

SHIRE OF YILGARN
BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Comprehensive Income by Program	3
Statement of Cash Flows	5
Rate Setting Statement	6
Notes to and Forming Part of the Budget	7 to 39

SHIRE OF YILGARN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Revenue				
Rates	8	3,887,193	4,426,577	4,157,575
Operating Grants, Subsidies and Contributions		1,558,292	3,370,271	2,317,983
Fees and Charges	11	742,837	810,306	1,051,484
Service Charges	10	236,555	233,346	0
Interest Earnings	2(a)	220,000	252,195	210,430
Other Revenue	2(a)	324,040	384,050	251,960
		<u>6,968,917</u>	<u>9,476,745</u>	<u>7,989,432</u>
Expenses				
Employee Costs		(3,206,606)	(2,887,773)	(3,191,657)
Materials and Contracts		(1,812,401)	(2,346,901)	(2,565,240)
Utility Charges		(311,983)	(300,074)	(361,306)
Depreciation on Non-Current Assets	2(a)	(15,519,464)	(10,316,926)	(3,339,400)
Interest Expenses	2(a)	0	0	0
Insurance Expenses		(195,480)	(293,171)	(147,270)
Other Expenditure		(209,508)	(78,252)	(178,206)
		<u>(21,255,442)</u>	<u>(16,223,097)</u>	<u>(9,783,079)</u>
		<u>(14,286,525)</u>	<u>(6,746,352)</u>	<u>(1,793,647)</u>
Non-Operating Grants, Subsidies and Contributions		3,092,079	1,640,856	2,241,056
Profit on Asset Disposals	3	29,559	7,972	12,255
Loss on Asset Disposals	3	(82,377)	(59,915)	(86,902)
		<u>(11,247,264)</u>	<u>(5,157,439)</u>	<u>372,762</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>(11,247,264)</u></u>	<u><u>(5,157,439)</u></u>	<u><u>372,762</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 in accordance with the mandating of fair value measurement through Other Comprehensive Income, are impacted upon by external forces and is 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 YILGARN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Revenue (Refer Notes 1,2,8 to 13)				
Governance		0	0	1,000
General Purpose Funding		5,123,679	7,572,499	6,237,831
Law, Order, Public Safety		129,437	74,039	36,265
Health		25,500	31,731	25,500
Education and Welfare		229,439	269,249	223,399
Housing		49,660	42,412	49,660
Community Amenities		482,043	467,616	473,585
Recreation and Culture		23,700	65,227	37,200
Transport		308,250	274,864	298,501
Economic Services		457,209	417,561	498,491
Other Property and Services		140,000	261,547	108,000
		<u>6,968,917</u>	<u>9,476,745</u>	<u>7,989,432</u>
Expenses Excluding Finance Costs (Refer Notes 1,2 & 14)				
Governance		(462,014)	(464,954)	(394,742)
General Purpose Funding		(423,146)	(349,765)	(410,001)
Law, Order, Public Safety		(483,508)	(365,008)	(404,976)
Health		(256,560)	(234,496)	(232,891)
Education and Welfare		(539,351)	(466,059)	(492,128)
Housing		(211,905)	(208,877)	(213,532)
Community Amenities		(2,540,366)	(1,926,565)	(928,878)
Recreation and Culture		(1,834,948)	(1,534,895)	(1,811,380)
Transport		(13,366,615)	(9,452,078)	(3,780,843)
Economic Services		(1,042,993)	(1,041,284)	(1,038,458)
Other Property and Services		(94,036)	(179,115)	(75,250)
		<u>(21,255,442)</u>	<u>(16,223,097)</u>	<u>(9,783,079)</u>
Finance Costs (Refer Notes 2 & 5)				
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	0	0
Health		0	0	0
Education and Welfare		0	0	0
Housing		0	0	0
Community Amenities		0	0	0
Recreation and Culture		0	0	0
Transport		0	0	0
Economic Services		0	0	0
Other Property and Services		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Non-operating Grants, Subsidies and Contributions				
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		456,800	0	435,000
Health		0	0	0
Education and Welfare		424,361	0	0
Housing		0	0	0
Community Amenities		0	0	0
Recreation and Culture		0	12,499	195,333
Transport		2,210,918	1,235,996	1,218,362
Economic Services		0	392,361	392,361
Other Property and Services		0	0	0
		<u>3,092,079</u>	<u>1,640,856</u>	<u>2,241,056</u>

