



SHIRE OF CARNAMAH
2019 / 2020
BUDGET



SHIRE OF CARNAMAH
BUDGET
FOR THE YEAR ENDED 30 JUNE 2020

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SHIRE'S VISION"

The Shire of Carnamah will be a sustainable, progressive, desirable and caring community

**STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2020**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	1,951,123	1,887,584	1,887,396
Operating grants, subsidies and contributions	8	1,010,030	1,830,292	890,821
Fees and charges	7	614,332	631,771	596,895
Interest earnings	9(a)	82,219	57,965	38,011
Other revenue	9(a)	25,045	89,343	10,560
		<u>3,682,749</u>	<u>4,496,955</u>	<u>3,423,683</u>
Expenses				
Employee costs		(1,190,852)	(1,454,306)	(1,410,251)
Materials and contracts		(1,879,568)	(2,682,542)	(4,123,666)
Utility charges		(345,295)	(313,865)	(328,590)
Depreciation on non-current assets	4	(3,959,534)	(1,511,707)	(1,536,855)
Interest expenses	9(a)	(9,835)	(11,332)	(11,332)
Insurance expenses		(136,063)	(122,997)	(117,752)
Other expenditure		(75,990)	(51,477)	(50,774)
		<u>(7,597,137)</u>	<u>(6,148,226)</u>	<u>(7,579,220)</u>
Subtotal		(3,914,388)	(1,651,271)	(4,155,537)
Non-operating grants, subsidies and contributions	8	2,556,032	3,646,047	4,418,519
Profit on asset disposals	4(a)	36,348	21,069	70,534
Loss on asset disposals	4(a)	(25,876)	0	(11,238)
		<u>2,566,504</u>	<u>3,667,116</u>	<u>4,477,815</u>
Net result		(1,347,884)	2,015,845	322,278
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(1,347,884)	2,015,845	322,278

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

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

BASIS OF PREPARATION

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Carnamah 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 16 in the budget.

2018/19 ACTUAL BALANCES

Balances shown in this budget as 2018/19 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

CHANGE IN ACCOUNTING POLICIES

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

AASB 15 - Revenue from Contracts with Customers;

AASB 16 - Leases; and

AASB 1058 - Income of Not-for-Profit Entities.

Explanation of the changes arising from these standards is provided at Note 11.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

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 cannot 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.

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

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, and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes.

Donations and subsidies made to community groups.

**STATEMENT OF COMPREHENSIVE INCOME BY REPORTING PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2020**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
Revenue		\$	\$	\$
Governance		16,718	145,356	23,780
General purpose funding		2,801,121	3,274,445	2,574,479
Law, order, public safety		81,722	197,098	119,957
Health		1,050	723	1,376
Education and welfare		27,560	26,957	28,000
Housing		281,850	274,954	272,914
Community amenities		138,872	135,440	132,347
Recreation and culture		48,223	59,482	44,339
Transport		109,509	134,793	71,143
Economic services		131,123	132,905	97,048
Other property and services		45,000	114,802	58,300
		3,682,748	4,496,955	3,423,683
Expenses excluding finance costs				
Governance		(273,061)	(207,417)	(232,531)
General purpose funding		(131,062)	(113,440)	(115,100)
Law, order, public safety		(318,857)	(300,110)	(271,871)
Health		(68,258)	(40,162)	(55,999)
Education and welfare		(85,781)	(48,936)	(72,929)
Housing		(401,940)	(357,576)	(347,116)
Community amenities		(340,523)	(240,380)	(672,688)
Recreation and culture		(1,010,273)	(948,857)	(1,001,811)
Transport		(4,678,824)	(3,760,973)	(4,551,618)
Economic services		(268,722)	(198,949)	(226,311)
Other property and services		(10,000)	79,905	(19,914)
		(7,587,301)	(6,136,895)	(7,567,888)
Finance costs	6(a)			
Housing		(9,355)	(10,635)	(10,635)
Recreation and culture		(480)	(697)	(697)
		(9,835)	(11,332)	(11,332)
Subtotal		(3,914,388)	(1,651,272)	(4,155,537)
Non-operating grants, subsidies and contributions	9	2,556,032	3,646,047	4,418,519
Profit on disposal of assets	4(b)	36,348	21,069	70,534
(Loss) on disposal of assets	4(b)	(25,876)	0	(11,238)
		2,566,504	3,667,116	4,477,815
Net result		(1,347,884)	2,015,844	322,278
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(1,347,884)	2,015,844	322,278

