

SHIRE OF CUNDERDIN

BUDGET

FOR THE YEAR ENDED 30 JUNE 2017

Adopted on 21st July 2016

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SHIRE OF CUNDERDIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Revenue				
Rates	8	1,906,228	1,780,305	1,813,465
Operating grants, subsidies and contributions		1,690,968	1,124,683	896,212
Fees and charges	14	253,305	348,937	264,556
Service charges	11	0	0	0
Interest earnings	2(a)	62,380	57,257	36,875
Other revenue	2(a)	17,000	9,519	16,500
		<u>3,929,881</u>	<u>3,320,701</u>	<u>3,027,608</u>
Expenses				
Employee costs		(1,713,072)	(1,625,796)	(1,624,571)
Materials and contracts		(1,418,400)	(1,191,177)	(1,469,446)
Utility charges		(228,410)	(232,951)	(232,412)
Depreciation on non-current assets	2(a)	(1,424,334)	(2,364,085)	(1,424,334)
Interest expenses	2(a)	(78,265)	(85,781)	(96,501)
Insurance expenses		(161,149)	(165,506)	(160,345)
Other expenditure		(69,531)	(84,594)	(77,515)
		<u>(5,093,161)</u>	<u>(5,749,890)</u>	<u>(5,085,124)</u>
		(1,163,280)	(2,429,189)	(2,057,516)
Non-operating grants, subsidies and contributions		1,622,286	1,431,705	1,028,080
Profit on asset disposals	6	2,000	0	3,000
Loss on asset disposals	6	0	0	0
Loss on revaluation of non current assets		0	0	0
		<u>461,006</u>	<u>(997,484)</u>	<u>(1,026,436)</u>
NET RESULT				
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>461,006</u></u>	<u><u>(997,484)</u></u>	<u><u>(1,026,436)</u></u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

SHIRE OF CUNDERDIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Revenue (Refer Notes 1,2,8,10 to 14)				
Governance		0	2,029	0
General purpose funding		3,315,718	2,512,759	2,521,395
Law, order, public safety		35,000	35,246	52,172
Health		0	345	0
Education and welfare		71,000	76,071	62,650
Housing		9,880	11,275	22,880
Community amenities		122,825	147,021	137,264
Recreation and culture		40,600	263,701	29,289
Transport		161,228	159,073	146,360
Economic services		4,000	11,885	9,500
Other property and services		171,630	101,293	46,098
		<u>3,931,881</u>	<u>3,320,698</u>	<u>3,027,608</u>
Expenses Excluding Finance Costs Refer Notes 1, 2 & 15)				
Governance		(177,395)	(143,996)	(199,344)
General purpose funding		(55,700)	(9,448)	(25,799)
Law, order, public safety		(142,715)	(82,033)	(135,541)
Health		(67,737)	(38,261)	(74,032)
Education and welfare		(160,345)	(144,550)	(144,050)
Housing		(59,506)	(53,054)	(86,906)
Community amenities		(580,430)	(449,329)	(590,882)
Recreation and culture		(1,113,762)	(1,087,616)	(915,557)
Transport		(2,333,234)	(2,882,059)	(2,316,848)
Economic services		(82,674)	(55,625)	(74,178)
Other property and services		(243,398)	(718,135)	(425,486)
		<u>(5,016,896)</u>	<u>(5,664,106)</u>	<u>(4,988,623)</u>
Finance Costs (Refer Notes 2 & 9)				
Law, order, public safety		0	0	0
Housing		0	0	0
Community amenities		0	0	0
Recreation and culture		(64,749)	(67,802)	(78,283)
Transport		0	(1,864)	(1,864)
Economic services		0	0	0
Other property and services		(13,516)	(16,115)	(16,354)
		<u>(78,265)</u>	<u>(85,781)</u>	<u>(96,501)</u>
Non-operating Grants, Subsidies and Contributions				
Law, order, public safety		0	0	50,000
Health		0	0	0
Education and welfare		500,000	409,091	0
Recreation and culture		32,000	97,496	75,947
Transport		1,090,286	925,118	902,133
		<u>1,622,286</u>	<u>1,431,705</u>	<u>1,028,080</u>

