

**SHIRE OF YILGARN**  
**BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>Revenue</b>				
Rates	8	3,680,379	3,827,876	3,887,193
Operating Grants, Subsidies and Contributions		2,634,268	1,947,410	1,558,292
Fees and Charges	11	807,580	687,905	742,837
Service Charges	10	294,868	236,555	236,555
Interest Earnings	2(a)	160,000	212,230	220,000
Other Revenue	2(a)	294,995	389,488	324,040
		<u>7,872,090</u>	<u>7,301,464</u>	<u>6,968,917</u>
<b>Expenses</b>				
Employee Costs		(2,809,933)	(2,674,081)	(3,206,606)
Materials and Contracts		(2,063,380)	(2,096,051)	(1,812,401)
Utility Charges		(359,020)	(212,041)	(311,983)
Depreciation on Non-Current Assets	2(a)	(4,380,500)	(4,162,380)	(15,519,464)
Insurance Expenses		(185,889)	(237,889)	(195,480)
Other Expenditure		(235,673)	(25,875)	(209,508)
		<u>(10,034,395)</u>	<u>(9,408,318)</u>	<u>(21,255,442)</u>
		(2,162,305)	(2,106,854)	(14,286,525)
Non-Operating Grants, Subsidies and Contributions		2,581,089	2,285,364	3,092,079
Profit on Asset Disposals	3	41,651	35,113	29,559
Loss on Asset Disposals	3	(58,897)	(47,793)	(82,377)
		<u>401,538</u>	<u>165,830</u>	<u>(11,247,264)</u>
<b>NET RESULT</b>				
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-Current Assets		0	0	0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>401,538</u></u>	<u><u>165,830</u></u>	<u><u>(11,247,264)</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 2017**

NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>Revenue (Refer Notes 1,2,8 to 13)</b>			
Governance	0	0	0
General Purpose Funding	5,945,513	4,988,751	5,123,679
Law, Order, Public Safety	93,565	95,281	129,437
Health	1,000	1,066	25,500
Education and Welfare	205,308	635,188	229,439
Housing	78,260	43,117	49,660
Community Amenities	553,931	464,173	482,043
Recreation and Culture	85,669	50,925	23,700
Transport	347,222	291,883	308,250
Economic Services	446,492	492,064	457,209
Other Property and Services	115,130	239,016	140,000
	<u>7,872,090</u>	<u>7,301,464</u>	<u>6,968,917</u>
<b>Expenses Excluding Finance Costs (Refer Notes 1,2 &amp; 14)</b>			
Governance	(429,161)	(346,006)	(462,014)
General Purpose Funding	(264,128)	(372,024)	(423,146)
Law, Order, Public Safety	(380,926)	(284,962)	(483,508)
Health	(251,385)	(234,123)	(256,560)
Education and Welfare	(512,350)	(440,931)	(539,351)
Housing	(220,640)	(190,164)	(211,905)
Community Amenities	(2,254,434)	(2,200,410)	(2,540,366)
Recreation and Culture	(1,670,040)	(1,501,088)	(1,834,948)
Transport	(3,046,483)	(2,887,527)	(13,366,615)
Economic Services	(947,423)	(890,156)	(1,042,993)
Other Property and Services	(57,425)	(60,927)	(94,036)
	<u>(10,034,395)</u>	<u>(9,408,318)</u>	<u>(21,255,442)</u>
<b>Non-operating Grants, Subsidies and Contributions</b>			
Law, Order, Public Safety	675,500	0	456,800
Education and Welfare	0	134	424,361
Transport	1,905,589	2,265,422	2,210,918
Other Property and Services	0	19,808	0
	<u>2,581,089</u>	<u>2,285,364</u>	<u>3,092,079</u>
<b>Profit/(Loss) On Disposal Of Assets (Refer Note 3)</b>			
Transport	(43,592)	(34,954)	(71,057)
Other Property and Services	26,346	22,273	18,239
	<u>(17,246)</u>	<u>(12,681)</u>	<u>(52,818)</u>
<b>NET RESULT</b>	<b>401,538</b>	<b>165,830</b>	<b>(11,247,264)</b>
<b>Other Comprehensive Income</b>			
Changes on Revaluation of Non-Current Assets	0	0	0
<b>Total Other Comprehensive Income</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<u><b>401,538</b></u>	<u><b>165,830</b></u>	<u><b>(11,247,264)</b></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 2017**

