

SHIRE OF WICKEPIN
BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Revenue				
Rates	8	1,383,226	1,358,505	1,306,579
Operating grants, subsidies and contributions		1,684,723	890,277	52,119
Fees and charges	14	418,377	504,782	942,264
Service charges	11	0	0	0
Interest earnings	2(a)	57,600	58,655	47,000
Other revenue	2(a)	0	0	0
		<u>3,543,926</u>	<u>2,812,219</u>	<u>2,710,786</u>
Expenses				
Employee costs		(1,127,120)	(861,636)	(971,750)
Materials and contracts		(1,463,420)	(1,078,140)	(1,504,671)
Utility charges		(171,585)	(159,612)	(153,105)
Depreciation on non-current assets	2(a)	(4,653,900)	(4,652,693)	(1,909,000)
Interest expenses	2(a)	(6,572)	(10,061)	(10,334)
Insurance expenses		(184,989)	(165,963)	(172,497)
Other expenditure		0	0	0
		<u>(7,607,586)</u>	<u>(6,928,105)</u>	<u>(4,721,357)</u>
		(4,063,660)	(4,115,886)	(2,010,571)
Non-operating grants, subsidies and contributions		4,195,492	1,023,654	2,173,540
Profit on asset disposals	6	174,600	12,727	32,842
Loss on asset disposals	6	(74,000)	(66,524)	(73,400)
Loss on revaluation of non current assets		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
NET RESULT		232,432	(3,146,029)	122,411
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>232,432</u>	<u>(3,146,029)</u>	<u>122,411</u>

Notes:

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

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

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

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

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

	NOTE	2016/17 Budget	2015/16 Actual	2015/16 Budget
		\$	\$	\$
Revenue (Refer Notes 1,2,8,10 to 14)				
Governance		25,196	8,418	7,490
General purpose funding		2,856,402	2,090,443	2,090,614
Law, order, public safety		67,435	77,092	61,753
Education and welfare		250	468	800
Housing		88,300	119,263	84,275
Community amenities		168,058	164,969	151,329
Recreation and culture		86,782	128,833	46,195
Transport		172,208	125,455	183,300
Economic services		43,095	44,816	44,495
Other property and services		35,800	52,025	40,500
		<u>3,543,926</u>	<u>2,812,219</u>	<u>2,710,786</u>
Expenses Excluding Finance Costs Refer Notes 1, 2 & 15)				
Governance		(468,496)	(425,961)	(447,018)
General purpose funding		(74,606)	(65,133)	(77,680)
Law, order, public safety		(207,136)	(180,826)	(170,436)
Health		(32,911)	(28,601)	(48,267)
Education and welfare		(10,956)	(5,761)	(11,125)
Housing		(243,323)	(172,671)	(180,467)
Community amenities		(432,857)	(369,097)	(349,846)
Recreation and culture		(1,227,559)	(1,230,181)	(1,149,774)
Transport		(4,611,836)	(4,213,693)	(1,995,565)
Economic services		(269,249)	(219,405)	(263,910)
Other property and services		(22,085)	(6,715)	(16,935)
		<u>(7,601,014)</u>	<u>(6,918,044)</u>	<u>(4,711,023)</u>
Finance Costs (Refer Notes 2 & 9)				
Law, order, public safety		0	0	0
Housing		(4,769)	(6,742)	(6,664)
Community amenities		0	0	0
Recreation and culture		(1,803)	(3,319)	(3,670)
Transport		0	0	0
Economic services		0	0	0
Other property and services		0	0	0
		<u>(6,572)</u>	<u>(10,061)</u>	<u>(10,334)</u>
Non-operating Grants, Subsidies and Contributions				
Governance		0	0	0
General purpose funding		0	0	0
Law, order, public safety		369,400	0	0
Health		0	0	0
Education and welfare		0	0	0
Housing		3,036,000	0	1,300,000
Community amenities		0	0	0
Recreation and culture		0	88,199	140,661
Transport		790,092	935,455	732,879
		<u>4,195,492</u>	<u>1,023,654</u>	<u>2,173,540</u>

