

**SHIRE OF PERENJORI**  
**BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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Shire of Perenjori  
PO Box 22  
PERENJORI WA 6620

Budget adopted at Special Meeting of Council held on Wednesday 9th August 2017

**SHIRE OF PERENJORI**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|   | NOTE | 2017/18<br>Budget<br>\$ | 2016/17<br>Actual<br>\$ | 2016/17<br>Budget<br>\$ |
|---|------|-------------------------|-------------------------|-------------------------|
| <b>Revenue</b>                                    |      |                         |                         |                         |
| Rates   | 8    | 2,620,800               | 2,601,371               | 2,590,889               |
| Operating grants, subsidies and contributions     |      | 2,961,251               | 4,831,468               | 2,528,605               |
| Fees and charges                                  | 14   | 940,730                 | 987,531                 | 1,050,550               |
| Service charges                                   | 11   | 0                       | 0                       | 0                       |
| Interest earnings                                 | 2(a) | 52,726                  | 33,137                  | 64,861                  |
| Other revenue                                     | 2(a) | 174,200                 | 223,962                 | 136,500                 |
|   |      | <u>6,749,707</u>        | <u>8,677,469</u>        | <u>6,371,405</u>        |
| <b>Expenses</b>                                   |      |                         |                         |                         |
| Employee costs                                    |      | (2,456,346)             | (2,640,375)             | (2,222,271)             |
| Materials and contracts                           |      | (2,712,498)             | (2,630,767)             | (1,349,691)             |
| Utility charges                                   |      | (210,162)               | (201,446)               | (211,745)               |
| Depreciation on non-current assets                | 2(a) | (2,561,632)             | (2,610,746)             | (3,155,150)             |
| Interest expenses                                 | 2(a) | (65,308)                | (80,908)                | (74,483)                |
| Insurance expenses                                |      | (120,982)               | (117,240)               | (128,228)               |
| Other expenditure                                 |      | (354,150)               | (279,119)               | (300,470)               |
|   |      | <u>(8,481,078)</u>      | <u>(8,560,601)</u>      | <u>(7,442,038)</u>      |
|   |      | (1,731,371)             | 116,868                 | (1,070,633)             |
| Non-operating grants, subsidies and contributions |      | 1,456,033               | 1,522,339               | 2,168,346               |
| Profit on asset disposals                         | 6    | 0                       | 535                     | 10,155                  |
| Loss on asset disposals                           | 6    | (24,653)                | (88,481)                | (22,182)                |
| Loss on revaluation of non current assets         |      | 0                       | 0                       | 0                       |
|   |      | <u>0</u>                | <u>0</u>                | <u>0</u>                |
| <b>NET RESULT</b>                                 |      | <b>(299,991)</b>        | <b>1,551,261</b>        | <b>1,085,686</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>                 |      | <b><u>(299,991)</u></b> | <b><u>1,551,261</u></b> | <b><u>1,085,686</u></b> |

**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 PERENJORI**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|  | NOTE | 2017/18<br>Budget  | 2016/17<br>Actual  | 2016/17<br>Budget  |
|--|------|--------------------|--------------------|--------------------|
|  |      | \$                 | \$                 | \$                 |
| <b>Revenue (Refer Notes 1,2,8,10 to 14)</b>                        |      |                    |                    |                    |
| Governance   |      | 132,076            | 74,912             | 100,811            |
| General purpose funding  |      | 3,500,437          | 5,460,112          | 4,475,643          |
| Law, order, public safety  |      | 24,600             | 21,336             | 24,100             |
| Education and welfare  |      | 135,000            | 126,565            | 129,940            |
| Housing  |      | 188,000            | 285,946            | 165,000            |
| Community amenities  |      | 49,700             | 59,900             | 68,500             |
| Recreation and culture   |      | 305,700            | 581,507            | 431,833            |
| Transport  |      | 1,772,094          | 1,375,591          | 204,978            |
| Economic services  |      | 313,500            | 325,011            | 279,000            |
| Other property and services  |      | 326,000            | 363,990            | 489,000            |
|  |      | <u>6,749,707</u>   | <u>8,677,470</u>   | <u>6,371,405</u>   |
| <b>Expenses Excluding Finance Costs Refer Notes 1, 2 &amp; 15)</b> |      |                    |                    |                    |
| Governance   |      | (366,853)          | (286,733)          | (217,722)          |
| General purpose funding  |      | (134,824)          | (144,050)          | (151,310)          |
| Law, order, public safety  |      | (207,773)          | (239,122)          | (186,842)          |
| Health   |      | (90,457)           | (119,777)          | (131,919)          |
| Education and welfare  |      | (459,109)          | (478,114)          | (418,521)          |
| Housing  |      | 0                  | (66,273)           | (81,568)           |
| Community amenities  |      | (446,471)          | (371,800)          | (367,113)          |
| Recreation and culture   |      | (1,237,900)        | (1,538,656)        | (1,365,791)        |
| Transport  |      | (4,514,912)        | (3,966,786)        | (3,372,429)        |
| Economic services  |      | (726,424)          | (752,450)          | (689,724)          |
| Other property and services  |      | (231,047)          | (515,931)          | (384,616)          |
|  |      | <u>(8,415,770)</u> | <u>(8,479,692)</u> | <u>(7,367,555)</u> |
| <b>Finance Costs (Refer Notes 2 &amp; 9)</b>                       |      |                    |                    |                    |
| Housing  |      | (18,067)           | (22,504)           | (20,963)           |
| Community amenities  |      | (19,688)           | (22,974)           | (21,520)           |
| Recreation and culture   |      | (19,636)           | (27,136)           | (25,550)           |
| Transport  |      | (5,041)            | (8,294)            | (6,450)            |
|  |      | <u>(65,308)</u>    | <u>(80,908)</u>    | <u>(74,483)</u>    |
| <b>Non-operating Grants, Subsidies and Contributions</b>           |      |                    |                    |                    |
| Law, order, public safety  |      | 30,000             | 0                  | 30,000             |
| Housing  |      | 0                  | 0                  | 368,000            |
| Community amenities  |      | 0                  | 6,232              | 147,570            |
| Recreation and culture   |      | 10,000             | 0                  | 6,667              |
| Transport  |      | 1,296,033          | 1,516,107          | 1,516,109          |
| Economic services  |      | 120,000            | 0                  | 100,000            |
|  |      | <u>1,456,033</u>   | <u>1,522,339</u>   | <u>2,168,346</u>   |
| <b>Profit/(Loss) On Disposal Of Assets (Refer Note 6)</b>          |      |                    |                    |                    |
| Governance   |      | 0                  | (18,487)           | (8,500)            |
| Transport  |      | (24,653)           | (69,459)           | (3,527)            |
|  |      | <u>(24,653)</u>    | <u>(87,946)</u>    | <u>(12,027)</u>    |
| <b>NET RESULT</b>  |      | <u>(299,991)</u>   | <u>1,551,263</u>   | <u>1,085,686</u>   |
| <b>Total other comprehensive income</b>                            |      | <u>0</u>           | <u>0</u>           | <u>0</u>           |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                  |      | <u>(299,991)</u>   | <u>1,551,263</u>   | <u>1,085,686</u>   |