SHIRE OF YILGARN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Profit/(Loss) On				
Disposal Of Assets (Refer Note 3)				
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	0	0
Health		0	0	0
Education and Welfare		0	0	0
Housing		0	0	0
Community Amenities		0	0	0
Recreation & Culture		0	0	0
Transport		(71,057)	(54,240)	(81,193)
Economic Services		0	0	0
Other Property and Services		18,239	2,296	6,546
		<u>(52,818)</u>	<u>(51,944)</u>	<u>(74,647)</u>
NET RESULT		(11,247,264)	(5,157,439)	372,762
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>(11,247,264)</u>	<u>(5,157,439)</u>	<u>372,762</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 in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is 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 YILGARN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		3,944,396	4,426,577	4,170,105
Operating Grants, Subsidies and Contributions		1,071,517	3,370,271	2,343,183
Fees and Charges		745,112	765,306	1,059,484
Service Charges		236,555	233,346	0
Interest Earnings		220,000	252,195	260,950
Goods and Services Tax		621,500	640,664	452,050
Other Revenue		324,040	429,050	251,960
		<u>7,163,120</u>	<u>10,117,409</u>	<u>8,537,732</u>
Payments				
Employee Costs		(3,171,566)	(2,887,773)	(3,138,522)
Materials and Contracts		(1,094,126)	(2,346,901)	(2,527,655)
Utility Charges		(311,983)	(300,074)	(350,101)
Interest Expenses		0		0
Insurance Expenses		(195,480)	(293,171)	(147,270)
Goods and Services Tax		(585,000)	(631,458)	(441,950)
Other Expenditure		(209,508)	(154,795)	(178,206)
		<u>(5,567,663)</u>	<u>(6,614,172)</u>	<u>(6,783,704)</u>
Net Cash Provided By Operating Activities	15(b)	<u>1,595,457</u>	<u>3,503,237</u>	<u>1,754,028</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	4	0	0	0
Payments for Purchase of Property, Plant & Equipment	4	(4,557,957)	(1,016,520)	(3,010,889)
Payments for Construction of Infrastructure	4	(3,733,125)	(2,404,431)	(3,217,872)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		3,092,079	1,640,856	2,241,056
Proceeds from Sale of Plant & Equipment	3	296,500	242,468	236,840
Net Cash Used in Investing Activities		<u>(4,902,503)</u>	<u>(1,537,627)</u>	<u>(3,750,865)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	0	0	0
Advances to Community Groups				0
Proceeds from Self Supporting Loans		6,000	4,500	6,000
Proceeds from New Debentures	5	0	0	0
Net Cash Provided By (Used In) Financing Activities		<u>6,000</u>	<u>4,500</u>	<u>6,000</u>
Net Increase (Decrease) in Cash Held		(3,301,046)	1,970,110	(1,990,837)
Cash at Beginning of Year		<u>6,847,043</u>	<u>4,876,933</u>	<u>5,169,421</u>
Cash and Cash Equivalents at the End of the Year	15(a)	<u>3,545,997</u>	<u>6,847,043</u>	<u>3,178,584</u>

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

**SHIRE OF YILGARN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Revenue				
Governance	1,2	0	0	1,000
General Purpose Funding		1,236,486	3,145,921	2,080,256
Law, Order, Public Safety		586,237	74,039	471,265
Health		25,500	31,731	25,500
Education and Welfare		653,800	269,249	223,399
Housing		49,660	42,412	49,660
Community Amenities		482,043	467,616	473,585
Recreation and Culture		23,700	77,726	232,533
Transport		2,522,732	1,514,537	1,516,863
Economic Services		457,209	809,922	890,852
Other Property and Services		165,995	265,842	114,546
		<u>6,203,362</u>	<u>6,698,995</u>	<u>6,079,459</u>
Expenses				
Governance	1,2	(462,014)	(464,954)	(394,742)
General Purpose Funding		(423,146)	(349,765)	(410,001)
Law, Order, Public Safety		(483,508)	(365,008)	(404,976)
Health		(256,560)	(234,496)	(232,891)
Education and Welfare		(539,351)	(466,059)	(492,128)
Housing		(211,905)	(208,877)	(213,532)
Community Amenities		(2,540,366)	(1,926,565)	(928,878)
Recreation and Culture		(1,834,948)	(1,534,895)	(1,811,380)
Transport		(13,441,236)	(9,509,995)	(3,862,036)
Economic Services		(1,042,993)	(1,041,284)	(1,038,458)
Other Property and Services		(101,792)	(181,113)	(75,250)
		<u>(21,337,819)</u>	<u>(16,283,011)</u>	<u>(9,864,272)</u>
Net Result Excluding General Rates		(15,134,457)	(9,584,016)	(3,784,813)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	4	52,818	51,943	74,647
Depreciation on Assets	2(a)	15,519,464	10,316,926	3,339,400
Movement in Non-Current Staff Leave Provisions		0	6,187	0
Capital Expenditure and Revenue				
Purchase Furniture and Equipment	3	(22,360)	0	0
Purchase Land and Buildings	3	(3,211,297)	(263,833)	(1,677,489)
Purchase Plant and Equipment	3	(1,324,300)	(752,687)	(1,333,400)
Purchase Infrastructure - Roads	3	(3,380,707)	(2,372,421)	(2,527,779)
Purchase Infrastructure - Footpaths	3	(18,110)	(574)	(31,878)
Purchase Infrastructure - Drainage	3	(18,853)	(22,350)	(29,245)
Purchase Infrastructure - Parks & Ovals	3	0	(5,694)	(550,000)
Purchase Infrastructure - Refuse Site	3	(35,570)	0	0
Purchase Infrastructure - Sewerage	3	(264,785)	(13,330)	(37,300)
Purchase Infrastructure - Townscape	3	0	(12,412)	(41,670)
Purchase Infrastructure - Other	3	(15,100)	0	0
Proceeds from Disposal of Assets	4	296,500	242,468	236,840
Proceeds from Debentures		0	0	0
Repayment of Debentures	5	0	0	0
Proceeds from New Debentures	5	0	0	0
Self-Supporting Loan Principal Income		6,000	4,500	6,000
Transfers to Reserves (Restricted Assets)	6	(1,049,403)	(1,961,732)	(820,836)
Transfers from Reserves (Restricted Assets)	6	3,048,821	931,853	2,048,339
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	1,664,146	672,740	971,609
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	1,664,146	0
Amount Required to be Raised from General Rate	8	<u>(3,887,193)</u>	<u>(4,426,578)</u>	<u>(4,157,575)</u>

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

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

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 Council 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) 2014/15 Actual Balances

Balances shown in this budget as 2014/15 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 local government 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 Council contributes to a number of Superannuation Funds on behalf of employees.

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

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

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 7 - 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.

(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.

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or
 - (II) infrastructure; and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the budget as necessary.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of state or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they were revalued along with other items of Land and Buildings at 30 June 2015 and now form part of Land and Buildings to be subject to regular revaluation as detailed above.

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 Council 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.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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.

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** Methodology section as detailed above.