SHIRE OF CUNDERDIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Profit/(Loss) On				
Disposal Of Assets (Refer Note 6)				
Housing		0	0	0
Transport		0	0	0
Other property and services		0	0	0
		2,000	0	3,000
Loss on				
Revaluation Of Non Current Assets				
Transport		0	0	0
		0	0	0
NET RESULT		461,006	(997,484)	(1,026,436)
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
TOTAL COMPREHENSIVE INCOME		461,006	(997,484)	(1,026,436)

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the remeasurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

SHIRE OF CUNDERDIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,948,228	1,725,212	1,960,210
Operating grants, subsidies and contributions		1,750,968	1,086,557	1,154,017
Fees and charges		253,305	348,937	264,556
Service charges		0	0	0
Interest earnings		62,380	57,257	36,875
Goods and services tax		30,000	4,691	95,924
Other revenue		17,000	9,519	16,500
		<u>4,061,881</u>	<u>3,232,173</u>	<u>3,528,082</u>
Payments				
Employee costs		(1,700,572)	(1,611,955)	(1,659,327)
Materials and contracts		(1,383,822)	(1,378,513)	(1,486,747)
Utility charges		(228,410)	(232,951)	(232,412)
Interest expenses		(80,265)	(108,445)	(105,548)
Insurance expenses		(161,149)	(165,506)	(160,345)
Goods and services tax		0	0	0
Other expenditure		(69,531)	(65,063)	(77,515)
		<u>(3,623,749)</u>	<u>(3,562,433)</u>	<u>(3,721,894)</u>
Net cash provided by (used in) operating activities	3(b)	<u>438,132</u>	<u>(330,260)</u>	<u>(193,812)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale	5	0	0	0
Payments for purchase of property, plant & equipment	5	(804,727)	(536,227)	(451,240)
Payments for construction of infrastructure	5	(1,161,159)	(1,077,946)	(1,079,676)
Non-operating grants, subsidies and contributions used for the development of assets		1,622,286	1,431,705	1,028,080
Proceeds from sale of plant & equipment	6	10,000	0	163,000
Net cash provided by (used in) investing activities		<u>(333,600)</u>	<u>(182,468)</u>	<u>(339,836)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures	7	(66,374)	(191,190)	(191,189)
Advances to community groups		0	0	0
Proceeds from self supporting loans		0	0	0
Proceeds from new debentures	7	0	0	0
Net cash provided by (used in) financing activities		<u>(66,374)</u>	<u>(191,190)</u>	<u>(191,189)</u>
Net increase (decrease) in cash held		38,158	(703,918)	(724,837)
Cash at beginning of year		<u>1,124,227</u>	<u>1,642,874</u>	<u>1,590,325</u>
Cash and cash equivalents at the end of the year	3(a)	<u><u>1,162,385</u></u>	<u><u>1,124,227</u></u>	<u><u>865,488</u></u>