**SHIRE OF PERENJORI**  
**STATEMENT OF COMPREHENSIVE INCOME**  
***BY PROGRAM***  
**FOR THE YEAR ENDED 30 JUNE 2018**

**STATEMENT OF COMPREHENSIVE INCOME (Continued)**

**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 PERENJORI  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018**

|  | NOTE | 2017/18<br>Budget<br>\$ | 2016/17<br>Actual<br>\$ | 2016/17<br>Budget<br>\$ |
|--|------|-------------------------|-------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |      |                         |                         |                         |
| <b>Receipts</b>  |      |                         |                         |                         |
| Rates  |      | 2,620,800               | 2,613,409               | 2,570,889               |
| Operating grants, subsidies and contributions  |      | 3,661,251               | 4,306,753               | 2,528,605               |
| Fees and charges   |      | 940,730                 | 987,531                 | 1,050,550               |
| Service charges  |      | 0                       | 0                       | 0                       |
| Interest earnings  |      | 52,726                  | 33,137                  | 64,861                  |
| Goods and services tax   |      | 771,000                 | 647,583                 | 600,000                 |
| Other revenue  |      | 188,490                 | 209,672                 | 136,500                 |
|  |      | <u>8,234,997</u>        | <u>8,798,085</u>        | <u>6,951,405</u>        |
| <b>Payments</b>  |      |                         |                         |                         |
| Employee costs   |      | (2,485,732)             | (2,619,461)             | (2,122,271)             |
| Materials and contracts  |      | (2,762,498)             | (2,529,240)             | (1,236,991)             |
| Utility charges  |      | (210,162)               | (201,446)               | (224,445)               |
| Interest expenses  |      | (101,969)               | (79,508)                | (74,483)                |
| Insurance expenses   |      | (120,982)               | (117,240)               | (128,228)               |
| Goods and services tax   |      | (771,000)               | (612,318)               | (600,000)               |
| Other expenditure  |      | (354,150)               | (279,118)               | (300,470)               |
|  |      | <u>(6,806,493)</u>      | <u>(6,438,330)</u>      | <u>(4,686,888)</u>      |
| <b>Net cash provided by (used in) operating activities</b>                           | 3(b) | <u>1,428,504</u>        | <u>2,359,755</u>        | <u>2,264,517</u>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |      |                         |                         |                         |
| Payments for development of land held for resale                                     | 5    | 0                       | 0                       | 0                       |
| Payments for purchase of property, plant & equipment                                 | 5    | (881,618)               | (1,620,562)             | (2,014,125)             |
| Payments for construction of infrastructure  | 5    | (2,509,350)             | (2,237,930)             | (3,102,981)             |
| Non-operating grants, subsidies and contributions used for the development of assets |      | 1,456,033               | 1,522,339               | 2,168,346               |
| Proceeds from sale of plant & equipment  | 6    | 52,000                  | 84,364                  | 95,000                  |
| <b>Net cash provided by (used in) investing activities</b>                           |      | <u>(1,882,935)</u>      | <u>(2,251,789)</u>      | <u>(2,853,760)</u>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |      |                         |                         |                         |
| Repayment of debentures  | 7    | (267,943)               | (237,676)               | (238,737)               |
| Advances to community groups   |      | 0                       | 0                       | 0                       |
| Proceeds from self supporting loans  |      | 0                       | 0                       | 0                       |
| Proceeds from new debentures   | 7    | 200,000                 | 0                       | 0                       |
| <b>Net cash provided by (used in) financing activities</b>                           |      | <u>(67,943)</u>         | <u>(237,676)</u>        | <u>(238,737)</u>        |
| <b>Net increase (decrease) in cash held</b>  |      | (522,374)               | (129,711)               | (827,980)               |
| Cash at beginning of year  |      | <u>2,399,832</u>        | <u>2,529,542</u>        | <u>2,521,307</u>        |
| <b>Cash and cash equivalents at the end of the year</b>                              | 3(a) | <u><u>1,877,458</u></u> | <u><u>2,399,831</u></u> | <u><u>1,693,327</u></u> |