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 Council.

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.

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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

Buildings	30 to 50 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	30 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	15 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	12 years
Sewerage piping	50 years
Water supply piping & drainage systems	50 years
Airfields and Runways	30 years
Refuse Disposal Sites	not depreciated

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.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(k) Fair Value of Assets and Liabilities

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

Fair Value is the price that Council 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 YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

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 Council 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 Council 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 YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

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 Council 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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(l) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council 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 YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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 Council's 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 YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

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 Council 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 Council's 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 YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

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 2016.

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 Council prior to the end of the financial year that are unpaid and arise when the Council 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 Council'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 Council'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 Council'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 Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council 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 YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

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 Council 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 Council, 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 Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

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 Council's operational cycle. In the case of liabilities where the Council 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 Council'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 YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result			
The Net Result includes:			
(i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	30,000	31,265	30,000
Other Services	6,750	1,615	5,000
Depreciation			
<u>By Program</u>			
Governance	75,800	50,532	47,500
General Purpose Funding	0	0	0
Law, Order, Public Safety	284,600	157,550	202,700
Health	38,300	25,527	25,600
Education and Welfare	154,500	103,012	103,100
Housing	136,900	97,755	87,300
Community Amenities	1,700,800	1,127,772	69,400
Recreation and Culture	708,800	472,490	477,900
Transport	11,602,664	7,735,109	1,797,700
Economic Services	83,300	69,183	67,300
Other Property and Services	733,800	477,996	460,900
	<u>15,519,464</u>	<u>10,316,926</u>	<u>3,339,400</u>
<u>By Class</u>			
Land and Buildings	1,186,632	788,841	788,338
Furniture and Equipment	3,984	2,648	2,174
Plant and Equipment	946,193	629,004	596,080
Roads	11,421,682	7,592,829	1,755,228
Footpaths	174,058	115,709	22,119
Drainage	1,524,004	1,013,117	43,935
Parks & Ovals	18,305	12,168	7,290
Refuse Site	0	0	23,451
Sewerage	123,824	82,315	85,788
Townscape	3,071	2,041	14,997
Other	117,713	78,253	0
	<u>15,519,464</u>	<u>10,316,926</u>	<u>3,339,400</u>
Interest Expenses (Finance Costs)			
- Debentures (refer note 5(a))	0	0	0
Other	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	120,000	113,392	125,430
- Other Funds	40,000	58,660	45,000
Other Interest Revenue (refer note 13)	60,000	80,143	40,000
	<u>220,000</u>	<u>252,195</u>	<u>210,430</u>
(iii) Other Revenue			
Reimbursements and Recoveries	106,500	151,583	54,000
Other	217,540	204,057	197,960
	<u>324,040</u>	<u>355,640</u>	<u>251,960</u>

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

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

A strong, vibrant and progressive Shire that retains strength in its communities by way of continual promotion of agriculture and mining as the Shires major industries, with an added focus on tourism, to ensure that a robust economic and social base is retained for all residents.

GOVERNANCE

Objective:

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

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention and animal control.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

To provide services to disadvantaged persons, the elderly, children and youth

Activities:

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Activities:

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

Objective:

To provide safe, effective and efficient transport services to the community

Activities:

Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control, standpipes and building control.

OTHER PROPERTY & SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

3. DISPOSALS OF ASSETS

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

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2015/16 BUDGET	2015/16 BUDGET	2015/16 BUDGET
	\$	\$	\$
Transport			
YL5248 - Amman Roller Multi tyre	60,648	35,000	(25,648)
YL38 - Toyota Landcruiser Workmate	33,331	30,000	(3,331)
YL13 - Hilux Ute	11,936	15,500	3,564
YL4949 - Mitsubishi Dual Cab 4 x 2	31,179	21,000	(10,179)
YL046 - Mitsubishi Cantor	34,933	25,000	(9,933)
YL163 - Misuibishi 4 x 4	32,864	28,000	(4,864)
YL5067 - Toyota Landcruiser 4 x 4 Ute	35,335	30,000	(5,335)
YL399 - Hilux Dual Cab	33,331	18,000	(15,331)
Other Property & Services			
YL152 - Toyota Kluger - Doctor	10,374	23,000	12,626
YL150 - Toyota Prado GXL Mgr Works	29,140	40,000	10,860
YL50 - Toyota Kluger DCEO	20,491	23,000	2,509
YL290 - Sedan Community	15,756	8,000	(7,756)
	349,318	296,500	(52,818)

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2015/16 BUDGET	2015/16 BUDGET	2015/16 BUDGET
	\$	\$	\$
Plant & Equipment			
YL5248 - Amman Roller Multi tyre	60,648	35,000	(25,648)
YL38 - Toyota Landcruiser Workmate	33,331	30,000	(3,331)
YL13 - Hilux Ute	11,936	15,500	3,564
YL4949 - Mitsubishi Dual Cab 4 x 2	31,179	21,000	(10,179)
YL046 - Mitsubishi Cantor	34,933	25,000	(9,933)
YL163 - Misuibishi 4 x 4	32,864	28,000	(4,864)
YL5067 - Toyota Landcruiser 4 x 4 Ute	35,335	30,000	(5,335)
YL399 - Hilux Dual Cab	33,331	18,000	(15,331)
YL150 - Toyota Prado GXL Mgr Works	29,140	40,000	10,860
YL50 - Toyota Kluger DCEO	20,491	23,000	2,509
YL 290 - Toyota Aurion Sedan	15,756	8,000	(7,756)
YL 152 Toyota Kluger - Doctor	10,374	23,000	12,626
	349,318	296,500	(52,818)

<u>Summary</u>	2015/16 BUDGET \$
Profit on Asset Disposals	29,559
Loss on Asset Disposals	(82,377)
	<u>(52,818)</u>

