

SHIRE OF WAROONA
BUDGET
FOR THE YEAR ENDED 30 JUNE 2019

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SHIRE'S VISION

"We value our coast and country and care for our community"

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

BY NATURE OR TYPE

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
Revenue				
Rates	1	4,873,802	4,688,602	4,667,181
Operating grants, subsidies and contributions	9	1,041,802	1,492,570	1,193,915
Fees and charges	8	1,557,349	1,481,077	1,417,705
Service charges		0	0	0
Interest earnings	10(a)	90,810	94,116	84,135
Other revenue	10(b)	97,100	98,274	98,520
		7,660,863	7,854,640	7,461,457
Expenses				
Employee costs		(3,344,509)	(3,652,542)	(3,464,597)
Materials and contracts		(3,260,495)	(2,969,462)	(3,091,854)
Utility charges		(386,385)	(399,090)	(386,125)
Depreciation on non-current assets	5	(3,490,299)	(3,179,974)	(3,518,150)
Interest expenses	10(d)	(16,571)	(11,834)	(12,813)
Insurance expenses		(214,240)	(189,634)	(209,703)
Other expenditure		(242,924)	(231,321)	(204,780)
		(10,955,423)	(10,633,857)	(10,888,022)
		(3,294,560)	(2,779,217)	(3,426,565)
Non-operating grants, subsidies and contributions	9	2,382,008	1,809,331	1,896,225
Profit on asset disposals	4(b)	4,165	7,177	13,890
Loss on asset disposals	4(b)	(24,496)	(20,015)	(29,065)
Loss on revaluation of non current assets		0	0	0
Reversal of prior year loss on revaluation of assets		0	0	0
Fair value adjustments to financial assets at fair value through profit or loss		0	0	0
Net result		(932,883)	(982,724)	(1,545,515)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(932,883)	(982,724)	(1,545,515)

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

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 Waroona 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 30TH JUNE 2019**

BY PROGRAM

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
Revenue	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		161,516	158,619	145,590
General purpose funding		5,442,164	5,726,442	5,277,820
Law, order, public safety		80,843	109,809	101,100
Health		37,700	33,011	30,100
Education and welfare		125,410	150,989	132,667
Housing		17,680	17,081	17,680
Community amenities		1,230,883	1,121,899	1,076,243
Recreation and culture		360,537	319,139	477,687
Transport		73,550	96,535	94,325
Economic services		76,975	65,155	83,955
Other property and services		53,605	55,960	24,290
		7,660,863	7,854,640	7,461,457
Expenses excluding finance costs	5,10(c),(e),(f)			
Governance		(1,451,291)	(1,363,366)	(1,412,192)
General purpose funding		(151,663)	(134,908)	(123,985)
Law, order, public safety		(618,652)	(867,198)	(695,105)
Health		(235,215)	(253,607)	(254,655)
Education and welfare		(385,187)	(310,070)	(306,263)
Housing		(12,086)	(8,515)	(9,385)
Community amenities		(1,579,541)	(1,553,682)	(1,653,698)
Recreation and culture		(2,730,687)	(2,720,878)	(2,833,483)
Transport		(3,180,446)	(2,859,356)	(3,039,724)
Economic services		(516,610)	(491,342)	(536,957)
Other property and services		(77,474)	(59,102)	(9,762)
		(10,938,852)	(10,622,023)	(10,875,209)
Finance costs	6, 10(d)			
Recreation and culture		(16,571)	(11,834)	(12,813)
		(16,571)	(11,834)	(12,813)
		(3,294,560)	(2,779,217)	(3,426,565)
Non-operating grants, subsidies and contributions	9	2,382,008	1,809,331	1,896,225
Profit on disposal of assets	4(b)	4,165	7,177	13,890
(Loss) on disposal of assets	4(b)	(24,496)	(20,015)	(29,065)
Loss on revaluation of non current assets		0	0	0
Net result		(932,883)	(982,724)	(1,545,515)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(932,883)	(982,724)	(1,545,515)

