



SHIRE OF IRWIN
DONGARA-PORT DENISON
A BRILLIANT BLEND

BUDGET 2018/19



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SHIRE OF IRWIN
BUDGET
FOR THE YEAR ENDED 30 JUNE 2019

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OUR VISION

A safe place to live, an exciting place to visit and a progressive place to work.

OUR MISSION

Delivering excellence in service, driving growth and building strong relationships - we are open for business

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

BY NATURE OR TYPE

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
Revenue				
Rates	1	5,175,300	4,994,155	5,019,200
Operating grants, subsidies and contributions	9	572,900	901,875	397,500
Fees and charges	8	1,647,200	1,685,909	1,794,000
Interest earnings	10(a)	124,200	142,847	156,300
Other revenue	10(b)	150,400	233,692	273,500
		<u>7,670,000</u>	<u>7,958,478</u>	<u>7,640,500</u>
Expenses				
Employee costs		(3,207,600)	(3,381,359)	(3,512,200)
Materials and contracts		(3,079,100)	(2,711,572)	(2,602,450)
Utility charges		(400,800)	(487,679)	(397,600)
Depreciation on non-current assets	5	(4,254,900)	(4,152,634)	(4,526,000)
Interest expenses	10(d)	(201,500)	(181,082)	(181,200)
Insurance expenses		(178,400)	(171,328)	(196,300)
Other expenditure		(175,200)	(439,642)	(428,750)
		<u>(11,497,500)</u>	<u>(11,525,296)</u>	<u>(11,844,500)</u>
		<u>(3,827,500)</u>	<u>(3,566,818)</u>	<u>(4,204,000)</u>
Non-operating grants, subsidies and contributions	9	3,091,600	1,546,021	3,811,300
Profit on asset disposals	4(b)	82,000	56,094	51,000
Loss on asset disposals	4(b)	(64,700)	(67,062)	(80,400)
Net result		(718,600)	(2,031,765)	(422,100)
Other comprehensive income				
Changes on revaluation of non-current assets		0	445,038	0
Total other comprehensive income		0	445,038	0
Total comprehensive income		(718,600)	(1,586,727)	(422,100)

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

FOR THE YEAR ENDED 30 JUNE 2019

BASIS OF PREPARATION

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

Except for cash flow and rate setting information, the budget has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Irwin controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to the budget.

2017/18 ACTUAL BALANCES

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

PROFIT ON ASSET DISPOSAL

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

REVENUES (CONTINUED)

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

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

BY PROGRAM

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
Revenue	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		0	9,034	8,800
General purpose funding		5,571,000	5,657,197	5,430,700
Law, order, public safety		280,100	388,397	242,600
Health		26,700	8,804	4,100
Education and welfare		18,400	18,457	16,700
Housing		310,700	283,067	413,700
Community amenities		840,800	869,012	832,100
Recreation and culture		249,600	357,868	281,400
Transport		97,500	94,167	96,000
Economic services		244,900	259,469	271,900
Other property and services		30,300	13,006	42,500
		7,670,000	7,958,478	7,640,500
Expenses excluding finance costs	5,10(c),(e),(f)			
Governance		(409,300)	(436,708)	(435,900)
General purpose funding		(203,200)	(284,016)	(267,900)
Law, order, public safety		(730,100)	(747,075)	(614,800)
Health		(156,400)	(141,270)	(168,000)
Education and welfare		(123,600)	(80,125)	(75,400)
Housing		(551,400)	(550,834)	(582,500)
Community amenities		(1,332,200)	(1,248,246)	(1,200,100)
Recreation and culture		(3,074,800)	(3,169,769)	(3,281,000)
Transport		(4,138,700)	(4,038,269)	(4,375,400)
Economic services		(494,300)	(570,183)	(571,600)
Other property and services		(82,000)	(77,719)	(90,700)
		(11,296,000)	(11,344,214)	(11,663,300)
Finance costs	6, 10(d)			
Recreation and culture		(176,200)	(181,082)	(181,200)
Transport		(25,300)	0	0
		(201,500)	(181,082)	(181,200)
		(3,827,500)	(3,566,818)	(4,204,000)
Non-operating grants, subsidies and contributions	9	3,091,600	1,546,021	3,811,300
Profit on disposal of assets	4(b)	82,000	56,094	51,000
(Loss) on disposal of assets	4(b)	(64,700)	(67,062)	(80,400)
Net result		(718,600)	(2,031,765)	(422,100)
Other comprehensive income				
Changes on revaluation of non-current assets		0	445,038	0
Total other comprehensive income		0	445,038	0
Total comprehensive income		(718,600)	(1,586,727)	(422,100)

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

FOR THE YEAR ENDED 30 JUNE 2019

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer 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 controls, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE	To provide services to disadvantage persons, the elderly, children and youth.	Elderly person's activities and support, community services planning, disabled persons, youth services, aboriginal issues, playgroup and other welfare. Maintenance of the senior citizens centre, resource centre and playgroup buildings.
HOUSING	Provide Aged Persons accommodation in partnership with Housing Authority at a subsidised rental and in partnership with Department of Health provide Independent Living Units.	Provision and maintenance of housing for aged persons and aging in place.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collection services, operation of transfer station, litter control, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Maintenance of public halls, civic centres, beaches, recreation centre, museum and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.
TRANSPORT	To provide safe and effective road system to the community.	Construction and maintenance of roads, streets, footpaths, depot, parking facilities, aerodrome and traffic control. Cleaning of streets and maintenance of street trees, street lights etc. The care and maintenance of jetties and the provision of Department of Transport services.
ECONOMIC SERVICES	To help promote the local government and its economic wellbeing.	Provision of rural services, tourism, area promotion and building control.
OTHER PROPERTY AND SERVICES	To monitor and control operating accounts.	Private works operation, plant repair and costs.