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

4. ACQUISITION OF ASSETS

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

Asset Class	Reporting Program										Total \$													
	Governance \$	General Purpose Funding \$	Law, Order, Public Safety \$	Health \$	Education and Welfare \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Economic Services \$		Other Property and Services \$												
<u>Property, Plant and Equipment</u>																								
Land and Buildings	0	0	52,005	71,288	1,722,160	25,635	0	224,850	0	824,481	290,878	0	0	0	0	0	0	0	0	0	0	0	3,211,297	
Furniture and Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	22,360	0	0	0	0	0	0	0	0	22,360	
Plant and Equipment	0	0	456,800	0	0	0	0	0	0	0	0	0	0	691,500	0	0	0	0	0	0	0	0	1,324,300	
<u>Infrastructure</u>																								
Roads	0	0	0	0	0	0	0	0	0	0	0	0	0	3,380,707	0	0	0	0	0	0	0	0	3,380,707	
Footpaths	0	0	0	0	0	0	0	0	0	0	0	0	0	18,110	0	0	0	0	0	0	0	0	18,110	
Drainage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,853	
Parks & Ovals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Refuse Site	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,570	0	0	0	0	0	0	0	35,570	
Sewerage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	264,785	0	0	0	0	0	0	0	264,785	
Townscape	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,100	0	0	0	0	0	0	0	15,100	
<u>Land Held for Resale</u>																								
	0	0	508,805	71,288	1,722,160	25,635	0	224,850	0	824,481	466,878	0	0	4,112,677	824,481	0	0	0	0	0	0	0	0	8,291,082

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

- plant replacement programme
- other assets
- road replacement programme
- other infrastructure

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Council has no loan borrowings in 2014/15 and 2015/16.

(b) New Debentures - 2015/16

Council has not budgeted to raise any new budgeted funds during 2015/16.

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2015 nor is it expected to have unspent debenture funds as at 30th June 2016.

(d) Overdraft

Council does not currently have an overdraft facility with Westpac.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
6. RESERVES			
(a) Airport Reserve			
Opening Balance	124,043	114,686	84,370
Amount Set Aside / Transfer to Reserve	10,787	9,357	10,230
Amount Used / Transfer from Reserve	0	0	0
	<u>134,830</u>	<u>124,043</u>	<u>94,600</u>
(b) Building Reserve			
Opening Balance	1,290,609	1,318,529	1,155,970
Amount Set Aside / Transfer to Reserve	313,257	34,998	33,090
Amount Used / Transfer from Reserve	(1,244,690)	(62,918)	(1,077,419)
	<u>359,176</u>	<u>1,290,609</u>	<u>111,641</u>
(c) Community Bus Reserve			
Opening Balance	113,433	90,043	89,888
Amount Set Aside / Transfer to Reserve	2,777	23,390	24,120
Amount Used / Transfer from Reserve	0	0	0
	<u>116,210</u>	<u>113,433</u>	<u>114,008</u>
(d) Computer Hardware and Software Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(e) Homes for the Aged Reserve			
Opening Balance	354,397	311,080	265,126
Amount Set Aside / Transfer to Reserve	8,678	43,317	55,010
Amount Used / Transfer from Reserve	0	0	0
	<u>363,075</u>	<u>354,397</u>	<u>320,136</u>
(f) Land Development Reserve			
Opening Balance	57,261	55,780	106,249
Amount Set Aside / Transfer to Reserve	1,402	1,481	3,290
Amount Used / Transfer from Reserve	0	0	0
	<u>58,663</u>	<u>57,261</u>	<u>109,539</u>
(g) Long Service Leave Reserve			
Opening Balance	203,317	207,921	227,872
Amount Set Aside / Transfer to Reserve	4,979	5,519	6,920
Amount Used / Transfer from Reserve	0	(10,123)	(57,440)
	<u>208,296</u>	<u>203,317</u>	<u>177,352</u>
(h) Mt Hampton/Dulyalbin Water Supply Reserve			
Opening Balance	28,307	24,395	33,832
Amount Set Aside / Transfer to Reserve	693	3,912	3,050
Amount Used / Transfer from Reserve	0	0	0
	<u>29,000</u>	<u>28,307</u>	<u>36,882</u>
Total Reserves C/Fwd	<u>1,269,250</u>	<u>2,171,367</u>	<u>964,158</u>

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
6. RESERVES (Continued)			
Total Reserves B/Fwd	1,269,250	2,171,367	964,158
(i) Museum Reserve			
Opening Balance	15,419	10,189	11,514
Amount Set Aside / Transfer to Reserve	378	5,230	860
Amount Used / Transfer from Reserve	0	0	0
	<u>15,797</u>	<u>15,419</u>	<u>12,374</u>
(j) Plant Replacement Reserve			
Opening Balance	410,617	400,000	487,614
Amount Set Aside / Transfer to Reserve	610,055	667,817	475,090
Amount Used / Transfer from Reserve	(593,360)	(657,200)	(657,200)
	<u>427,312</u>	<u>410,617</u>	<u>305,504</u>
(k) Recreation Facility Reserve			
Opening Balance	652,569	699,006	701,220
Amount Set Aside / Transfer to Reserve	15,980	18,554	29,700
Amount Used / Transfer from Reserve	(50,000)	(64,991)	(139,630)
	<u>618,549</u>	<u>652,569</u>	<u>591,290</u>
(l) Refuse Disposal Site Reserve			
Opening Balance	413,173	158,954	159,460
Amount Set Aside / Transfer to Reserve	10,118	254,219	4,940
Amount Used / Transfer from Reserve	0	0	0
	<u>423,291</u>	<u>413,173</u>	<u>164,400</u>
(m) Sewerage Reserve			
Opening Balance	490,257	557,767	500,679
Amount Set Aside / Transfer to Reserve	12,005	14,805	68,396
Amount Used / Transfer from Reserve	(300,355)	(82,315)	0
	<u>201,907</u>	<u>490,257</u>	<u>569,075</u>
(n) Health Services Reserve			
Opening Balance	193,810	140,092	180,535
Amount Set Aside / Transfer to Reserve	4,746	53,718	55,980
Amount Used / Transfer from Reserve	0	0	0
	<u>198,556</u>	<u>193,810</u>	<u>236,515</u>
(o) Unspent Grants Reserve			
Opening Balance	451,506	67,046	67,046
Amount Set Aside / Transfer to Reserve	0	438,766	0
Amount Used / Transfer from Reserve	(438,766)	(54,306)	(25,000)
	<u>12,740</u>	<u>451,506</u>	<u>42,046</u>
(p) HVRIC Reserve			
Opening Balance	120,918	104,139	141,075
Amount Set Aside / Transfer to Reserve	40,000	16,779	20,000
Amount Used / Transfer from Reserve	(91,650)	0	(91,650)
	<u>69,268</u>	<u>120,918</u>	<u>69,425</u>