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

FOR THE YEAR ENDED 30TH 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.	Rates and general purpose Government Grants. Expenses relating to these items.
GENERAL PURPOSE FUNDING	Rates and general purpose Government Grants. Expenses relating to these items.	Rates and general purpose Government Grants. Expenses relating to these items.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Fire prevention and animal control by the supervision of various by-laws, public security and civil emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Food control, operation of Child Health Clinic and general health services. Operation of Waroona Community Health and Resource Centre.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	Operation of Pre-School facilities and Senior Citizens Centre & Community Development Officer.
HOUSING	To provide and maintain residential housing.	Rental of Council owned house at 1 Eastcott Street Waroona.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish and recycling collection service, maintenance and improvement of stormwater drainage, upkeep of cemeteries, litter control, town planning control and public conveniences.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Maintenance of halls and pavilions, ovals, parks and gardens, public library and Waroona Indoor Recreation and Aquatic Centre.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads. drainage ,footpaths, parking facilities, traffic signs, street cleaning and vehicle licensing function.
ECONOMIC SERVICES	To help promote the Shire and its economic wellbeing.	Tourism, pest control services, implementation of building controls, operation of Landcare premises and regional development.
OTHER PROPERTY AND SERVICES	To monitor and control Council's overhead operating accounts.	Private works, public work overheads (ie - engineering, leave, public holidays), plant operation (ie - repairs, wages, insurance), stock and materials.

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

BY NATURE OR TYPE

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,909,042	4,649,903	4,667,181
Operating grants, subsidies and contributions		966,802	1,646,112	1,385,929
Fees and charges		1,557,349	1,481,077	1,417,705
Service charges		0	0	0
Interest earnings		90,810	94,116	84,135
Other revenue		97,100	98,274	132,798
		7,621,103	7,969,482	7,687,748
Payments				
Employee costs		(3,275,461)	(3,635,804)	(3,480,728)
Materials and contracts		(3,322,359)	(2,685,229)	(3,118,673)
Utility charges		(386,385)	(399,090)	(386,125)
Interest expenses		(6,714)	(1,785)	(12,893)
Insurance expenses		(214,240)	(189,634)	(209,703)
Other expenditure		(242,924)	(231,321)	(196,279)
		(7,448,083)	(7,142,863)	(7,404,401)
Net cash provided by (used in) operating activities	3	173,020	826,619	283,347
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(2,121,800)	(843,916)	(1,343,217)
Payments for construction of infrastructure	4(a)	(1,959,316)	(1,648,643)	(1,752,543)
Non-operating grants, subsidies and contributions used for the development of assets	9	2,382,008	1,809,331	1,896,225
Proceeds from sale of plant & equipment	4(b)	239,500	204,864	213,000
Net cash provided by (used in) investing activities		(1,459,608)	(478,364)	(986,535)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6	(59,032)	(40,572)	(40,553)
Proceeds from self supporting loans		0	0	8,500
Proceeds from low interest loans		8,500	8,500	0
Proceeds from new borrowings	6(b)	0	200,000	0
Net cash provided by (used in) financing activities		(50,532)	167,928	(32,053)
Net increase (decrease) in cash held		(1,337,120)	516,183	(735,241)
Cash at beginning of year		3,922,610	3,406,427	3,407,397
Cash and cash equivalents at the end of the year	3	2,585,490	3,922,610	2,672,156

