



**SHIRE OF COOLGARDIE**

# **ATTACHMENTS**

**OF THE**

**SPECIAL COUNCIL MEETING**

**30 July 2019**

**3.30pm**

**Kambalda**



Special Council Meeting 30 July 2019 Attachments

**7.1.1 2019/20 Annual Budget.....2**  
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**SHIRE OF COOLGARDIE**  
**BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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**SHIRE'S VISION**

A connected, progressive & welcoming community



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

**BY NATURE OR TYPE**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	7,150,490	6,682,397	6,951,913
Operating grants, subsidies and contributions	9	1,377,027	2,124,797	2,992,549
Fees and charges	8	1,583,649	1,506,727	1,183,856
Interest earnings	10(a)	208,750	223,057	240,000
Other revenue	10(b)	57,500	50,126	32,000
		<u>10,377,416</u>	<u>10,587,104</u>	<u>11,400,318</u>
<b>Expenses</b>				
Employee costs		(4,575,660)	(3,799,128)	(4,358,731)
Materials and contracts		(4,292,921)	(3,769,497)	(3,561,580)
Utility charges		(586,840)	(572,048)	(559,630)
Depreciation on non-current assets	5	(4,182,961)	(4,146,733)	(5,026,699)
Interest expenses	10(d)	(100,519)	(24,097)	(69,079)
Insurance expenses		(274,653)	(293,333)	(301,950)
Other expenditure		(591,269)	(652,737)	(385,395)
		<u>(14,604,823)</u>	<u>(13,257,573)</u>	<u>(14,263,064)</u>
<b>Subtotal</b>		<b>(4,227,407)</b>	<b>(2,670,469)</b>	<b>(2,862,746)</b>
Non-operating grants, subsidies and contributions	9	6,288,074	1,961,832	1,731,044
Profit on asset disposals	4(b)	34,500	80,620	6,000
Loss on asset disposals	4(b)	(87,000)	(130,807)	(25,000)
		<u>6,235,574</u>	<u>1,911,645</u>	<u>1,712,044</u>
<b>Net result</b>		<b>2,008,167</b>	<b>(758,824)</b>	<b>(1,150,702)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>2,008,167</b>	<b>(758,824)</b>	<b>(1,150,702)</b>

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

**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 Coolgardie controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 13 to the budget.

**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 15.

**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, interest on arrears, service charges and sewerage rates.

**SERVICE CHARGES**

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

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

**PROFIT ON ASSET DISPOSAL**

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

**REVENUES (CONTINUED)****OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**FEES AND CHARGES**

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

**INTEREST EARNINGS**

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

**OTHER REVENUE / INCOME**

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

**EXPENSES****EMPLOYEE COSTS**

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

**MATERIALS AND CONTRACTS**

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

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

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

**INSURANCE**

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

**LOSS ON ASSET DISPOSAL**

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

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation expense raised on all classes of assets.

**INTEREST EXPENSES**

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

**OTHER EXPENDITURE**

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



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

**BY REPORTING PROGRAM**

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
<b>Revenue</b>	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		22,000	95,068	70,500
General purpose funding		7,760,517	7,518,652	7,315,480
Law, order, public safety		34,300	45,473	22,390
Health		3,000	209	2,400
Education and welfare		222,304	239,336	239,991
Housing		113,681	142,291	94,760
Community amenities		1,042,666	1,055,043	1,006,099
Recreation and culture		298,000	160,362	151,500
Transport		490,496	917,192	723,469
Economic services		331,742	383,351	1,763,729
Other property and services		58,710	30,127	10,000
		<b>10,377,416</b>	<b>10,587,104</b>	<b>11,400,318</b>
<b>Expenses excluding finance costs</b>	5,10(c)(e)(f)(g)			
Governance		(1,833,407)	(1,891,698)	(1,865,219)
General purpose funding		(384,767)	(235,572)	(244,719)
Law, order, public safety		(429,626)	(279,865)	(275,457)
Health		(480,198)	(249,439)	(208,301)
Education and welfare		(366,561)	(284,005)	(375,230)
Housing		(277,485)	(270,132)	(237,691)
Community amenities		(1,680,482)	(1,679,398)	(1,628,030)
Recreation and culture		(3,257,851)	(2,847,969)	(2,780,142)
Transport		(4,594,385)	(4,254,235)	(5,282,637)
Economic services		(1,154,542)	(1,075,786)	(1,286,559)
Other property and services		(45,000)	(165,377)	(10,000)
		<b>(14,504,304)</b>	<b>(13,233,476)</b>	<b>(14,193,985)</b>
<b>Finance costs</b>	6, 10(d)			
Community amenities		0	(203)	(436)
Recreation and culture		(62,630)	(6,245)	(33,078)
Transport		(13,624)	0	(10,159)
Economic services		(24,265)	(17,649)	(25,406)
		<b>(100,519)</b>	<b>(24,097)</b>	<b>(69,079)</b>
<b>Subtotal</b>		<b>(4,227,407)</b>	<b>(2,670,469)</b>	<b>(2,862,746)</b>
Non-operating grants, subsidies and contributions	9	6,288,074	1,961,832	1,731,044
Profit on disposal of assets	4(b)	34,500	80,620	6,000
(Loss) on disposal of assets	4(b)	(87,000)	(130,807)	(25,000)
		<b>6,235,574</b>	<b>1,911,645</b>	<b>1,712,044</b>
<b>Net result</b>		<b>2,008,167</b>	<b>(758,824)</b>	<b>(1,150,702)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>2,008,167</b>	<b>(758,824)</b>	<b>(1,150,702)</b>

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

**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.

**OBJECTIVE****GOVERNANCE**

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

**ACTIVITIES**

Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council 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 community.