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

**SHIRE OF CUNDERDIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Net current assets at start of financial year - surplus/(deficit)	4	627,945	1,207,671	1,248,927
Revenue from operating activities (excluding rates and non-operating grants, subsidies and contributions)	1,2			
Governance		0	2,029	0
General purpose funding		1,409,490	732,454	707,930
Law, order, public safety		35,000	35,246	52,172
Health		0	345	0
Education and welfare		71,000	76,071	62,650
Housing		9,880	11,275	22,880
Community amenities		124,825	147,021	140,264
Recreation and culture		40,600	263,701	29,289
Transport		161,228	159,073	146,360
Economic services		4,000	11,885	9,500
Other property and services		171,630	101,293	46,098
		<u>2,027,653</u>	<u>1,540,393</u>	<u>1,217,143</u>
Expenditure from operating activities	1,2			
Governance		(177,395)	(143,996)	(199,344)
General purpose funding		(55,700)	(9,448)	(25,799)
Law, order, public safety		(142,715)	(82,033)	(135,541)
Health		(67,737)	(38,261)	(74,032)
Education and welfare		(160,345)	(144,550)	(144,050)
Housing		(59,506)	(53,054)	(86,906)
Community amenities		(580,430)	(449,329)	(590,882)
Recreation and culture		(1,178,511)	(1,155,418)	(993,840)
Transport		(2,333,234)	(2,883,923)	(2,318,712)
Economic services		(82,674)	(55,625)	(74,178)
Other property and services		(256,914)	(734,250)	(441,840)
		<u>(5,095,161)</u>	<u>(5,749,887)</u>	<u>(5,085,124)</u>
Operating activities excluded from budget				
(Profit)/Loss on asset disposals	6	(2,000)	0	(3,000)
Loss on revaluation of non current assets		0	0	0
Depreciation on assets	2(a)	1,424,334	2,364,085	1,424,334
Movement in employee benefit provisions (non-current)		0	0	0
Amount attributable to operating activities		<u>(1,017,229)</u>	<u>(637,738)</u>	<u>(1,197,720)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,622,286	1,431,705	1,028,080
Purchase land held for resale	5	0	0	0
Purchase property, plant and equipment	5	(804,727)	(536,227)	(451,240)
Purchase and construction of infrastructure	5	(1,161,159)	(1,077,946)	(1,079,676)
Proceeds from disposal of assets	6	10,000	0	163,000
Amount attributable to investing activities		<u>(333,600)</u>	<u>(182,468)</u>	<u>(339,836)</u>
FINANCING ACTIVITIES				
Repayment of debentures	7	(66,374)	(191,190)	(191,189)
Proceeds from new debentures	7	0	0	0
Proceeds from self supporting loans		0	0	0
Transfers to cash backed reserves (restricted assets)	9	(187,380)	(223,178)	(23,875)
Transfers from cash backed reserves (restricted assets)	9	40,000	10,000	27,000
Amount attributable to financing activities		<u>(213,754)</u>	<u>(404,368)</u>	<u>(188,064)</u>
Budgeted deficiency before general rates		<u>(1,564,583)</u>	<u>(1,224,574)</u>	<u>(1,725,620)</u>
Estimated amount to be raised from general rates	8	1,906,228	1,780,305	1,813,465
Net current assets at end of financial year - surplus/(deficit)	4	<u>341,645</u>	<u>627,945</u>	<u>87,845</u>

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

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 16 to this budget document.

(b) 2015/16 Actual Balances

Balances shown in this budget as 2015/16 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the Shire 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.

(e) 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.

(f) Superannuation

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

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

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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 4 - Net Current Assets.

(h) 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.

(i) 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.

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.

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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.

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

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

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.

Capitalisation Threshold

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(k) Fair Value of Assets and Liabilities

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fair Value of Assets and Liabilities (Continued)

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fair Value of Assets and Liabilities (Continued)

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets to be revalued at least every 3 years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

(l) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excl. financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(m) Impairment of Assets

In accordance with Australian Accounting Standards the Shire assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of Assets (Continued)

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2017.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

(n) 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 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.

(o) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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.

(q) 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.

(r) 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, 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.

(s) 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. Refer to note 1(o) for a description of the equity method of accounting.

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

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SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) 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.