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

BY NATURE OR TYPE

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,318,300	4,894,023	5,065,200
Operating grants, subsidies and contributions		572,900	1,358,742	413,600
Fees and charges		1,967,200	813,045	1,845,300
Interest earnings		124,200	142,847	156,300
Goods and services tax		515,000	480,908	600,000
Other revenue		150,400	255,908	273,500
		8,648,000	7,945,473	8,353,900
Payments				
Employee costs		(3,234,900)	(3,394,690)	(3,443,700)
Materials and contracts		(2,998,600)	(2,913,159)	(2,702,350)
Utility charges		(400,800)	(482,132)	(397,600)
Interest expenses		(191,400)	(181,209)	(180,400)
Insurance expenses		(178,400)	(171,328)	(196,300)
Goods and services tax		(500,000)	(405,243)	(500,000)
Other expenditure		(175,200)	(439,642)	(428,750)
		(7,679,300)	(7,987,403)	(7,849,100)
Net cash provided by (used in) operating activities	3	968,700	(41,930)	504,800
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(3,973,700)	(1,517,453)	(2,641,500)
Payments for construction of infrastructure	4(a)	(1,263,400)	(1,995,514)	(2,809,300)
Non-operating grants, subsidies and contributions used for the development of assets	9	3,091,600	1,817,947	3,811,300
Proceeds from sale of plant & equipment	4(b)	517,000	412,271	351,800
Net cash provided by (used in) investing activities		(1,628,500)	(1,282,749)	(1,287,700)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6	(200,900)	(130,436)	(130,500)
Proceeds from self supporting loans	6(a)	7,700	(36,222)	3,800
Proceeds from new borrowings	6(b)	913,700	40,000	40,000
Net cash provided by (used in) financing activities		720,500	(126,658)	(86,700)
Net increase (decrease) in cash held		60,700	(1,451,337)	(869,600)
Cash at beginning of year		2,910,600	4,361,890	4,361,900
Cash and cash equivalents at the end of the year	3	2,971,300	2,910,553	3,492,300

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

**RATES SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

BY NATURE OR TYPE

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	77,800	177,813	177,800
		77,800	177,813	177,800
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	9	572,900	901,875	397,500
Fees and charges	8	1,647,200	1,685,909	1,794,000
Interest earnings	10(a)	124,200	142,847	156,300
Other revenue	10(b)	150,400	233,692	273,500
Profit on asset disposals	4(b)	82,000	56,094	51,000
		2,576,700	3,020,417	2,672,300
Expenditure from operating activities				
Employee costs		(3,207,600)	(3,381,359)	(3,512,200)
Materials and contracts		(3,079,100)	(2,711,563)	(2,602,450)
Utility charges		(400,800)	(487,679)	(397,600)
Depreciation on non-current assets	5	(4,254,900)	(4,152,634)	(4,526,000)
Interest expenses	10(d)	(201,500)	(181,082)	(181,200)
Insurance expenses		(178,400)	(171,328)	(196,300)
Other expenditure		(175,200)	(439,642)	(428,750)
Loss on asset disposals	4(b)	(64,700)	(67,062)	(80,400)
		(11,562,200)	(11,592,349)	(11,924,900)
Operating activities excluded from budget				
(Profit) on asset disposals	4(b)	(82,000)	(56,094)	(51,000)
Loss on disposal of assets	4(b)	64,700	67,062	80,400
Depreciation on assets	5	4,254,900	4,152,634	4,526,000
Movement in employee benefit provisions (non-current)		(3,500)	(45,152)	3,300
Amount attributable to operating activities		(4,673,600)	(4,275,669)	(4,516,100)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9	3,091,600	1,546,021	3,811,300
Purchase property, plant and equipment	4(a)	(3,973,700)	(1,517,453)	(2,641,500)
Purchase and construction of infrastructure	4(a)	(1,263,400)	(1,995,514)	(2,809,300)
Proceeds from disposal of assets	4(b)	517,000	412,271	351,800
Amount attributable to investing activities		(1,628,500)	(1,554,675)	(1,287,700)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(200,900)	(130,436)	(130,500)
Proceeds from new borrowings	6	913,700	40,000	40,000
Proceeds from self supporting loans	6(a)	7,700	3,774	3,800
Unspent debenture		0	120,947	120,900
Transfers to cash backed reserves (restricted assets)	7(a)	(182,800)	(319,407)	(276,500)
Transfers from cash backed reserves (restricted assets)	7(a)	396,200	636,510	812,200
Transfers to cash backed restricted assets	14	(265,300)	(94,988)	(767,200)
Transfers from cash backed restricted assets	14	458,200	657,565	981,900
Amount attributable to financing activities		1,126,800	913,965	784,600
Budgeted deficiency before general rates		(5,175,300)	(4,916,379)	(5,019,200)
Estimated amount to be raised from general rates	1	5,175,300	4,994,155	5,019,200
Net current assets at end of financial year - surplus/(deficit)	2	0	77,776	0

