	0	3,930,213	4,073,706	4,068,426
<b>Minimum</b>									
<b>Minimum payment</b>									
\$									
<b>Gross rental valuations</b>									
General GRV	565	1,116	3,390,741	630,540			630,540	574,605	561,045
<b>Unimproved valuations</b>									
General GRV	565	61	789,227	34,465			34,465	26,555	40,115
<b>Sub-Totals</b>		1,177	4,179,968	665,005	0	0	665,005	601,160	601,160
		3,064	227,672,556	4,595,218	0	0	4,595,218	4,674,866	4,669,586
<b>Total amount raised from general rates</b>							4,595,218	4,674,866	4,669,586
Specified area rates (Refer note 1(c))							51,000	51,348	51,000
<b>Total rates</b>							4,646,218	4,726,214	4,720,586

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 2021/22 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

SHIRE OF NORTHAMPTON  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022  
 1. RATES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Single full payment	1-10-2021	0	0.0%	7.0%
<b>Option two</b>				
First instalment	1-10-2021	5	5.0%	7.0%
Second instalment	3-12-2021	5	5.0%	7.0%
<b>Option three</b>				
First instalment	1-10-2021	5	5.0%	7.0%
Second instalment	3-12-2021	5	5.0%	7.0%
Third instalment	4-02-2022	5	5.0%	7.0%
Fourth instalment	8-04-2022	5	5.0%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
Instalment plan admin charge revenue	\$ 20,000	\$ 18,445	\$ 20,000
Unpaid rates and service charge interest earned	16,500	13,988	32,500
	36,500	32,433	52,500

SHIRE OF NORTHAMPTON  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022  
 1. RATES (CONTINUED)

(c) Specified Area Rate

				2021/22 Budget specified area rate revenue	2021/22 Interim specified area rate revenue	2021/22 Back specified area rate revenue	2021/22 Total budget specified area rate revenue	2020/21 Actual revenue	2020/21 Budget revenue
	Basis of valuation	Rate in	Rateable value						
<b>Specified area rate</b>		\$	\$	\$	\$	\$	\$	\$	\$
Port Gregory Water Supply	GRV	0.037394	561,586	21,000			21,000	21,002	21,000
Kalbarri Tourism Rate	GRV	0.001821	16,484,984	30,000			30,000	30,346	30,000
			17,046,570	51,000	0	0	51,000	51,348	51,000

	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 2021/2022.		21,000		
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		
			51,000	0	0

The Shire did not raise service charges for the year ended 30th June 2022.

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**1. RATES (CONTINUED)**

**(d) Waivers or concessions**

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2022.

SHIRE OF NORTHAMPTON  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022

2. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents- unrestricted  
 Cash and cash equivalents - restricted  
 Financial assets - unrestricted  
 Receivables  
 Contract assets  
 Inventories

Less: current liabilities

Trade and other payables  
 Long term borrowings  
 Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
3	(163,433)	1,682,913	(42,735)
3	956,685	839,610	920,239
	35,627	35,627	
	677,086	677,086	446,772
	0	0	244,514
	240,791	240,791	
	1,746,756	3,476,027	1,568,790
	(490,296)	(490,296)	(436,357)
6	(196,291)	(196,292)	
	(787,109)	(787,109)	(735,158)
	(1,473,696)	(1,473,697)	(1,171,515)
	273,060	2,002,330	397,275
2.(c)	(273,060)	(155,984)	(397,275)
	0	1,846,346	0

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**2. NET CURRENT ASSETS (CONTINUED)**

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

**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.

**(b) Operating activities excluded from budgeted deficiency**

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

**Adjustments to operating activities**

Less: Profit on asset disposals

Add: Loss on disposal of assets

Add: Depreciation on assets

**Non cash amounts excluded from operating activities**

**(c) 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 in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

**Adjustments to net current assets**

Less: Cash - restricted reserves

Less: Current assets not expected to be received at end of year

- Current portion of self supporting loans receivable

- Land held for resale

Add: Current liabilities not expected to be cleared at end of year

- Current portion of borrowings

- Current portion of employee benefit provisions held in reserve

**Total adjustments to net current assets**

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	(26,000)	(92,928)	(62,500)
4(b)	10,500	51,919	12,000
5	2,353,300	2,351,792	2,240,500
	2,337,800	2,310,783	2,190,000
7	(956,685)	(839,610)	(920,239)
	(35,627)	(35,627)	
	(235,000)	(235,000)	(235,000)
	196,291	196,292	0
	757,961	757,961	757,964
	(273,060)	(155,984)	(397,275)

## **SIGNIFICANT ACCOUNTING POLICIES**

### **CURRENT AND NON-CURRENT CLASSIFICATION**

An 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 or 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.