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		3,713,603	3,827,876	3,944,396
Operating Grants, Subsidies and Contributions		2,042,271	1,947,410	1,071,517
Fees and Charges		807,580	642,905	745,112
Service Charges		294,868	236,555	236,555
Interest Earnings		160,000	212,230	220,000
Goods and Services Tax		721,302	874,655	621,500
Other Revenue		294,995	434,488	324,040
		<u>8,034,619</u>	<u>8,176,119</u>	<u>7,163,120</u>
<b>Payments</b>				
Employee Costs		(2,831,496)	(2,674,081)	(3,171,566)
Materials and Contracts		(1,624,584)	(2,096,051)	(1,094,126)
Utility Charges		(359,020)	(212,041)	(311,983)
Insurance Expenses		(185,889)	(237,889)	(195,480)
Goods and Services Tax		(604,556)	(489,953)	(585,000)
Other Expenditure		(235,673)	(25,875)	(209,508)
		<u>(5,828,778)</u>	<u>(5,735,890)</u>	<u>(5,567,663)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>2,205,841</u>	<u>2,440,228</u>	<u>1,595,457</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment	4	(2,302,189)	(3,730,709)	(4,557,957)
Payments for Construction of Infrastructure	4	(3,697,417)	(3,478,801)	(3,733,125)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		2,581,089	2,285,364	3,092,079
Proceeds from Sale of Plant & Equipment	3	255,000	258,628	296,500
<b>Net Cash Used in Investing Activities</b>		<u>(3,163,517)</u>	<u>(4,665,518)</u>	<u>(4,902,503)</u>
<b>Cash Flows from Financing Activities</b>				
Proceeds from Self Supporting Loans		6,000	6,000	6,000
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
<b>Net Increase (Decrease) in Cash Held</b>		(951,676)	(2,219,290)	(3,301,046)
Cash at Beginning of Year		4,559,682	6,778,972	6,847,043
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u>3,608,006</u>	<u>4,559,682</u>	<u>3,545,997</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 2017**

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>Revenue</b>	1,2			
General Purpose Funding		2,265,134	1,160,874	1,236,486
Law, Order, Public Safety		769,065	95,281	586,237
Health		1,000	1,066	25,500
Education and Welfare		205,308	635,322	653,800
Housing		78,260	43,117	49,660
Community Amenities		553,931	464,173	482,043
Recreation and Culture		85,669	50,925	23,700
Transport		2,268,116	2,570,144	2,522,732
Economic Services		446,492	492,064	457,209
Other Property and Services		141,476	281,098	165,995
		<u>6,814,451</u>	<u>5,794,064</u>	<u>6,203,362</u>
<b>Expenses</b>	1,2			
Governance		(429,161)	(346,006)	(462,014)
General Purpose Funding		(264,128)	(372,024)	(423,146)
Law, Order, Public Safety		(380,926)	(284,962)	(483,508)
Health		(251,385)	(234,123)	(256,560)
Education and Welfare		(512,350)	(440,931)	(539,351)
Housing		(220,640)	(190,164)	(211,905)
Community Amenities		(2,254,434)	(2,200,410)	(2,540,366)
Recreation and Culture		(1,670,040)	(1,501,088)	(1,834,948)
Transport		(3,105,380)	(2,935,320)	(13,441,236)
Economic Services		(947,423)	(890,156)	(1,042,993)
Other Property and Services		(57,425)	(60,927)	(101,792)
		<u>(10,093,292)</u>	<u>(9,456,111)</u>	<u>(21,337,819)</u>
<b>Net Result Excluding General Rates</b>		(3,278,841)	(3,662,047)	(15,134,457)
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	3	17,246	12,680	52,818
Depreciation on Assets	2(a)	4,380,500	4,162,380	15,519,464
Movement in Leave Reserve		0	15,790	0
Movement in Non-Current Staff Leave Provisions		0	18,605	0
<b>Capital Expenditure and Revenue</b>				
Purchase Furniture and Equipment	4	0	(36,956)	(22,360)
Purchase Land and Buildings	4	(596,390)	(2,984,038)	(3,211,297)
Purchase Plant and Equipment	4	(1,705,799)	(709,715)	(1,324,300)
Purchase Infrastructure - Roads	4	(2,981,966)	(3,317,609)	(3,380,707)
Purchase Infrastructure - Footpaths	4	0	0	(18,110)
Purchase Infrastructure - Drainage	4	(18,994)	(86,220)	(18,853)
Purchase Infrastructure - Refuse Site	4	(30,000)	0	(35,570)
Purchase Infrastructure - Sewerage	4	(205,500)	(66,766)	(264,785)
Purchase Infrastructure - Townscape	4	(4,200)	(8,206)	0
Purchase Infrastructure - Other	4	(456,757)	0	(15,100)
Proceeds from Disposal of Assets	3	255,000	258,628	296,500
Self-Supporting Loan Principal Income		6,000	6,000	6,000
Transfers to Reserves (Restricted Assets)	6	(1,580,069)	(1,383,775)	(1,049,403)
Transfers from Reserves (Restricted Assets)	6	2,317,236	2,721,420	3,048,821
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	202,155	1,434,108	1,664,146
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	202,155	0
<b>Amount Required to be Raised from General Rate</b>	8	<u>(3,680,379)</u>	<u>(3,827,876)</u>	<u>(3,887,193)</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 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 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) 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 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 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 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 2017**