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

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2018/19 Budgeted rate revenue	2018/19 Budgeted interim rates	2018/19 Budgeted back rates	2018/19 Budgeted total revenue	2017/18 Actual Revenue
	\$		\$	\$	\$	\$	\$	\$
Differential general rate or general rate								
GRV - Residential	0.103473	1,373	19,775,375	2,046,200	10,000	0	2,056,200	1,971,735
GRV - Commercial	0.103473	117	3,678,847	380,700	0	0	380,700	369,092
GRV - Undeveloped	0.103473	30	569,700	58,900	0	0	58,900	56,121
GRV - Residential - R50 developed	0.103473	80	1,542,656	159,600	0	0	159,600	153,936
GRV - Residential - R50 undeveloped	0.103473	16	309,900	32,100	0	0	32,100	30,982
UV - Policy area A	0.013135	7	2,848,500	37,400	0	0	37,400	36,193
UV - Policy area B	0.013135	13	5,427,500	71,300	0	0	71,300	68,962
UV - Policy area C	0.013135	139	63,384,000	832,500	0	0	832,500	804,449
UV - Policy area D	0.013135	113	15,565,000	204,400	0	0	204,400	197,009
UV - Policy area E	0.013135	38	11,207,500	147,200	0	0	147,200	142,403
UV - Policy area F	0.013135	24	5,749,000	75,500	0	0	75,500	73,047
UV - Policy area G	0.013135	28	7,597,000	99,800	0	0	99,800	96,528
UV - Mining	0.175726	32	2,084,725	366,300	0	0	366,300	358,074
Sub-Totals		2,010	139,739,703	4,511,900	10,000	0	4,521,900	4,358,531
Minimum payment								
	\$							
GRV - Residential	999	41	318,583	41,000	0	0	41,000	37,635
GRV - Commercial	999	69	312,029	68,900	0	0	68,900	66,585
GRV - Undeveloped	999	466	2,055,028	465,500	0	0	465,500	456,134
GRV - Residential - R50 developed	999	3	25,168	3,000	0	0	3,000	2,895
GRV - Residential - R50 undeveloped	999	9	63,510	9,000	0	0	9,000	8,685
UV - Policy area A	999	2	100,500	2,000	0	0	2,000	1,930
UV - Policy area B	999	4	191,500	4,000	0	0	4,000	3,860
UV - Policy area C	999	28	1,414,600	28,000	0	0	28,000	27,020
UV - Policy area D	999	7	355,500	7,000	0	0	7,000	6,755
UV - Policy area E	999	0	0	0	0	0	0	0
UV - Policy area F	999	11	702,000	11,000	0	0	11,000	10,615
UV - Policy area G	999	1	63,000	1,000	0	0	1,000	965
UV - Mining	999	13	39,478	13,000	0	0	13,000	12,545
Sub-Totals		654	5,640,896	653,400	0	0	653,400	635,624
		2,664	145,380,599	5,165,300	10,000	0	5,175,300	4,994,155
Discounts/concessions (Refer note 1(g))							0	0
Total amount raised from general rates							5,175,300	4,994,155
Total rates							5,175,300	4,994,155

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

The general rates detailed for the 2018/19 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	8 October 2018	0	0.00%	11.00%
Option two				
First instalment	8 October 2018	0	0.00%	11.00%
Second instalment	7 December 2018	5	5.50%	11.00%
Option three				
First instalment	8 October 2018	0	0.00%	11.00%
Second instalment	7 December 2018	5	5.50%	11.00%
Third instalment	7 February 2019	5	5.50%	11.00%
Fourth instalment	8 April 2019	5	5.50%	11.00%

	2018/19 Budget revenue	2017/18 Actual
	\$	\$
Instalment plan admin charge revenue	7,500	7,365
Instalment plan interest earned	13,300	13,151
Unpaid rates and service charge interest earned	27,000	31,415
	<u>47,800</u>	<u>51,931</u>

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects	Reasons
UV Rural	Consist of properties used predominantly for rural purposes.	This rate contributes to the service desired by the community.	This is considered the base rate above which all other UV rated properties are assessed.
UV Mining	Properties with a land use associated with mining/petroleum/exploration/prospecting/leases/tenements.	The objective is to raise additional revenue to contribute toward higher costs associated with mining activities.	The objective is to raise additional revenue to contribute towards higher costs such as higher vehicle traffic weights and volumes and environmental impacts associated with mining activities.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

No specified area rates will be imposed for the year ended 30 June 2019.

(f) Service Charges

No service charges will be imposed for the year ended 30 June 2019.

(g) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Disc % or Amount (\$)	2018/19 Budget	2017/18 Actual	Circumstances in which the waiver or concessi granted	Objects and reasons of the waiver or concession
Doctor's surgery	Waiver	5,100	\$ 5,100	\$ 0	Council resolution 24 May 2016, Minute no. 140516	Council consider this support necessary for the overall benefit of the community.
			5,100	0		Assist and support doctors in town.