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

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

BY REPORTING PROGRAM

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	1,035,778	814,087	820,794
		1,035,778	814,087	820,794
Revenue from operating activities (excluding rates)				
Governance		161,516	160,428	145,590
General purpose funding		568,362	1,037,840	610,639
Law, order, public safety		80,843	109,809	104,000
Health		37,700	33,011	30,100
Education and welfare		125,410	150,989	132,667
Housing		17,680	17,081	17,680
Community amenities		1,230,883	1,121,899	1,076,243
Recreation and culture		360,537	319,139	477,687
Transport		77,715	101,904	105,315
Economic services		76,975	65,155	83,955
Other property and services		53,605	43,155	24,290
		2,791,226	3,160,410	2,808,166
Expenditure from operating activities				
Governance		(1,458,036)	(1,370,066)	(1,424,552)
General purpose funding		(151,663)	(134,908)	(123,985)
Law, order, public safety		(619,083)	(867,198)	(695,105)
Health		(235,215)	(253,607)	(254,655)
Education and welfare		(385,187)	(310,070)	(306,263)
Housing		(12,086)	(8,515)	(9,385)
Community amenities		(1,582,942)	(1,555,021)	(1,655,928)
Recreation and culture		(2,747,258)	(2,732,712)	(2,846,296)
Transport		(3,190,867)	(2,866,514)	(3,050,389)
Economic services		(520,108)	(496,160)	(540,767)
Other property and services		(77,474)	(71,892)	(9,762)
		(10,979,919)	(10,666,663)	(10,917,087)
Operating activities excluded from budget				
(Profit) on asset disposals	4(b)	(4,165)	(7,177)	(13,890)
Loss on disposal of assets	4(b)	24,496	20,015	29,065
Depreciation on assets	5	3,490,299	3,179,974	3,518,150
Movement in employee benefit provisions (non-current)		25,855	142,432	34,278
Amount attributable to operating activities		(3,616,430)	(3,356,922)	(3,720,524)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9	2,382,008	1,809,331	1,896,225
Purchase land held for resale	4(a)	0		0
Purchase property, plant and equipment	4(a)	(2,121,800)	(843,916)	(1,343,217)
Purchase and construction of infrastructure	4(a)	(1,959,316)	(1,648,643)	(1,752,543)
Proceeds from disposal of assets	4(b)	239,500	204,864	213,000
Amount attributable to investing activities		(1,459,608)	(478,364)	(986,535)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(59,032)	(40,572)	(40,553)
Proceeds from new borrowings	6(b)	0	200,000	0
Proceeds from low interest loans		8,500	8,500	8,500
Proceeds from self supporting loans	6(a)	0	0	0
Unspent Grants 1 July B/Fwd		255,645	79,229	81,256
Unspent Grants 30 June C/Fwd		0	(255,645)	0
Transfers to cash backed reserves (restricted assets)	7(a)	(287,240)	(392,583)	(339,325)
Transfers from cash backed reserves (restricted assets)	7(a)	284,363	583,533	330,000
Amount attributable to financing activities		202,236	182,462	39,878
Budgeted deficiency before general rates		(4,873,802)	(3,652,824)	(4,667,181)
Estimated amount to be raised from general rates	1	4,873,802	4,688,602	4,667,181
Net current assets at end of financial year - surplus/(deficit)	2	0	1,035,778	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 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								
1 Waroona GRV	0.100863	1,423	22,958,542	2,315,667	0		2,315,667	2,195,411
2 Waroona UV	0.007580	567	229,221,000	1,737,495	0	0	1,737,495	1,671,011
Sub-Totals		1,990	252,179,542	4,053,162	0	0	4,053,162	3,866,422
Minimum								
	\$							
1 Waroona GRV	1,115	645	4,382,246	719,175	0	0	719,175	724,200
2 Waroona UV	1,115	91	7,610,658	101,465	0	0	101,465	97,980
Sub-Totals		736	11,992,904	820,640	0	0	820,640	822,180
Total rates		2,726	264,172,446	4,873,802	0	0	4,873,802	4,688,602
Discounts/concessions (Refer note 1(h))							0	0
Total amount raised from general rates							4,873,802	4,688,602
Specified area rates (Refer note 1(f))							0	0
							4,873,802	4,688,602

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH 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	26/09/2018	0	5.50%	11.00%
Option two				
First Instalment	26/09/2018	0	5.50%	11.00%
Second Instalment	29/01/2019	10	5.50%	11.00%
Option three				
First Instalment	26/09/2018	0	5.50%	11.00%
Second Instalment	26/11/2018	10	5.50%	11.00%
Third Instalment	29/01/2019	10	5.50%	11.00%
Fourth Instalment	29/03/2019	10	5.50%	11.00%

	2018/19 Budget revenue	2017/18 Actual
	\$	\$
Instalment plan admin charge revenue	19,980	20,670
Instalment plan interest earned	15,900	15,441
Unpaid rates and service charge interest earned	23,220	34,728
	59,100	70,838

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30th June 2019.

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2019.

(e) Rates discounts

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2019.