**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 2017**

**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 2017**

**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 10 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 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 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 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 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 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 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 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 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 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 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 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 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 live 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 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 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 2017**

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>2. REVENUES AND EXPENSES</b>			
(a) <b>Net Result</b>			
The Net Result includes:			
(i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	29,800	21,260	30,000
Other Services	5,000	500	6,750
<b>Depreciation</b>			
<b>By Program</b>			
Governance	52,100	52,131	75,800
Law, Order, Public Safety	171,000	169,734	284,600
Health	31,600	30,349	38,300
Education and Welfare	132,200	99,809	154,500
Housing	112,000	110,932	136,900
Community Amenities	1,402,000	1,407,645	1,700,800
Recreation and Culture	565,700	561,197	708,800
Transport	1,322,600	1,167,584	11,602,664
Economic Services	72,500	54,797	83,300
Other Property and Services	518,800	508,204	733,800
	4,380,500	4,162,380	15,519,464
<b>By Class</b>			
Land and Buildings	935,285	888,714	1,186,632
Furniture and Equipment	2,776	2,638	3,984
Plant and Equipment	722,454	686,481	946,193
Roads	1,163,710	1,105,765	11,421,682
Footpaths	41,873	39,788	174,058
Drainage	1,321,762	1,255,947	1,524,004
Parks & Ovals	3,776	3,588	18,305
Refuse Site	14,935	14,191	0
Sewerage	97,819	92,948	123,824
Townscape	5,650	5,369	3,071
Other	70,459	66,951	117,713
	4,380,500	4,162,380	15,519,466
(ii) Crediting as Revenues:			
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	80,000	111,544	120,000
- Other Funds	20,000	40,314	40,000
Other Interest Revenue ( <i>refer note 13</i> )	60,000	60,372	60,000
	160,000	212,230	220,000
(iii) <b>Other Revenue</b>			
Reimbursements and Recoveries	109,360	193,613	106,500
Other	185,635	195,875	217,540
	294,995	389,488	324,040

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

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 2017**

**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 2017**

**3. DISPOSALS OF ASSETS**

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

<b><u>By Program</u></b>	<b>Net Book Value</b>	<b>Sale Proceeds</b>	<b>Profit(Loss)</b>
	<b>2016/17 BUDGET</b>	<b>2016/17 BUDGET</b>	<b>2016/17 BUDGET</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Transport</b>			
YL_087 John Deere Grader	101,034	70,000	(31,034)
YL_117 Prime Mover Iveco	67,364	50,000	(17,364)
YL5410 - Mitsubishi Light Tip Truck	30,499	20,000	(10,499)
YL121 - Hilux 4 x 4 Ute	12,920	20,000	7,080
YL333 - Land Cruiser 4 x 4 Ute	31,775	40,000	8,225
<b>Other Property &amp; Services</b>			
YL_1 Toyota Kluger Grande	9,168	35,000	25,832
YL_252 Ford Ranger	19,486	20,000	514
	<b>272,246</b>	<b>255,000</b>	<b>(17,246)</b>

<b><u>By Class</u></b>	<b>Net Book Value</b>	<b>Sale Proceeds</b>	<b>Profit(Loss)</b>
	<b>2016/17 BUDGET</b>	<b>2016/17 BUDGET</b>	<b>2016/17 BUDGET</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Plant &amp; Equipment</b>			
YL_087 John Deere Grader	101,034	70,000	(31,034)
YL_117 Prime Mover Iveco	67,364	50,000	(17,364)
YL5410 - Mitsubishi Light Tip Truck	30,499	20,000	(10,499)
YL121 - Hilux 4 x 4 Ute	12,920	20,000	7,080
YL333 - Land Cruiser 4 x 4 Ute	31,775	40,000	8,225
YL_1 Toyota Kluger Grande	9,168	35,000	25,832
YL_252 Ford Ranger	19,486	20,000	514
	<b>272,246</b>	<b>255,000</b>	<b>(17,246)</b>

<b><u>Summary</u></b>	<b>2016/17 BUDGET</b>
	<b>\$</b>
Profit on Asset Disposals	41,651
Loss on Asset Disposals	(58,897)
	<u><u>(17,246)</u></u>