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

**SHIRE OF PERENJORI  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018**

|  | NOTE | 2017/18<br>Budget<br>\$ | 2016/17<br>Actual<br>\$ | 2016/17<br>Budget<br>\$ |
|--|------|-------------------------|-------------------------|-------------------------|
| <b>Net current assets at start of financial year - surplus/(deficit)</b>   | 4    | 995,318                 | 659,135                 | 749,960                 |
| <b>Revenue from operating activities (excluding rates and non-operating grants, subsidies and contributions)</b> | 1,2  |                         |                         |                         |
| Governance   |      | 132,076                 | 74,912                  | 100,811                 |
| General purpose funding  |      | 891,752                 | 2,870,857               | 1,896,290               |
| Law, order, public safety  |      | 24,600                  | 21,336                  | 24,100                  |
| Health   |      | 2,600                   | 2,600                   | 2,600                   |
| Education and welfare  |      | 135,000                 | 126,565                 | 129,940                 |
| Housing  |      | 188,000                 | 285,946                 | 165,000                 |
| Community amenities  |      | 49,700                  | 59,900                  | 68,500                  |
| Recreation and culture   |      | 305,700                 | 581,507                 | 431,833                 |
| Transport  |      | 1,772,094               | 1,376,126               | 215,133                 |
| Economic services  |      | 313,500                 | 325,011                 | 279,000                 |
| Other property and services  |      | 326,000                 | 363,990                 | 489,000                 |
|  |      | <u>4,141,022</u>        | <u>6,088,750</u>        | <u>3,802,207</u>        |
| <b>Expenditure from operating activities</b>   | 1,2  |                         |                         |                         |
| Governance   |      | (366,853)               | (286,733)               | (217,722)               |
| General purpose funding  |      | (134,824)               | (162,537)               | (159,810)               |
| Law, order, public safety  |      | (207,773)               | (239,122)               | (186,842)               |
| Health   |      | (90,457)                | (119,777)               | (131,919)               |
| Education and welfare  |      | (459,109)               | (478,114)               | (418,521)               |
| Housing  |      | (18,067)                | (88,777)                | (102,531)               |
| Community amenities  |      | (466,159)               | (394,774)               | (388,633)               |
| Recreation and culture   |      | (1,257,536)             | (1,565,792)             | (1,391,341)             |
| Transport  |      | (4,544,606)             | (4,045,074)             | (3,365,861)             |
| Economic services  |      | (729,300)               | (752,450)               | (689,724)               |
| Other property and services  |      | (231,047)               | (515,931)               | (411,316)               |
|  |      | <u>(8,505,731)</u>      | <u>(8,649,081)</u>      | <u>(7,464,219)</u>      |
| <b>Operating activities excluded from budget</b>   |      |                         |                         |                         |
| (Profit)/Loss on asset disposals   | 6    | 24,653                  | 87,946                  | 12,027                  |
| Loss on revaluation of non current assets  |      | 0                       | 0                       | 0                       |
| Depreciation on assets   | 2(a) | 2,561,632               | 2,610,746               | 3,155,150               |
| Movement in employee benefit provisions (non-current)  |      | 0                       | 67,203                  | 0                       |
| <b>Amount attributable to operating activities</b>   |      | <u>(783,106)</u>        | <u>864,699</u>          | <u>255,125</u>          |
| <b>INVESTING ACTIVITIES</b>  |      |                         |                         |                         |
| Non-operating grants, subsidies and contributions  |      | 1,456,033               | 1,522,339               | 2,168,346               |
| Purchase land held for resale  | 5    | 0                       | 0                       | 0                       |
| Purchase property, plant and equipment   | 5    | (881,618)               | (1,620,562)             | (2,014,125)             |
| Purchase and construction of infrastructure  | 5    | (2,509,350)             | (2,237,931)             | (3,102,981)             |
| Proceeds from disposal of assets   | 6    | 52,000                  | 84,364                  | 95,000                  |
| <b>Amount attributable to investing activities</b>   |      | <u>(1,882,935)</u>      | <u>(2,251,790)</u>      | <u>(2,853,760)</u>      |
| <b>FINANCING ACTIVITIES</b>  |      |                         |                         |                         |
| Repayment of debentures  | 7    | (267,943)               | (237,676)               | (238,737)               |
| Proceeds from new debentures   | 7    | 200,000                 | 0                       | 0                       |
| Proceeds from self supporting loans  |      | 0                       | 0                       | 0                       |
| Transfers to cash backed reserves (restricted assets)  | 9    | (231,576)               | (613,670)               | (132,861)               |
| Transfers from cash backed reserves (restricted assets)  | 9    | 368,110                 | 644,500                 | 452,500                 |
| <b>Amount attributable to financing activities</b>   |      | <u>68,591</u>           | <u>(206,846)</u>        | <u>80,902</u>           |
| <b>Budgeted deficiency before general rates</b>  |      | <u>(2,597,450)</u>      | <u>(1,593,937)</u>      | <u>(2,517,733)</u>      |
| <b>Estimated amount to be raised from general rates</b>  | 8    | 2,608,685               | 2,589,255               | 2,579,353               |
| <b>Net current assets at end of financial year - surplus/(deficit)</b>   | 4    | <u>11,235</u>           | <u>995,318</u>          | <u>61,620</u>           |