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

2. NET CURRENT ASSETS

	Note	2018/19 Budget	2017/18 Actual
		\$	\$
Composition of estimated net current assets			
Current assets			
Cash - unrestricted	3	1,020,700	553,669
Cash - restricted reserves	3	1,950,600	2,356,887
Receivables		192,700	677,512
Inventories		16,200	20,619
		3,180,200	3,608,687
Less: current liabilities			
Trade and other payables		(1,048,300)	(951,086)
Long term borrowings		(270,700)	(141,493)
Provisions		(375,200)	(413,063)
		(1,694,200)	(1,505,642)
Unadjusted net current assets		1,486,000	2,103,045
Adjustments			
Less: Cash - reserves	3	(1,423,800)	(1,637,246)
Less: Cash - restricted		(526,800)	(719,641)
Less: Current loans - clubs / institutions		(7,900)	(7,690)
Add: Current portion of borrowings		270,700	141,493
Add: Component of leave liability not required to be funded		201,800	197,815
Adjusted net current assets - surplus/(deficit)		0	77,776

Reason for Adjustments

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

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next

12 months, being the Shire of Irwin's operational cycle. In the case of liabilities where the Shire of Irwin 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 expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire of Irwin's intentions to release for sale.

TRADE AND OTHER RECEIVABLES

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

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

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

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

2. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of Irwin becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire of Irwin'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

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 Irwin's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire of Irwin's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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

3. RECONCILIATION OF CASH

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

	2018/19 Budget	2017/18 Actual	2017/18 Budget
Cash - unrestricted	\$ 1,020,700	\$ 553,669	\$ 965,900
Cash - restricted	1,950,600	2,356,887	2,526,400
	2,971,300	2,910,556	3,492,300

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

Reserves cash backed - Leave Entitlement Reserve	201,800	197,815	181,300
Reserves cash backed - Plant Replacement Reserve	107,600	87,105	63,000
Reserves cash backed - Asset Management Reserve	594,300	778,674	521,600
Reserves cash backed - Sanitation Reserve	61,500	89,663	89,400
Reserves cash backed - Coastal Management Reserve	102,300	134,590	126,800
Reserves cash backed - Tourism and Area Promotion Reserve	24,200	23,741	23,700
Reserves cash backed - Recreation Centre Equipment Reserve	51,600	50,648	50,500
Reserves cash backed - Port Denison Foreshore Development Reserve	280,500	275,010	362,500
Fire Fighting Contributions	53,200	53,200	53,200
Coastal Reserve Works	0	0	15,500
Footpath Contributions	37,500	37,555	37,500
Parking Contributions	6,000	5,960	6,000
Road Contributions	103,000	102,954	103,000
The Village Unit Trust Funds	270,700	351,354	472,400
Unspent Grant Funds	49,400	168,618	420,000
Aging in Place Trust Funds	7,000	0	0
	1,950,600	2,356,887	2,526,400

Reconciliation of net cash provided by operating activities to net result

Net result	(718,600)	(2,031,765)	(422,100)
Depreciation	4,254,900	4,152,634	4,526,000
(Profit)/loss on sale of asset	(17,300)	10,968	29,400
(Increase)/decrease in receivables	478,000	(418,248)	213,400
(Increase)/decrease in inventories	4,400	(6,436)	5,000
Increase/(decrease) in payables	97,200	(193,042)	(97,100)
Increase/(decrease) in employee provisions	(38,300)	(10,020)	61,500
Grants/contributions for the development of assets	(3,091,600)	(1,546,021)	(3,811,300)
Net cash from operating activities	968,700	(41,930)	504,800

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program										2018/19 Budget total	2017/18 Actual total	
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services			Other property and services
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<u>Property, Plant and Equipment</u>													
Buildings - specialised	0	0	2,700	0	0	2,485,400	0	142,500	3,700	0	2,200	2,636,500	675,953
Furniture and equipment	0	0	0	0	0	0	0	0	5,000	0	5,000	10,000	24,129
Plant and equipment	0	0	34,000	0	0	0	34,000	120,500	1,009,700	0	129,000	1,327,200	817,371
	0	0	36,700	0	0	2,485,400	34,000	263,000	1,018,400	0	136,200	3,973,700	1,517,453
<u>Infrastructure</u>													
Infrastructure - Roads	0	0	0	0	0	0	0	0	953,800	0	0	953,800	1,673,012
Infrastructure - Drainage	0	0	0	0	0	0	0	0	200,000	0	0	200,000	0
Infrastructure - Other	0	0	0	0	0	0	19,500	17,000	73,100	0	0	109,600	322,502
	0	0	0	0	0	0	19,500	17,000	1,226,900	0	0	1,263,400	1,995,514
Total acquisitions	0	0	36,700	0	0	2,485,400	53,500	280,000	2,245,300	0	136,200	5,237,100	3,512,967