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

**4. ACQUISITION OF ASSETS**

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

Asset Class	Reporting Program									Total \$
	Law, Order, Public Safety \$	Health \$	Education and Welfare \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Economic Services \$	Other Property and Services \$	
<i>Property, Plant and Equipment</i>										
Land and Buildings	10,000	8,382	98,350	112,900	12,000	144,000	0	130,000	80,758	596,390
Plant and Equipment	675,500	0	0	0	0	0	868,330	49,669	112,300	1,705,799
<i>Infrastructure</i>										
Roads	0	0	0	0	0	0	2,981,966	0	0	2,981,966
Drainage	0	0	0	0	18,994	0	0	0	0	18,994
Refuse Site	0	0	0	0	30,000	0	0	0	0	30,000
Sewerage	0	0	0	0	205,500	0	0	0	0	205,500
Townscape	0	0	0	0	0	0	0	4,200	0	4,200
Other	0	0	0	0	0	354,326	0	0	102,431	456,757
	<b>685,500</b>	<b>8,382</b>	<b>98,350</b>	<b>112,900</b>	<b>266,494</b>	<b>498,326</b>	<b>3,850,296</b>	<b>183,869</b>	<b>295,489</b>	<b>5,999,606</b>

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 2017**

**5. INFORMATION ON BORROWINGS**

**(a) Debenture Repayments**

Council has no loan borrowings in 2015/16 and 2016/17.

**(b) New Debentures - 2016/17**

Council has not budgeted to raise any new budgeted funds during 2016/17.

**(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**

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 2017**

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>6. RESERVES</b>			
<b>(a) Airport Reserve</b>			
Opening Balance	127,206	124,044	124,043
Amount Set Aside / Transfer to Reserve	3,146	3,162	10,787
Amount Used / Transfer from Reserve	0	0	0
	<u>130,352</u>	<u>127,206</u>	<u>134,830</u>
<b>(b) Building Reserve</b>			
Opening Balance	550,542	1,290,609	1,290,609
Amount Set Aside / Transfer to Reserve	152,996	504,623	313,257
Amount Used / Transfer from Reserve	(392,489)	(1,244,690)	(1,244,690)
	<u>311,049</u>	<u>550,542</u>	<u>359,176</u>
<b>(c) Community Bus Reserve</b>			
Opening Balance	116,325	113,433	113,433
Amount Set Aside / Transfer to Reserve	2,877	2,892	2,777
Amount Used / Transfer from Reserve	0	0	0
	<u>119,202</u>	<u>116,325</u>	<u>116,210</u>
<b>(d) Computer Hardware and Software Reserve</b>			
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>
<b>(e) Homes for the Aged Reserve</b>			
Opening Balance	363,434	354,398	354,397
Amount Set Aside / Transfer to Reserve	8,989	9,036	8,678
Amount Used / Transfer from Reserve	(41,900)	0	0
	<u>330,523</u>	<u>363,434</u>	<u>363,075</u>
<b>(f) Land Development Reserve</b>			
Opening Balance	58,721	57,261	57,261
Amount Set Aside / Transfer to Reserve	1,452	1,460	1,402
Amount Used / Transfer from Reserve	0	0	0
	<u>60,173</u>	<u>58,721</u>	<u>58,663</u>
<b>(g) Long Service Leave Reserve</b>			
Opening Balance	219,107	203,317	203,317
Amount Set Aside / Transfer to Reserve	5,419	15,790	4,979
Amount Used / Transfer from Reserve	0	0	0
	<u>224,526</u>	<u>219,107</u>	<u>208,296</u>
<b>(h) Mt Hampton/Dulyalbin Water Supply Reserve</b>			
Opening Balance	29,029	28,307	28,307
Amount Set Aside / Transfer to Reserve	718	722	693
Amount Used / Transfer from Reserve	0	0	0
	<u>29,747</u>	<u>29,029</u>	<u>29,000</u>
<b>Total Reserves C/Fwd</b>	<u>1,205,572</u>	<u>1,464,364</u>	<u>1,269,250</u>