Fire prevention, animal control and safety.

**HEALTH**

To provide services to help ensure a safer community.

Food quality, pest control and meat inspections.

**EDUCATION AND WELFARE**

To meet the needs of the community in these areas.

Includes education programs, youth based activities and resources centres. Care of families and the aged and disabled. activities and resources centres.

**HOUSING**

Provide housing services required by the community and for staff.

Maintenance of staff, aged and rental housing.

**COMMUNITY AMENITIES**

Provide services required by the community.

Rubbish collection services, landfill maintenance, effluent disposal, town site storm water drainage control and maintenance, administration of the Town Planning Scheme and maintenance of cemeteries.

**RECREATION AND CULTURE**

To establish and manage efficiently, infrastructure and resources which will help the social well being of the community.

Maintenance of halls, the aquatic centres, recreation centres and various reserves, operation of library, support of arts and community festivals. Also matters relating to heritage.

**TRANSPORT**

To provide effective and efficient transport services to the community.

Construction and maintenance of streets, road and footpaths, cleaning and lighting of streets, roads and footpaths, traffic signs and depot maintenance.

**ECONOMIC SERVICES**

To help promote the Shire and improve its economic wellbeing.

The regulation and provision of tourism, area promotion, building control, noxious weeds.

**OTHER PROPERTY AND SERVICES**

To provide effective and efficient administration, works operations and plant and fleet services.

Private works operations, plant repairs and operational costs. Administration overheads.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2020**

**BY NATURE OR TYPE**

	NOTE	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		7,950,490	6,440,651	7,945,948
Operating grants, subsidies and contributions		1,567,027	2,166,138	3,592,549
Fees and charges		1,583,649	1,506,727	1,183,856
Interest earnings		208,750	223,057	240,000
Goods and services tax		10,000	(2,631)	0
Other revenue		57,500	50,126	32,000
		11,377,416	10,384,068	12,994,353
<b>Payments</b>				
Employee costs		(4,575,660)	(3,837,260)	(4,392,717)
Materials and contracts		(3,792,921)	(3,717,223)	(3,281,188)
Utility charges		(586,840)	(572,048)	(506,330)
Interest expenses		(100,519)	(35,927)	(69,079)
Insurance expenses		(274,653)	(293,333)	(301,950)
Other expenditure		(591,269)	(652,737)	(385,395)
		(9,921,862)	(9,108,528)	(8,936,659)
<b>Net cash provided by (used in) operating activities</b>	3	1,455,554	1,275,540	4,057,694
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(4,609,345)	(794,754)	(1,959,843)
Payments for construction of infrastructure	4(a)	(9,100,768)	(3,384,562)	(8,311,708)
Non-operating grants, subsidies and contributions used for the development of assets	9	6,288,074	1,961,832	1,731,044
Proceeds from sale of plant & equipment	4(b)	291,364	362,755	43,400
<b>Net cash provided by (used in) investing activities</b>		(7,130,675)	(1,854,729)	(8,497,107)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(700,151)	(70,533)	(293,868)
Proceeds from self supporting loans	6(a)	484,453	0	0
Proceeds from new borrowings	6(b)	0	2,855,000	2,640,000
<b>Net cash provided by (used in) financing activities</b>		(215,698)	2,784,467	2,346,132
<b>Net increase (decrease) in cash held</b>		(5,890,819)	2,205,277	(2,093,281)
Cash at beginning of year		7,819,414	5,614,140	5,605,043
<b>Cash and cash equivalents at the end of the year</b>	3	<b>1,928,595</b>	<b>7,819,414</b>	<b>3,511,761</b>