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

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for provision of services	Rates, general purpose government grants, interest revenue and general overdraft expenses.
LAW, ORDER, PUBLIC SAFETY	To provide services to ensure a safer community	Supervision of various by-laws, fire prevention, emergency services and animal control.
HEALTH	To provide an operational framework for good community health	Food control, immunisation services, mosquito control and operation of medical centre.
EDUCATION AND WELFARE	To meet the needs of the community in these areas.	Assists in the provision of the Youth, Seniors and Pensioner requirements
HOUSING	Help ensure adequate housing.	Provision and maintenance of staff and joint venture housing.
COMMUNITY AMENITIES	Provide services required by the community.	Rubbish collection services, operation of tips, noise control, support for waste recycling, litter control, administration of the town planning scheme, maintenance of cemetery, public conveniences and town drainage maintenance.
RECREATION AND CULTURE	To establish and manage efficiently, infrastructure and resources which will help the social well being of the community.	Maintenance of halls, swimming pools, recreation centres and various reserves, operation of libraries, maintenance of cultural heritage assets and TV/Radio retransmission services.
TRANSPORT	To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads, footpaths, drainage works, parking facilities, cleaning and lighting of streets, depot maintenance and airstrip maintenance. Vehicle licensing including vehicle registration and vehicle examination.
ECONOMIC SERVICES	To help promote the Shire and improve its economic well being.	The regulation and provision of tourism, area promotion and building control.
OTHER PROPERTY AND SERVICES	To monitor and control council's overheads operating accounts.	Private works operations, plant repairs and operation costs. Administration costs including salaries and wages which are in turn allocated to other programs as determined.

**RATES SETTING STATEMENT BY REPORTING PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2020**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2 (b)(i)	1,274,095	1,495,510	1,495,510
		1,274,095	1,495,510	1,495,510
Revenue from operating activities (excluding rates)				
Governance		16,718	149,789	27,861
General purpose funding		849,998	1,386,861	687,083
Law, order, public safety		81,722	197,098	159,957
Health		1,050	723	1,376
Education and welfare		27,560	26,957	28,000
Housing		281,850	274,954	272,914
Community amenities		138,872	135,440	132,347
Recreation and culture		53,759	60,918	48,878
Transport		140,321	149,993	93,057
Economic services		131,123	132,905	97,048
Other property and services		45,000	114,802	58,300
		1,767,973	2,630,440	1,606,821
Expenditure from operating activities				
Governance		(275,512)	(207,417)	(232,531)
General purpose funding		(131,062)	(113,440)	(115,100)
Law, order, public safety		(318,857)	(300,110)	(271,871)
Health		(68,258)	(40,162)	(55,999)
Education and welfare		(85,781)	(48,936)	(72,929)
Housing		(411,295)	(368,211)	(357,751)
Community amenities		(340,523)	(240,380)	(672,688)
Recreation and culture		(1,010,753)	(949,552)	(1,002,508)
Transport		(4,702,249)	(3,760,973)	(4,562,856)
Economic services		(268,722)	(198,949)	(226,311)
Other property and services		(10,000)	79,905	(19,914)
		(7,623,012)	(6,148,225)	(7,590,458)
Non-cash amounts excluded from operating activities	2 (b)(ii)	4,042,863	1,490,638	1,477,559
Amount attributable to operating activities		(538,081)	(531,637)	(3,010,568)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9	2,556,032	3,646,047	4,418,519
Purchase property, plant and equipment	4(a)	(1,768,980)	(733,176)	(1,008,498)
Purchase and construction of infrastructure	4(a)	(2,589,420)	(2,198,707)	(2,790,685)
Proceeds from disposal of assets	4(b)	195,500	47,337	153,545
Amount attributable to investing activities		(1,606,868)	761,501	772,880
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(41,859)	(39,963)	(39,963)
Proceeds from self supporting loans		15,166	14,785	14,785
Transfers to cash backed reserves (restricted assets)	7(a)	(343,899)	(968,175)	(515,781)
Transfers from cash backed reserves (restricted assets)	7(a)	632,339	150,000	891,250
Amount attributable to financing activities		261,747	(843,353)	350,291
Budgeted deficiency before general rates		(1,883,203)	(613,489)	(1,887,397)
Estimated amount to be raised from general rates	1	1,951,123	1,887,584	1,887,396
Net current assets at end of financial year - surplus/(deficit)	2 (b)(i)	67,920	1,274,095	(1)