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

- asset acquisitions
- plant replacement

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

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	Net book value	Sale proceeds	2018/19 Budget		2017/18 Actual		2017/18 Budget	
			Profit	Loss	Profit	Loss	Profit	Loss
	\$	\$	\$	\$	\$	\$	\$	\$
By Program								
Governance	0	0	0	0	4,275	(1,742)	0	(2,000)
Law, order, public safety	27,800	29,000	1,200	0	0	(10,689)	0	(6,100)
Community amenities	24,400	29,000	4,600	0	0	0	0	0
Recreation and culture	37,600	39,000	3,900	(2,500)	0	0	0	0
Transport	286,400	248,000	23,800	(62,200)	38,037	(54,631)	37,200	(72,300)
Economic services	0	0	0	0	13,782	0	13,800	0
Other property and services	123,500	172,000	48,500	0	0	0	0	0
	499,700	517,000	82,000	(64,700)	56,094	(67,062)	51,000	(80,400)
By Class								
<u>Property, Plant and Equipment</u>								
Plant and equipment	499,700	517,000	82,000	(64,700)	56,094	(67,062)	51,000	(80,400)
	499,700	517,000	82,000	(64,700)	56,094	(67,062)	51,000	(80,400)

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

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

5. ASSET DEPRECIATION

By Program

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

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Buildings - non-specialised on land vested in and under the control of
Infrastructure - Roads
Infrastructure - Other

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
	5,900	138,931	118,700
	153,900	79,343	60,600
	200	490	500
	58,800	44,477	44,500
	186,900	181,983	184,700
	19,700	19,186	16,200
	1,020,000	987,657	990,800
	2,419,600	2,429,243	2,873,500
	92,500	90,923	87,500
	297,400	180,401	149,000
	4,254,900	4,152,634	4,526,000
	110,000	86,983	985,900
	937,100	940,018	0
	101,500	113,992	111,900
	422,800	336,849	247,700
	120,000	110,397	139,900
	2,355,500	2,355,484	2,844,500
	208,000	208,911	196,100
	4,254,900	4,152,634	4,526,000

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

DEPRECIATION (CONTINUED)

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

Buildings	50 Years
Bus Shelters/Bird Hydes/Lookout Shelters	20 Years
Playground equipment	15 Years
Seats and benches	10 Years
Jetties/Pontoons	30 Years
Furniture and equipment	7 Years
Computer equipment	3 Years
Electrical equipment	5 Years
Heavy road plant	10 Years
Trucks	5 Years
Light vehicles	2 Years
Light fire control vehicles	5 Years
Sundry plant and external equipment	5 Years
Tools	5 Years
Footpaths (slab)/Boardwalks	20 Years
Footpaths (concrete)	50 Years
Water supply piping and drainage systems	75 Years
Water reticulation/irrigation	20 Years
Culverts	50 Years
Kerbs and channels	50 Years
Bridges	75 Years
Entry statements	20 Years
Carparks/courts (sporting)	20 Years
Crash barriers/walls	10 Years
Street lights/lighting systems	25 Years
Airstrip runway	40 Years
Sealed roads and streets	
- clearing and earthworks	not depreciated
- construction/road base	50 Years
original surfacing and major resurfacing	
- bituminous seals	15 Years
- asphalt surfaces	25 Years
Gravel roads	
- clearing and earthworks	not depreciated
- construction/road base	50 Years
- gravel sheet	12 Years
Formed roads (unsealed)	
- clearing and earthworks	not depreciated
- construction/road base	50 Years

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Principal 30-Jun-18	New loans	Principal repayments		Principal outstanding		Interest repayments	
			2018/19 Budget	2017/18 Actual	2018/19 Budget	2017/18 Actual	2018/19 Budget	2017/18 Actual
			\$	\$	\$	\$	\$	\$
Recreation and culture								
Loan 93 - Recreation Centre	2,304,100	0	96,100	89,878	2,208,000	2,304,100	169,800	174,435
Loan 96 - Tennis Court Resurfacing	156,100	0	37,700	36,784	118,400	156,100	5,300	5,610
Transport								
Loan 98 - Plant	0	913,700	59,400	0	854,300	0	25,300	0
	2,460,200	913,700	193,200	126,662	3,180,700	2,460,200	200,400	180,045
Self Supporting Loans								
Recreation and culture								
Loan 97 - Golf Club	36,200	0	7,700	3,774	28,500	36,200	1,100	1,037
	36,200	0	7,700	3,774	28,500	36,200	1,100	1,037
	2,496,400	913,700	200,900	130,436	3,209,200	2,496,400	201,500	181,082

All borrowing repayments, other than Self Supporting Loans, will be financed by general purpose revenue.

The self supporting loan principal repayment will be fully reimbursed, the interest will be financed by general purpose revenue.

(b) New borrowings - 2018/19

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
Loan 98 - Plant	WATC	Debenture	7	2.86	913,700	121,600	913,700	0
					913,700	121,600	913,700	0

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

6. INFORMATION ON BORROWINGS (Continued)

(c) Unspent borrowings

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

(d) Credit Facilities

**Undrawn borrowing facilities
credit standby arrangements**

Bank overdraft limit
Bank overdraft at balance date
Credit card limit
Credit card balance at balance date
Total amount of credit unused

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	20,000	17,500	20,000
Credit card balance at balance date	0	(1,944)	0
Total amount of credit unused	20,000	15,556	20,000
Loan facilities			
Loan facilities in use at balance date	3,209,200	2,496,400	2,496,400