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



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

	NOTE	2019/20 Budget \$	2018/19 Actual \$	2018/19 Budget \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2 (b)(i)	5,787,599	2,870,477	3,148,805
		5,787,599	2,870,477	3,148,805
<b>Revenue from operating activities (excluding rates)</b>				
Governance		22,000	95,068	70,500
General purpose funding		610,027	836,255	626,970
Law, order, public safety		34,300	45,473	22,390
Health		3,000	209	2,400
Education and welfare		222,304	239,336	239,991
Housing		113,681	211,866	94,760
Community amenities		1,042,666	1,055,043	1,006,099
Recreation and culture		298,000	160,362	151,500
Transport		524,996	928,237	729,469
Economic services		331,742	383,351	1,763,729
Other property and services		58,710	30,127	10,000
		3,261,426	3,985,327	4,717,808
<b>Expenditure from operating activities</b>				
Governance		(1,833,407)	(1,891,698)	(1,865,219)
General purpose funding		(384,767)	(235,572)	(244,719)
Law, order, public safety		(429,626)	(279,865)	(275,457)
Health		(480,198)	(249,439)	(208,301)
Education and welfare		(366,561)	(284,005)	(375,230)
Housing		(360,485)	(369,274)	(237,691)
Community amenities		(1,680,482)	(1,679,601)	(1,628,466)
Recreation and culture		(3,320,481)	(2,854,214)	(2,813,220)
Transport		(4,612,009)	(4,285,900)	(5,317,796)
Economic services		(1,178,807)	(1,093,435)	(1,311,965)
Other property and services		(45,000)	(165,377)	(10,000)
		(14,691,823)	(13,388,380)	(14,288,064)
Non-cash amounts excluded from operating activities	2 (b)(ii)	4,235,461	4,061,860	5,045,699
<b>Amount attributable to operating activities</b>		(1,407,337)	(2,470,716)	(1,375,752)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	6,288,074	1,961,832	1,731,044
Purchase property, plant and equipment	4(a)	(4,609,345)	(794,754)	(1,959,843)
Purchase and construction of infrastructure	4(a)	(9,100,768)	(3,384,562)	(8,311,708)
Proceeds from disposal of assets	4(b)	291,364	362,755	43,400
<b>Amount attributable to investing activities</b>		(7,130,675)	(1,854,729)	(8,497,107)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(700,151)	(70,533)	(293,868)
Proceeds from new borrowings	6(b)	0	2,855,000	2,640,000
Proceeds from self supporting loans	6(a)	484,453	0	0
Transfers to cash backed reserves (restricted assets)	7(a)	(339,645)	(425,030)	(157,026)
Transfers from cash backed reserves (restricted assets)	7(a)	1,942,863	1,071,213	995,243
<b>Amount attributable to financing activities</b>		1,387,520	3,430,649	3,184,349
<b>Budgeted deficiency before general rates</b>		(7,150,492)	(894,796)	(6,688,510)
<b>Estimated amount to be raised from general rates</b>	1	7,150,490	6,682,397	6,688,510
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	0	5,787,601	0

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

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	Budgeted rate revenue \$	Budgeted interim rates \$	Budgeted back rates \$	2019/20 Budgeted total revenue \$	2018/19 Actual total revenue \$	2018/19 Budget total revenue \$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
Residential	0.07611	1,135	16,317,541	1,241,879	0	0	1,241,879	1,214,275	1,214,275
<b>Unimproved valuations</b>									
Mining	0.22044	1,159	22,636,584	4,989,895	120,000	0	5,109,895	4,630,294	4,656,139
Rural	0.11051	29	1,134,784	125,408	0	0	125,408	105,928	105,928
<b>Sub-Totals</b>		<b>2,323</b>	<b>40,088,910</b>	<b>6,357,182</b>	<b>120,000</b>	<b>0</b>	<b>6,477,182</b>	<b>5,950,497</b>	<b>5,976,342</b>
<b>Minimum payment</b>									
<b>\$</b>									
<b>Gross rental valuations</b>									
Residential	708	656	4,185,895	464,448			464,448	456,652	456,652
<b>Unimproved valuations</b>									
Mining	437	559	598,076	244,283			244,283	270,940	270,940
Rural	684	14	13,500	9,576			9,576	9,576	9,576
<b>Sub-Totals</b>		<b>1,229</b>	<b>4,797,470</b>	<b>718,307</b>	<b>0</b>	<b>0</b>	<b>718,307</b>	<b>737,168</b>	<b>737,168</b>
<b>Discounts/concessions (Refer note 1(g))</b>									
		<b>3,552</b>	<b>44,886,380</b>	<b>7,075,489</b>	<b>120,000</b>	<b>0</b>	<b>7,195,490</b>	<b>6,687,665</b>	<b>6,713,510</b>
<b>Total amount raised from general rates</b>									
							<b>(45,000)</b>	<b>(5,268)</b>	<b>(25,000)</b>
<b>Specified area rates (Refer note 1(f))</b>									
							<b>7,150,490</b>	<b>6,682,397</b>	<b>6,688,510</b>
							<b>0</b>	<b>0</b>	<b>263,403</b>
<b>Total rates</b>									
							<b>7,150,490</b>	<b>6,682,397</b>	<b>6,951,913</b>

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

The general rates detailed 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 effect of any increase in rating over the level adopted in the previous year.