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

**SHIRE OF PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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) 2016/17 Actual Balances**

Balances shown in this budget as 2016/17 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 PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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 PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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 PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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 \$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 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 PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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 PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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 PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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 PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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 PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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 PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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 PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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 PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|   | 2017/18<br>Budget<br>\$ | 2016/17<br>Actual<br>\$ | 2016/17<br>Budget<br>\$ |
|---|-------------------------|-------------------------|-------------------------|
| <b>2. REVENUES AND EXPENSES</b>                 |                         |                         |                         |
| (a) <b>Net Result</b>                           |                         |                         |                         |
| The net result includes:                        |                         |                         |                         |
| (i) Charging as an expense:                     |                         |                         |                         |
| <b>Auditors remuneration</b>                    |                         |                         |                         |
| Audit services                                  | 26,000                  | 28,352                  | 25,000                  |
| Other services                                  |                         |                         |                         |
| <b>Depreciation By Program</b>                  |                         |                         |                         |
| Governance                                      | 87,719                  | 91,580                  | 61,553                  |
| General purpose funding                         | 0                       | 0                       | 0                       |
| Law, order, public safety                       | 42,113                  | 51,470                  | 35,348                  |
| Health  | 9,400                   | 9,296                   | 10,674                  |
| Education and welfare                           | 118,324                 | 118,389                 | 103,713                 |
| Housing   | 97,150                  | 95,929                  | 101,546                 |
| Community amenities                             | 24,272                  | 24,128                  | 10,475                  |
| Recreation and culture                          | 317,570                 | 320,336                 | 273,625                 |
| Transport                                       | 1,618,838               | 1,620,837               | 2,339,506               |
| Economic services                               | 66,246                  | 66,156                  | 59,368                  |
| Other property and services                     | 180,000                 | 212,625                 | 159,342                 |
|   | <u>2,561,632</u>        | <u>2,610,746</u>        | <u>3,155,150</u>        |
| <b>Depreciation By Asset Class</b>              |                         |                         |                         |
| Buildings                                       | 399,434                 | 407,092                 | 422,241                 |
| Furniture & Equipment                           | 14,693                  | 14,975                  | 13,087                  |
| Plant & Equipment                               | 328,817                 | 335,121                 | 245,357                 |
| Infrastructure Assets - Roads                   | 1,477,334               | 1,505,659               | 2,239,033               |
| Infrastructure Assets - Footpaths               | 15,949                  | 16,255                  | 13,594                  |
| Infrastructure Assets - Parks , Ovals & Dams    | 234,039                 | 238,526                 | 138,680                 |
| Infrastructure Assets - Other                   | 37,401                  | 38,118                  | 33,824                  |
| Infrastructure Assets - Airfield                | 53,965                  | 55,000                  | 49,334                  |
|   | <u>2,561,632</u>        | <u>2,610,746</u>        | <u>3,155,150</u>        |
| <b>Interest Expenses (Finance Costs)</b>        |                         |                         |                         |
| - Debentures ( <i>refer note 7(a)</i> )         | 65,308                  | 80,908                  | 74,483                  |
|   | <u>65,308</u>           | <u>80,908</u>           | <u>74,483</u>           |
| (ii) Crediting as revenues:                     |                         |                         |                         |
| <b>Interest Earnings</b>                        |                         |                         |                         |
| Investments                                     |                         |                         |                         |
| - Reserve funds                                 | 31,576                  | 13,670                  | 32,861                  |
| - Other funds                                   | 18,150                  | 15,886                  | 26,000                  |
| Other interest revenue ( <i>refer note 12</i> ) | 3,000                   | 3,582                   | 6,000                   |
|   | <u>52,726</u>           | <u>33,137</u>           | <u>64,861</u>           |
| (iii) <b>Other Revenue</b>                      |                         |                         |                         |
| Reimbursements and recoveries                   | 145,000                 | 107,208                 | 50,000                  |
| Other   | 29,200                  | 116,754                 | 86,500                  |
|   | <u>174,200</u>          | <u>223,962</u>          | <u>136,500</u>          |

**SHIRE OF PERENJORI  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2018**

**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.

Council has adopted a 'Plan for the future' comprising a Strategic Community Plan and Corporate Business Plan to provide the long term community vision, aspirations and objectives.