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Profit/(Loss) On				
Disposal Of Assets (Refer Note 6)				
Governance		1,100	(4,245)	4,842
General purpose funding		0	0	0
Law, order, public safety		0	0	0
Health		0	0	0
Education and welfare		0	0	0
Housing		165,000	0	0
Community amenities		0	(2,465)	0
Recreation and culture		0	0	0
Transport		(65,500)	(47,087)	(45,400)
Economic services		0	0	0
Other property and services		0	0	0
		<u>100,600</u>	<u>(53,797)</u>	<u>(40,558)</u>
Loss on				
Revaluation Of Non Current Assets				
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>
NET RESULT		232,432	(3,146,029)	122,411
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>232,432</u>	<u>(3,146,029)</u>	<u>122,411</u>

Notes:

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

Fair value adjustments relating to the 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 WICKEPIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,381,226	1,357,516	1,356,698
Operating grants, subsidies and contributions		1,711,723	890,277	942,264
Fees and charges		418,377	424,558	360,024
Service charges		0	0	0
Interest earnings		57,600	58,655	47,000
Goods and services tax		0	36,439	0
Other revenue		0	0	0
		<u>3,568,926</u>	<u>2,767,445</u>	<u>2,705,986</u>
Payments				
Employee costs		(1,127,120)	(861,319)	(986,382)
Materials and contracts		(1,488,420)	(1,080,586)	(1,485,039)
Utility charges		(171,585)	(159,612)	(153,105)
Interest expenses		(6,572)	(10,326)	(10,534)
Insurance expenses		(184,989)	(165,963)	(172,497)
Goods and services tax		0	0	0
Other expenditure		0	0	0
		<u>(2,978,686)</u>	<u>(2,277,806)</u>	<u>(2,807,557)</u>
Net cash provided by (used in) operating activities	3(b)	<u>590,240</u>	<u>489,639</u>	<u>(101,571)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale	5	0	0	(50,000)
Payments for purchase of property, plant & equipment	5	(4,297,550)	(779,638)	(2,216,192)
Payments for construction of infrastructure	5	(1,058,259)	(1,498,640)	(1,410,312)
Non-operating grants, subsidies and contributions used for the development of assets		4,195,492	1,023,654	2,173,540
Proceeds from sale of plant & equipment	6	476,000	240,719	258,842
Net cash provided by (used in) investing activities		<u>(684,317)</u>	<u>(1,013,905)</u>	<u>(1,244,122)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures	7	(28,481)	(49,627)	(49,628)
Advances to community groups		0	0	0
Proceeds from self supporting loans		7,769	7,473	7,473
Proceeds from new debentures	7	0	0	0
Net cash provided by (used in) financing activities		<u>(20,712)</u>	<u>(42,154)</u>	<u>(42,155)</u>
Net increase (decrease) in cash held		(114,789)	(566,420)	(1,387,848)
Cash at beginning of year		<u>2,037,048</u>	<u>2,603,468</u>	<u>2,603,468</u>
Cash and cash equivalents at the end of the year	3(a)	<u><u>1,922,259</u></u>	<u><u>2,037,048</u></u>	<u><u>1,215,620</u></u>