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

**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.

<b>Instalment options</b>	<b>Date due</b>	<b>Instalment plan admin charge</b> \$	<b>Instalment plan interest rate</b> %	<b>Unpaid rates interest rates</b> %
<b>Option one</b>				
Single full payment	9/09/2019	\$0	0.0%	6.0%
<b>Option two</b>				
First instalment	9/09/2019	\$0	0.0%	6.0%
Second instalment	11/11/2019	\$10	0.0%	6.0%
Third instalment	13/01/2020	\$10	0.0%	6.0%
Fourth instalment	16/03/2020	\$10	0.0%	6.0%
			<b>2019/20 Budget revenue</b>	<b>2018/19 Actual revenue</b>
			\$	\$
Instalment plan admin charge revenue			21,400	19,220
Instalment plan interest earned			2,500	667
Unpaid rates and service charge interest earned			120,000	118,779
			<u>143,900</u>	<u>138,666</u>
				<u>25,000</u>
				<u>130,000</u>
				<u>155,000</u>



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

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(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**

<b>Description</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
UV - Mining	Land used for mining, exploration and prospecting	Level of services and use of Council assets	To ensure the proportion of total rate revenue derived from UV Pastoral is appropriate given the identified level of servicing
UV - Pastoral	Rural land used for pastoral pursuits	Level of services and use of Council assets	The reflection of the ongoing costs involved in maintaining the road network that services this land use and the large scale equipment and operations of mining result in the Shire's network requiring ongoing maintenance to service these users

**(d) Differential Minimum Payment**

<b>Description</b>	<b>Characteristics</b>	<b>Objects</b>	<b>Reasons</b>
UV - Mining	Land used for mining, exploration and prospecting	To provide the Council with funding for the necessary works & services to maintain assets and provide for future needs	The same services are provided for all ratepayers whether or not they are in close proximity or utilise the services. The lower minimum rate recognises inequities between mining valuations and pastoral leases.
UV - Pastoral	Rural land used for pastoral pursuits	To provide the Council with funding for the necessary works & services to maintain assets and provide for future needs	The same services are provided for all ratepayers whether or not they are in close proximity or utilise the services. The lower minimum rate recognises inequities between mining valuations and pastoral leases.

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

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(e) Variation in Adopted Differential Rates to Local Public Notice**

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

<b>Differential general rate or general rate</b>	<b>Proposed Rate in \$</b>	<b>Adopted Rate in \$</b>	<b>Reasons for the difference</b>
UV - Mining	0.22473	0.22044	Council resolved to leave the rate in the \$ the same as the 2018/19 financial year
UV - Pastoral	0.11267	0.11051	Council resolved to leave the rate in the \$ the same as the 2018/19 financial year
<b>Minimum payment</b>	<b>Proposed Minimum \$</b>	<b>Adopted Minimum \$</b>	<b>Reasons for the difference</b>
UV - Mining	446	437	Council resolved to leave the minimum rate the same as the 2018/19 financial year
UV - Pastoral	697	684	Council resolved to leave the minimum rate the same as the 2018/19 financial year

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

**1. RATES AND SERVICE CHARGES (CONTINUED)**

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

**(f) Service Charges**

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

**(g) Waivers or concessions**

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2019/20 Budget	2018/19 Actual	2018/19 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Rate	Concession	100.0%		\$ 5,000	\$ 0	\$ 5,000	Community groups who lease or own their own premise and meet the criteria as per Council Policy	The purpose of the concession is to support community groups by reducing the financial cost.
Rate	Concession	50.0%		15,000	0	15,000	Property being used for rural pursuits	The purpose of the concession is to support rural pursuits.
Rate	Concession	20.0%		5,000	0	5,000	Bona Fide Prospectors	The purpose of the concession is to support bona fide prospectors
Rate	Write Off			20,000	5,268	0	Uncollectable rate debts written off	To bring to account uncollectable debts
				45,000	5,268	25,000		

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

2 (a). NET CURRENT ASSETS

Note	2019/20	2019/20	2018/19	2018/19	
	Budget 30 June 2020	Budget 01 July 2019	Estimated Actual 30 June 2019	Budget 30 June 2019	
	\$	\$	\$	\$	
<b>Composition of estimated net current assets</b>					
<b>Current assets</b>					
Cash - unrestricted	3	264,723	4,344,812	4,344,812	474,022
Cash - restricted reserves	3	1,663,872	3,267,090	3,267,090	3,037,739
Cash - restricted unspent grants & borrowings	6 (b)	0	207,512	207,512	0
Receivables		791,594	1,810,500	1,810,500	191,807
Contract assets		0	0	0	0
Inventories		8,426	8,426	8,426	6,530
		2,728,615	9,638,340	9,638,340	3,710,098
<b>Less: current liabilities</b>					
Trade and other payables		(1,083,651)	(583,651)	(583,651)	(672,359)
Contract liabilities		(183,397)	(183,397)	0	0
Long term borrowings		(712,645)	(697,871)	(697,871)	(874,142)
Provisions		(238,493)	(238,493)	(238,493)	(326,728)
		(2,218,186)	(1,703,412)	(1,520,015)	(1,873,229)
<b>Net current assets</b>		510,429	7,934,928	8,118,325	1,836,869

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

2 (b). NET CURRENT ASSETS (CONTINUED)

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.