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

**STATEMENT OF CASH FLOWS BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2020**

	NOTE	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,951,123	1,852,753	1,902,396
Operating grants, subsidies and contributions		1,010,030	2,913,754	1,934,321
Fees and charges		614,332	631,771	596,895
Interest earnings		82,219	57,965	38,011
Goods and services tax		0	(4,541)	6,026
Other revenue		25,045	89,343	10,560
		<u>3,682,750</u>	<u>5,541,045</u>	<u>4,488,209</u>
Payments				
Employee costs		(1,190,852)	(1,643,199)	(1,453,951)
Materials and contracts		(1,879,568)	(3,107,834)	(4,858,040)
Utility charges		(345,295)	(313,865)	(328,590)
Interest expenses		(9,835)	(11,732)	(11,731)
Insurance expenses		(136,063)	(122,997)	(117,752)
Other expenditure		(75,990)	(51,477)	(50,774)
		<u>(3,637,603)</u>	<u>(5,251,104)</u>	<u>(6,820,838)</u>
Net cash provided by (used in) operating activities	3	<u>45,147</u>	<u>289,941</u>	<u>(2,332,629)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(1,768,980)	(733,176)	(1,008,498)
Payments for construction of infrastructure	4(a)	(2,589,420)	(2,198,707)	(2,790,685)
Non-operating grants, subsidies and contributions used for the development of assets	9	2,556,032	3,646,047	4,418,519
Proceeds from sale of plant & equipment	4(a)	195,500	47,337	153,544
Net cash provided by (used in) investing activities		<u>(1,606,868)</u>	<u>761,501</u>	<u>772,880</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(41,859)	(39,963)	(39,963)
Proceeds from self supporting loans		0	14,785	14,785
Net cash provided by (used in) financing activities		<u>(41,859)</u>	<u>(25,178)</u>	<u>(25,178)</u>
Net increase (decrease) in cash held		<u>(1,603,581)</u>	<u>1,026,264</u>	<u>(1,584,927)</u>
Cash at beginning of year		5,308,730	4,282,466	4,282,466
Cash and cash equivalents at the end of the year	3	<u>3,705,149</u>	<u>5,308,730</u>	<u>2,697,539</u>

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

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2019/20 Budgeted rate revenue	2019/20 Budgeted interim rates	2019/20 Budgeted back rates	2019/20 Budgeted total revenue	2018/19 Actual total revenue	2018/19 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV - Carnamah & Eneabba	0.15485	241	2,193,545	339,675	0	0	339,675	328,412	328,412
GRV - Mining*	0.30970	5	131,558	40,744	0	0	40,744	39,404	39,404
GRV - Rural*	0.15485	1	2,600	403	0	0	403	389	389
Unimproved valuations									
UV - Rural & Mining	0.01858	154	79,736,896	1,481,751	0	0	1,481,751	1,430,855	1,430,856
Sub-Totals		401	82,064,599	1,862,573	0	0	1,862,573	1,799,061	1,799,061
Minimum									
	\$								
Minimum payment									
Gross rental valuations									
GRV - Carnamah & Eneabba	770	70	155,764	53,900	0	0	53,900	54,548	54,360
GRV - Mining*	770	4	400	3,080	0	0	3,080	3,020	3,020
GRV - Rural*	380	0	0	0	0	0	0	0	0
Unimproved valuations									
UV - Rural & Mining	770	41	369,959	31,570	0	0	31,570	30,955	30,955
Sub-Totals		115	526,123	88,550	0	0	88,550	88,523	88,335
		516	82,590,722	1,951,123	0	0	1,951,123	1,887,584	1,887,396
Discounts/concessions							0	0	0
Total amount raised from general rates							1,951,123	1,887,584	1,887,396

All land (other than except exempt land) in the Shire of Carnamah is rated according to its Gross Rental Value (GRV) in townsites, gazetted mining and rural properties or Unimproved Value (UV) in the remainder of the Shire of Carnamah

The general rates detailed above for the 2019/20 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment Instalment plan admin charge	Unpaid plan interest rate	rates interest rates
		\$	%	%
Option one				
Single full payment	7/10/2019	0	0.0%	11.0%
Option three				
First instalment	7/10/2019	0	5.5%	11.0%
Second instalment	9/12/2019	10	5.5%	11.0%
Third instalment	10/02/2020	10	5.5%	11.0%
Fourth instalment	13/04/2020	10	5.5%	11.0%
		2019/20 Budget revenue	2018/19 Actual revenue	2018/19 Budget revenue
		\$	\$	\$
Instalment plan admin charge revenue		2,200	2,171	3,000
Instalment plan interest earned		5,550	5,540	6,500
Unpaid rates and service charge interest earned		9,800	10,773	7,840
		17,550	18,484	17,340

(c) Objectives and Reasons for Differential Rating

implementation of differential rating.

Differential general rate

Description	Characteristics	Objects	Reasons
GRV – Rural	Rural property used predominantly for non-rural purposes	To ensure all rate payers contribute an equitable share to maintaining the Shire's assets and services.	To ensure that non-rural business do not gain a financial advantage by operating outside of the town sites.
GRV – Mining	Rural property used for minning purpose with associated infrastructure	To ensure those involved in mining activities make a fair contribution towards maintaining the Shire's assets and services.	To reasonably proportion the balance of who will bear the burden of the rate revenue required with their capacity to pay.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2020