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

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>Total Reserves B/Fwd</b>	<u>1,205,572</u>	<u>1,464,364</u>	<u>1,269,250</u>
<b>(i) Museum Reserve</b>			
Opening Balance	15,813	15,419	15,419
Amount Set Aside / Transfer to Reserve	391	394	378
Amount Used / Transfer from Reserve	0	0	0
	<u>16,204</u>	<u>15,813</u>	<u>15,797</u>
<b>(j) Plant Replacement Reserve</b>			
Opening Balance	410,461	410,617	410,617
Amount Set Aside / Transfer to Reserve	929,453	709,559	610,055
Amount Used / Transfer from Reserve	(969,300)	(709,715)	(593,360)
	<u>370,614</u>	<u>410,461</u>	<u>427,312</u>
<b>(k) Recreation Facility Reserve</b>			
Opening Balance	669,159	652,569	652,569
Amount Set Aside / Transfer to Reserve	16,551	16,590	15,980
Amount Used / Transfer from Reserve	(320,000)	0	(50,000)
	<u>365,710</u>	<u>669,159</u>	<u>618,549</u>
<b>(l) Refuse Disposal Site Reserve</b>			
Opening Balance	423,708	413,173	413,173
Amount Set Aside / Transfer to Reserve	10,480	10,535	10,118
Amount Used / Transfer from Reserve	(30,000)	0	0
	<u>404,188</u>	<u>423,708</u>	<u>423,291</u>
<b>(m) Sewerage Reserve</b>			
Opening Balance	502,758	490,257	490,257
Amount Set Aside / Transfer to Reserve	226,718	12,501	12,005
Amount Used / Transfer from Reserve	(205,500)	0	(300,355)
	<u>523,976</u>	<u>502,758</u>	<u>201,907</u>
<b>(n) Health Services Reserve</b>			
Opening Balance	198,752	193,810	193,810
Amount Set Aside / Transfer to Reserve	4,916	4,942	4,746
Amount Used / Transfer from Reserve	0	0	0
	<u>203,668</u>	<u>198,752</u>	<u>198,556</u>
<b>(o) Unspent Grants Reserve</b>			
Opening Balance	19,740	451,506	451,506
Amount Set Aside / Transfer to Reserve	0	7,000	0
Amount Used / Transfer from Reserve	0	(438,766)	(438,766)
	<u>19,740</u>	<u>19,740</u>	<u>12,740</u>
<b>(p) HVRIC Reserve</b>			
Opening Balance	72,523	120,918	120,918
Amount Set Aside / Transfer to Reserve	42,188	45,657	40,000
Amount Used / Transfer from Reserve	(72,188)	(94,052)	(91,650)
	<u>42,523</u>	<u>72,523</u>	<u>69,268</u>

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

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>(q) Youth Development Reserve</b>			
Opening Balance	100,717	73,812	73,812
Amount Set Aside / Transfer to Reserve	2,492	26,905	1,807
Amount Used / Transfer from Reserve	<u>(25,000)</u>	<u>0</u>	<u>0</u>
	<u>78,209</u>	<u>100,717</u>	<u>75,619</u>
<b>(r) ICT and Furniture &amp; Equipment Reserve</b>			
Opening Balance	73,036	71,221	71,221
Amount Set Aside / Transfer to Reserve	100,960	1,815	1,744
Amount Used / Transfer from Reserve	<u>(130,859)</u>	<u>0</u>	<u>0</u>
	<u>43,137</u>	<u>73,036</u>	<u>72,965</u>
<b>(s) Tourism Reserve</b>			
Opening Balance	184,241	408,246	408,247
Amount Set Aside / Transfer to Reserve	70,323	10,192	9,997
Amount Used / Transfer from Reserve	<u>(130,000)</u>	<u>(234,197)</u>	<u>(330,000)</u>
	<u>124,564</u>	<u>184,241</u>	<u>88,244</u>
<b>Total Reserves</b>	<u><u>3,398,105</u></u>	<u><u>4,135,272</u></u>	<u><u>3,473,498</u></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 2017**

6. RESERVES (Continued)	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>SUMMARY OF RESERVE TRANSFERS</b>			
<b>Transfers to Reserves</b>			
Airport Reserve	3,146	3,162	10,787
Building Reserve	152,996	504,623	313,257
Community Bus Reserve	2,877	2,892	2,777
Homes for the Aged Reserve	8,989	9,036	8,678
Land Development Reserve	1,452	1,460	1,402
Long Service Leave Reserve	5,419	15,790	4,979
Mt Hampton/Dulyalbin Water Supply Reserve	718	722	693
Museum Reserve	391	394	378
Plant Replacement Reserve	929,453	709,559	610,055
Recreation Facility Reserve	16,551	16,590	15,980
Refuse Disposal Site Reserve	10,480	10,535	10,118
Sewerage Reserve	226,718	12,501	12,005
Health Services Reserve	4,916	4,942	4,746
Unspent Grants Reserve	0	7,000	0
HVRIC Reserve	42,188	45,657	40,000
Youth Development Reserve	2,492	26,905	1,807
ICT and Furniture & Equipment Reserve	100,960	1,815	1,744
Tourism Reserve	70,323	10,192	9,997
	<u>1,580,069</u>	<u>1,383,775</u>	<u>1,049,403</u>
<b>Transfers from Reserves</b>			
Building Reserve	(392,489)	(1,244,690)	(1,244,690)
Homes for the Aged Reserve	(41,900)	0	0
Plant Replacement Reserve	(969,300)	(709,715)	(593,360)
Recreation Facility Reserve	(320,000)	0	(50,000)
Refuse Disposal Site Reserve	(30,000)	0	0
Sewerage Reserve	(205,500)	0	(300,355)
Unspent Grants Reserve	0	(438,766)	(438,766)
HVRIC Reserve	(72,188)	(94,052)	(91,650)
Youth Development Reserve	(25,000)	0	0
ICT and Furniture & Equipment Reserve	(130,859)	0	0
Tourism Reserve	(130,000)	(234,197)	(330,000)
	<u>(2,317,236)</u>	<u>(2,721,420)</u>	<u>(3,048,821)</u>
<b>Total Transfer to/(from) Reserves</b>	<u>(737,167)</u>	<u>(1,337,645)</u>	<u>(1,999,418)</u>