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
6. RESERVES (Continued)			
(q) Youth Development Reserve			
Opening Balance	73,812	62,162	75,429
Amount Set Aside / Transfer to Reserve	1,807	11,650	12,600
Amount Used / Transfer from Reserve	0	0	0
	<u>75,619</u>	<u>73,812</u>	<u>88,029</u>
(r) ICT and Furniture & Equipment Reserve			
Opening Balance	71,221	64,508	23,853
Amount Set Aside / Transfer to Reserve	1,744	6,713	5,130
Amount Used / Transfer from Reserve	0	0	0
	<u>72,965</u>	<u>71,221</u>	<u>28,983</u>
(s) Tourism Reserve			
Opening Balance	408,247	56,740	70,000
Amount Set Aside / Transfer to Reserve	9,997	351,507	12,430
Amount Used / Transfer from Reserve	(330,000)	0	0
	<u>88,244</u>	<u>408,247</u>	<u>82,430</u>
Total Reserves	<u>3,473,498</u>	<u>5,472,916</u>	<u>3,154,229</u>

All of the above reserve accounts are to be supported by money held in financial institutions.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

6. RESERVES (Continued)	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
SUMMARY OF RESERVE TRANSFERS			
Transfers to Reserves			
Airport Reserve	10,787	9,357	10,230
Building Reserve	313,257	34,998	33,090
Community Bus Reserve	2,777	23,390	24,120
Computer Hardware and Software Reserve	0	0	0
Homes for the Aged Reserve	8,678	43,317	55,010
Land Development Reserve	1,402	1,481	3,290
Long Service Leave Reserve	4,979	5,519	6,920
Mt Hampton/Dulyalbin Water Supply Reserve	693	3,912	3,050
Museum Reserve	378	5,230	860
Plant Replacement Reserve	610,055	667,817	475,090
Recreation Facility Reserve	15,980	18,554	29,700
Refuse Disposal Site Reserve	10,118	254,219	4,940
Sewerage Reserve	12,005	14,805	68,396
Health Services Reserve	4,746	53,718	55,980
Unspent Grants Reserve	0	438,766	0
HVRIC Reserve	40,000	16,779	20,000
Youth Development Reserve	1,807	11,650	12,600
ICT and Furniture & Equipment Reserve	1,744	6,713	5,130
Tourism Reserve	9,997	351,507	12,430
	<u>1,049,403</u>	<u>1,961,732</u>	<u>820,836</u>
Transfers from Reserves			
Airport Reserve	0	0	0
Building Reserve	(1,244,690)	(62,918)	(1,077,419)
Community Bus Reserve	0	0	0
Computer Hardware and Software Reserve	0	0	0
Homes for the Aged Reserve	0	0	0
Land Development Reserve	0	0	0
Long Service Leave Reserve	0	(10,123)	(57,440)
Mt Hampton/Dulyalbin Water Supply Reserve	0	0	0
Museum Reserve	0	0	0
Plant Replacement Reserve	(593,360)	(657,200)	(657,200)
Recreation Facility Reserve	(50,000)	(64,991)	(139,630)
Refuse Disposal Site Reserve	0	0	0
Sewerage Reserve	(300,355)	(82,315)	0
Health Services Reserve	0	0	0
Unspent Grants Reserve	(438,766)	(54,306)	(25,000)
HVRIC Reserve	(91,650)	0	(91,650)
Youth Development Reserve	0	0	0
ICT and Furniture & Equipment Reserve	0	0	0
Tourism Reserve	(330,000)	0	0
	<u>(3,048,821)</u>	<u>(931,853)</u>	<u>(2,048,339)</u>
Total Transfer to/(from) Reserves	<u>(1,999,418)</u>	<u>1,029,879</u>	<u>(1,227,503)</u>

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

6. RESERVES (Continued)

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

Airport Reserve

- to be used for the upkeep and any major upgrade works to the Southern Cross Airport.

Building Reserve

- to be used for major construction and improvements to Council's Buildings.

Community Bus Reserve

- to provide a conduit Reserve for the proceeds from the hire of the Yilgarn Community Bus.

Computer Hardware and Software Reserve

- to be used to provide funds for the future management of Council's computer systems.

Homes for the Aged Reserve

- to be used as a conduit for the placement of rental income from all twelve units, providing funding for future redevelopment works at this facility.

Land Development Reserve

- to be used for the acquisition of land in the Southern Cross townsite for future expansion of the town.