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

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Net current assets at start of financial year - surplus/(deficit)	4	717,315	1,442,503	1,418,960
Revenue from operating activities (excluding rates and non-operating grants, subsidies and contributions)	1,2			
Governance		26,296	8,418	12,332
General purpose funding		1,530,046	786,104	784,035
Law, order, public safety		67,435	77,092	61,753
Health		400	437	35
Education and welfare		250	468	800
Housing		253,300	119,263	84,275
Community amenities		168,058	164,969	151,329
Recreation and culture		86,782	128,833	46,195
Transport		180,708	138,182	211,300
Economic services		43,095	44,816	44,495
Other property and services		35,800	52,025	40,500
		<u>2,392,170</u>	<u>1,520,607</u>	<u>1,437,049</u>
Expenditure from operating activities	1,2			
Governance		(468,496)	(430,206)	(447,018)
General purpose funding		(74,606)	(65,133)	(77,680)
Law, order, public safety		(207,136)	(180,826)	(170,436)
Health		(32,911)	(28,601)	(48,267)
Education and welfare		(10,956)	(5,761)	(11,125)
Housing		(248,092)	(179,413)	(187,131)
Community amenities		(432,857)	(371,562)	(349,846)
Recreation and culture		(1,229,362)	(1,233,500)	(1,153,444)
Transport		(4,685,836)	(4,273,507)	(2,068,965)
Economic services		(269,249)	(219,405)	(263,910)
Other property and services		(22,085)	(6,715)	(16,935)
		<u>(7,681,586)</u>	<u>(6,994,629)</u>	<u>(4,794,757)</u>
Operating activities excluded from budget				
(Profit)/Loss on asset disposals	6	(100,600)	53,797	40,558
Loss on revaluation of non current assets		0	0	0
Depreciation on assets	2(a)	4,653,900	4,652,693	1,909,000
Movement in employee benefit provisions (non-current)		0	(21,603)	0
Amount attributable to operating activities		<u>(18,801)</u>	<u>653,368</u>	<u>10,810</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		4,195,492	1,023,654	2,173,540
Purchase land held for resale	5	0	0	(50,000)
Purchase property, plant and equipment	5	(4,297,550)	(779,638)	(2,216,192)
Purchase and construction of infrastructure	5	(1,058,259)	(1,498,640)	(1,410,312)
Proceeds from disposal of assets	6	476,000	240,719	258,842
Amount attributable to investing activities		<u>(684,317)</u>	<u>(1,013,905)</u>	<u>(1,244,122)</u>
FINANCING ACTIVITIES				
Repayment of debentures	7	(28,481)	(49,627)	(49,628)
Proceeds from new debentures	7	0	0	
Proceeds from self supporting loans		7,769	7,473	7,473
Transfers to cash backed reserves (restricted assets)	9	(602,215)	(301,061)	(152,000)
Transfers from cash backed reserves (restricted assets)	9	0	116,729	125,000
Amount attributable to financing activities		<u>(622,927)</u>	<u>(226,486)</u>	<u>(69,155)</u>
Budgeted deficiency before general rates		<u>(1,326,045)</u>	<u>(587,023)</u>	<u>(1,302,467)</u>
Estimated amount to be raised from general rates	8	<u>1,326,356</u>	<u>1,304,339</u>	<u>1,306,579</u>
Net current assets at end of financial year - surplus/(deficit)	4	<u>311</u>	<u>717,316</u>	<u>4,112</u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The Local Government Reporting Entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

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

(b) 2015/16 Actual Balances

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

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the Shire obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(f) Superannuation

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash and Cash Equivalents

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 4 - Net Current Assets.

(h) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(i) Inventories

General

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

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

Land Held for Resale

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets

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

Initial Recognition and Measurement between Mandatory Revaluation Dates

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

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

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

Revaluation

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

Land Under Roads

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

Depreciation

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

Capitalisation Threshold

Expenditure on items of equipment under \$3,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(k) Fair Value of Assets and Liabilities

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

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

(l) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(m) Impairment of Assets

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of Assets (Continued)

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

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

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

(n) Trade and Other Payables

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

(o) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(q) Provisions

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

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

(r) Leases

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

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

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

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

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

(s) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 19.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

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

(u) Comparative Figures

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

(v) Budget Comparative Figures

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

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

2. REVENUES AND EXPENSES	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
(a) Net Result			
The net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
Audit services	13,000	12,358	18,000
Other services	0	0	0
Depreciation By Program			
Governance	35,000	36,837	35,000
General purpose funding			
Law, order, public safety	80,000	87,303	59,000
Health			15,000
Education and welfare			
Housing	72,000	72,986	73,000
Community amenities	85,300	83,096	65,000
Recreation and culture	630,600	625,222	600,000
Transport	3,660,000	3,654,738	971,000
Economic services	88,000	89,290	88,000
Other property and services	3,000	3,221	3,000
	<u>4,653,900</u>	<u>4,652,693</u>	<u>1,909,000</u>
Depreciation By Asset Class			
Land and buildings	820,000	819,773	830,000
Furniture and equipment	25,000	25,121	26,000
Plant and equipment	340,000	344,069	252,000
Roads	3,400,000	3,394,474	750,000
Footpaths	10,000	10,740	12,000
Main Street Development	7,000	6,633	12,000
Ovals and Parks	36,900	36,655	12,000
Sewerage	15,000	15,228	15,000
	<u>4,653,900</u>	<u>4,652,693</u>	<u>1,909,000</u>
Interest Expenses (Finance Costs)			
- Debentures (<i>refer note 7(a)</i>)	6,572	10,061	10,334
Other	0	0	0
	<u>6,572</u>	<u>10,061</u>	<u>10,334</u>
(ii) Crediting as revenues:			
Interest Earnings			
Investments			
- Reserve funds	30,000	30,257	24,000
- Other funds	24,000	24,719	19,000
Other interest revenue (<i>refer note 12</i>)	3,600	3,679	4,000
	<u>57,600</u>	<u>58,655</u>	<u>47,000</u>
(iii) Other Revenue			
Reimbursements and recoveries	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

COMMUNITY VISION

A Fortunate Place

Wickepin offers a safe, pleasant, healthy lifestyle, with a community that has strong sporting and social networks.