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

**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 2017**

	Note	2016/17 Budget \$	2015/16 Actual \$
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	15(a)	209,901	424,410
Cash - Restricted Reserves	15(a)	3,398,105	4,135,272
Receivables		400,920	569,449
Inventories		41,300	44,800
		<u>4,050,226</u>	<u>5,173,931</u>
<b>LESS: CURRENT LIABILITIES</b>			
Trade and Other Payables		(462,620)	(649,003)
Provisions		(408,608)	(400,608)
		<u>(871,228)</u>	<u>(1,049,611)</u>
NET CURRENT ASSET POSITION		3,178,998	4,124,320
Less: Cash - Restricted Reserves	15(a)	(3,398,105)	(4,135,272)
Add: Current Portion of Debentures		0	(6,000)
Add: Component of Leave Liability not required to be funded		219,107	219,107
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		<u><u>0</u></u>	<u><u>202,155</u></u>

The estimated surplus/(deficiency) c/fwd in the 2015/16 actual column represents the surplus (deficit) brought forward as at 1 July 2016.

The estimated surplus/(deficiency) c/fwd in the 2016/17 budget column represents the surplus (deficit) carried forward as at 30 June 2017.

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

**8. RATING INFORMATION - 2016/17 FINANCIAL YEAR**

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2016/17 Budgeted Rate Revenue \$	2016/17 Budgeted Total Revenue \$	2015/16 Actual \$
<b>Differential General Rate/General Rate</b>						
GRV - Townsite (Residential/Industrial)	0.1101	388	2,967,542	326,789	326,789	319,900
GRV - Commercial	0.0775	32	995,384	77,160	77,160	72,199
GRV - Minesite	0.1550	4	120,160	18,629	18,629	27,563
GRV - Single Persons Quarters	0.1550	8	1,683,062	260,935	260,935	518,189
UV - Rural	0.0193	391	85,987,136	1,657,316	1,657,316	1,563,867
UV - Mining	0.1705	339	7,180,418	1,224,125	1,224,125	1,275,316
<b>Sub-Totals</b>		1,162	98,933,702	3,564,954	3,564,954	3,777,034
	<b>Minimum \$</b>					
<b>Minimum Payment</b>						
GRV - Townsite (Residential/Industrial)	500	125	184,176	62,500	62,500	36,630
GRV - Commercial	400	7	19,934	2,800	2,800	2,590
GRV - Minesite	400	3	3,340	1,200	1,200	740
GRV - Single Persons Quarters	400	1	400	400	400	370
UV - Rural	400	35	294,036	14,000	14,000	12,580
UV - Mining	800	254	284,670	140,700	140,700	105,480
<b>Sub-Totals</b>		425	786,556	221,600	221,600	158,390
Ex-Gratia Rates					33,825	29,351
Discounts (Note 12)					(140,000)	(136,899)
<b>Total Amount Raised from General Rate</b>					3,680,379	3,827,876
<b>Total Rates</b>					3,680,379	3,827,876

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

**8(a). RATING INFORMATION - 2016/17 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 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.

**OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING**

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

**Differential General Rate**

<b>Description</b>	<b>Characteristics</b>	<b>Objects &amp; Reasons</b>
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 rate in the dollar of \$0.110121 is to ensure the proportion of rates raised is consistent with prior years.
GRV - Commercial	Applies to properties with a Commercial land use.	The object of the proposed rate in the dollar of \$0.077518 is to ensure the proportion of rates raised is consistent with prior years. Also this year the rate imposed addresses an inequitable increase made in 2013/14 related to GRV valuation changes effective 1 July 2013.
GRV - Minesites	Applies to properties with a Mining Land Use.	The object of the proposed rate in the dollar of \$0.155036 is to further reduce (-31% on 2015/16 and -158% on 2014/15) the cost burden for Mining companies in the region. The rate in the dollar is now comparable to the State average and as well as being no more than twice the lowest rate in the GRV category. Minesites is rated twice that of Commercial GRV because of the greater impact on road infrastructure by way of heavy haulage trucks as well as ancillary use of Shires services and facilities.
GRV - Single Persons Quarters	Applies to properties with a transient workforce accommodation land use.	The object of the proposed rate in the dollar of \$0.155036 is to further reduce (-31% on 2015/16 and -158% on 2014/15) the cost burden for Mining companies in the region. The rate in the dollar is now comparable to the State average and as well as being no more than twice the lowest rate in the GRV category. Minesites is rated twice that of Commercial GRV because of the greater impact on road infrastructure by way of heavy haulage trucks as well as ancillary use of Shires services and facilities.
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 \$0.019274 is to ensure the proportion of rates raised is consistent with prior years. Also this year the rate imposed addresses an inequitable increase applied in 2012/13 relating to valuation changes.
UV - Mining	Applies to all properties with a prospecting exploration and UV mining land use.	The object of the proposed rate in the dollar of \$0.170481 is to further reduce (-5.5% on 2015/16 and -24% on 2014/15) the cost burden for Mining companies in the region. Minesites is rated twice that of UV Rural because of the greater impact on road infrastructure by way of heavy haulage trucks as well as ancillary use of Shires services and facilities.

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

**8(a). RATING INFORMATION - 2016/17 FINANCIAL YEAR (CONTINUED)**

**Differential Minimum Payment**

<b>Description</b>	<b>Characteristics</b>	<b>Objects &amp; Reasons</b>
GRV - Residential - Industrial	Applies to all properties with a land use that does not fall within the categories of Commercial.	The Shire has imposed a higher minimum payment of \$500 on GRV Residential/Industrial to discourage holding undeveloped land within the town-sites, which reduces the amenity of the area, and thereby encourages development.
GRV - Commercial	Applies to properties with a Commercial land use.	The object of the proposed minimum rate of \$400 is to ensure the proportion of rates raised is consistent with prior years.
GRV - Minesites	Applies to properties with a Mining Land Use.	The object of the proposed minimum rate of \$400 is to ensure the proportion of rates raised is consistent with prior years.
GRV - Single Persons Quarters	Applies to properties with a transient workforce accommodation land use.	The object of the proposed minimum rate of \$400 is to ensure the proportion of rates raised is consistent with prior years.
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 rate of \$400 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.	The UV Mining category has a lesser minimum of \$260 for Leases to ensure the rate burden is more equitably distributed among all tenement owners by providing relief to small prospectors.

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

**9. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR**

The Shire of Yilgarn does not intend to raise any Specified Area Rates during 2016/17.

**10. SEWERAGE CHARGES (SECTION 41 HEALTH ACT) - 2016/17 FINANCIAL YEAR**

	Amount of Charge	2016/17 Budgeted Revenue	Budget Applied to Costs	2015/16 Actual \$
	\$	\$	\$	
<b>Southern Cross Sewerage</b>				
Residential	7.3	159,398	159,398	155,031
Residential Minimum	276	1,380	1,380	1,608
Commercial	5.0	41,542	41,542	38,444
Commercial Minimum	583	9,328	9,328	10,170
Industrial	7.3	0	0	0
Industrial Minimum	583	583	583	565
1st Major Fixture	176	1,232	1,232	1,197
Additional Fixtures	89	3,471	3,471	3,354
Class 3	937	2,811	2,811	2,730
<b>Marvel Loch</b>				
General	16.7	72,093	72,093	20,320
General - Minimum	101	3,030	3,030	3,136
1st Major Fixture	138	0	0	0
Additional Major Fixture	62	0	0	0
		294,868	294,868	236,555

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 2017**

<b>11. FEES &amp; CHARGES REVENUE</b>	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>
Governance	0	0
General Purpose Funding	14,000	12,254
Law, Order, Public Safety	5,665	12,418
Health	1,000	1,066
Education and Welfare	83,373	76,616
Housing	78,260	43,117
Community Amenities	257,003	227,618
Recreation and Culture	21,669	16,554
Transport	53,650	7,037
Economic Services	278,130	282,347
Other Property and Services	14,830	8,878
	<u>807,580</u>	<u>687,905</u>

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

	<b>Type</b>	<b>Disc %</b>	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>
General Rates	Discount	5.00%	123,678	131,437
Minimum Rate	Discount	5.00%	16,322	5,462
			140,000	136,899
Photocopy Charge	Waiver			0
Rate Assessment	Write-Off			0

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 7th September 2016 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 \$140,000.