	Note	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
		\$	\$	\$	\$
<b>(i) Current assets and liabilities excluded from budgeted deficiency</b>					
<b>Net current assets</b>	2	510,429	7,934,928	8,118,325	1,836,869
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.					
<b>Adjustments to net current assets</b>					
Less: Cash - restricted reserves	3	(1,663,872)	(3,267,090)	(3,267,090)	(3,037,739)
Add: Current liabilities associated with restricted assets					
- Unspent grants, contributions and reimbursements		183,397	183,397		
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings		712,645	697,871	697,871	874,142
- Employee benefit provisions		238,493	238,493	238,493	326,728
- bonds and deposits held		18,908	0		
<b>Adjusted net current assets - surplus/(deficit)</b>		0	5,787,599	5,787,601	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(b)	(34,500)	(80,620)	(80,620)	(6,000)
Less: Movement in liabilities associated with restricted cash		0	0	(135,060)	0
Add: Loss on disposal of assets	4(b)	87,000	130,807	130,807	25,000
Add: Change in accounting policies	15	0	183,397	0	0
Add: Depreciation on assets	5	4,182,961	4,146,733	4,146,733	5,026,699
<b>Non cash amounts excluded from operating activities</b>		4,235,461	4,380,317	4,061,860	5,045,699

**(iii) Reason for adjustment to Adjusted net current assets - surplus/(deficit) on 1 July 2019**

The Shire has elected to retrospectively apply the cumulative effect of applying AASB 1058 Income of Not-for-Profit Entities at the date of initial application of the standard, being 1 July 2019. The impact of applying the standard was to recognise unspent grants and contributions for construction of recognisable non-financial assets controlled by the Shire as a liability. The opening budgeted surplus/deficit on 1 July 2019 has been amended accordingly from the estimated actual closing surplus/deficit. Refer to note 15 for further explanation of the impact of the changes in accounting policies



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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

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

**TRADE AND OTHER PAYABLES**

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

**CONTRACT ASSETS**

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

**PROVISIONS**

Provisions are recognised when the Shire has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**INVENTORIES**

**General**

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Superannuation**

The Shire of Coolgardie contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Coolgardie 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 Coolgardie'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 Coolgardie'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 Coolgardie's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**LAND HELD FOR RESALE**

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

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

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

NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 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	264,723	4,344,812	474,022
Cash - restricted	1,663,872	3,474,602	3,037,739
	1,928,595	7,819,414	3,511,761

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

Land & Building Reserve	312,769	312,769	346,688
Plant Reserve	131,697	397,697	287,681
Sewerage Reserve	173,125	133,125	225,253
Landfill Reserve	200,981	468,981	168,017
Community & Recreation Reserve	121,418	371,418	372,438
Environmental Reserve	57,726	357,726	510,000
IT & Communications Reserve	89,654	89,654	188,428
Aerodrome Reserve	29,000	158,000	0
Road Reserve	215,358	333,857	237,690
Infrastructure Reserve	332,144	643,863	701,544
Unspent grants and contributions not held in reserve	0	177,009	0
Unspent borrowings	0	30,503	0
	1,663,872	3,474,602	3,037,739

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

<b>Net result</b>	2,008,167	(758,824)	(1,150,702)
Depreciation	4,182,961	4,146,733	5,026,699
(Profit)/loss on sale of asset	52,500	50,187	19,000
(Increase)/decrease in receivables	1,000,000	(203,036)	1,594,035
(Increase)/decrease in contract assets	0	0	0
(Increase)/decrease in inventories	0	(3,383)	0
Increase/(decrease) in payables	316,603	14,204	299,706
Increase/(decrease) in contract liabilities	0	0	0
Increase/(decrease) in employee provisions	0	(8,509)	0
Change in accounting policies transferred to retained surplus (refer to Note 15)	183,397	0	0
Grants/contributions for the development of assets	(6,288,074)	(1,961,832)	(1,731,044)
<b>Net cash from operating activities</b>	1,455,554	1,275,540	4,057,694

#### SIGNIFICANT ACCOUNTING POLICES

##### CASH AND CASH EQUIVALENTS

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

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

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

**4. FIXED ASSETS**

(a) Acquisition of Assets

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

Asset class	Reporting program										
	Governance	Law, order, public safety	Health	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services	2019/20 Budget Total	2018/19 Actual Total	2018/19 Budget Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>											
Buildings - specialised	0	0	1,000,000	1,200,000	0	31,500	76,709	1,800,000	4,108,209	370,479	1,123,815
Furniture and equipment	20,000	0	0	0	0	10,000	0	12,500	42,500	16,740	95,000
Plant and equipment	0	0	0	0	0	0	458,636	0	458,636	407,535	741,028
	20,000	0	1,000,000	1,200,000	0	41,500	535,345	1,812,500	4,609,345	794,754	1,959,843
<i>Infrastructure</i>											
Infrastructure - Roads	0	0	0	0	0	0	2,778,768	0	2,778,768	2,598,605	4,653,826
Infrastructure - Footpaths	0	0	0	0	0	0	100,000	0	100,000	54,173	90,000
Infrastructure - Drainage	0	0	0	0	0	0	91,000	0	91,000	77,886	100,000
Infrastructure - Parks & Ovals	0	0	0	0	0	460,000	0	0	460,000	135,260	322,882
Infrastructure - Sewerage	0	0	0	0	55,000	0	0	0	55,000	0	100,000
Infrastructure - Other Infrastructure	0	20,000	0	0	695,000	3,600,000	81,000	1,220,000	5,616,000	518,639	3,045,000
	0	20,000	0	0	750,000	4,060,000	3,050,768	1,220,000	9,100,768	3,384,562	8,311,708
<b>Total acquisitions</b>	20,000	20,000	1,000,000	1,200,000	750,000	4,101,500	3,586,113	3,032,500	13,710,113	4,179,316	10,271,551