Long Service Leave Reserve

- to be used to fund Long Service Leave requirements. Council approves the fixing of this Reserve to the level of Long Service Leave Reserve to the level of liability, recognised as at the 30th June each year, totalling the combined balance of the Current and Non-Current Long Service Leave Liability.

Mt Hampton/Dulyalbin Water Supply Reserve

- to be used to fund future maintenance works at the Mt Hampton Dam and Dulyalbin Water Supply Tank via annual contributions from the sale of water from these facilities.

Museum Reserve

- monies held on behalf of the Yilgarn History Museum for their purpose and use as required.

Plant Replacement Reserve

- to be used for the purchase of major plant.

Recreation Facility Reserve

- to be used to fund any major projects relating to Recreation within the community.

Refuse Disposal Site Reserve

- to be used to meet future costs of major works to be carried out at Refuse Disposal Sites within the Shire of Yilgarn. Funds held in this Reserve will provide a buffer in the event of an emergency, where a substantial, catastrophic or undesired Refuse Disposal incident was to occur and could not be accommodated within the confines of Council's facilities.

Sewerage Reserve

- to be used to fund any major maintenance or future construction works required for the Southern Cross Sewerage and Marvel Loch Effluent Waste Water Schemes

Tourism Reserve

- to be used to fund tourism in the Yilgarn District.

Unspent Grants Reserve

- to provide adequate record keeping and disclosure of tied grants received, the source of funds and related expenditure.

Youth Development Reserve

- to be used to fund the development of Youth in the Yilgarn District.

The Reserves are not expected to be used within a set period as further transfers to reserves are expected as funds are utilised.

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

	Note	2015/16 Budget \$	2014/15 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)	70,224	1,374,127
Cash - Restricted Reserves	15(a)	3,473,498	5,472,916
Receivables		507,951	702,154
Inventories		43,423	47,923
		<u>4,095,096</u>	<u>7,597,120</u>
LESS: CURRENT LIABILITIES			
Trade and Other Payables		(331,947)	(168,132)
Short Term Borrowings		0	0
Long Term Borrowings		0	0
Provisions		(492,968)	(492,968)
		<u>(824,915)</u>	<u>(661,100)</u>
NET CURRENT ASSET POSITION		3,270,181	6,936,020
Less: Cash - Restricted Reserves	15(a)	(3,473,498)	(5,472,916)
Less: Land Held for Resale		0	0
Adjustment for Trust Transactions within Muni		0	(1,254)
Add: Current Portion of Debentures		0	(6,000)
Add: Component of Leave Liability not required to be funded		203,317	208,296
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		<u><u>0</u></u>	<u><u>1,664,146</u></u>

The estimated surplus/(deficiency) c/fwd in the 2014/15 actual column represents the surplus (deficit) brought forward as at 1 July 2015.

The estimated surplus/(deficiency) c/fwd in the 2015/16 budget column represents the surplus (deficit) carried forward as at 30 June 2016.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

8. RATING INFORMATION - 2015/16 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2015/16 Budgeted Rate Revenue \$	2015/16 Budgeted Interim Rates \$	2015/16 Budgeted Back Rates \$	2015/16 Budgeted Total Revenue \$	2014/15 Actual \$
Differential General Rate/General Rate								
GRV - Townsite (Residential/Industrial)	0.1069	416	3,089,264	330,286	0	0	330,286	311,676
GRV - Commercial	0.0731	32	1,010,048	73,865	0	0	73,865	69,185
GRV - Minesite	0.2250	5	122,500	27,563	0	0	27,563	50,779
GRV - Single Persons Quarters	0.2250	8	2,303,062	518,189	0	0	518,189	1,046,286
UV - Rural	0.0182	398	86,034,760	1,564,370	0	0	1,564,370	1,482,959
UV - Mining	0.1805	318	7,364,104	1,329,081	0	0	1,329,081	1,404,912
Sub-Totals	Minimum	1,177	99,923,738	3,843,353	0	0	3,843,353	4,365,797
Minimum Payment								
GRV - Townsite (Residential/Industrial)	370	100	81,339	37,000	0	0	37,000	36,865
GRV - Commercial	370	8	20,334	2,960	0	0	2,960	2,555
GRV - Minesite	370	2	1,000	740	0	0	740	1,460
GRV - Single Persons Quarters	370	1	400	370	0	0	370	365
UV - Rural	370	34	253,332	12,580	0	0	12,580	13,870
UV - Mining	360	294	268,341	105,840	0	0	105,840	120,867
Sub-Totals		439	624,746	159,490	0	0	159,490	175,982
Ex-Gratia Rates								
Discounts (Note 12)							29,350	27,715
Total Amount Raised from General Rate							(145,000)	(142,917)
Total Rates							3,887,193	4,426,577
							3,887,193	4,426,577

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

8(a). RATING INFORMATION - 2015/16 FINANCIAL YEAR (CONTINUED)

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

The general rates detailed above for the 2015/16 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.

OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING

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

Differential General Rate

Description	Characteristics	Objects & Reasons
GRV - Residential	Applies to all properties with a land use that does not fall within the categories of Commercial.	The object of the proposed rate in the dollar of \$0.1069 is to ensure the proportion of rates raised is consistent with prior years.
GRV - Commercial	Applies to properties with a Commercial land use.	Also to align the increase with the Local Government Cost Index (LGCi) of 3% as published in May 2015. The object of the proposed rate in the dollar of \$0.1069 is to ensure the proportion of rates raised is consistent with prior years. Additionally to align the increase with the LGCi of 3% as published in May 2015.
GRV - Minesites	Applies to properties with a Mining Land Use.	The object of the proposed rate in the dollar of \$0.2250 is to reduce the cost burden for Mining companies due to the current challenging economic environment. NB: The rate set forth in the Public Notice was \$0.3001. The reduction is due to Council consideration of submissions from the public.
GRV - Single Persons Quarters	Applies to properties with a transient workforce accommodation land use.	The object of the proposed rate in the dollar of \$0.2250 is to reduce the cost burden for Mining companies due to the current challenging economic environment. NB: The rate set forth in the Public Notice was \$0.3001. The reduction is due to Council consideration of submissions from the public.
UV - Rural	Applies to all properties which do not fall into one of the other categories and is based on Unimproved Values (UV).	The object of the proposed rate in the dollar of \$0.1069 is to ensure the proportion of rates raised is consistent with prior years.
UV - Mining	Applies to all properties with a prospecting exploration and UV mining land use.	Council decided to increase at slightly higher than the LGCi to compensate for previous years. The object of the proposed rate in the dollar of \$0.1805 is to reduce the cost burden for Mining companies due to the current challenging economic environment.

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

8(a). RATING INFORMATION - 2015/16 FINANCIAL YEAR (CONTINUED)

Differential Minimum Payment

Description	Characteristics	Objects & Reasons
GRV - Residential - Industrial	Applies to all properties with a land use that does not fall within the categories of Commercial.	The object of the proposed minimum payment of \$370 is to ensure the proportion of rates raised is consistent with prior years (@ 3% and aligned with the Local Govt Cost Index in May 2015)
GRV - Commercial	Applies to properties with a Commercial land use.	The object of the proposed minimum payment of \$370 is to ensure the proportion of rates raised is consistent with prior years (@ 3% and aligned with the Local Govt Cost Index in May 2015)
GRV - Minesites	Applies to properties with a Mining Land Use.	The object of the proposed minimum payment of \$370 is to ensure the proportion of rates raised is consistent with prior years (@ 3% and aligned with the Local Govt Cost Index in May 2015)
GRV - Single Persons Quarters	Applies to properties with a transient workforce accommodation land use.	The object of the proposed minimum payment of \$370 is to ensure the proportion of rates raised is consistent with prior years (@ 3% and aligned with the Local Govt Cost Index in May 2015)
UV - Rural	Applies to all properties which do not fall into one of the other categories and is based on Unimproved Values (UV).	The object of the proposed minimum payment of \$370 is to ensure the proportion of rates raised is consistent with prior years (@ 3% and aligned with the Local Govt Cost Index in May 2015)
UV - Mining	Applies to all properties with a prospecting exploration and UV mining land use.	The object of the proposed minimum payment of \$360 is to ensure the proportion of rates raised is consistent with prior years and in consideration of no more than 50% being rated at the minimum.

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

9. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

The Shire of Yilgarn does not intend to raise any Specified Area Rates during 2015/16.

10. SEWERAGE CHARGES (SECTION 41 HEALTH ACT) - 2015/16 FINANCIAL YEAR

	Amount of Charge	2015/16 Budgeted Revenue	Budget Applied to Costs	2014/15 Actual \$
	\$	\$	\$	
Southern Cross Sewerage				
Residential	7.1	155,031	155,031	152,928
Residential Minimum	268	1,608	1,608	1,586
Commercial	4.7	38,444	38,444	37,922
Commercial Minimum	565	10,170	10,170	10,032
Industrial	7.1	0	0	0
Industrial Minimum	565	565	565	557
1st Major Fixture	171	1,197	1,197	1,181
Additional Fixtures	86	3,354	3,354	3,309
Class 3	910	2,730	2,730	2,693
Marvel Loch				
General	4.7	20,320	20,320	20,044
General - Minimum	98	3,136	3,136	3,093
1st Major Fixture	134	0	0	0
Additional Major Fixture	60	0	0	0
		236,555	236,555	233,346

The health rate for the Southern Cross Sewerage Scheme is for those properties in the Southern Cross locality which are connected to the scheme.

The proceeds of the rate are applied to the maintenance of the Scheme with the balance of the expenditure (\$Nil for 2015/16) transferred to the Sewerage Scheme Reserve.

The Health rate for the Marvel Loch Sewerage Scheme is for those properties in the Marvel Loch locality which are connected to the scheme.

The proceeds of the rate are applied to the maintenance of the Scheme with the balance of the income (Nil for 2015/16) transferred to the Sewerage Scheme Reserve.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

11. FEES & CHARGES REVENUE	2015/16 Budget \$	2014/15 Actual \$
Governance	0	0
General Purpose Funding	11,000	10,290
Law, Order, Public Safety	4,900	4,755
Health	500	95
Education and Welfare	101,939	93,543
Housing	49,660	42,412
Community Amenities	242,488	465,459
Recreation and Culture	23,700	15,719
Transport	27,850	6,447
Economic Services	239,800	244,696
Other Property and Services	41,000	160,236
	<u>742,837</u>	<u>1,043,652</u>

12. RATE PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS
- 2015/16 FINANCIAL YEAR

	Type	Disc %	2015/16 Budget \$	2014/15 Actual \$
General Rates	Discount	5.00%	139,222	137,222
Minimum Rate	Discount	5.00%	5,778	5,695
			145,000	142,917
Photocopy Charge	Waiver			0
Rate Assessment	Write-Off			6,903

A discount of 5% of the current rates levied (excluding Rubbish, Sewerage and ESL) will be offered to rate payers whose payment of the full amount owing, including arrears, and service charges is received on or before Wednesday 9th September 2015 or 35 days after the date of service appearing on the rate notice, whichever is the later.

The discount will not apply to interim rates after the billing date. The total value of the discount is estimated to be \$145,000.

Photocopy Charges are waived for certain community groups such as St John Ambulance, Volunteer Bush Fire Brigades of the Yilgarn and the Southern Cross Fire and Rescue Service. Council considers its support of these groups necessary for the overall benefit of the community.