Based upon feedback received from the community the vision of the Shire is:

*"A wonderful place to live, work, invest and visit with the community working together to achieve shared objectives"*

The Strategic Community Plan defines the key objectives of the Shire as:

*"Economic: A strong, resilient and balanced economy.*

*Environment: Our unique natural and built environment is protected and enhanced.*

*Social: Our community enjoys a high quality of life.*

*Civic Leadership: A collaborative and engaged community."*

**GOVERNANCE**

**Activities:**

Expenses associated with provision of services to members of council and elections. Also included are costs associated with computer operations, corporate accounting, corporate records and asset management. Costs reported as administrative expenses are redistributed in accordance with the principle of activity based costing (ABC).

**GENERAL PURPOSE FUNDING**

**Activities:**

Rates and associated revenues, general purpose government grants, interest revenue and other miscellaneous revenues such as commission on Police Licensing. The costs associated with raising the above mentioned revenues, eg. Valuation expenses, debt collection and overheads.

**LAW, ORDER, PUBLIC SAFETY**

**Activities:**

Enforcement of Local Laws, fire prevention, animal control and provision of ranger services.

**HEALTH**

**Activities:**

Health inspection services, food quality control, mosquito control and contributions towards provision of medical health services.

**EDUCATION AND WELFARE**

**Activities:**

Assists with the provision of Child Care at the Perenjori Child Care Centre and Youth Activities within the Shire.

**HOUSING**

**Activities:**

Provision and maintenance of rented housing accommodation for pensioners and employees.

**SHIRE OF PERENJORI  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2018**

**2. REVENUES AND EXPENSES (Continued)**

**(b) Statement of Objective (Continued)**

**COMMUNITY AMENITIES**

**Activities:**

Sanitation, sewerage, stormwater drainage, protection of the environment, public conveniences, cemeteries and town planning.

**RECREATION AND CULTURE**

**Activities:**

Parks, gardens and recreation reserves, library services, television and radio re-broadcasting, swimming facilities, walk trails, youth recreation, public halls.

**TRANSPORT**

**Activities:**

Construction and maintenance of roads, footpaths, drainage works, parking facilities, traffic control, depot operations, plant purchase, marine facilities and cleaning of streets.

**ECONOMIC SERVICES**

**Activities:**

Tourism, community development, pest control, building services, caravan parks and private works.

**OTHER PROPERTY & SERVICES**

**Activities:**

Plant works, plant overheads and stock of materials.

**SHIRE OF PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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:

|                     | <b>2017/18<br/>Budget<br/>\$</b> | <b>2016/17<br/>Actual<br/>\$</b> | <b>2016/17<br/>Budget<br/>\$</b> |
|---------------------|----------------------------------|----------------------------------|----------------------------------|
| Cash - unrestricted | 135,417                          | 521,257                          | 103,561                          |
| Cash - restricted   | <u>1,742,041</u>                 | <u>1,878,575</u>                 | <u>1,589,766</u>                 |
|                     | <u><u>1,877,458</u></u>          | <u><u>2,399,832</u></u>          | <u><u>1,693,327</u></u>          |

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

|  |                  |                  |                  |
|--|------------------|------------------|------------------|
| Leave Reserve                            | 61,017           | 59,800           | 60,376           |
| Plant Reserve                            | 226,835          | 237,583          | 152,487          |
| Reserve - Computer                       | 8,621            | 8,621            | 8,522            |
| Reserve - Staff Housing                  | 36,572           | 31,631           | 33,114           |
| Reserve - Local Group Interest Free Loan | 16,684           | 16,345           | 16,448           |
| Reserve - Local Achievement              | 2,677            | 2,677            | 2,646            |
| Reserve - Refuse Site                    | 199,252          | 197,517          | 98,129           |
| Reserve - Swimming Pool                  | 84,804           | 83,311           | 84,429           |
| Reserves - Gravel Pit Rehabilitation     | 19,336           | 18,998           | 19,117           |
| Reserves - Joint Venture Housing         | 293,172          | 288,010          | 291,902          |
| Reserve - Tourism - Caravan Park         | 8,410            | 8,263            | 8,316            |
| Reserve - Tourism - CVP Village          | 31,844           | 31,287           | 31,841           |
| Reserve - Sport & Recreation Amenities   | 2,739            | 2,739            | 2,756            |
| Reserve - Mt Gibson Infrastructure       | 524,854          | 515,647          | 520,690          |
| Reserve - Airstrip Development           | 3,069            | 3,015            | 3,033            |
| Reserve - Water Harvesting Control       | 141,091          | 140,373          | 40,627           |
| Reserve - Vocal History                  | 7,683            | 7,549            | 7,597            |
| Reserve - Water Supply                   | 18,729           | 18,402           | 18,518           |
| Reserve - Community Bus & Maintenance    | 18,485           | 18,162           | 18,276           |
| Reserve - Road                           | 10,607           | 10,422           | 10,487           |
| Reserve - Community Amenities            | 25,560           | 25,113           | 5,271            |
| Reserve - Communications                 | (0)              | 153,110          | 155,187          |
|  | <u>1,742,041</u> | <u>1,878,575</u> | <u>1,589,766</u> |