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, animal control and other aspects of public safety including emergency services.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, immunisation services, mosquito control and operation of medical centre.

EDUCATION AND WELFARE

Objective:

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

Activities:

Support for childcare, development of services for the aged and rural counselling support.

HOUSING

Objective:

To provide and maintain staff and other housing.

Activities:

Provision and maintenance of staff and other housing.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 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 tip, noise control, support for waste recycling, litter control, administration of the town planning scheme, strategic planning, maintenance of cemetery, public conveniences and town drainage maintenance.

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 halls, swimming facilities, recreation centres and various reserves, operation of library, maintenance of cultural heritage assets.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of streets, roads, footpaths, drainage works, parking facilities, cleaning, lighting of streets, depot maintenance and airstrip maintenance.

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 and standpipes. Building Control. Community Development activities.

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

3. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Cash - unrestricted	76,776	793,780	129,684
Cash - restricted	<u>1,845,483</u>	<u>1,243,268</u>	<u>1,085,936</u>
	<u><u>1,922,259</u></u>	<u><u>2,037,048</u></u>	<u><u>1,215,620</u></u>

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

Leave Reserve	81,488	64,711	64,456
Plant Reserve	200,377	171,245	130,539
Building Reserve	699,623	253,506	142,351
Fire Fighting Reserve	21,146	20,648	20,567
Cottage Homes Reserve	37,181	7,988	13,930
Special Events Reserve	4,923	4,807	4,788
Computer Reserve	20,110	19,636	19,603
Young Singles Accommodation Reserve	61,355	52,098	47,787
Saleyards Reserve	13,105	12,796	6,241
Sewerage Reserve	121,168	118,313	117,670
Refuse Reserve	116,833	114,080	53,631
Land Development Reserve	111,837	109,202	58,773
Staff Housing Reserve	0	0	112,741
Aged Person Accommodation Reserve	204,389	180,045	179,337
Swimming Pool Reserve	<u>151,948</u>	<u>114,193</u>	<u>113,522</u>
	<u><u>1,845,483</u></u>	<u><u>1,243,268</u></u>	<u><u>1,085,936</u></u>

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

Net result	232,432	(3,146,029)	122,411
Depreciation	4,653,900	4,652,693	1,909,000
(Profit)/loss on sale of asset	(100,600)	53,797	40,558
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	25,000	(44,774)	(4,800)
(Increase)/decrease in inventories	0	0	0
Increase/(decrease) in payables	(25,000)	(2,711)	4,800
Increase/(decrease) in employee provisions	0	317	0
Grants/contributions for the development of assets	<u>(4,195,492)</u>	<u>(1,023,654)</u>	<u>(2,173,540)</u>
Net Cash from Operating Activities	<u><u>590,240</u></u>	<u><u>489,639</u></u>	<u><u>(101,571)</u></u>

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

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

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	5,000	5,000	5,000
Credit card balance at balance date	0	0	0
Total Amount of Credit Unused	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Loan Facilities			
Loan facilities in use at balance date	<u>108,738</u>	<u>137,219</u>	<u>137,219</u>
Unused loan facilities at balance date	<u>0</u>	<u>0</u>	<u>0</u>

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

Composition of estimated net current assets

CURRENT ASSETS

Cash - unrestricted	3(a)	76,776	793,780
Cash - restricted reserves	3(a)	1,845,483	1,243,268
Receivables		144,863	177,632
Inventories		0	0
		<u>2,067,122</u>	<u>2,214,680</u>

LESS: CURRENT LIABILITIES

Trade and other payables		(77,503)	(102,503)
Short term borrowings		0	0
Long term borrowings		0	(28,481)
Provisions		(143,825)	(143,825)
		<u>(221,328)</u>	<u>(274,809)</u>

Unadjusted net current assets

1,845,794 **1,939,871**

Differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with FM Reg 32 as movements for these items have been funded within the budget estimates.