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

13. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	2015/16 Budget \$	2014/15 Actual \$
Interest on Unpaid Rates	11.00%		59,250	70,912
Interest on Instalments Plan	5.50%		750	9,231
Charges on Instalment Plan		10	10,000	8,970
			70,000	89,113

An interest rate of 11% will be charged on all rate payments which are late. It is estimated this will generate income of \$60,000. Three separate payment option plans will be available to ratepayers for payment of their rates.

Option 1 (Full Payment)

Full amount of rates and charges including arrears to be paid on or before Wednesday 9th September 2015 or 35 days after the date of service appearing on the rates notice, whichever is the later.

See Note 12 for discount provisions under this option

Option 2 (Two Instalments)

First instalment to be received on or before Wednesday 9th September 2015 or 35 days after the date of service appearing on the rate notice, whichever is the later. This payment is to include all arrears and half of the current rates and service charges.

The second and final instalment is to be made by Thursday 7th January 2016.

Option 3 (Four Instalments)

First instalment to be received on or before Wednesday 9th September 2015 or 35 days after the date of service appearing on the rate notice, whichever is the later. This payment is to include all arrears and one quarter of the current rates and service charges. Second, third and fourth instalments are to be made at two monthly intervals thereafter, being Monday 9th November 2015, Thursday 7th January 2016 and Monday 7th March 2016.

Costs of Instalment Options

The cost of the instalment plans will comprise of simple interest of 5.5% per annum, calculated daily from the date the first instalment is due, together with an administration fee of \$10.00 for each instalment notice. (ie. \$10.00 for Option 2 and \$30.00 for Option 3).

The total revenue from the imposition of the administration charge is estimated at \$10,000

The maximum rates of interest remain: 11%

Maximum rate on overdue money: 11%

Maximum rate on instalments: 5.5%

14. ELECTED MEMBERS REMUNERATION

The following fees, expenses and allowances were paid to council members and/or the president.

	2015/16 Budget \$	2014/15 Actual \$
Meeting Fees	28,500	16,874
President's Allowance	8,000	7,000
Deputy President's Allowance	2,000	1,750
Travelling Expenses	5,000	6,477
Telecommunications Allowance	0	3,156
	43,500	35,257

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

15. 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:

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Cash - Unrestricted	72,499	1,374,127	24,355
Cash - Restricted	3,473,498	5,472,916	3,154,229
	<u>3,545,997</u>	<u>6,847,043</u>	<u>3,178,584</u>

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

Airport Reserve	134,830	124,043	94,600
Building Reserve	359,176	1,290,609	111,641
Community Bus Reserve	116,210	113,433	114,008
Computer Hardware and Software Reserve	0	0	0
Homes for the Aged Reserve	363,075	354,397	320,136
Land Development Reserve	58,663	57,261	109,539
Long Service Leave Reserve	208,296	203,317	177,352
Mt Hampton/Dulyalbin Water Supply Reserve	29,000	28,307	36,882
Museum Reserve	15,797	15,419	12,374
Plant Replacement Reserve	427,312	410,617	305,504
Recreation Facility Reserve	618,549	652,569	591,290
Refuse Disposal Site Reserve	423,291	413,173	164,400
Sewerage Reserve	201,907	490,257	569,075
Health Services Reserve	198,556	193,810	236,515
Unspent Grants Reserve	12,740	451,506	42,046
HVRIC Reserve	69,268	120,918	69,425
Youth Development Reserve	75,619	73,812	88,029
ICT and Furniture & Equipment Reserve	72,965	71,221	28,983
Tourism Reserve	88,244	408,247	82,430
	<u>3,473,498</u>	<u>5,472,916</u>	<u>3,154,229</u>

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

Net Result	(11,247,264)	(5,157,439)	372,762
Depreciation	15,519,464	10,316,926	3,339,400
(Profit)/Loss on Sale of Asset	52,818	51,944	74,647
(Increase)/Decrease in Receivables	194,203	(18,535)	98,300
(Increase)/Decrease in Inventories	4,500	7,692	2,050
Increase/(Decrease) in Payables	163,815	(56,495)	101,925
Increase/(Decrease) in Employee Provisions	0	0	6,000
Grants/Contributions for the Development of Assets	(3,092,079)	(1,640,856)	(2,241,056)
Net Cash from Operating Activities	<u>1,595,457</u>	<u>3,503,237</u>	<u>1,754,028</u>

**(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	0	0	0
Unused Loan Facilities at Balance Date	0	0	0

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

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-15 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-16 \$
Police Licensing	3,796	810,000	(800,000)	13,796
Builders Levy (BCITF)	3,579	202	(500)	3,281
Trans WA Bookings	3,231	27,500	(25,000)	5,731
Council Nominations	0	800	(800)	0
Hall Hire Bonds & Deposits	2,330	0	0	2,330
Third Party Contributions	5,629	5,000	(5,000)	5,629
Staff Personal Deductions	26,503	30,000	(28,500)	28,003
Housing Tenancy Bonds	9,950	1,000	(2,000)	8,950
Security Key System Bonds	1,480	100	(100)	1,480
Skeleton Weed	57,736	6,500	(12,000)	52,236
Community Groups (Wound - Up)	13,371	0	0	13,371
Rates Overpaid	4,569	3,000	(3,500)	4,069
Medical Services Provision	35,093	50,000	(25,000)	60,093
YBTC Sinking Fund	6,666	6,666	0	13,332
Dump Point	23	100	0	123
	<u>173,956</u>	<u>940,868</u>	<u>(902,400)</u>	<u>212,424</u>

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016**

17. MAJOR LAND TRANSACTIONS

It is not anticipated any Major Land Transactions will occur in 2015/16.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2015/16.