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

|  |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|
| Net result   | (299,991)               | 1,551,263               | 1,085,686               |
| Depreciation                                       | 2,561,632               | 2,610,746               | 3,155,150               |
| (Profit)/loss on sale of asset                     | 24,653                  | 87,946                  | 12,027                  |
| Loss on revaluation of non current assets          | 0                       | 0                       | 0                       |
| (Increase)/decrease in receivables                 | 714,290                 | (475,668)               | 80,000                  |
| (Increase)/decrease in inventories                 | 0                       | 33,868                  | 0                       |
| Increase/(decrease) in payables                    | (116,047)               | 31,448                  | 100,000                 |
| Increase/(decrease) in employee provisions         | 0                       | 42,491                  | 0                       |
| Grants/contributions for the development of assets | <u>(1,456,033)</u>      | <u>(1,522,339)</u>      | <u>(2,168,346)</u>      |
| <b>Net Cash from Operating Activities</b>          | <u><u>1,428,504</u></u> | <u><u>2,359,755</u></u> | <u><u>2,264,517</u></u> |

**SHIRE OF PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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

|   | 2017/18<br>Budget<br>\$ | 2016/17<br>Actual<br>\$ | 2016/17<br>Budget<br>\$ |
|---|-------------------------|-------------------------|-------------------------|
| <b>(c) Undrawn Borrowing Facilities</b> |                         |                         |                         |
| <b>Credit Standby Arrangements</b>      |                         |                         |                         |
| Bank overdraft limit                    | 0                       | 0                       | 300,000                 |
| Bank overdraft at balance date          | 0                       | 0                       | 0                       |
| Credit card limit                       | 20,000                  | 20,000                  | 20,000                  |
| Credit card balance at balance date     | (3,000)                 | (3,429)                 | 0                       |
| <b>Total Amount of Credit Unused</b>    | <u>17,000</u>           | <u>16,571</u>           | <u>320,000</u>          |
| <b>Loan Facilities</b>                  |                         |                         |                         |
| Loan facilities in use at balance date  | <u>1,181,142</u>        | <u>1,249,084</u>        | <u>1,224,845</u>        |
| Unused loan facilities at balance date  | <u>0</u>                | <u>0</u>                | <u>0</u>                |

|  | Note | 2017/18<br>Budget<br>\$ | 2016/17<br>Actual<br>\$ |
|--|------|-------------------------|-------------------------|
| <b>4. NET CURRENT ASSETS</b>   |      |                         |                         |
| <b>CURRENT ASSETS</b>  |      |                         |                         |
| Cash - unrestricted  | 3(a) | 135,417                 | 521,257                 |
| Cash - restricted reserves   | 3(a) | 1,742,041               | 1,878,575               |
| Receivables  |      | 52,391                  | 766,681                 |
| Inventories  |      | 21,422                  | 21,422                  |
|  |      | <u>1,951,271</u>        | <u>3,187,935</u>        |
| <b>LESS: CURRENT LIABILITIES</b>   |      |                         |                         |
| Trade and other payables   |      | (197,995)               | (314,042)               |
| Long term borrowings   |      | 0                       | (249,761)               |
| Provisions   |      | (237,673)               | (237,673)               |
|  |      | <u>(435,668)</u>        | <u>(801,476)</u>        |
| <b>Unadjusted net current assets</b>   |      | <b>1,515,603</b>        | <b>2,386,459</b>        |
| 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 accordance with FM Reg 32 as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments below. |      |                         |                         |
| <b>Adjustments</b>   |      |                         |                         |
| Less: Cash - restricted reserves   | 3(a) | (1,742,041)             | (1,878,575)             |
| Add: Current portion of debentures   |      | 0                       | 249,761                 |
| Add: Current liabilities not expected to be cleared at end of year   |      | 237,673                 | 237,673                 |
| <b>Adjusted net current assets - surplus/(deficit)</b>   |      | <u><b>11,235</b></u>    | <u><b>995,318</b></u>   |