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 30 JUNE 2019

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2018/19 Budget Opening Balance	2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance	2017/18 Actual Opening Balance	2017/18 Actual Transfer to	2017/18 Actual Transfer (from)	2017/18 Actual Closing Balance	2017/18 Budget Opening Balance	2017/18 Budget Transfer to	2017/18 Budget Transfer (from)	2017/18 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserves cash backed - Leave Entitlement Reserve	197,800	4,000	0	201,800	193,063	4,752	0	197,815	193,100	4,200	(16,000)	181,300
Reserves cash backed - Plant Replacement Reserve	87,100	151,700	(131,200)	107,600	119,779	276,422	(309,096)	87,105	119,800	236,200	(293,000)	63,000
Reserves cash backed - Asset Management Reserve	778,700	15,600	(200,000)	594,300	946,068	22,031	(189,425)	778,674	946,100	20,800	(445,300)	521,600
Reserves cash backed - Sanitation Reserve	89,700	1,800	(30,000)	61,500	87,509	2,154	0	89,663	87,500	1,900	0	89,400
Reserves cash backed - Coastal Management Reserve	134,600	2,700	(35,000)	102,300	180,658	4,114	(50,182)	134,590	180,700	4,000	(57,900)	126,800
Reserves cash backed - Tourism and Area Promotion Reserve	23,700	500	0	24,200	23,171	570	0	23,741	23,200	500	0	23,700
Reserves cash backed - Recreation Centre Equipment Reserve	50,600	1,000	0	51,600	49,431	1,217	0	50,648	49,400	1,100	0	50,500
Reserves cash backed - Port Denison Foreshore Development Reserve	275,000	5,500	0	280,500	354,670	8,147	(87,807)	275,010	354,700	7,800	0	362,500
	1,637,200	182,800	(396,200)	1,423,800	1,954,349	319,407	(636,510)	1,637,246	1,954,500	276,500	(812,200)	1,418,800

(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
Reserves cash backed - Leave Entitlement Reserve	Ongoing	To be used to fund leave requirements.
Reserves cash backed - Plant Replacement Reserve	Ongoing	To be used for the purchase of plant and equipment as per plant replacement program
Reserves cash backed - Asset Management Reserve	Ongoing	To be used for the construction, major maintenance and retire debt associated with Council owned assets.
Reserves cash backed - Sanitation Reserve	Ongoing	To be used to develop facilities at the transfer station and future relocation.
Reserves cash backed - Coastal Management Reserve	Ongoing	To be used to fund planning, research and project works in the management of coastline and adjacent areas within the Shire of Irwin.
Reserves cash backed - Tourism and Area Promotion Reserve	Ongoing	To be used to fund the future requirements of tourism promotions.
Reserves cash backed - Recreation Centre Equipment Reserve	Ongoing	To be used to fund future equipment replacement.
Reserves cash backed - Port Denison Foreshore Development Reserve	Ongoing	To be used to fund the development works of the foreshore in Port Denison.

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

8. FEES & CHARGES REVENUE

	2018/19 Budget	2017/18 Actual
	\$	\$
Governance	0	92
General purpose funding	16,500	16,396
Law, order, public safety	19,200	17,980
Health	4,700	4,640
Education and welfare	10,200	10,159
Housing	310,300	282,474
Community amenities	840,800	858,472
Recreation and culture	219,400	259,167
Transport	1,500	1,498
Economic services	222,900	234,258
Other property and services	1,700	773
	1,647,200	1,685,909

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

	2018/19 Budget	2017/18 Actual
	\$	\$
General purpose funding	247,000	495,516
Law, order, public safety	256,900	356,881
Education and welfare	2,000	1,000
Community amenities	0	4,984
Recreation and culture	20,000	2,749
Transport	47,000	40,745
	572,900	901,875

Non-operating grants, subsidies and contributions

Housing	2,397,700	640,000
Recreation and culture	0	129,955
Transport	693,900	776,066
	3,091,600	1,546,021

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

10. OTHER INFORMATION

	2018/19 Budget	2017/18 Actual	2017/18 Budget
The net result includes as revenues	\$	\$	\$
(a) Interest earnings			
Investments			
- Reserve funds	32,800	45,700	42,900
- Other funds	50,000	51,513	75,000
Pensioner deferred interest	1,100	1,068	1,100
Other interest revenue (refer note 1b)	40,300	44,566	37,300
	124,200	142,847	156,300
(b) Other revenue			
Reimbursements and recoveries	73,900	105,334	41,900
Other	76,500	128,358	231,600
	150,400	233,692	273,500
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	50,000	28,074	36,200
Other services	2,000	13,000	2,000
	52,000	41,074	38,200
(d) Interest expenses (finance costs)			
Borrowings (refer note 6(a))	201,500	181,082	181,200
	201,500	181,082	181,200
(e) Elected members remuneration			
Meeting fees	63,300	57,977	63,300
President's allowance	10,000	10,000	10,000
Deputy President's allowance	2,500	4,596	2,500
Travelling expenses	1,000	896	1,000
Telecommunications allowance	3,700	3,607	3,400
	80,500	77,076	80,200
(f) Write offs			
General rate	800	11,800	800
	800	11,800	800

11. MAJOR LAND TRANSACTIONS

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

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

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

13. INTERESTS IN JOINT ARRANGEMENTS

In 1996/97, Council, in conjunction with Homeswest, constructed 10 Aged Persons Units in the Port Denison town site. The terms of the joint venture agreement provided for Council to contribute \$103,330 which equated to an equity of 16.5%.