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
	\$	\$	\$
<b>By Program</b>			
Law, order, public safety	707	58	0
Health	2,520	2,470	2,560
Education and welfare	20,981	20,939	20,981
Housing	66,869	70,496	66,979
Community amenities	88,547	88,190	30,137
Recreation and culture	872,414	868,392	762,511
Transport	2,752,825	2,670,279	3,701,946
Economic services	60,314	179,821	176,801
Other property and services	317,785	246,089	264,784
	<b>4,182,961</b>	<b>4,146,733</b>	<b>5,026,699</b>
<b>By Class</b>			
Buildings - specialised	662,200	789,378	741,414
Furniture and equipment	122,474	120,548	118,406
Plant and equipment	266,393	194,097	212,685
Infrastructure - Roads	2,650,000	2,564,186	3,657,702
Infrastructure - Footpaths	80,000	82,600	52,266
Infrastructure - Drainage	30,721	30,554	11,540
Infrastructure - Parks & Ovals	208,000	199,051	97,756
Infrastructure - Sewerage	38,805	38,594	11,118
Infrastructure - Other Infrastructure	124,369	127,726	123,812
	<b>4,182,961</b>	<b>4,146,733</b>	<b>5,026,699</b>

## SIGNIFICANT ACCOUNTING POLICIES

### DEPRECIATION

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

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

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

Buildings - non-specialised	30-50 years
Buildings - specialised	3-50 years
Furniture and equipment	3-40 years
Plant and equipment	5-20 years
Infrastructure - Roads	20-150 years
Infrastructure - Footpaths	30-60 years
Infrastructure - Drainage	75 years
Infrastructure - Parks & Ovals	5-50 years
Infrastructure - Sewerage	10-100 years
Infrastructure - Other Infrastructure	2-50 years
Infrastructure - Kerbing	50 years

### DEPRECIATION (CONTINUED)

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	2019/20		2019/20		2019/20		2019/20		2018/19		2018/19		2018/19		2018/19		2018/19	
	Budget Principal 1 July 2019	Budget New loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding 30 June 2020	Actual Principal 1 July 2018	Actual New loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding 30 June 2019	Budget Principal 1 July 2018	Budget New loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding 30 June 2019			
<b>Community amenities</b>																		
Loan 99 - Coolgardie Effluent System	0	0	0	0	0	13,985	0	13,985	203	0	13,960	0	13,960	0	0			
<b>Recreation and culture</b>																		
Loan 112 - Coolgardie Aquatic Facilities	205,643	0	19,011	9,354	186,632	242,674	0	37,031	6,245	205,643	0	36,232	10,929	206,442				
Loan 114 - Kambalda Aquatic Facilities	1,905,000	0	172,489	53,276	1,732,511	0	1,905,000	0	0	1,905,000	0	50,012	22,148	1,149,988				
<b>Transport</b>																		
<b>Economic services</b>																		
Loan 113 - Coolgardie Post Office	416,817	0	37,821	24,265	378,996	436,335	0	19,518	17,650	416,817	0	18,062	25,406	418,273				
	2,527,461	0	229,322	86,895	2,298,139	692,994	1,905,000	70,533	24,097	2,527,461	1,200,000	118,265	58,920	1,774,704				
<b>Self Supporting Loans</b>																		
<b>Transport</b>																		
Loan 115 - Binninglie Road	950,000	0	470,829	13,624	479,171	0	950,000	0	0	950,000	0	115,607	7,268	834,393				
Loan 116 - Cave Hills Road	0	0	0	0	0	0	0	0	0	0	490,000	59,996	2,891	430,004				
	950,000	0	470,829	13,624	479,171	0	950,000	0	0	950,000	1,440,000	175,603	10,159	1,264,397				
	3,477,461	0	700,151	100,519	2,777,310	692,994	2,855,000	70,533	24,097	3,477,461	2,640,000	293,868	69,079	3,039,101				

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.  
The self supporting loan repayment will be fully reimbursed in the 2020/21 financial year.

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

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2019/20 Budget	Amount as at 30th June 2020
			\$	\$	\$
Loan 113	Coolgardie Post Off	2014	30,503	30,503	0
			30,503	30,503	0

### (d) Credit Facilities

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit	500,000	500,000	500,000
Bank overdraft at balance date	0	0	0
Credit card limit	40,000	30,000	30,000
Credit card balance at balance date	0	1,212	0
<b>Total amount of credit unused</b>	<b>540,000</b>	<b>531,212</b>	<b>530,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	2,777,310	3,477,461	3,039,101
Unused loan facilities at balance date	0	30,503	165,607