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

2. NET CURRENT ASSETS

	Note	2018/19 Budget	2017/18 Actual
		\$	\$
Composition of estimated net current assets			
Current assets			
Cash - unrestricted	3	265,232	1,350,554
Cash - restricted	3	0	255,645
Cash - restricted reserves	3	2,320,258	2,317,381
Receivables		242,853	203,093
Inventories		7,490	10,146
		2,835,833	4,136,819
Less: current liabilities			
Trade and other payables		(515,575)	(528,015)
		(515,575)	(528,015)
Unadjusted net current assets			
		2,320,258	3,608,804
Adjustments			
Less: Cash - restricted reserves	3	(2,320,258)	(2,317,381)
Less: Cash - restricted	24	0	(255,645)
Adjusted net current assets - surplus/(deficit)		0	1,035,778

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 Waroona's operational cycle. In the case of liabilities where the Shire of Waroona 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 of Waroona'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.

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 Waroona 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 Waroona 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 Waroona contributes to a number of superannuation funds on behalf of employees.

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

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire of Waroona'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 Waroona'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 Waroona'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 30TH 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	265,232	1,349,584	154,500
Cash - restricted	0	255,645	0
Cash - restricted reserves	2,320,258	2,317,381	2,517,656
	<u>2,585,490</u>	<u>3,922,610</u>	<u>2,672,156</u>
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Emergency Assistance Reserve	101,130	101,130	108,925
Sports Reserve	61,257	51,232	50,009
Staff Leave Reserve	249,105	179,105	181,967
Waste Management Reserve	782,894	682,894	669,185
Rec Centre Building Reserve	90,956	110,956	115,570
Hamel Hall Reserve	0	30,358	29,618
Plant Replacement Reserve	488,438	593,438	579,350
Depot Redevelopment Reserve	76,606	76,606	74,740
Council Building Maintenance Reserve	83,134	52,776	51,490
Strategic Planning Reserve	19,051	19,051	18,586
Council Building Construction Reserve	206,366	177,084	153,853
Preston Beach Volunteer Reserve	36,885	46,570	48,260
Information Technology Reserve	77,537	32,537	19,125
Footpath construction Reserve	30,407	30,407	29,666
Asset Management Reserve	0	117,645	114,780
History Book Reprint Reserve	7,696	6,796	8,952
Risk & Insurance Reserve	8,796	8,796	8,579
Fire Recovery Assistance Grant Reserve	0	0	255,000
	<u>2,320,258</u>	<u>2,317,381</u>	<u>2,517,656</u>
Reconciliation of net cash provided by operating activities to net result			
Net result	(932,883)	(982,725)	(1,545,515)
Depreciation	3,490,299	3,179,974	3,518,150
(Profit)/loss on sale of asset	20,331	12,838	15,175
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	(39,760)	114,843	192,014
(Increase)/decrease in inventories	2,656	(1,965)	(1,819)
Increase/(decrease) in payables	(54,663)	287,130	(32,711)
Increase/(decrease) in employee provisions	69,048	25,855	34,278
Grants/contributions for the development of assets	(2,382,008)	(1,809,331)	(1,896,225)
Net cash from operating activities	<u>173,020</u>	<u>826,619</u>	<u>283,347</u>

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, 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 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		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>													
Land	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	20,500	0	500,000	0	0	0	0	839,500	0	78,000	0	1,438,000	339,136
Plant & Equipment	115,000	0	70,000	0	0	0	47,500	0	387,000	28,500	0	648,000	471,038
Furniture & Equipment	0	0	20,000	0	0	0	0	15,800	0	0	0	35,800	33,743
	135,500	0	590,000	0	0	0	47,500	855,300	387,000	106,500	0	2,121,800	843,916
<i>Infrastructure</i>													
Infrastructure - Roads	0	0	0	0	0	0	0	0	1,644,697	0	0	1,644,697	1,523,635
Infrastructure - Other	0	0	0	0	0	0	207,319	77,300	30,000	0	0	314,619	125,008
	0	0	0	0	0	0	207,319	77,300	1,674,697	0	0	1,959,316	1,648,643
<i>Land Held for Resale</i>													
Land held for resale	0	0	0	0	0	0	0	0	0	0	0	0	0
Total acquisitions	135,500	0	590,000	0	0	0	254,819	932,600	2,061,697	106,500	0	4,081,116	2,492,559