### **PREPAID RATES**

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.

### **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.

### **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.

### **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.

### **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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

### **PROVISIONS**

Provisions are recognised when the Shire has a present 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.

### **EMPLOYEE BENEFITS**

#### **Short-term employee benefits**

Provision is made for the Shire'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'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's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

### **CONTRACT LIABILITIES**

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

SHIRE OF NORTHAMPTON  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022  
**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	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Cash at bank and on hand	(46,358)	1,682,913	861,451
Term deposits	839,610	839,610	16,053
<b>Total cash and cash equivalents</b>	<b>793,252</b>	<b>2,522,523</b>	<b>877,504</b>
Held as			
- Unrestricted cash and cash equivalents	(163,433)	1,682,913	(42,735)
- Restricted cash and cash equivalents	956,685	839,610	920,239
	793,252	2,522,523	877,504
<b>Restrictions</b>			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	956,685	839,610	920,239
	956,685	839,610	920,239
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	7	956,685	839,610
		956,685	839,610
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	(277,004)	479,909	(836,975)
Depreciation	5	2,353,300	2,351,792
(Profit)/loss on sale of asset	4(b)	(15,500)	(41,009)
(Increase)/decrease in receivables		0	(220,414)
(Increase)/decrease in inventories		0	3,723
Increase/(decrease) in payables		0	13,014
Increase/(decrease) in contract liabilities		0	(88,223)
Non-operating grants, subsidies and contributions		(981,656)	(692,484)
<b>Net cash from operating activities</b>	<b>1,079,140</b>	<b>1,806,308</b>	<b>670,541</b>

**SIGNIFICANT ACCOUNTING POLICES**

**CASH AND CASH EQUIVALENTS**

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

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

**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 2022  
 4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program						2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
	Governance	Health	Community amenities	Recreation and culture	Transport	Economic services			
	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>									
Buildings			446,000		20,500		466,500		
Buildings - specialised				400,000			400,000	388,936	334,090
Furniture and equipment							0	75,304	70,000
Plant and equipment	10,000	34,000			680,015	45,000	769,015	408,880	708,400
	10,000	34,000	446,000	400,000	700,515	45,000	1,635,515	873,120	1,112,490
<i>Infrastructure</i>									
Infrastructure - roads			24,825		1,693,800		1,718,625	1,104,213	1,366,195
Infrastructure - footpaths/carparks				117,064	157,620		274,684	376,621	538,520
Infrastructure - drainage							0	0	0
Infrastructure - parks and ovals			22,100	229,976			252,076	462,077	218,140
Infrastructure - airport							0	20,671	28,000
Water & Sewer						5,500	5,500		
	0	0	46,925	347,040	1,851,420	5,500	2,250,885	1,963,582	2,150,855
<b>Total acquisitions</b>	10,000	34,000	492,925	747,040	2,551,935	50,500	3,886,400	2,836,702	3,263,345

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

**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 2022  
 4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Governance		0	0	0	6,797	20,909	14,112	0	8,500	21,000	12,500	0
Health	11,000	15,000	4,000	0		0	0	0		0	0	0
Community amenities		0	0	0	47,513	0	0	(47,513)		0	0	0
Transport	130,500	142,000	22,000	(10,500)	65,416	120,817	55,401	0	95,000	145,000	50,000	0
Economic services		0	0	0	53,946	72,955	23,415	(4,406)	52,000	40,000	0	(12,000)
	141,500	157,000	26,000	(10,500)	173,672	214,681	92,928	(51,919)	155,500	206,000	62,500	(12,000)
<b>By Class</b>												
<u>Property, Plant and Equipment</u>												
Plant and equipment	141,500	157,000	26,000	(10,500)	173,672	214,681	92,928	(51,919)	155,500	206,000	62,500	(12,000)
	141,500	157,000	26,000	(10,500)	173,672	214,681	92,928	(51,919)	155,500	206,000	62,500	(12,000)

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

- Staff housing programme
- Plant replacement programme

**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 2022**  
**5. ASSET DEPRECIATION**

**By Program**

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

**By Class**

Buildings
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths/carparks
Infrastructure - drainage
Infrastructure - parks and ovals
Infrastructure - airport
Water & Sewer