## 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		2019/20		2019/20		2018/19		2018/19		2018/19		2018/19	
	Budget Opening Balance	Budget Transfer to (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to (from)	Actual Closing Balance	Budget Opening Balance	Actual Transfer to (from)	Budget Opening Balance	Actual Transfer to (from)	Budget Closing Balance	Budget Transfer (from)	Budget Closing Balance	Budget Transfer (from)
Land & Building Reserve	\$ 312,769	\$ 0	\$ 312,769	\$ 306,915	\$ 5,854	\$ 312,769	\$ 338,232	\$ 8,456	\$ 338,232	\$ 8,456	\$ 346,688	\$ 0	\$ 346,688	\$ 0
Plant Reserve	397,697	111,364	131,697	453,045	8,642	397,697	349,337	8,733	349,337	8,733	287,681	(70,389)	287,681	(70,389)
Sewerage Reserve	133,125	40,000	173,125	157,712	43,008	133,125	180,735	44,518	180,735	44,518	225,253	0	225,253	0
Landfill Reserve	468,981	0	200,981	715,444	31,245	468,981	759,041	18,976	759,041	18,976	168,017	(610,000)	168,017	(610,000)
Community & Recreation Reserve	371,418	0	121,418	413,530	7,888	371,418	412,135	10,303	412,135	10,303	372,438	(50,000)	372,438	(50,000)
Environmental Reserve	357,726	0	57,726	506,073	9,653	357,726	504,366	5,634	504,366	5,634	510,000	0	510,000	0
IT & Communications Reserve	89,654	0	89,654	99,261	1,893	89,654	183,832	4,596	183,832	4,596	188,428	0	188,428	0
Aerodrome Reserve	158,000	0	29,000	0	158,000	158,000	0	0	0	0	0	0	0	0
Road Reserve	333,857	0	215,358	545,188	10,399	333,857	398,189	9,955	398,189	9,955	237,690	(170,454)	237,690	(170,454)
Infrastructure Reserve	643,863	188,281	332,144	716,106	148,447	643,863	750,090	45,854	750,090	45,854	701,544	(94,400)	701,544	(94,400)
	3,267,090	339,645	1,663,872	3,913,273	425,030	3,267,090	3,875,957	157,026	3,875,957	157,026	3,037,739	(995,243)	3,037,739	(995,243)

(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
Land & Building Reserve	30/06/2020	To finance purchase or capital improvements to Council buildings and facilitate subdivisions and developments
Plant Reserve	30/09/2019	To be used for the purchase of major and minor plant and equipment
Sewerage Reserve	30/06/2020	To repair, replace or extend the Coolgardie Sewerage Infrastructure
Landfill Reserve	30/09/2019	To reinstate landfill sites at the end of their current purpose or to fund improvements at landfill sites
Community & Recreation Reserve	30/06/2020	To fund capital and maintenance requirements to improve Community and Recreational Facilities
Environmental Reserve	31/03/2020	Funding of infrastructure and building improvements to meet environmental challenges and to promote efficient use of power & water
IT & Communications Reserve	30/06/2020	To fund capital and maintenance of Computer and communications hardware and software
Aerodrome Reserve	30/06/2020	For the construction and maintenance of aerodrome facilities
Road Reserve	30/11/2019	For the construction and maintenance of Roads and for which contributions have been received for Heavy Haulage Campaigns
Infrastructure Reserve	31/10/2019	To meet the needs of renewal funding for future Capital renewal infrastructure generally

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

## 8. FEES & CHARGES REVENUE

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
General purpose funding	32,200	26,070	40,000
Law, order, public safety	17,800	36,262	19,000
Health	3,000	209	2,400
Education and welfare	9,000	17,346	21,000
Housing	113,681	142,291	94,760
Community amenities	1,036,425	1,055,043	742,696
Recreation and culture	293,500	129,442	150,000
Economic services	78,042	100,063	114,000
	<b>1,583,649</b>	<b>1,506,727</b>	<b>1,183,856</b>

## 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	22,000	95,068	70,500
General purpose funding	369,077	586,618	346,970
Law, order, public safety	16,500	9,211	3,390
Education and welfare	213,304	214,251	198,991
Community amenities	6,240	0	0
Recreation and culture	4,500	5,097	1,500
Transport	490,496	917,192	723,469
Economic services	241,200	270,079	1,637,729
Other property and services	13,710	27,282	10,000
	<b>1,377,027</b>	<b>2,124,797</b>	<b>2,992,549</b>

#### Non-operating grants, subsidies and contributions

Health	1,000,000	0	0
Housing	1,200,000	0	0
Recreation and culture	1,062,823	258,559	39,205
Transport	932,090	1,703,273	1,691,839
Economic services	2,093,161	0	0
	<b>6,288,074</b>	<b>1,961,832</b>	<b>1,731,044</b>