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

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 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	85,746	79,000	0	(6,745)	1,809	(6,700)	0	(12,360)
General Purpose Funding	0	0	0	0	0	0	0	0
Law, order, public safety	17,431	17,000	0	(431)	0	0	2,900	0
Health	0	0	0	0	0	0	0	0
Education and welfare	0	0	0	0	0	0	0	0
Housing	0	0	0	0	0	0	0	0
Community amenities	31,901	28,500	0	(3,401)	0	(1,339)	0	(2,230)
Recreation and culture	0	0	0	0	0	0	0	0
Transport	101,256	95,000	4,165	(10,421)	5,369	(7,158)	10,990	(10,665)
Economic services	23,498	20,000	0	(3,498)	0	(4,818)	0	(3,810)
Other property and services	0	0	0	0	0	0	0	0
	259,832	239,500	4,165	(24,496)	7,177	(20,015)	13,890	(29,065)
By Class								
<u>Property, Plant and Equipment</u>								
Plant & Equipment	259,832	239,500	4,165	(24,496)	7,177	(20,015)	13,890	(29,065)
	259,832	239,500	4,165	(24,496)	7,177	(20,015)	13,890	(29,065)

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

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

5. ASSET DEPRECIATION

By Program

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

By Class

Buildings
Plant & Equipment
Furniture & Equipment
Infrastructure - Roads
Infrastructure - Other

	2018/19 Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$
	(117,476)	(96,333)	(108,025)
	0	0	0
	(66,741)	(61,523)	(69,295)
	(47,608)	(43,695)	(50,473)
	(32,764)	(30,071)	(40,996)
	0	0	0
	(140,533)	(128,982)	(153,017)
	(773,811)	(698,550)	(881,357)
	(2,241,387)	(2,056,673)	(2,139,835)
	(46,379)	(42,567)	(50,102)
	(23,600)	(21,580)	(25,050)
	(3,490,299)	(3,179,974)	(3,518,150)
	(748,838)	(824,647)	(897,799)
	(179,661)	(163,457)	(173,678)
	(34,293)	(27,654)	(31,479)
	(2,016,740)	(1,821,484)	(1,918,058)
	(510,767)	(342,732)	(497,136)
	(3,490,299)	(3,179,974)	(3,518,150)
	0	0	

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	40 - 60 Years
Plant & Equipment	5 - 10 Years
Furniture & Equipment	3 - 20 Years
Seats & Benches	15 - 25 Years
Water Supply Piping	20 - 40 Years
Roads	
Formation	Not Depreciated
Construction	45 - 55 Years
Bituminous Seals	15 - 25 Years
Asphalt Seals	25 - 30 Years
Unsealed Roads	
Formed	10 - 15 Years
Gravel	12 - 15 Years

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	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 106 - Aquatic Centre	0	0	0	9,228	0	0	0	(213)
Loan 117 - Basketball Stadium	95,319	0	13,430	12,588	81,889	95,319	(5,962)	(6,131)
Loan 120 - Rec Centre Upgrade	129,146	0	19,495	18,755	109,651	129,146	(4,861)	(5,491)
Loan 121 - Memorial Hall Upgrade	200,000	0	26,107	0	173,893	200,000	(5,748)	0
	424,465	0	59,032	40,572	365,433	424,465	(16,571)	(11,834)

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

(b) New borrowings - 2018/19

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2019

(c) Unspent borrowings

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

(d) Credit Facilities

The Shire of Waroona has access to a bank overdraft facility which has a limit of \$500,000 with the National Australia Bank. It is not anticipated that this facility will be required during the 2018/19 financial year.