**SHIRE OF PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**5. ACQUISITION OF ASSETS**

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

| Asset Class                           | Reporting Program |                            |                               |           |                        |               |                        |                         |                  |                      |                                | 2017/18 Budget Total \$ | 2016/17 Actual Total \$ |
|---------------------------------------|-------------------|----------------------------|-------------------------------|-----------|------------------------|---------------|------------------------|-------------------------|------------------|----------------------|--------------------------------|-------------------------|-------------------------|
|                                       | Governance \$     | General Purpose Funding \$ | Law, Order & Public Safety \$ | Health \$ | Education & Welfare \$ | Housing \$    | Community Amenities \$ | Recreation & Culture \$ | Transport \$     | Economic Services \$ | Other Property and Services \$ |                         |                         |
| <i>Property, Plant and Equipment</i>  |                   |                            |                               |           |                        |               |                        |                         |                  |                      |                                |                         |                         |
| Land                                  | 0                 | 0                          | 0                             | 0         | 0                      | 0             | 0                      | 0                       | 0                | 0                    | 0                              | 0                       | 0                       |
| Buildings                             | 160,000           | 0                          | 25,000                        | 0         | 0                      | 49,850        | 9,000                  | 285,000                 | 0                | 33,000               | 0                              | 561,850                 | 1,057,976               |
| Plant & Equipment                     | 0                 | 0                          | 11,000                        | 0         | 0                      | 0             | 0                      | 0                       | 303,768          | 0                    | 0                              | 314,768                 | 562,586                 |
| Furniture & Equipment                 | 0                 | 0                          | 0                             | 0         | 0                      | 0             | 0                      | 5,000                   | 0                | 0                    | 0                              | 5,000                   | 0                       |
|                                       | <b>160,000</b>    | <b>0</b>                   | <b>36,000</b>                 | <b>0</b>  | <b>0</b>               | <b>49,850</b> | <b>9,000</b>           | <b>290,000</b>          | <b>303,768</b>   | <b>33,000</b>        | <b>0</b>                       | <b>881,618</b>          | <b>1,620,562</b>        |
| <i>Infrastructure</i>                 |                   |                            |                               |           |                        |               |                        |                         |                  |                      |                                |                         |                         |
| Infrastructure Assets - Roads         | 0                 | 0                          | 0                             | 0         | 0                      | 0             | 0                      | 0                       | 1,994,350        | 0                    | 0                              | 1,994,350               | 2,109,306               |
| Infrastructure Assets - Footpaths     | 0                 | 0                          | 0                             | 0         | 0                      | 0             | 0                      | 0                       | 0                | 0                    | 0                              | 0                       | 0                       |
| Infrastructure Assets - Parks , Ovals | 0                 | 0                          | 0                             | 0         | 0                      | 0             | 0                      | 185,000                 | 0                | 330,000              | 0                              | 515,000                 | 59,229                  |
| Infrastructure Assets - Other         | 0                 | 0                          | 0                             | 0         | 0                      | 0             | 0                      | 0                       | 0                | 0                    | 0                              | 0                       | 69,396                  |
| Infrastructure Assets - Airfield      | 0                 | 0                          | 0                             | 0         | 0                      | 0             | 0                      | 0                       | 0                | 0                    | 0                              | 0                       | 0                       |
| Infrastructure Assets - Subdivision   | 0                 | 0                          | 0                             | 0         | 0                      | 0             | 0                      | 0                       | 0                | 0                    | 0                              | 0                       | 0                       |
| Infrastructure Assets - Caravan Park  | 0                 | 0                          | 0                             | 0         | 0                      | 0             | 0                      | 0                       | 0                | 0                    | 0                              | 0                       | 0                       |
|                                       | <b>0</b>          | <b>0</b>                   | <b>0</b>                      | <b>0</b>  | <b>0</b>               | <b>0</b>      | <b>0</b>               | <b>185,000</b>          | <b>1,994,350</b> | <b>330,000</b>       | <b>0</b>                       | <b>2,509,350</b>        | <b>2,237,931</b>        |
| <i>Land Held for Resale</i>           |                   |                            |                               |           |                        |               |                        |                         |                  |                      |                                |                         |                         |
| Land Held for Resale                  |                   |                            |                               |           |                        |               |                        |                         |                  |                      |                                |                         |                         |
| <b>Total Acquisitions</b>             | <b>160,000</b>    | <b>0</b>                   | <b>36,000</b>                 | <b>0</b>  | <b>0</b>               | <b>49,850</b> | <b>9,000</b>           | <b>475,000</b>          | <b>2,298,118</b> | <b>363,000</b>       | <b>0</b>                       | <b>3,390,968</b>        | <b>3,858,493</b>        |

**SHIRE OF PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**6. DISPOSALS OF ASSETS**

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

| <u>By Program</u> |       | 2017/18 Budget          |                        |              |                 |
|-------------------|-------|-------------------------|------------------------|--------------|-----------------|
|                   |       | Net Book<br>Value<br>\$ | Sale<br>Proceeds<br>\$ | Profit<br>\$ | Loss<br>\$      |
| <b>Transport</b>  |       |                         |                        |              |                 |
| Side Tipper       | PE124 | 45,418                  | 25,000                 | 0            | (20,418)        |
| Holden Colarado   | PE217 | 31,235                  | 27,000                 | 0            | (4,235)         |
|                   |       | <b>76,653</b>           | <b>52,000</b>          | <b>0</b>     | <b>(24,653)</b> |

| <u>By Class</u>            |  | 2017/18 Budget          |                        |              |                 |
|----------------------------|--|-------------------------|------------------------|--------------|-----------------|
|                            |  | Net Book<br>Value<br>\$ | Sale<br>Proceeds<br>\$ | Profit<br>\$ | Loss<br>\$      |
| <b>Plant and Equipment</b> |  | 76,653                  | 52,000                 | 0            | (24,653)        |
|                            |  | <b>76,653</b>           | <b>52,000</b>          | <b>0</b>     | <b>(24,653)</b> |