These differences are disclosed as adjustments below.

Adjustments

Less: Cash - restricted reserves	3(a)	(1,845,483)	(1,243,268)
Less: Land held for resale		0	0
Less: Current loans - clubs / institutions		0	(7,769)
Add: Current portion of debentures		0	28,481
Add: Current liabilities not expected to be cleared at end of year		0	0
Adjusted net current assets - surplus/(deficit)		<u>311</u>	<u>717,315</u>

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

5. ACQUISITION OF ASSETS

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

Asset Class	Reporting Program											2016/17 Budget Total \$	2015/16 Actual Total \$
	Governance \$	General Purpose Funding \$	Law, Order, Public Safety \$	Health \$	Education and Welfare \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Economic Services \$	Other Property and Services \$		
<i>Property, Plant and Equipment</i>													
Land and buildings						3,186,000	10,000		20,000			3,216,000	184,382
Furniture and equipment	16,500						32,000					48,500	6,991
Plant and equipment			369,400						663,650			1,033,050	588,265
	16,500	0	369,400	0	0	3,186,000	42,000	0	683,650	0	0	4,297,550	779,638
<i>Infrastructure</i>													
Roads									1,021,259			1,021,259	1,287,829
Footpaths									37,000			37,000	25,839
Drainage													
Parks and ovals													
Other													184,972
Main Street Development													
	0	0	0	0	0	0	0	0	1,058,259	0	0	1,058,259	1,498,640
<i>Land Held for Resale</i>													
Land Held for Resale													
Total Acquisitions	16,500	0	369,400	0	0	3,186,000	42,000	0	1,741,909	0	0	5,355,809	2,278,278

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
- road replacement programme
- other infrastructure

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

6. DISPOSALS OF ASSETS

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

By Program		2016/17 Budget			
		Net Book Value	Sale Proceeds	Profit	Loss
		\$	\$	\$	\$
Governance					
CEO Vehicle Holden Colorado		33,200	33,750	550	0
CEO Vehicle Holden Colorado		33,200	33,750	550	0
Housing					
5 Smith Street		55,000	220,000	165,000	0
Transport					
Hino 6 wheel truck		132,000	85,000	0	(47,000)
Rubber multi roller		36,000	17,000	0	(19,000)
Colorado Utility P468		14,000	18,500	4,500	0
Navara Works Foreman	P2567	12,000	16,000	4,000	0
MWS Colorado Utility		36,000	28,000	0	(8,000)
Facey Group Ute Pfacey		24,000	24,000	0	0
		375,400	476,000	174,600	(74,000)

By Class		2016/17 Budget			
		Net Book Value	Sale Proceeds	Profit	Loss
		\$	\$	\$	\$
Plant and Equipment					
CEO Vehicle Holden Colorado	P0AC	33,200	33,750	550	0
CEO Vehicle Holden Colorado	P0AD	33,200	33,750	550	0
Hino 6 wheel truck	P248	132,000	85,000	0	(47,000)
Rubber multi roller	P541	36,000	17,000	0	(19,000)
Colorado Utility P468	P468	14,000	18,500	4,500	0
Navara Manager of Works	P2567	12,000	16,000	4,000	0
MWS Colorado Utility	P2Q	36,000	28,000	0	(8,000)
Facey Group Ute Pfacey	P2PF	24,000	24,000	0	0
		320,400	256,000	9,600	(74,000)
Land & Buildings					
5 Smith Street		55,000	220,000	165,000	0
		55,000	220,000	165,000	0
		375,400	476,000	174,600	(74,000)

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

7. INFORMATION ON BORROWINGS

(a) Debenture Repayments

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

Particulars	Principal 1-Jul-16	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$
Housing 100 CEO House	90,644		20,711	19,533	69,933	90,644	4,769	6,742
Community amenities								
Recreation and culture 99 Wickepin Community Centre	0			22,622				968
	90,644	0	20,711	42,155	69,933	90,644	4,769	7,710
Self Supporting Loans								
101 WDSC Tractor	2,152		2,152	2,073	0	2,152	82	354
102 WDSC Bowling Green	44,423		5,618	5,399	38,805	44,423	1,721	1,997
	46,575	0	7,770	7,472	38,805	46,575	1,803	2,351
	137,219	0	28,481	49,627	108,738	137,219	6,572	10,061

All debenture repayments will be financed by general purpose revenue.