<b>2021/22</b>	<b>2020/21</b>	<b>2020/21</b>
<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
\$	\$	\$
44,000	43,997	40,000
80,000	80,509	76,000
21,000	20,926	24,000
4,000	3,883	4,700
32,000	31,366	32,000
56,300	55,579	56,300
438,000	437,549	408,000
1,640,000	1,639,933	1,561,000
38,000	38,050	38,500
<b>2,353,300</b>	<b>2,351,792</b>	<b>2,240,500</b>
411,000	410,652	409,300
18,000	18,032	15,500
504,000	503,895	462,700
1,087,800	1,087,050	1,049,900
62,100	62,015	55,400
71,400	71,328	71,400
154,100	153,976	134,000
42,700	42,653	42,300
2,200	2,191	0
<b>2,353,300</b>	<b>2,351,792</b>	<b>2,240,500</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**DEPRECIATION**

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

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

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	30 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 20 years
Infrastructure - roads	
Infrastructure - footpaths/carparks	20 to 30 years
Infrastructure - drainage	50 to 80 years
Infrastructure - parks and ovals	20 to 75 years
Infrastructure - airport	10 to 60 Years
Water & Sewer	20 to 75 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 2022**  
**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		Interest Rate	Budget Principal 1 July 2021	2021/22 Budget New Loans	2021/22 Budget Principal Repayments	Budget Principal outstanding 30 June 2022	2021/22 Budget Interest Repayments	Actual Principal 1 July 2020	2020/21 Actual New Loans	2020/21 Actual Principal Repayments	Actual Principal outstanding 30 June 2021	2020/21 Actual Interest Repayments	Budget Principal 1 July 2020	2020/21 Budget New Loans	2020/21 Budget Principal Repayments	Budget Principal outstanding 30 June 2021	2020/21 Budget Interest Repayments
	Number	Institution																
<b>Education and welfare</b>				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>																		
Staff Housing	154	WATC	3.27%	153,741		(36,586)	117,155	(5,773)	189,159		(35,418)	153,741	(7,607)	189,159		(35,418)	153,741	(7,156)
<b>Recreation and culture</b>																		
RSL Hall Development	156	WATC	2.06%	408,025		(47,420)	360,605	(10,920)	454,484		(46,459)	408,025	(12,646)	454,484		(46,459)	408,025	(12,210)
<b>Transport</b>																		
Plant Purchases	153	WATC	4.02%	90,884		(44,538)	46,346	(3,787)	133,684		(42,800)	90,884	(7,444)	133,684		(42,800)	90,884	(5,789)
Plant Purchases	157	WATC	1.60%	308,386		(32,122)	276,264	(6,864)	340,000		(31,614)	308,386	(8,617)	340,000		(31,614)	308,386	(7,593)
Plant Purchases	158	WATC	1.30%	0	100,000		100,000					0					0	
<b>Other property and services</b>																		
				961,036	100,000	(160,666)	900,370	(27,344)	1,117,327	0	(156,291)	961,036	(36,314)	1,117,327	0	(156,291)	961,036	(32,748)
<b>Self Supporting Loans</b>																		
<b>Education and welfare</b>																		
Pioneer Lodge	155	WATC	3.95%	342,904	0	(15,726)	327,178	(15,723)	358,026	0	(15,122)	342,904	(21,524)	358,026	0	(15,122)	342,904	(16,435)
<b>Other property and services</b>																		
Staff Housing	152	NAB	5.24%	274,738	0	(19,901)	254,837	(18,104)	293,742	0	(19,004)	274,738	(17,951)	293,743	0	(19,004)	274,739	(19,293)
				617,642	0	(35,627)	582,015	(33,827)	651,768	0	(34,126)	617,642	(39,475)	651,769	0	(34,126)	617,643	(35,728)
				1,578,678	100,000	(196,293)	1,482,385	(61,171)	1,769,095	0	(190,417)	1,578,678	(75,789)	1,769,096	0	(190,417)	1,578,679	(68,476)

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 2022**  
**6. INFORMATION ON BORROWINGS**

**(b) New borrowings - 2021/22**

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Plant Purchases	WATC	Fixed	10	1.25%	\$ 100,000	\$ 7,392	\$ 100,000	\$ 0
					100,000	7,392	100,000	0

**(c) Unspent borrowings**

The Shire had no unspent borrowing funds as at 30th June 2021 nor is it expected to have unspent borrowing funds as at 30th June 2022.