(u) Comparative Figures

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

(v) Budget Comparative Figures

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

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result			
The net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
Audit services	26,500	17,502	25,500
Other services	0	1,000	0
Depreciation By Program			
Governance	38,429	43,996	38,429
General purpose funding	0	0	0
Law, order, public safety	19,491	16,892	19,491
Health	17,972	16,580	17,972
Education and welfare	6,181	9,221	6,181
Housing	9,010	12,873	9,010
Community amenities	896	6,955	896
Recreation and culture	84,683	211,643	84,683
Transport	1,247,672	2,045,925	1,247,672
Economic services	0	0	0
Other property and services	0	0	0
	<u>1,424,334</u>	<u>2,364,085</u>	<u>1,424,334</u>
Depreciation By Asset Class			
Land and buildings	254,850	368,469	254,850
Furniture and equipment	8,244	17,866	8,244
Plant and equipment	135,460	335,444	135,460
Roads	957,630	1,464,162	957,630
Footpaths	7,657	8,506	7,657
Airfield	59,815	168,960	59,815
Drainage	678	678	678
	<u>1,424,334</u>	<u>2,364,085</u>	<u>1,424,334</u>
Interest Expenses (Finance Costs)			
- Debentures (<i>refer note 7(a)</i>)	78,265	85,781	96,501
Other	0	0	0
	<u>78,265</u>	<u>85,781</u>	<u>96,501</u>
(ii) Crediting as revenues:			
Interest Earnings			
Investments			
- Reserve funds	19,380	13,178	13,875
- Other funds	14,000	12,353	17,000
Other interest revenue (<i>refer note 12</i>)	29,000	31,726	6,000
	<u>62,380</u>	<u>57,257</u>	<u>36,875</u>
(iii) Other Revenue			
Reimbursements and recoveries	0	0	0
Other	17,000	0	16,500
	<u>17,000</u>	<u>0</u>	<u>16,500</u>

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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.

COMMUNITY VISION

"Providing opportunities for everyone."

GOVERNANCE

Governance and Members expenses.

GENERAL PURPOSE FUNDING

Rates and general purpose government grants, interest revenue and associated expenses pertaining to the acquisitions of such revenues.

LAW, ORDER, PUBLIC SAFETY

Supervision of various Local Laws, fire prevention and animal control. Also assistance to emergency service groups.

HEALTH

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

Care of the aged, disabled families and children.

HOUSING

Provision of Staff and Other Housing, including maintenance.

COMMUNITY AMENITIES

Operation and control of cemeteries, public conveniences, rubbish collection services, refuse disposal sites, noise control, administration of Council's Town Planning Scheme and associated policies and obligations.

RECREATION AND CULTURE

Maintenance of halls, recreation centres and various reserves; operation of public library operations.

TRANSPORT

Construction and maintenance of roads, drainage works, footpaths, parking facilities and traffic signs.

ECONOMIC SERVICES

Tourism and area promotion including operation of a caravan park, provision of rural services including vermin control and weed control, implementation of building controls and provision of standpipe water.

OTHER PROPERTY & SERVICES

Private works, administration costs allocated, public works overheads, plant operation costs and other unclassified works and services.

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

3. NOTES TO THE STATEMENT OF CASH FLOWS

(a) 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:

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Cash - unrestricted	239,778	349,000	306,564
Cash - restricted	922,607	775,227	558,924
	<u>1,162,385</u>	<u>1,124,227</u>	<u>865,488</u>

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

Staff Entitlements Reserve	162,825	158,854	159,047
Cunderdin Building Reserve	28,709	6,545	6,553
Plant & Equipment Reserve	216,184	142,619	82,719
Cunderdin Airfield Reserve	105,385	102,815	102,940
Community Bus Reserve	18,606	18,152	1,186
Asset Replacement Reserve	303,648	336,242	196,479
Cunderdin Museum Reserve	20,250	10,000	10,000
Surfaces Replacement Reserve	67,000	0	0
	<u>922,607</u>	<u>775,227</u>	<u>558,924</u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	461,006	(997,484)	(1,026,436)
Depreciation	1,424,334	2,364,085	1,424,334
(Profit)/loss on sale of asset	(2,000)	0	(3,000)
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	132,000	(88,528)	500,474
(Increase)/decrease in inventories	0	0	10,000
Increase/(decrease) in payables	45,078	(176,628)	(71,104)
Increase/(decrease) in employee provisions	0	0	0
Grants/contributions for the development of assets	(1,622,286)	(1,431,705)	(1,028,080)
Net Cash from Operating Activities	<u>438,132</u>	<u>(330,260)</u>	<u>(193,812)</u>