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

7. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

Council will not borrow any new funds for the 2016/17 financial year.

(c) Unspent Debentures

Council had no unspent debenture funds as at 30 June 2016 and is not expected to have unspent debenture funds as at 30 June 2017

(d) Overdraft

Council has not utilised an overdraft facility during the financial year and is not expected to use an overdraft during the 2016/17 financial year.

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

8. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2016/17 Budgeted Rate Revenue \$	2016/17 Budgeted Interim Rates \$	2016/17 Budgeted Back Rates \$	2016/17 Budgeted Total Revenue \$	2015/16 Actual \$
Differential general rate or general rate								
GRV	0.069322	193	1,793,579	124,334	500		124,834	120,289
UV	0.010617	272	122,078,768	1,296,110	500		1,296,610	1,277,953
Sub-Totals		465	123,872,347	1,420,445	1,000	0	1,421,445	1,398,242
Minimum payment	Minimum \$							
GRV	375	63	83,621	23,625			23,625	23,360
UV	375	15	296,506	5,625			5,625	4,380
Sub-Totals		78	380,127	29,250	0	0	29,250	27,740
Ex Gratia							6,201	6,021
Discounts (Note 13)							(130,540)	(127,664)
Total amount raised from general rates							1,326,356	1,304,339
Specified area rates (Note 10)							56,870	54,166
Total Rates							1,383,226	1,358,505

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

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

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

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

Description	Characteristics	Objects	Reasons

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

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

Differential Minimum Payment

Description	Characteristics	Objects	Reasons

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

9. CASH BACKED RESERVES

	2016/17 Budget				2015/16 Actual				2015/16 Budget			
	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$
Leave Reserve	64,711	16,777		81,488	63,028	1,683		64,711	63,028	1,428		64,456
Plant Reserve	171,245	29,132		200,377	115,912	55,333		171,245	115,912	14,627		130,539
Building Reserve	253,506	446,117		699,623	90,304	163,202		253,506	90,304	54,545		144,849
Fire Fighting Reserve	20,648	498		21,146	20,111	537		20,648	20,111	456		20,567
Cottage Homes Reserve	7,988	29,193		37,181	4,821	3,167		7,988	4,821	9,109		13,930
Special Events Reserve	4,807	116		4,923	4,682	125		4,807	4,682	106		4,788
Computer Reserve	19,636	474		20,110	24,058	578	(5,000)	19,636	24,058	545	(5,000)	19,603
Young Singles Accommodation Reserve	52,098	9,257		61,355	38,905	13,193		52,098	38,905	8,882		47,787
Saleyards Reserve	12,796	309		13,105	11,970	826		12,796	11,970	4,271	(10,000)	6,241
Sewerage Reserve	118,313	2,855		121,168	95,505	22,808		118,313	95,505	22,165		117,670
Refuse Reserve	114,080	2,753		116,833	111,113	2,967		114,080	111,113	2,518	(60,000)	53,631
Land Development Reserve	109,202	2,635		111,837	106,362	2,840		109,202	106,362	2,411	(50,000)	58,773
Staff Housing Reserve	0			0	110,243	1,486	(111,729)	0	110,243			110,243
Aged Person Accommodation Reserve	180,045	24,344		204,389	175,362	4,683		180,045	175,362	3,975		179,337
Swimming Pool Reserve	114,193	37,755		151,948	86,560	27,633		114,193	86,560	26,962		113,522
	1,243,268	602,215	0	1,845,483	1,058,936	301,061	(116,729)	1,243,268	1,058,936	152,000	(125,000)	1,085,936

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

9. CASH BACKED 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:

Purpose of the reserve

Leave Reserve	- to be used to fund annual and long service leave requirements
Plant Reserve	- to be used for the purchase of road plant, machinery and equipment
Building Reserve	- to be used for the construction of new buildings, predominantly staff housing
Fire Fighting Reserve	- to be used to fund the provision of bushfire equipment for brigades
Cottage Homes Reserve	- to be used for the future maintenance and construction of new Cottage Home Units
Special Events Reserve	- to be used to fund special events and celebrations
Computer Reserve	- purchase, upgrade or replacement of hardware as necessary
Young Singles Accommodation Reserve	- additional income over expenditure held for future repairs or improvements
Saleyards Reserve	- additional income over expenditure held for future repairs or improvements
Sewerage Reserve	- additional income over expenditure held for future repairs or improvements
Refuse Reserve	- additional income over expenditure held for the future creation or maintenance of the refuse site
Land Development Reserve	- income received from the sale of the English House held for future development of the English Land.
Aged Person Accommodation Reserve	- to be used for the construction and future maintenance requirements for Aged Person Accommodation units
Swimming Pool Reserve	- to be used to fund major repairs or improvements at the Wickepin Swimming Pool