(e) Service Charges

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

(f) Rates discounts

The Shire did not offer any discount for the year ended 30th June2020

(f) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June2020

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

2 (a). NET CURRENT ASSETS

		2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
	Note	\$	\$	\$	\$
Composition of estimated net current assets					
Current assets					
Cash - unrestricted	3	257,687	1,572,827	1,572,827	155,280
Cash - restricted reserves	3	3,447,462	3,735,902	3,735,902	2,542,259
Receivables		181,175	181,176	181,176	158,096
		3,886,324	5,489,905	5,489,905	2,855,635
Less: current liabilities					
Trade and other payables		(386,106)	(386,106)	(386,106)	(85,457)
Long term borrowings		0	(41,859)	(41,859)	(39,963)
Provisions		(156,346)	(156,346)	(156,346)	(360,000)
		(542,452)	(584,311)	(584,311)	(485,420)
Net current assets		3,343,872	4,905,594	4,905,594	2,370,215

2 (b). NET CURRENT ASSETS

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

Operating activities excluded from budgeted deficiency

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

		2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
	Note	\$	\$	\$	\$
(i) Current assets and liabilities excluded from budgeted deficiency					
Net current assets	2	3,343,872	4,905,594	4,905,594	2,370,215
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	(3,447,462)	(3,735,902)	(3,735,902)	(2,542,259)
Less: Current assets not expected to be received at end of year					
- current portion of self supporting loans receivable		15,166	0		
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings		0	41,859	41,859	39,963
- Employee benefit provisions		156,346	62,545	62,545	
Add: Movement in provisions between current and non-current provisions					132,081
Adjusted net current assets - surplus/(deficit)		67,922	1,274,095	1,274,096	0

(ii) 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					
Less: Profit on asset disposals	4(a)	(36,348)	(21,069)	(21,069)	(70,534)
Less: Movement in liabilities associated with restricted cash		93,801			
Add: Loss on disposal of assets	4(a)	25,876	0	0	11,238
Add: Depreciation on assets	5	3,959,534	1,511,707	1,511,707	1,536,855
Non cash amounts excluded from operating activities		4,042,863	1,490,638	1,490,638	1,477,559

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

2 (c). NET CURRENT ASSETS

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 Shires 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 intention 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 Carnamah become 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 Carnamah contributes to a number of superannuation funds on behalf of employees.

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

TRADE AND OTHER RECEIVABLES

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

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

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

CONTRACT LIABILITIES

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

LAND HELD FOR RESALE

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

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

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

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

3. RECONCILIATION OF CASH

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

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Cash - unrestricted	257,687	1,572,827	155,280
Cash - restricted	3,447,463	3,735,903	2,542,259
	<u>3,705,150</u>	<u>5,308,730</u>	<u>2,697,539</u>

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

Long Service Leave Reserve	186,200	183,448	197,520.00
Computer Reserve	108,354	116,605	96,016
Staff Leave Reserve	34,550	27,143	27,056
Fair Value Asset Reserve	238,864	259,965	258,651
Aged Persons Joint Venture Reserve	27,058	26,658	26,523
SPQ Joint Venture Reserve	26,526	26,134	26,002
Council Housing Reserve	255,452	103,894	48,874
Townscape Reserve	115,362	113,657	13,588
Coastal Initiatives Reserve	317,257	312,568	10,988
Refuse Site Reserve	216,461	213,262	157,184
Carnamah Pool Reserve	29,114	33,610	26,440
Eneabba Pool Reserve	26,061	40,454	18,402
Replacement Playing Surface Tennis Court Reserve	105,906	94,489	79,137
Resurfacing of Carnamah Bowling Greens Reserve	128,438	101,909	101,521
Roadworks Reserve	537,576	529,632	128,472
Land Subdivision Reserve	37,188	36,638	36,453
Factory Housing Reserve	151,280	149,044	63,797
Special Projects Reserve	195,424	100,910	100,400
Plant Reserve	704,629	1,263,023	1,122,375.00
Resurfacing Netball Courts Reserve	5,763	2,860	2,860
	<u>3,447,463</u>	<u>3,735,903</u>	<u>2,542,259</u>

**Reconciliation of net cash provided by
operating activities to net result**

Net result	(1,347,885)	2,015,846	322,278
Depreciation	3,959,534	1,511,707	1,536,855
(Profit)/loss on sale of asset	(10,472)	(21,069)	(59,296)
(Increase)/decrease in receivables	1	1,044,090	1,064,526
Increase/(decrease) in payables	0	(545,126)	(764,773)
Increase/(decrease) in employee provisions	0	(69,461)	(13,700)
Grants/contributions for the development of assets	(2,556,032)	(3,646,047)	(4,418,519)
Net cash from operating activities	<u>45,146</u>	<u>289,940</u>	<u>(2,332,629)</u>