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

3. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	10,000	10,000	10,000
Credit card balance at balance date	0	0	0
Total Amount of Credit Unused	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Loan Facilities			
Loan facilities in use at balance date	<u>1,380,878</u>	<u>1,447,252</u>	<u>1,447,253</u>
Unused loan facilities at balance date	<u>0</u>	<u>0</u>	<u>0</u>

	Note	2016/17 Budget \$	2015/16 Actual \$
4. NET CURRENT ASSETS			

Composition of estimated net current assets

CURRENT ASSETS

Cash - unrestricted	3(a)	239,778	349,000
Cash - restricted reserves	3(a)	922,607	775,227
Receivables		408,475	540,475
Inventories		3,092	3,092
		<u>1,573,952</u>	<u>1,667,794</u>

LESS: CURRENT LIABILITIES

Trade and other payables		(197,921)	(152,843)
Short term borrowings		0	0
Long term borrowings		(70,144)	(66,374)
Provisions		(111,779)	(111,779)
		<u>(379,844)</u>	<u>(330,996)</u>

Unadjusted net current assets

1,194,108 **1,336,798**

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 FM Reg 32 as movements for these items have been funded within the budget estimates.

These differences are disclosed as adjustments below.

Adjustments

Less: Cash - restricted reserves	3(a)	(922,607)	(775,227)
Less: Land held for resale		0	0
Less: Current loans - clubs / institutions		0	0
Add: Current portion of debentures		70,144	66,374
Add: Current liabilities not expected to be cleared at end of year		0	0
Adjusted net current assets - surplus/(deficit)		<u>341,645</u>	<u>627,945</u>

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

5. ACQUISITION OF ASSETS

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

Asset Class	Reporting Program											2015/16 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 \$		2016/17 Budget Total \$					
<i>Property, Plant and Equipment</i>																		
Land and buildings					772,727												772,727	292,796
Furniture and equipment																		41,762
Plant and equipment												32,000					32,000	201,669
Financial Assets																		
<i>Infrastructure</i>																		
Roads	0	0	0	0	772,727	0	0	0	0	0	0	32,000	0	0	0	0	804,727	536,227
Footpaths														1,161,159			1,161,159	1,021,993
Airfield																		
Other																		
Other																		55,953
<i>Land Held for Resale</i>																		
Land Held for Resale	0	0	0	0	0	0	0	0	0	0	0	0	0	1,161,159	0	0	1,161,159	1,077,946
Total Acquisitions	0	0	0	0	772,727	0	0	0	0	0	0	32,000	1,161,159	0	0	0	1,965,886	1,614,173

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

6. DISPOSALS OF ASSETS

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

	2016/17 Budget			
	Net Book Value \$	Sale Proceeds \$	Profit \$	Loss \$
Community Amenities				
Community Bus	8,000	10,000	2,000	0
	8,000	10,000	2,000	0

	2016/17 Budget			
	Net Book Value \$	Sale Proceeds \$	Profit \$	Loss \$
Plant and Equipment				
Community Bus	8,000	10,000	2,000	0
	0	0	0	0
	8,000	10,000	2,000	0

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

7. INFORMATION ON BORROWINGS

(a) Debenture Repayments

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

Particulars	Principal 1-Jul-16	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments		
			2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$	
Recreation and culture									
Loan 67 Swimming Pool	0		0	39,431	0	0	0	0	1,834
Loan 76 Cunderdin Recreation Centre	1,225,258		42,355	51,783	1,182,903	1,225,258	64,749	65,968	
Transport									
Loan 66 Depot	0		0	37,394	0	0	0	0	1,864
Other property and services									
Loan 68 Ettamogah Pub	0		0	39,998	0	0	0	0	1,402
Loan 73 Ettamogah Pub	130,727		14,132	13,285	116,595	130,727	7,991	8,698	
Loan 74 Ettamogah Pub	91,267		9,887	9,299	81,380	91,267	5,525	6,015	
	1,447,252	0	66,374	191,190	1,380,878	1,447,252	78,265	85,781	

All debenture repayments will be financed by general purpose revenue.