These assets are included in Property, Plant & Equipment as follows:

	2018/19 Budget	2017/18 Actual
	\$	\$
Non-current assets		
Land and buildings - independent valuation 2017 - level 2	5,630,648	5,630,648
Less: accumulated depreciation	(318,136)	(158,298)
	5,312,512	5,472,350

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

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

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

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

14. TRUST FUNDS / RESTRICTED ASSETS

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:

Trust

Detail	Balance 30-Jun-18	Estimated amounts received	Estimated amounts paid	Estimated balance 30-Jun-19
	\$	\$	(\$)	\$
The Village Bonds	17,171	1,600	(1,600)	17,171
Footpath Deposits	30,700	15,000	(20,000)	25,700
Performance Bonds	75,833	15,000	(20,000)	70,833
Youth Advisory Council	17,014	0	0	17,014
Key Bonds	3,170	0	0	3,170
Safer WA Committee	341	0	0	341
Various Bonds	4,549	2,500	(3,000)	4,049
Shire of Irwin - LEMC	4,887	0	0	4,887
Toddler Time - Rec Centre	703	0	0	703
Public Open Space Contributions	37,812	0	0	37,812
Transport Licensing	6,123	4,000	(6,123)	4,000
Blueprint Funding - Coastal Nodes	34,617	0	(34,617)	0
Building Service Levy and CTF	5,898	0	(5,898)	0
	238,818	38,100	(91,238)	185,680

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

14. TRUST FUNDS / RESTRICTED ASSETS (Continued)

A restricted cash asset is income that Council has received from an external source, which has conditions attached to its use, such as grant funds and contributions for infrastructure from property developers.

Restricted Assets

Detail	Balance 30-Jun-18	Estimated amounts received	Estimated amounts paid	Estimated balance 30-Jun-19
	\$	\$	(\$)	\$
Fire Fighting Contributions	53,200	0	0	53,200
Unspent Grants Funds:				
Coastal Reserve Works	15,500	0	0	15,500
South Beach	5,000	0	0	5,000
Bridge Grant	14,900	0	0	14,900
Roadwise	6,800	0	0	6,800
Bushfire Risk Planning Coordinator	32,300	0	(32,300)	0
Local Planning Scheme Review	22,300	0	(22,300)	0
Springfield Structure Plan	10,800	0	(10,800)	0
SIHI Aged Housing	42,200	0	(42,200)	0
ESL Operating Grant	11,600	0	(11,600)	0
Wake up to Plastics Grant	700	0	0	700
General Excellence Award Prize Money - State Lib.	5,000	0	0	5,000
Coastal Nodes Project	1,500	0	0	1,500
Footpath Contributions	37,500	0	0	37,500
Parking Contributions	6,000	0	0	6,000
Road Contributions	103,000	0	0	103,000
Aged Persons Unit Trust Funds	351,400	256,300	(337,000)	270,700
Aging In Place Funds	0	9,000	(2,000)	7,000
	719,700	265,300	(458,200)	526,800

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

15. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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

REVENUE RECOGNITION

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

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

16. RATIOS

Council acknowledges the current low infrastructure renewal expenditure and will be taking positive corrective actions during 2018/19 financial year to address the issue.

Supplementary information
Asset Acquisitions

Capital Expenditure	Renewal \$	New/ Upgrade \$	Classification					Infrastructure Roads \$	Infrastructure Other \$
			Land \$	Buildings \$	Plant & Equipment \$	Furniture & Equipment \$			
Law, Order, Public Safety									
Upgrade internal pound facilities		2,700		2,700					
Fleet replacement - 1 x Utility	34,000				34,000				
Housing									
Refurbishment - The Village	30,000			30,000					
Aging in Place		2,455,400		2,455,400					
Community Amenities									
Fleet replacement - 1 x Trailblazer	34,000				34,000				
Cemetery landscaping	19,500								19,500
Recreation and Culture									
Fleet replacement - 1 x Trailblazer	34,000				34,000				
Fleet replacement - 1 x Mower	64,500				64,500				
Rec Jetty repairs	60,000								60,000
Irwin Rec Centre renewal	53,500			53,500					
Fertigation System for Port Denison Oval		6,500							6,500
Reticulation and landscaping in front of new IGA		3,000							3,000
Trailer - Zero Turn Mower		11,000			11,000				
Trailer - 360 Mower		11,000			11,000				
Replace fence at Drive-in	7,500								7,500
RSL storm water drainage improvements - year 3		29,000		29,000					
Transport									
Replacement of photocopier	5,000						5,000		
Roads to Recovery - Rural Roads	174,200							174,200	
Regional Road Group - Urban Roads	779,600							779,600	
Rural signs	32,900								32,900
Water bores		200,000						200,000	
Replace carpet (Depot)	3,700			3,700					
Fleet replacement - 1 x Trailblazer	34,000				34,000				
Fleet replacement - 1 x Utility	34,000				34,000				
Fleet purchases - 1 x Sweeper	130,000				130,000				
Fleet purchases - 1 x Grader	365,000				365,000				
Fleet purchases - 1 x JCB attachments		4,500							
Fleet purchases - 1 x Crane for town mtce truck		11,200							
Fleet purchases - 1 x Prime Mover		186,000							
Fleet purchases - 1 x 22,000ltr Water Tanker		85,000							
Fleet purchases - 1 x Smooth Drum Steel Roller		160,000							
Bus shelter - Waldeck Street (carryover)		20,200							20,200
Kailis Drive entry statement design		20,000							20,000
Other Property and Services									
Computer replacement	5,000						5,000		
Fleet replacement - 1 x Prado	61,000				61,000				
Fleet replacement - 1 x Trailblazers	34,000				34,000				
Fleet replacement - 1 x Trailblazers	34,000				34,000				
Air conditioner installed into Server room (Council Chambers)		2,200		2,200					
	2,029,400	3,207,700	0	2,576,500	1,327,200	10,000	1,153,800	169,600	