**(d) Credit Facilities**

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<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)	(1,766)	(2,500)
<b>Total amount of credit unused</b>	<b>7,500</b>	<b>8,234</b>	<b>7,500</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	1,482,385	1,578,678	1,578,679

**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 2022  
 7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	230,764	6,250		237,014	253,511	6,253	(29,000)	230,764	253,511	10,000	0	263,511
(b) Roadworks Reserve	29,140	500		29,640	28,639	501		29,140	28,639	2,000	0	30,639
(c) Kalbarri Airport Reserve	105,473	100,100		205,573	85,422	20,051		105,473	85,422	20,200	0	105,622
(d) Computer Office Equipment Reserve	33,698	250		33,948	33,446	252		33,698	33,446	1,000	0	34,446
(e) House and Building Reserve	131,364	500		131,864	120,863	10,501		131,364	120,863	12,000	0	132,863
(f) Kalbarri Aged Persons Accommodation	0			0	36,500		(36,500)	0	0	0	0	0
(g) Land Development Reserve	309,171	2,500		311,671	306,658	2,513		309,171	306,658	10,000	0	316,658
(h) Port Gregory Water Supply Reserve	0			0	0			0	36,500	0	0	36,500
(i) Tourism Infrastructure Reserve	0			0	100,000		(100,000)	0	100,000	0	(100,000)	0
(j) Kalbarri Specified Area Reserve	0	6,975		6,975	0			0				0
	839,610	117,075	0	956,685	965,039	40,071	(165,500)	839,610	965,039	55,200	(100,000)	920,239

(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	Future Use	To be used to fund annual and long service leave requirements
(b) Roadworks Reserve	Future Use	To be used to fund major reseals of bitumen roads and other major road construction works including footpath construction
(c) Kalbarri Airport Reserve	2022/2023	To be used for the maintenance and construction of the Kalbarri Airport
(d) Computer Office Equipment Reserve	Future Use	To be used to for the purchase and upgrade of office equipment and computers
(e) House and Building Reserve	Future Use	To be used for the construction of new housing and upgrades to buildings under Council control
(f) Kalbarri Aged Persons Accommodation	2019/2020	To be used for the construction of live in aged care facilities in Kalbarri
(g) Land Development Reserve	Future Use	To be used for the development of Council land for sale on the open market.
(h) Port Gregory Water Supply Reserve	2020/2021	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.
(j) Kalbarri Specified Area Reserve	Future Use	To be used for Kalbarri Tourism advertising

## 8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Governance	13,500	23,957	11,700
Law, order, public safety	13,500	13,806	14,000
Health	12,612	13,642	11,612
Education and welfare	65,723	37,794	66,435
Housing	68,240	68,792	69,836
Community amenities	872,942	896,287	827,247
Recreation and culture	12,460	12,203	12,665
Transport	3,241	2,990	3,241
Economic services	172,555	160,182	137,965
Other property and services	20,000	33,593	20,000
	1,254,773	1,263,246	1,174,701

## 9. GRANT REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<b>By Program:</b>			
<b>(a) Operating grants, subsidies and contributions</b>			
Governance	42,030	80,968	57,700
General purpose funding	835,071	2,471,125	1,329,964
Law, order, public safety	77,666	112,511	61,621
Health	16,500	15,722	23,000
Education and welfare	134,000	218,575	150,223
Housing	8,000	7,210	8,000
Community amenities	321,600	26,007	41,600
Recreation and culture	683,450	176,253	17,400
Transport	191,559	186,582	180,405
Economic services	8,000	13,459	8,000
Other property and services	566,104	331,179	122,293
	2,883,980	3,639,591	2,000,206
<b>(b) Non-operating grants, subsidies and contributions</b>			
Community amenities	83,461	0	0
Recreation and culture	88,044	10,000	0
Transport	810,151	682,484	682,484
	981,656	692,484	682,484
Total grants, subsidies and contributions	3,865,636	4,332,075	2,682,690

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**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 contractual commitments		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. ELECTED MEMBERS REMUNERATION