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

10. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

	Basis of Valuation	Rate in \$	Rateable Value \$	2016/17 Budgeted Specified Area Rate Revenue \$	2016/17 Interim Specified Area Rate Revenue \$	2016/17 Back Specified Area Rate Revenue \$	2016/17 Total Specified Area Rate Revenue \$	2015/16 Actual Revenue \$
Specified Area Rate								
Community Amenities								
Sewerage Rates		0.0470	1,113,213	56,870			56,870	54,166
			1,113,213	56,870	0	0	56,870	54,166

11. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

The Shire of Wickepin will not impose any service charges for the 2016/17 financial year.

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

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

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
1st Instalment	27/09/2016		5.50%	11%
2nd Instalment	30/11/2016		5.50%	11%
3rd Instalment	31/01/2017		5.50%	11%
4th Instalment	4/04/2017		5.50%	11%

	2016/17 Budget Revenue \$	2015/16 Actual \$
Instalment Plan Admin Charge Revenue		
Instalment Plan Interest Earned		
Unpaid Rates Interest Earned	3,600	3,679
	3,600	3,679

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

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

Rates Discounts

Rate or Fee and Charge to which Discount is Granted	Type	Disc % or Amount (\$)	2016/17 Budget \$	2015/16 Actual \$	Circumstances in which Discount is Granted
General Rates	Discount	10.00%	130,500	127,626	Discount is granted to all who pay rates in full within 35 days of the date of service on the rates
			130,500	127,626	notice

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Disc % or Amount (\$)	2016/17 Budget \$	2015/16 Actual \$	Circumstances in which the Waiver or Concession is Granted	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
General Rates and Charges	Waivure	\$	40	38	Rates balance of less than \$5.00	Administration efficiency	Write off small balances
			40	38			

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

14. FEES & CHARGES REVENUE	2016/17 Budget \$	2015/16 Actual \$
Governance	25,196	8,418
General purpose funding	4,570	9,189
Law, order, public safety	47,747	45,373
Health	400	437
Education and welfare	250	468
Housing	88,300	119,264
Community amenities	110,092	110,803
Recreation and culture	43,627	96,833
Transport	19,300	17,155
Economic services	43,095	44,816
Other property and services	35,800	52,026
	<u>418,377</u>	<u>504,782</u>

15. ELECTED MEMBERS REMUNERATION	2016/17 Budget \$	2015/16 Actual \$
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The following fees, expenses and allowances were paid to council members and/or the Mayor/President.

Meeting fees	12,500	10,282
Mayor/President's allowance	4,000	1,125
Deputy Mayor/President's allowance	1,000	
Travelling expenses	7,000	6,790
Telecommunications allowance	4,205	4,205
	<u>28,705</u>	<u>22,402</u>

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

16. TRUST FUNDS

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

Detail	Balance 1-Jul-16 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-17 \$
Housing Bonds	200			200
Master Key Deposits	300	200	(200)	300
Special Plates				0
Land Sales				0
Nomination Deposits				0
BCITF		800	(800)	0
Ram Pavillion				0
Community Bus				0
Tidy Towns Income				0
LCDC Landcare				0
Cat/Dog Trap Hire				0
WDSC Replacement Greens	53,479	15,000		68,479
Kidsport	888		(888)	0
Albert Facey Homestead	9,574	2,000	(3,000)	8,574
Miscellaneous	7,483	5,000	(4,000)	8,483
	71,924	23,000	(8,888)	86,036

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

17. MAJOR LAND TRANSACTIONS

(a) Details

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

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

19. INTERESTS IN JOINT ARRANGEMENTS

The Shire of Wickepin jointly owns a Speed Alert Trailer with the Shire of Cuballing.
An outdoor movie screen and projector is jointly owned by the Shires of Wickepin, Cuballing and Pingelly.
The movie screen and project is stored at the Wickepin Community Centre