Supplementary information
Asset Acquisitions Funding

Capital Expenditure	Renewal \$	New/ Upgrade \$	Funding				Proceeds from Sale of Assets \$	Reserve \$
			Municipal \$	Grant/ Contribution \$	Restricted \$	Loan		
Law, Order, Public Safety								
Upgrade internal pound facilities		2,700	2,700					
Fleet replacement - 1 x Utility	34,000						29,000	5,000
Housing								
Refurbishment - The Village	30,000				30,000			
Aging in Place		2,455,400		2,455,400				
Community Amenities								
Fleet replacement - 1 x Trailblazer	34,000						29,000	5,000
Cemetery landscaping	19,500		19,500					
Recreation and Culture								
Fleet replacement - 1 x Trailblazer	34,000						29,000	5,000
Fleet replacement - 1 x Mower	64,500					64,500		
Rec Jetty repairs	60,000		60,000					
Irwin Rec Centre renewal	53,500		53,500					
Fertigation System for Port Denison Oval		6,500	6,500					
Reticulation and landscaping in front of new IGA		3,000	3,000					
Trailer - Zero Turn Mower		11,000				11,000		
Trailer - 360 Mower		11,000				11,000		
Replace fence at Drive-in	7,500		7,500					
RSL storm water drainage improvements - year 3		29,000	29,000					
Transport								
Replacement of photocopier	5,000		5,000					
Roads to Recovery - Rural Roads	174,200			174,200				
Regional Road Group - Urban Roads	779,600		259,900	519,700				
Rural signs	32,900		32,900					
Water bores		200,000						200,000
Replace carpet (Depot)	3,700		3,700					
Fleet replacement - 1 x Trailblazer	34,000						29,000	5,000
Fleet replacement - 1 x Utility	34,000						29,000	5,000
Fleet purchases - 1 x Sweeper	130,000					130,000		
Fleet purchases - 1 x Grader	365,000					255,000	110,000	
Fleet purchases - 1 x JCB attachments		4,500						4,500
Fleet purchases - 1 x Crane for town mtce truck		11,200				11,200		
Fleet purchases - 1 x Prime Mover		186,000				186,000		
Fleet purchases - 1 x 22,000ltr Water Tanker		85,000				85,000		
Fleet purchases - 1 x Smooth Drum Steel Roller		160,000				160,000		
Bus shelter - Waldeck Street (carryover)		20,200	20,200					
Kailis Drive entry statement design		20,000	20,000					
Other Property and Services								
Computer replacement	5,000		5,000					
Fleet replacement - 1 x Prado	61,000						54,000	7,000
Fleet replacement - 1 x Trailblazer	34,000						29,000	5,000
Fleet replacement - 1 x Trailblazer	34,000						29,000	5,000
Air conditioner installed into Server room (Council Chambers)		2,200	2,200					
	2,029,400	3,207,700	530,600	3,149,300	30,000	913,700	367,000	246,500

Supplementary information
Plant Replacement

	Plant Number	Replacement Vehicle	Net Book Value \$	Disposal of Asset \$	Profit/(Loss) on Disposal	Replacement Cost \$	Net Change Over Cost \$
Light Vehicles							
Law, Order, Public Safety Ranger	502IR	Dual Cab	27,800	29,000	1,200	34,000	5,000
Community Amenities Manager	507IR	Trailblazer	24,400	29,000	4,600	34,000	5,000
Recreation and Culture Manager	509IR	Trailblazer	25,100	29,000	3,900	34,000	5,000
Transport Manager	508IR	Trailblazer	24,700	29,000	4,300	34,000	5,000
Road Specialist	511IR	Dual Cab	27,800	29,000	1,200	34,000	5,000
Other property and services							
Executive	500IR	Prado	40,600	60,000	19,400	0	(60,000)
Executive	510IR	Prado	34,700	54,000	19,300	61,000	7,000
Manager	506IR	Trailblazer	24,600	29,000	4,400	34,000	5,000
Fleet Vehicle	504IR	Trailblazer	23,600	29,000	5,400	34,000	5,000
Heavy Vehicles and Equipment							
Recreation and Culture Kubota Tractor Mower	530IR	Mower	12,500	10,000	(2,500)	64,500	54,500
Transport Sweeper	535IR	Sweeper	142,200	80,000	(62,200)	130,000	50,000
Grader	IR2522	Grader	91,700	110,000	18,300	365,000	255,000
			499,700	517,000	17,300	858,500	341,500

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