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 2017**

**13. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR**

	<b>Interest Rate %</b>	<b>Admin. Charge \$</b>	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>
Interest on Unpaid Rates	11.00%		51,500	45,168
Interest on Instalments Plan	5.50%		8,500	7,505
Charges on Instalment Plan		10	10,000	8,260
			70,000	60,933

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 7th September 2016 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 7th September 2016 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 Friday 6th January 2017.

**Option 3 ( Four Instalments )**

First instalment to be received on or before Wednesday 7th September 2016 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 7th November 2016, Friday 6th January 2017 and Thursday 9th March 2017.

**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.

	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>
Meeting Fees	28,500	19,710
President's Allowance	8,000	8,000
Deputy President's Allowance	2,000	2,000
Travelling Expenses	7,210	3,539
Telecommunications Allowance	2,500	1,692
	48,210	34,941

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

**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:

	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>	<b>2015/16 Budget \$</b>
Cash - Unrestricted	209,901	424,410	72,499
Cash - Restricted	<u>3,398,105</u>	<u>4,135,272</u>	<u>3,473,498</u>
	<u>3,608,006</u>	<u>4,559,682</u>	<u>3,545,997</u>

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

Airport Reserve	130,352	127,206	134,830
Building Reserve	311,049	550,542	359,176
Community Bus Reserve	119,202	116,325	116,210
Computer Hardware and Software Reserve	0	0	0
Homes for the Aged Reserve	330,523	363,434	363,075
Land Development Reserve	60,173	58,721	58,663
Long Service Leave Reserve	224,526	219,107	208,296
Mt Hampton/Dulyalbin Water Supply Reserve	29,747	29,029	29,000
Museum Reserve	16,204	15,813	15,797
Plant Replacement Reserve	370,614	410,461	427,312
Recreation Facility Reserve	365,710	669,159	618,549
Refuse Disposal Site Reserve	404,188	423,708	423,291
Sewerage Reserve	523,976	502,758	201,907
Health Services Reserve	203,668	198,752	198,556
Unspent Grants Reserve	19,740	19,740	12,740
HVRIC Reserve	42,523	72,523	69,268
Youth Development Reserve	78,209	100,717	75,619
ICT and Furniture & Equipment Reserve	43,137	73,036	72,965
Tourism Reserve	124,564	184,241	88,244
	<u>3,398,105</u>	<u>4,135,272</u>	<u>3,473,498</u>

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

Net Result	401,538	165,830	(11,247,264)
Depreciation	4,380,500	4,162,380	15,519,464
(Profit)/Loss on Sale of Asset	17,246	12,681	52,818
(Increase)/Decrease in Receivables	162,529	46,854	194,203
(Increase)/Decrease in Inventories	3,500	3,123	4,500
Increase/(Decrease) in Payables	(186,383)	334,725	163,815
Increase/(Decrease) in Employee Provisions	8,000	0	0
Grants/Contributions for the Development of Assets	(2,581,089)	(2,285,364)	(3,092,079)
<b>Net Cash from Operating Activities</b>	<u>2,205,841</u>	<u>2,440,229</u>	<u>1,595,457</u>

**(c) Undrawn Borrowing Facilities  
Credit Standby Arrangements**

Credit Card Limit	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
<b>Total Amount of Credit Unused</b>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH 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 \$
Police Licensing	(18,205)	830,000	(800,000)	11,795
Builders Levy (BCITF)	5,137	202	(500)	4,839
Trans WA Bookings	22,461	27,500	(35,000)	14,961
Hall Hire Bonds & Deposits	2,725	2,400	(2,400)	2,725
Third Party Contributions	5,709	5,000	(5,000)	5,709
Staff Personal Deductions	25,270	30,000	(28,500)	26,770
Housing Tenancy Bonds	23,290	1,000	(2,000)	22,290
Security Key System Bonds	1,580	100	(100)	1,580
Skeleton Weed	55,094	6,500	(12,000)	49,594
Community Groups	11,941	1,560	(2,000)	11,501
Rates Overpaid	9,102	3,000	(3,500)	8,602
Medical Services Provision	107,093	0	0	107,093
YBTC Sinking Fund	13,332	6,666	0	19,998
Dump Point	92	100	0	192
	<u>264,620</u>	<u>914,028</u>	<u>(891,000)</u>	<u>287,648</u>

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

**17. MAJOR LAND TRANSACTIONS**

It is not anticipated 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.