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 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 Transfer to Other Reserve	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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Emergency Assistance Reserve	101,130	0	0		101,130	38,925	72,205	(10,000)	101,130	38,925	80,000	(10,000)	108,925
Sports Reserve	51,232	10,025	0		61,257	39,984	11,248	0	51,232	39,984	10,025	0	50,009
Staff Leave Reserve	179,105	70,000	0		249,105	151,967	33,794	(6,656)	179,105	151,967	30,000	0	181,967
Waste Management Reserve	682,894	100,000	0		782,894	549,185	133,709	0	682,894	549,185	120,000	0	669,185
Rec Centre Building Reserve	110,956	0	(20,000)		90,956	95,570	22,386	(7,000)	110,956	95,570	20,000	0	115,570
Hamel Hall Reserve	30,358	0	0	(30,358)	0	29,618	739	0	30,358	29,618	0	0	29,618
Plant Replacement Reserve	593,438	50,000	(155,000)		488,438	564,350	79,088	(50,000)	593,438	564,350	65,000	(50,000)	579,350
Depot Redevelopment Reserve	76,606	0	0		76,606	74,740	1,866	0	76,606	74,740	0	0	74,740
Building Asset Maintenance Reserve	52,776	0	0	30,358	83,134	51,490	1,285	0	52,776	51,490	0	0	51,490
Strategic Planning Reserve	19,051	0	0		19,051	18,586	465	0	19,051	18,586	0	0	18,586
Council Building Construction Reserve	177,084	0	(88,363)	117,645	206,366	228,853	5,713	(57,482)	177,084	228,853	0	(75,000)	153,853
Preston Beach Volunteer Reserve	46,570	11,315	(21,000)		36,885	36,960	12,005	(2,395)	46,570	36,960	11,300	0	48,260
Information Technology Reserve	32,537	45,000	0		77,537	19,125	13,412	0	32,537	19,125	0	0	19,125
Footpath construction Reserve	30,407	0	0		30,407	29,666	741	0	30,407	29,666	0	0	29,666
Asset Management Reserve	117,645	0	0	(117,645)	0	114,780	2,865	0	117,645	114,780	0	0	114,780
History Book Reprint Reserve	6,796	900	0		7,696	5,952	844	0	6,796	5,952	3,000	0	8,952
Risk & Insurance Reserve	8,796	0	0		8,796	8,579	216	0	8,796	8,579	0	0	8,579
Fire Recovery Assistance Grant Reserve	0	0	0		0	450,000	0	(450,000)	0	450,000	0	(195,000)	255,000
	2,317,381	287,240	(284,363)		2,320,258	2,508,331	392,583	(583,533)	2,317,381	2,508,331	339,325	(330,000)	2,517,656

Reserve Name Amendments

Building Asset Maintenance Reserve to be title Council Building Maintenance

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

7. CASH BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Emergency Assistance Reserve	Ongoing	To provide funds to assist in emergency situations e.g.: major fire
Sports Reserve	Ongoing	To provide funds for sporting facilities and equipment as determined by Council together with low interest loans applications
Staff Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements
Waste Management Reserve	Ongoing	To be used to maintain operations at Buller Road Refuse Site
Rec Centre Building Reserve	Ongoing	To be used for future building asset maintenance items at the Recreation Centre, particularly plant
Hamel Hall Reserve	Transfer	To provide funds for the upgrading of the Hamel Hall Amenities and surrounds.
Plant Replacement Reserve	Ongoing	To be used for the purchase and replacement of major plant
Depot Redevelopment Reserve	Ongoing	To provide funds for the provision of vehicle storage bays at Works Depot
Council Building Maintenance Reserve	Ongoing	To be used to fund works associated with significant maintenance for Council Buildings and work associated with emergency repairs
Strategic Planning Reserve	Ongoing	To provide funds for the future requirements of Council's Strategic Planning
Council Building Construction Reserve	Ongoing	To be used to fund capital works in accordance with projects within Council's LTFP and works associated with emergency repairs
Preston Beach Volunteer Reserve	Ongoing	To provide funds to assist in the operations of the volunteer ranger functions including replacement of equipment
Information Technology Reserve	Ongoing	To be used to ensure that the network computer system is maintained including external site connections
Footpath construction Reserve	Ongoing	To provide funds for future extension of Dual use path network
Asset Management Reserve	Transfer	To provide funds to renew existing Council assets in accordance with the adopted Asset Management Plan
History Book Reprint Reserve	2027/2028	To be used to fund the update reprint of the 'Drakesbrook days and Waroona years' historical book
Risk & Insurance Reserve	Ongoing	To be used for expenses associated with risk assessments and insurance adjustments or unforeseen expenses
Fire Recovery Assistance Grant Reserve	Finalised	To be used in accordance with the grant agreement 'Assistance for the fire affected farming and rural communities of Shire of Waroona & Harvey

(c) Cash Backed Reserves - Change in Use

The Shire has resolved to make the following changes in the use of the money in a reserve account. This money is to be used or set aside for a purpose other than the purpose for which the account was established.