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<b>Elected member [Cr Simkin]</b>			
President's allowance	14,000	14,000	14,000
Meeting attendance fees	7,300	5,800	5,500
Child care expenses			
Other expenses			
ICT expenses			
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses		1,386	
Annual allowance for travel and accommodation expenses			
	21,800	21,686	20,000
<b>Elected member [Cr Krakouer]</b>			
Deputy President's allowance	3,500	3,500	3,500
Meeting attendance fees	3,500	2,800	2,750
Child care expenses			
Other expenses			
ICT expenses			
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses		2,322	
Annual allowance for travel and accommodation expenses			
	7,500	9,122	6,750
<b>Elected member [Cr Hay]</b>			
Meeting attendance fees	3,500	2,250	2,750
Child care expenses			
Other expenses			
ICT expenses			
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses		629	
Annual allowance for travel and accommodation expenses			
	4,000	3,379	3,250
<b>Elected member [Cr Pike]</b>			
Meeting attendance fees	3,500	2,750	2,750
Child care expenses			
Other expenses			
ICT expenses			
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses		0	
Annual allowance for travel and accommodation expenses			
	4,000	3,250	3,250
<b>Elected member [Cr Suckling]</b>			
Meeting attendance fees	3,500	2,950	2,750
Child care expenses			
Other expenses			
ICT expenses			
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses		511	
Annual allowance for travel and accommodation expenses			
	4,000	3,961	3,250

**11. ELECTED MEMBERS REMUNERATION (con't)**

	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
<b>Elected member [Cr Sudlow]</b>			
Meeting attendance fees	3,500	2,500	2,750
Child care expenses			
Other expenses			
ICT expenses			
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses		960	
Annual allowance for travel and accommodation expenses			
	4,000	3,960	3,250
<b>Elected member [Cr Stock-Standen]</b>			
Meeting attendance fees	3,500	2,000	2,750
Child care expenses			
Other expenses			
ICT expenses			
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses		198	
Annual allowance for travel and accommodation expenses			
	4,000	2,698	3,250
<b>Elected member [Cr Smith]</b>			
Meeting attendance fees	3,500	2,200	2,750
Child care expenses			
Other expenses			
ICT expenses			
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses			
Annual allowance for travel and accommodation expenses			
	4,000	2,700	3,250
<b>Elected member [Cr Stewart]</b>			
Meeting attendance fees	3,500	2,350	2,750
Child care expenses			
Other expenses			
ICT expenses			
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses			
Annual allowance for travel and accommodation expenses			
	4,000	2,850	3,250
	57,300	53,606	49,500
President's allowance	14,000	14,000	14,000
Deputy President's allowance	3,500	3,500	3,500
Meeting attendance fees	35,300	25,600	27,500
Child care expenses	0	0	0
Other expenses	0	0	0
ICT expenses	0	0	0
Annual allowance for ICT expenses	4,500	4,500	4,500
Travel and accommodation expenses	0	6,006	0
Annual allowance for travel and accommodation expenses	0	0	0
	57,300	53,606	49,500

## 12. OTHER INFORMATION

### The net result includes as revenues

#### (a) Interest earnings

Investments

- Reserve funds

- Other funds

Other interest revenue (refer note 1b)

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

#### (b) Other revenue

Reimbursements and recoveries

### The net result includes as expenses

#### (c) Auditors remuneration

Audit services

Other services

#### (d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
	5,100	5,070	20,200
	9,900	8,173	9,800
	36,500	32,433	52,500
	51,500	45,676	82,500
	0	503,739	0
	0	503,739	0
	40,800	40,000	40,000
	4,400	3,390	5,900
	45,200	43,390	45,900
	61,171	75,789	68,476
	61,171	75,789	68,476

### 13. TRUST FUNDS

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

Detail	Balance 30 June 2021	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2022
	\$	\$	\$	\$
Building Levies (BCITF & BRB)	7,920	20,000	(27,920)	0
Community Bus Bond	5,600	2,000	(2,000)	5,600
Unclaimed Monies - Rates	5,179		(5,179)	0
RSL Hall Key Bond	430	400	(830)	0
Special Series Plates	1,540	2,000	(3,540)	0
Northampton Child Care Association	12,797			12,797
Horrocks Memorial Wall	204		(204)	0
One Life	940		(940)	0
Rubbish Tip Key Bond	1,400			1,400
Horrocks - Skatepark	1,050		(1,050)	0
RSL - Kalbarri Memorial	16,130		(12,930)	3,200
DOT - Department of Transport	0	135,000	(135,000)	0
Cyclone Seroja Donations	23,219		(23,219)	0
	76,409	159,400	(212,812)	22,997

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

##### GOODS AND SERVICES TAX (GST)

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

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

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

##### CRITICAL ACCOUNTING ESTIMATES

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

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

##### ROUNDING OFF FIGURES

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

##### COMPARATIVE FIGURES

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

##### BUDGET COMPARATIVE FIGURES

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