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Reporting program

	Governance	Housing	Community amenities	Recreation and culture	Transport	2019/20 Budget total	2018/19 Actual total	2018/19 Budget total
Asset class	\$	\$	\$	\$	\$	\$	\$	\$
<u><i>Property, Plant and Equipment</i></u>								
Buildings - non-specialised	45,000	60,000	110,000	31,000	30,000	276,000	354,322	385,280
Furniture and equipment	30,000	0	0	0	0	30,000	0	9,000
Plant and equipment	129,000	0	0	52,780	1,136,900	1,318,680	378,854	604,218
Equipment On Reserves	0	0	0	144,300	0	144,300	0	10,000
	204,000	60,000	110,000	228,080	1,166,900	1,768,980	733,176	1,008,498
<u><i>Infrastructure</i></u>								
Infrastructure - Roads	0	0	0	0	2,589,420	2,589,420	2,198,707	2,733,685
Infrastructure - Parks & Ovals	0	0	0	0	0	0	0	57,000
	0	0	0	0	2,589,420	2,589,420	2,198,707	2,790,685
Total acquisitions	204,000	60,000	110,000	228,080	3,756,320	4,358,400	2,931,883	3,799,184

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

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

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss	2018/19 Actual Net Book Value	2018/19 Actual Sale Proceeds	2018/19 Actual Profit	2018/19 Actual Loss	2018/19 Budget Net Book Value	2018/19 Budget Sale Proceeds	2018/19 Budget Profit	2018/19 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance	71,451	69,000	0	(2,451)	20,112	24,545	4,433	0	20,464	24,545	4,081	0
Law, order, public safety	0	0	0	0		0	0	0		40,000	40,000	0
Recreation and culture	1,464	7,000	5,536	0	6,156	7,592	1,436	0	461	4,999	4,539	0
Transport	112,113	119,500	30,812	(23,425)	0	15,200	15,200	0	73,325	84,000	21,914	(11,238)
	185,028	195,500	36,348	(25,876)	26,268	47,337	21,069	0	94,250	153,544	70,534	(11,238)
By Class												
<u>Property, Plant and Equipment</u>												
Buildings - specialised	0	0	0	0	6,156	6,818	662	0	0	0	0	0
Plant and equipment	185,028	195,500	36,348	(25,876)	0	40,519	20,407	0	94,249	153,544	70,534	(11,238)
	185,028	195,500	36,348	(25,876)	6,156	47,337	21,069	0	94,249	153,544	70,534	(11,238)

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

- Plant replacement programme

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

5. ASSET DEPRECIATION

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
By Program			
Governance	25,000	17,942	25,500
Law, order, public safety	55,094	55,095	63,250
Health	90	90	85
Education and welfare	3,900	3,780	4,100
Housing	101,000	92,195	90,500
Community amenities	7,299	7,281	8,350
Recreation and culture	118,456	117,412	134,670
Transport	3,463,206	962,996	965,000
Economic services	16,384	15,930	15,400
Other property and services	169,105	238,986	230,000
	3,959,534	1,511,707	1,536,855
By Class			
Buildings - specialised	233,166	216,211	220,000
Furniture and equipment	9,500	12,896	27,000
Plant and equipment	282,000	281,064	277,800
Equipment On Reserves	15,000	14,969	15,000
Infrastructure - Roads	3,362,568	930,200	932,255
Infrastructure - Footpaths	9,800	9,800	9,800
Infrastructure - Parks & Ovals	47,500	46,567	55,000
	3,959,534	1,511,707	1,536,855

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
- formation	not depreciated
- pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
- formation	not depreciated
- pavement	50 years
- gravel sheet	12 years
Formed roads	
- formation	not depreciated
- pavement	50 years
Footpaths – slab	20 years
Sewerage piping	100 years
drainage systems	75 years

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

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

RECOGNITION OF ASSETS

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

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Budget Principal 1 July 2019	2019/20 Budget New loans	2019/20 Budget Principal repayments	2019/20 Budget Interest repayments	Budget Principal outstanding 30 June 2020	Actual Principal 1 July 2018	2018/19 Actual New loans	2018/19 Actual Principal repayments	2018/19 Actual Interest repayments	Actual Principal outstanding 30 June 2019	Budget Principal 1 July 2018	2018/19 Budget New loans	2018/19 Budget Principal repayments	2018/19 Budget Interest repayments	Budget Principal outstanding 30 June 2019
	\$	\$	\$	\$	\$		\$	\$	\$	\$		\$	\$	\$	\$
Housing															
Residential Dwellings (129)	169,338	0	26,894	9,355	142,444	194,709	0	25,371	10,635	169,338	194,709	0	25,371	10,635	169,338
	169,338	0	26,894	9,355	142,444	194,709	0	25,371	10,635	169,338	194,709	0	25,371	10,635	169,338
Self Supporting Loans															
Recreation and culture															
Carnamah Bowling Club (134)	15,663	0	10,376	330	5,286	25,782	0	10,120	479	15,663	25,782	0	10,120	479	15,663
Carnamah Bowling Club (135)	6,929	0	4,589	151	2,339	11,401	0	4,472	218	6,929	11,401	0	4,472	218	6,929
	22,591	0	14,965	480	7,626	37,183	0	14,592	697	22,591	37,183	0	14,592	697	22,591
	191,929	0	41,859	9,835	150,070	231,892	0	39,963	11,332	191,929	231,892	0	39,963	11,332	191,929