Cash Backed Reserve	Proposed new purpose of the reserve	Reasons for changing the use of the reserve	2018/19 Budget amount to be used	2018/19 Budget amount change of purpose
			\$	\$
Hamel Hall Reserve	To be used to fund works associated with significant maintenance for Council Buildings and work associated with emergency repairs	Funds can be used on asset preservation for any Council owned building	0	30,358
Asset Management Renewal	To be used to fund capital works in accordance with projects within Council's LTFP and works associated with emergency repairs	Funds can be used for capital renewal of any Council owned building	0	117,645
Council Building Maintenance Reserve	To be used to fund works associated with significant maintenance for Council Buildings and work associated with emergency repairs	Further clarification of reserve purpose	0	0
Council Building Construction	To be used to fund capital works in accordance with projects within Council's LTFP and works associated with emergency repairs	Further clarification of reserve purpose	0	0
			0	148,003

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

8. FEES & CHARGES REVENUE

	2018/19 Budget	2017/18 Actual
	\$	\$
Governance	31,330	31,662
General purpose funding	36,420	50,968
Law, order, public safety	38,070	38,548
Health	34,900	30,513
Education and welfare	410	410
Housing	17,680	16,502
Community amenities	996,097	922,014
Recreation and culture	290,912	289,349
Transport	150	150
Economic services	76,575	65,155
Other property and services	34,805	35,806
	1,557,349	1,481,077

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
	\$	\$
Governance	126,186	122,957
General purpose funding	424,332	876,019
Law, order, public safety	42,773	71,261
Health	2,800	2,498
Education and welfare	125,000	150,579
Housing	0	579
Community amenities	231,786	196,885
Recreation and culture	69,625	29,790
Transport	100	21,848
Economic services	400	0
Other property and services	18,800	20,154
	1,041,802	1,492,570

Non-operating grants, subsidies and contributions

	2018/19 Budget	2017/18 Actual
	\$	\$
General purpose funding	171,509	399,282
Law, order, public safety	500,000	0
Community amenities	0	54,500
Recreation and culture	454,565	225,000
Transport	1,210,134	1,130,549
Economic services	45,800	0
	2,382,008	1,809,331

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH 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	57,550	62,623	52,120
- Other funds	32,600	30,586	31,460
Other interest revenue	660	908	555
	90,810	94,116	84,135
(b) Other revenue			
Reimbursements and recoveries	94,100	95,274	95,520
Other	3,000	3,000	3,000
	97,100	98,274	98,520
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	13,500	11,130	12,500
Other services	9,500	1,160	2,060
	23,000	12,290	14,560
(d) Interest expenses (finance costs)			
Borrowings (refer note 6(a))	(16,571)	(11,834)	12,813
Other	0	0	0
	(16,571)	(11,834)	12,813
(e) Elected members remuneration			
Meeting fees	73,600	73,600	73,600
President's allowance	9,700	9,700	9,700
Deputy President's allowance	2,300	2,300	2,300
Travelling expenses	3,000	1,278	3,000
IT Allowance	4,000	4,000	4,000
Telecommunications allowance	6,800	6,800	6,800
	99,400	97,678	99,400
(f) Operating lease expenses			
Office equipment	76,076	75,519	73,928
Plant and equipment	10,096	12,765	10,780
	86,172	88,284	84,708

SIGNIFICANT ACCOUNTING POLICIES

LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire of Waroona are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

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

11. MAJOR LAND TRANSACTIONS

It is not anticipated that any 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

13. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture arrangements during 2018/19

14. TRUST FUNDS

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

Detail	Balance 30-Jun-18	Estimated amounts received	Estimated amounts paid	Estimated balance 30-Jun-19
	\$	\$	(\$)	\$
BCITF Levy	0	12,500	(12,500)	0
Builders Registration Board	0	19,250	(19,250)	0
Hall Deposits	4,555	1,730	0	6,285
Landcare EOY Balance	69,786	64,284	(69,786)	64,284
Nomination Deposits	0	0	0	0
Retentions	5,938	0	(4,456)	1,482
Roadwork/Footpath Bonds	7,925	1,200	(1,200)	7,925
Subdivision Bonds	64,910	0	0	64,910
Sundry Items	244,478	62,351	(165,124)	141,705
Vehicle License Plates	0	800	(800)	0
Extractive Industries	148,632	85,120	(15,780)	217,972
Public Opens Spaces	50,022	5,000	(10,550)	44,472
Alcoa Waroona Sustainability Fund	1,762,847	275,000	(150,000)	1,887,847
	<u>2,359,092</u>	<u>527,235</u>	<u>(449,446)</u>	<u>2,436,881</u>

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH 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 Waroona 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.