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

## 10. OTHER INFORMATION

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	69,000	74,438	90,000
- Other funds	17,250	29,172	20,000
Other interest revenue (refer note 1b)	122,500	119,446	130,000
	<u>208,750</u>	<u>223,057</u>	<u>240,000</u>
<b>(b) Other revenue</b>			
Reimbursements and recoveries	57,500	50,126	32,000
	<u>57,500</u>	<u>50,126</u>	<u>32,000</u>
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	50,000	73,045	30,000
Other services	25,000	24,207	30,000
	<u>75,000</u>	<u>97,252</u>	<u>60,000</u>
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	100,519	24,097	69,079
	<u>100,519</u>	<u>24,097</u>	<u>69,079</u>
<b>(e) Elected members remuneration</b>			
Meeting fees	122,321	121,388	122,321
Mayor/President's allowance	32,800	28,354	28,000
Deputy Mayor/President's allowance	8,200	7,110	7,000
Travelling expenses	10,000	9,186	6,000
Telecommunications allowance	24,500	24,420	24,500
	<u>197,821</u>	<u>190,458</u>	<u>187,821</u>
<b>(f) Write offs</b>			
General rate	20,000	20,922	20,000
Fees and charges	500	4,315	0
	<u>20,500</u>	<u>25,237</u>	<u>20,000</u>
<b>(g) Low Value lease expenses</b>			
Office equipment	133,727	101,967	84,440
Plant equipment	86,992	23,948	48,048
	<u>220,719</u>	<u>125,915</u>	<u>132,488</u>

### SIGNIFICANT ACCOUNTING POLICIES

#### LEASES

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability.

At the commencement date, a lessee shall measure the right-of-use asset at cost.

#### LEASES (CONTINUED)

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.



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

## 11. MAJOR LAND TRANSACTIONS AND 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

The Shire together with the City of Kalgoorlie Boulder, and the Shires of Dundas, Esperance, Laverton, Leonara, Menzies, Ngaanyatjaraku, Ravensthorpe and Wiluna, have a joint venture arrangement for the provision of regional records service. The assets included in the joint venture recorded at the Shire's one-tenth share are as follows:

	<b>2019/20 Budget</b>	<b>2018/19 Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
<b>Non-current assets</b>			
Land & Buildings	72,500	72,500	72,500
Less: accumulated depreciation	(5,436)	(3,624)	(1,450)
	<u>67,064</u>	<u>68,876</u>	<u>71,050</u>
Plant and equipment	4,182	4,182	0
Less: accumulated depreciation	(2,016)	(1,512)	0
	<u>2,166</u>	<u>2,670</u>	<u>0</u>
Furniture & Equipment	8,204	8,204	0
Less: accumulated depreciation	(3,610)	(2,708)	0
	<u>4,594</u>	<u>5,497</u>	<u>0</u>
Light Vehicles	3,200	3,200	0
Less: accumulated depreciation	(1,920)	(1,440)	0
	<u>1,280</u>	<u>1,760</u>	<u>0</u>

### 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 Coolgardie'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	512	0	(512)	0
Building Levy	9,406	0	(9,406)	0
Housing Bonds	2,450	0	(2,450)	0
Facility Hire Bonds	1,200	0	(1,200)	0
Community Bus Bond	2,500	0	(2,500)	0
Other Bonds	165	0	(165)	0
Council Nomonations	160	0	(160)	0
Miscellaenous Monies	76,262	0	(76,262)	0
State Basketball League Game	30,000	0	(30,000)	0
Goldfields Records Facility	210,265	0	(210,265)	0
	332,920	0	(332,920)	0

**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.

**REVENUE RECOGNITION**

Accounting Policies for the recognition of income and revenue from contracts with customers is described in Note 15.

15. SIGNIFICANT ACCOUNTING POLICIES - CHANGE  
IN ACCOUNTING POLICIES

This note explains the impact of the adoption of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income for Not-for-Profit Entities.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Shire of Coolgardie adopted AASB 15 on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire of Coolgardie has adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

	AASB 118 carrying amount 30 June 19	Reclassification	AASB 15 carrying amount 01 July 19
	\$	\$	\$
Contract liabilities - current			
Unspent grants, contributions and reimbursements	0	183,397	183,397
Developer contributions	0		0
Contract liabilities non-current			
Developer contributions	0		0
Cash in lieu of parking	0		0
Adjustment to retained surplus from adoption of AASB 15		(183,397)	

LEASES

On adoption of AASB 16, for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire of Coolgardie is not required to make any adjustments on transition for leases for which the underlying asset is of low value. 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).

INCOME FOR NOT-FOR-PROFIT ENTITIES

The Shire of Coolgardie has adopted AASB 1058 from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire of Coolgardie has adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB as compared to AASB 1004 Contributions before the change:

	AASB 1004 carrying amount 30 June 19	Reclassification	AASB 1058 carrying amount 01 July 19
	\$	\$	\$
Trade and other payables	0	0	0
Adjustment to retained surplus from adoption of AASB 1058	0	0	0

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised by the Shire of Coolgardie. When the taxable event occurs the financial liability is extinguished and the Shire of Coolgardie recognises income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration that was significantly less than fair value principally to enable the Shire of Coolgardie to further its objectives may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services in relation to Volunteer Fire Services have been recognised in budgeted revenue and budgeted expenditure as the fair value of the services can be reliably estimated and the services would have been purchased if they had not been donated.

The impact on the Shire of Coolgardie of the changes as at 1 July 2019 is as follows:

	2019
	\$
Retained surplus - 30/06/2019	5,787,601
Adjustment to retained surplus from adoption of AASB 15	(183,397)
Adjustment to retained surplus from adoption of AASB 1058	0
Retained surplus - 01/07/2019	5,604,204