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

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

6. INFORMATION ON BORROWINGS (CONTINUED)

(b) New borrowings - 2019/20

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

(c) Unspent borrowings

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

(d) Credit Facilities

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	100,000	100,000	100,000
Bank overdraft at balance date	0	0	0
Credit card limit	9,000	9,000	9,000
Credit card balance at balance date	0	(23)	0
Total amount of credit unused	109,000	108,977	109,000
Loan facilities			
Loan facilities in use at balance date	150,070	191,929	191,929

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2019	2019/20 Budgeted Increase/ (Decrease)	Amount as at 30th June 2020
			\$	\$	\$
Westpac Banking Corp	Potential short term liquidity issues at the beginning of the financial year	Unknown	0	0	0
			0	0	0

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance	2018/19 Actual Opening Balance	2018/19 Actual Transfer to	2018/19 Actual Transfer (from)	2018/19 Actual Closing Balance	2018/19 Budget Opening Balance	2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Service Leave Reserve	183,448	2,752	0	186,200	181,794	1,654	0	183,448	181,793	15,727	0	197,520
Computer Reserve	116,605	1,749	(10,000)	108,354	115,554	1,052	0	116,605	115,553	462	(20,000)	96,016
Staff Leave Reserve	27,143	7,407	0	34,550	16,988	10,155	0	27,143	16,988	10,068		27,056
Fair Value Asset Reserve	259,965	3,899	(25,000)	238,864	257,621	2,344	0	259,965	257,621	1,030	0	258,651
Aged Persons Joint Venture Reserve	26,658	400	0	27,058	26,418	240	0	26,658	26,417	106	0	26,523
SPQ Joint Venture Reserve	26,134	392	0	26,526	25,898	236	0	26,134	25,899	104	0	26,002
Council Housing Reserve	103,894	151,558	0	255,452	3,859	100,035	0	103,894	3,859	45,015	0	48,874
Townscape Reserve	113,657	1,705	0	115,362	13,534	100,123	0	113,657	13,534	54	0	13,588
Coastal Initiatives Reserve	312,568	4,689	0	317,257	309,749	2,819	0	312,568	309,749	1,239	(300,000)	10,988
Refuse Site Reserve	213,262	3,199	0	216,461	211,339	1,923	0	213,262	211,338	845	(55,000)	157,184
Carnamah Pool Reserve	33,610	504	(5,000)	29,114	33,307	303	0	33,610	33,306	3,133	(10,000)	26,440
Eneabba Pool Reserve	40,454	607	(15,000)	26,061	10,360	30,094	0	40,454	10,360	23,041	(15,000)	18,402
Replacement Playing Surface Tennis Court Reserve	94,489	11,417	0	105,906	68,862	25,627	0	94,489	68,862	10,275	0	79,137
Resurfacing of Carnamah Bowling Greens Reserve	101,909	26,529	0	128,438	76,215	25,694	0	101,909	76,216	25,305	0	101,521
Roadworks Reserve	529,632	7,944	0	537,576	227,561	302,071	0	529,632	227,562	910	(100,000)	128,472
Land Subdivision Reserve	36,638	550	0	37,188	36,308	330	0	36,638	36,308	145	0	36,453
Factory Housing Reserve	149,044	2,236	0	151,280	48,602	100,442	0	149,044	48,602	15,194	0	63,797
Special Projects Reserve	100,910	94,514	0	195,424	100,000	910	0	100,910	100,000	400	0	100,400
Plant Reserve	1,263,023	18,945	(577,339)	704,629	1,153,760	259,263	(150,000)	1,263,023	1,153,760	359,865	(391,250)	1,122,375
Resurfacing Netball Courts Reserve	2,860	2,903	0	5,763	0	2,860	0	2,860	0	2,860	0	2,860
	3,735,903	343,899	(632,339)	3,447,463	2,917,728	968,175	(150,000)	3,735,903	2,917,728	515,781	(891,250)	2,542,259