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

16. BUDGET RATIOS

	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Budget
Operating Surplus	(0.6150)	(0.3520)	(0.4389)	(0.5008)
Funds After Operations	(0.6020)	(0.3412)	(0.4368)	(0.4977)
PPE	(0.0116)	0.1293	(0.0049)	0.0352
Infrastructure	0.0002	(0.0070)	(0.0077)	0.0014
Cash Reserves	0.2153	0.2982	0.3106	0.3029
Borrowings	0.0408	0.0315	0.0569	0.0477
Debt Servicing	0.0094	0.0077	0.0070	0.0099
Average Rates (UV)	1,232	1,323	1,415	1,463
Average Rates (GRV)	2,434	2,590	2,743	2,808

The ratios are calculated as follows:

OPERATIONS

Operating Surplus $\frac{\text{Adjusted underlying surplus (or deficit)}}{\text{Adjusted underlying revenue}}$

Funds After Operations $\frac{\text{Funds remaining after operations}}{\text{General funds}}$

ASSET RATIOS

PPE $\frac{\text{Closing WDV value of PPE less Opening WDV value of PPE}}{\text{Opening WDV value of PPE}}$

Infrastructure $\frac{\text{Closing WDV Infrastructure less Opening WDV infrastructure}}{\text{Opening WDV Infrastructure}}$

FINANCING RATIOS

Cash Reserves $\frac{\text{Discretionary Reserve Balance}}{\text{General Funds}}$

Borrowings $\frac{\text{Principal outstanding}}{\text{General funds}}$

Debt Servicing $\frac{\text{Principal and interest due}}{\text{General funds}}$

RATES RATIOS

Average Rates $\frac{\text{Rate revenue per category}}{\text{Number of properties per category}}$

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

17. RESTRICTED CASH

(a) Conditions over Grants/Contributions

Grant/Contributions	OPENING BALANCE JULY 2017	RECEIVED 2017/18	EXPENDED 2017/18	CLOSING BALANCE JUNE 2018	RECEIVED 2018/19	EXPENDED 2018/19	CLOSING BALANCE JUNE 2021
	\$	\$	\$	\$	\$	\$	\$
Alcoa Youth Activities	5,000	10,000	(10,000)	5,000	5,000	(10,000)	0
Summer Events	0	10,500	(5,000)	5,500	5,500	(11,000)	0
Coastwest funding - Dune Management 201820	0	13,356	(14,831)	0			0
DLGC Community Development Scholarship	6,297	0	(6,297)	0			0
DLGC Youth Development Scholarship	3,076		(2,846)	230		(230)	0
Waroona Karate Club Grant	1,720	0	(1,720)	0			0
WA Primary Health Association Grant	10,000	90,000	(99,747)	253		(253)	0
Preston Beach Community Centre Grant (PDC & R4R & Reserve)	50,000	157,482	(46,611)	160,871	504,565	(665,436)	0
Landowner Support for Fire Recovery Grant	3,136	54,500	(57,570)	66		(66)	0
DFES - BFB Allocation 18/19 1st Quarterly Payment	0	10,153	0	10,153	30,458	(40,610)	0
Mental Health Commission Suicide Prevention Grant	0	5,618	0	5,618		(5,618)	0
Alcoa Community Spaces Grant	0	7,500	0	7,500		(7,500)	0
WAPHA Community Consultation	0	7,000	(2,000)	5,000		(5,000)	0
Australian Alcohol Drug Foundation Local Drug Action Team Grant	0	10,000	0	10,000		(10,000)	0
NAIDOC week grant - activity program	0	2,000	0	2,000		(2,000)	0
AWARE Grant - Office of Emergency Managemet	0	4,000		4,000		(4,000)	0
AWARE Grant - Reserve transfer in to be restricted		10,000		10,000		(10,000)	0
Fire Recovery Grant	0	450,000	(420,545)	29,455		(29,455)	0
TOTAL	79,229	842,108	(667,167)	255,645	545,523	(801,168)	0