(b) New Debentures - 2016/17

Council will not be taking out new loans during the year.

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2016, nor is it expected to have unspent debenture funds as at 30th June 2017.

(d) Overdraft

It is not anticipated that this facility will be required to be utilised during 2016/17.

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

8. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2016/17 Budgeted Rate Revenue \$	2016/17 Budgeted Interim Rates \$	2016/17 Budgeted Back Rates \$	2016/17 Budgeted Total Revenue \$	2015/16 Actual \$
Differential general rate or general rate								
GRV - Townsites	0.097551	381	4,252,675	414,853			414,853	381,357
UV - Rural	0.009566	312	141,314,500	1,351,815			1,351,815	1,268,560
UV - Mining	0.009566	0		0			0	
Sub-Totals		693	145,567,175	1,766,667	0	0	1,766,667	1,649,917
Minimum payment	Minimum \$							
GRV - Townsites	642	129	351,027	82,818			82,818	77,597
UV - Rural	642	65	2,278,900	41,730			41,730	39,104
UV - Mining	642	1	17,928	642			642	
Sub-Totals		195	2,647,855	125,190	0	0	125,190	116,701
Ex Gratia Rates							14,371	13,687
Total amount raised from general rates							1,906,228	1,780,305
Total Rates							1,906,228	1,780,305

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

The general rates detailed above for the 2016/17 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

9. CASH BACKED RESERVES

	2016/17 Budget			2015/16 Actual			2015/16 Budget					
	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$
Staff Entitlements Reserve	158,854	3,971		162,825	155,215	3,639		158,854	155,215	3,832		159,047
Cunderdin Building Reserve	6,545	22,164		28,709	6,395	150		6,545	6,395	158		6,553
Plant & Equipment Reserve	142,619	73,565		216,184	80,726	61,893		142,619	80,726	1,993		82,719
Cunderdin Airfield Reserve	102,815	2,570		105,385	100,460	2,355		102,815	100,460	2,480		102,940
Community Bus Reserve	18,152	454		18,606	27,507	645	(10,000)	18,152	27,507	679	(27,000)	1,186
Asset Replacement Reserve	336,242	7,406	(40,000)	303,648	191,746	144,496		336,242	191,746	4,733		196,479
Cunderdin Museum Reserve	10,000	10,250		20,250	0	10,000		10,000	0	10,000		10,000
Surfaces Replacement Reserve	775,227	187,380	(40,000)	922,607	562,049	223,178	(10,000)	775,227	562,049	23,875	(27,000)	558,924

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

Purpose of the reserve

Staff Entitlements Reserve	Used to fund annual and long service leave requirements.
Cunderdin Building Reserve	Used for the acquisition, disposal and maintenance of shire buildings.
Plant & Equipment Reserve	Used for the acquisition, disposal and maintenance of Shire plant and equipment.
Cunderdin Airfield Reserve	Used for the acquisition and maintenance of property, buildings, plant & equipment associated with the Cunderdin Airfield.
Community Bus Reserve	Used for the acquisition, disposal and maintenance of the Community Bus.
Asset Replacement Reserve	To provide for the replacement of furniture and infrastructure comprising of roads, drains, footpaths and recreational reserves.
Cunderdin Museum Reserve	Used for the operational, maintenance and capital costs associated with the Cunderdin Museum.
Surfaces Replacement Reserve	To be used for the replacement of the sporting surfaces at Cunderdin and Meckering Recreational Centres.