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

7. CASH BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Long Service Leave Reserve	Ongoing	To fund long service leave requirements.
Computer Reserve	Ongoing	To be used for replacement of hardware and/or software.
Staff Leave Reserve	Ongoing	To be used to fund future sick and annual leave requirements
Fair Value Asset Reserve	Ongoing	To be used to fund future fair valuation of assets
Aged Persons Joint Venture Reserve	Ongoing	To be used for long term maintenance on the Caron St aged persons units.
SPQ Joint Venture Reserve	Ongoing	To be used for long term maintenance at the King St single persons units.
Council Housing Reserve	Ongoing	To be used for new dwellings and major renovations to existing dwellings.
Townscape Reserve	Ongoing	To be used for townscape improvements as per townscape plan.
Coastal Initiatives Reserve	Ongoing	To be used at Council's discretion, and without limiting the generality of its use is for such things as planning, research and practical works which have specific or general benefit to coastal activities and the use of the coastal land and its adjacent seas.
Refuse Site Reserve	Ongoing	To be used to fund future expansions of both the Carnamah and Eneabba refuse sites
Carnamah Pool Reserve	Ongoing	To be used to fund future major maintenance for the Carnamah Swimming Pool.
Eneabba Pool Reserve	Ongoing	To fund future major maintenance for the Eneabba Swimming Pool.
Replacement Playing Surface Tennis Court Reserve	Ongoing	To be used fund future replacement of the synthetic playing surface on the Carnamah Tennis Courts
Resurfacing of Carnamah Bowling Greens Reserve	Ongoing	To be used to fund future replacement of the synthetic playing surface on the Carnamah Bowling greens
Roadworks Reserve	Ongoing	To be used to fund future major repairs, renewals or upgrades of roads in the Shire of Carnamah.
Land Subdivision Reserve	Ongoing	To be used for future subdivision of residential, commercial or industrial land.
Factory Housing Reserve	Ongoing	To be used for long term maintenance of factory unit houses in Lucas Drive.
Special Projects Reserve	Ongoing	To be used to fund future projects and assist with attracting grant funding for suitable projects
Plant Reserve	Ongoing	To be used to fund purchase of road plant, machinery and equipment.
Resurfacing Netball Courts Reserve	Ongoing	To be used to fund future replacement of the Netballcourt playing surface.

(c) Cash Backed Reserves - Change in Use

The Shire is not making any changes to the purposes of any reserve account.

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

8. FEES & CHARGES REVENUE

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Governance	10,000	10,647	7,700
General purpose funding	3,300	3,742	4,300
Law, order, public safety	6,882	16,976	33,000
Health	1,050	723	1,376
Education and welfare	27,500	26,428	28,000
Housing	281,850	273,595	272,913
Community amenities	131,872	134,925	126,847
Recreation and culture	20,800	22,923	22,471
Transport	0	91	0
Economic services	131,078	131,467	96,988
Other property and services	0	10,253	3,300
	614,332	631,771	596,895

9. GRANT REVENUE

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

By Program:

Operating grants, subsidies and contributions

Governance	6,718	56,435	16,080
General purpose funding	765,310	1,325,689	645,112
Law, order, public safety	74,490	179,752	86,617
Education and welfare	60	528	0
Housing	0	1,359	0
Community amenities	5,000	425	5,500
Recreation and culture	26,943	36,394	21,869
Transport	98,509	123,757	60,643
Economic services	0	1,403	0
Other property and services	33,000	104,551	55,000
	1,010,030	1,830,292	890,821

Non-operating grants, subsidies and contributions

Law, order, public safety	70,000	0	40,000
Recreation and culture	73,300	10,091	0
Transport	2,412,732	3,635,956	4,418,519
	2,556,032	3,646,047	4,458,519

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

10. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Investments			
- Reserve funds	56,039	25,315	11,671
- Other funds	10,000	15,802	12,000
Self supporting loans	480	164	697
Late payment of fees and charges ESL	350	370	340
Other interest revenue (refer note 1b)	15,350	16,313	14,340
	<u>82,219</u>	<u>57,965</u>	<u>39,048</u>

on money at 5%

(b) Other revenue

Reimbursements and recoveries	0	(1)	0
Other	25,045	89,344	10,560
	<u>25,045</u>	<u>89,343</u>	<u>10,560</u>

The net result includes as expenses

(c) Auditors remuneration

Audit services	21,000	6,965	15,000
	<u>21,000</u>	<u>6,965</u>	<u>15,000</u>

(d) Interest expenses (finance costs)

Borrowings (refer Note 6(a))	9,835	11,332	11,332
Interest expense on lease liabilities	0	0	0
	<u>9,835</u>	<u>11,332</u>	<u>11,332</u>

(e) Elected members remuneration

Meeting fees	20,296	16,166	19,824
Mayor/President's allowance	8,000	3,650	3,650
Travelling expenses	2,800	2,428	2,800
Telecommunications allowance	3,500	3,150	3,500
	<u>34,596</u>	<u>25,394</u>	<u>29,774</u>

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

11. MAJOR LAND TRANSACTIONS AND OR TRADING UNDERTAKINGS

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

12. INTERESTS IN JOINT ARRANGEMENTS

(a) Joint Venture Housing - Single Person's Units

In 1995/96, Council in conjunction with Homeswest, constructed 5 one bedroom units, known as Carnamah Units, on Lot 47 King Street Carnamah. The terms of the joint venture provided for Council to contribute an equity to \$60,000, and this amount is included in Land & Buildings as follows:

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Non-current assets			
Land & Buildings	85,276	85,276	85,276
Less: accumulated depreciation	(39,768)	(37,657)	(37,657)
	45,508	47,619	47,619

(b) Joint Venture Housing - Well Aged Person's Units

The Shire in conjunction with the Department of Housing and Works constructed 4 well aged units in 2003/04, known as Yarra Yarra Village, Caron Street, Carnamah. Councils equity in this development is included in Land & Buildings as follows:

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Non-current assets			
Land & Buildings	155,235	155,235	155,235
Less: accumulated depreciation	(64,386)	(60,580)	(60,580)
	90,849	94,655	94,655

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

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

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

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

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

13. TRUST FUNDS

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

Detail	Balance 1 July 2019	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2020
	\$	\$	\$	\$
BCITF	0	564	(564)	0
BRB Levy	0	633	(633)	0
Country Comfort	20			20
Key Bonds	840	800	(840)	800
Liquor Licensing Bonds	200	0	0	200
Councillor Nomination Deposits	0	120	(120)	0
Carnamah Roadwise	211	0	0	211
Sundry Trust	5,764	0	0	5,764
Unclaimed Monies	131	0	0	131
Facility Hire Bonds	0	500	(500)	0
Standpipe Swipe Card Bonds	550	100	(100)	550
	7,717	2,717	(2,757)	7,677

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

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

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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

**SUPPLEMENTARY INFORMATION FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

2019 / 20 CAPITAL EXPENDITURE ON LAND & BUILDINGS

Funding Source	Projects	Total
Muni	Shelter & Seating Henry Parkin Park (Carry Over)	6,000
Muni	Refuse Site Fencing Carnamah (Carry Over)	45,000
Muni	Refuse Site Fencing Eneabba (Carry Over)	20,000
Muni	Liquid Waste Fencing (Carry Over)	30,000
Muni	Various Staff Houses	30,000
Muni	Various Other Housing	30,000
Muni	Council Chambers - Concertina Door	15,000
Muni	Council Building - Paint Office	15,000
Muni	Carnamah Pool	10,000
Muni	Eneabba Pool - New Plant Shed	15,000
Muni	Shire Depot - Re-roof Shed	20,000
Muni	Shire Depot - sign shed racking	10,000
Muni	Winchester Cemetery Niche Wall	15,000
Muni	New Security Key System	15,000
Total Budgeted Expenditure		276,000

2019 / 20 CAPITAL EXPENDITURE ON PLANT & EQUIPMENT

Funding Source	Description	Total
Muni / Reserve	Volvo Grader (Additional)	400,000
Muni / Reserve	Komatsu Loader	370,000
Muni / Reserve	John Deere Ride on Mower	7,780
Muni	Isuzu Truck	123,600
Muni	Freightline Semi Trailer	120,000
Muni	Toyota Kluger	45,000
Muni	Toyota Prado	59,000
Muni	Ford Ranger	40,500
Muni	Nissan X-Trail	45,000
Muni	Isuzu DMax 4 x 4 Ute	37,800
Muni	John Deere 2200 Tractor	45,000
Muni	Generator - Office	25,000
Total Budgeted Expenditure		1,318,680

2019 / 20 CAPITAL EXPENDITURE ON FURNITURE & EQUIPMENT

Funding Source	Description	Total
Muni	Computer Server and Rack	30,000
Total Budgeted Expenditure		30,000

2019 / 20 CAPITAL EXPENDITURE ON EQUIPMENT ON RESERVES

Funding Source	Projects	Total
LW	Bowling Club Playground Equipment	28,000
LW	Yarra Park Playground Equipment	13,500
LW / Muni	Rec Centre / Tennis Playground Equipment	40,800
CBH / Muni	Eneabba Playground Shelters (Carry Over)	13,000
Muni	Replacement two water tanks (Oval reticulation) (Carry Over)	49,000
Total Budgeted Expenditure		144,300

2019 / 20 CAPITAL EXPENDITURE ON ROADS

Funding Source	Projects	Internal Plant Hire	Labour Overhead	Materials / Contracts	Salaries & Wages	Total
ASIF	Eneabba Coolimba Road - Widen seal 14.00 - 19.00 slk	486,000	419,761	627,604	477,379	2,010,744
RRG & Muni	Widen & seal to 8 metres Carnamah Eneabba Rd (Complee 2018/19 Project)	5,226	4,775	104,730	6,344	121,075
RRG & Muni	Widen & seal to 10 metres Wheat Rd	79,772	31,135	57,685	35,408	204,000
RTR	Gravel Re-sheet Brand Mudge North Rd	131,490	53,092	8,641	60,379	253,602
Total Budgeted Expenditure		702,488	508,762	798,659	579,510	2,589,420

2019 / 20 PLANT DISPOSALS

Year	Make	Model
2012	Komatsu Loader	WA250PZ_6
2009	Isuzu Tip Truck	NQR450
1993	Freightline Semi-trailer	
2016	Toyota Kluger AWD	GX
2018	Toyota Prado 4x4	GXL Diesel
2018	Ford Ranger	XL D/Cab
2018	Nissan X-Trail 4x4	Ti
2011	Isuzu 4x4 Ute	DMAX
1996	John Deere Tractor	2200
2014	John Deere Mower	X310 42" Deck