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

10. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

The Shire of Cunderdin did not imposed any Specified Area Rates for 2016/17.

11. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

The Shire of Cunderdin did not imposed any Service Charges for 2016/17.

12. INTEREST CHARGES AND INSTALMENTS - RATES AND SERVICE CHARGES - 2016/17 FINANCIAL YEAR

	Interest Rate	Instalment Plan Admin Charge \$	2016/17 Budget \$	2015/16 Actual \$
Interest on Unpaid Rates	11.00%		25,000	27,488
Interest on Instalments Plan	5.00%		4,000	4,238
Instalment Plan Admin Charge		22.50	5,000	7,069
			34,000	38,795

Late Payment Penalty

A charge of 11% calculated daily at 0.03014% by simple interest will apply as follows:

No instalment option taken - Interest shall begin to accrue on Rates and/or Emergency Services Levy and Rubbish Charges that remain unpaid at 5th September 2016. Eligible Pensioners are exempt.

Instalment Option taken - Interest shall begin to accrue daily on any rates instalment payment that remains unpaid after the due date of the instalment and continue to accrue until such time as the instalment is paid. Eligible Pensioners are exempt.

Rates, Emergency Services Levy and Rubbish Charge in arrears will continue to accrue interest each day until paid.

The estimated income for penalty interest is \$25,000.

Instalment Plan:

The following rate instalment options are available during the reporting period.

Option One

Full payment of rates and charges, including arrears to be paid on or before 5th September 2016.

Option Two

The first instalment is due to be received on or before 5th September 2016 and includes all arrears, Emergency Services Levy and a quarter of the current rates and rubbish charge. The second, third and fourth instalments will be due on 1st November 2016, 3rd January 2017 and 1st March 2017 respectively.

The cost of instalment plans will comprise of simple interest of 5.00% p.a. calculated from the date the first instalment is due, together with an administration fee of \$7.50 for each instalment notice (i.e. \$22.50). The estimate income from administration fees is \$5,000.

Upon application, Council may accept payment by way of other than one or four instalments (subject to agreement by both parties). A single administration fee of \$50.00 (plus 10% GST) will apply for this type of payment.

**13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS
- 2016/17 FINANCIAL YEAR**

Council resolved not to offer any discount on rates for the 2016/17 financial year.

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

14. FEES & CHARGES REVENUE	2016/17 Budget \$	2015/16 Actual \$
Governance	0	0
General purpose funding	4,000	5,680
Law, order, public safety	3,000	2,446
Health	0	346
Education and welfare	20,000	23,047
Housing	9,880	11,275
Community amenities	122,825	144,021
Recreation and culture	26,600	102,945
Transport	45,000	51,273
Economic services	2,000	6,739
Other property and services	20,000	1,165
	<u>253,305</u>	<u>348,937</u>

15. ELECTED MEMBERS REMUNERATION	2016/17 Budget \$	2015/16 Actual \$
The following fees, expenses and allowances were paid to council members and/or the Mayor/President.		
Meeting fees	27,781	25,607
Mayor/President's allowance	1,500	1,474
Deputy Mayor/President's allowance	750	0
Travelling expenses	500	132
Telecommunications allowance	0	0
	<u>30,531</u>	<u>27,213</u>

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

16. 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-Jul-16 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-17 \$
Reba Bond Trust Account	5,938	0	(5,938)	0
Trust Working Account	10,402	15,500	(12,600)	13,302
	<u>16,340</u>	<u>15,500</u>	<u>(18,538)</u>	<u>13,302</u>

17. MAJOR LAND TRANSACTIONS

It is not anticipated that any major land transactions will occur in 2016/17.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2016/17.

19. INTERESTS IN JOINT ARRANGEMENTS

The Shire of Cunderdin does not have any joint arrangements for 2016/17.