**SHIRE OF PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**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 Repayments |                   | Principal Outstanding |                   | Interest Repayments |                   |
|-------------------------------|--------------------|----------------|----------------------|-------------------|-----------------------|-------------------|---------------------|-------------------|
|                               | Principal 1-Jul-17 | New Loans      | 2017/18 Budget \$    | 2016/17 Actual \$ | 2017/18 Budget \$     | 2016/17 Actual \$ | 2017/18 Budget \$   | 2016/17 Actual \$ |
| Loan 94 Industrial Land       | 9,341              |                | 9,341                | 8,839             | 0                     | 9,341             | 517                 | 1,277             |
| Loan 96 CHA Housing           | 100,197            |                | 11,704               | 10,866            | 88,494                | 100,197           | 6,365               | 7,509             |
| Loan 97 Flat Pack Housing     | 122,436            |                | 22,328               | 21,319            | 100,108               | 122,436           | 5,472               | 7,273             |
| Loan 98 John St Subdivision   | 279,029            |                | 17,615               | 16,463            | 261,414               | 279,029           | 19,171              | 21,697            |
| Loan 99 Aquatic Centre        | 192,806            |                | 73,725               | 69,439            | 119,081               | 192,806           | 10,645              | 15,389            |
| Loan 100 Acquatic Centre      | 195,504            |                | 35,510               | 33,867            | 159,994               | 195,504           | 8,991               | 11,747            |
| Loan 101 - 2 X Duplex Housing | 139,392            |                | 25,361               | 24,214            | 114,031               | 139,392           | 6,230               | 7,723             |
| Loan 102 - Grader             | 210,379            |                | 54,080               | 52,670            | 156,299               | 210,379           | 5,041               | 8,294             |
| Loan 103 - Caron Dam          |                    | 200,000        | 18,279               | 0                 | 181,721               | 0                 | 2,876               | 0                 |
|                               | <b>1,249,084</b>   | <b>200,000</b> | <b>267,943</b>       | <b>237,676</b>    | <b>1,181,142</b>      | <b>1,249,084</b>  | <b>65,308</b>       | <b>80,908</b>     |

All debenture repayments will be financed by general purpose revenue.

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

**7. INFORMATION ON BORROWINGS (Continued)**

**(b) New Debentures - 2017/18**

| Particulars/Purpose | Amount Borrowed Budget | Institution | Loan Type | Term (Years) | Total Interest & Charges | Interest Rate % | Amount Used Budget | Balance Unspent \$ |
|---------------------|------------------------|-------------|-----------|--------------|--------------------------|-----------------|--------------------|--------------------|
| Caron Dam           | 200,000                | WATC        | Debenture | 5            | 16,270                   | 2.90%           | 200,000            | 0                  |
|                     |                        |             |           |              | 16,270                   |                 | 200,000            | 0                  |

**(c) Unspent Debentures**

The Shire has no unspent debenture funds as at 30th June 2017, nor is it expected to have unspent debentures funds as at 30th June 2018.

**(d) Overdraft**

Council does not have an overdraft overdraft facility.

**SHIRE OF PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**8. RATING INFORMATION - 2017/18 FINANCIAL YEAR**

| <b>RATE TYPE</b>                                 | <b>Rate in \$</b> | <b>Number of Properties</b> | <b>Rateable Value \$</b> | <b>2017/18 Budgeted Rate Revenue \$</b> | <b>2017/18 Budgeted Total Revenue \$</b> | <b>2016/17 Actual \$</b> |
|--|-------------------|-----------------------------|--------------------------|---|--|--------------------------|
| <b>Differential general rate or general rate</b> |                   |                             |                          |   |  |                          |
| GRV - Townsite                                   | 7.9500            | 105                         | 1,263,496                | 100,448                                 | 100,448                                  | 88,570                   |
| GRV - Mining                                     | 7.9500            | 1                           | 3,144,000                | 249,948                                 | 249,948                                  | 342,091                  |
| UV - Rural/Pastoral                              | 1.9169            | 268                         | 93,698,300               | 1,796,103                               | 1,796,103                                | 1,702,626                |
| UV - Mining                                      | 34.8736           | 58                          | 1,854,551                | 646,749                                 | 646,749                                  | 622,292                  |
| <b>Sub-Totals</b>                                |                   | 432                         | 99,960,347               | 2,793,248                               | 2,793,248                                | 2,755,579                |
| <b>Minimum payment</b>                           | <b>Minimum \$</b> |                             |                          |   |  |                          |
| GRV - Townsite                                   | 335               | 31                          | 28,041                   | 10,385                                  | 10,385                                   | 11,484                   |
| GRV - Mining                                     | 335               | 1                           | 20                       | 335                                     | 335                                      | 0                        |
| UV - Rural/Pastoral                              | 335               | 10                          | 69,100                   | 3,350                                   | 3,350                                    | 3,509                    |
| UV - Mining                                      | 335               | 21                          | 11,973                   | 7,035                                   | 7,035                                    | 9,251                    |
| <b>Sub-Totals</b>                                |                   | 63                          | 109,134                  | 21,105                                  | 21,105                                   | 24,244                   |
| Rates paid in advance adjustment                 |                   |                             |                          |   |  | 15,100                   |
| Discounts (Note 13)                              |                   |                             |                          |   | (205,668)                                | (205,668)                |
| <b>Total amount raised from general rates</b>    |                   |                             |                          |   | 2,608,685                                | 2,589,255                |
| Exgratia rates                                   |                   |                             |                          |   | 12,115                                   | 12,116                   |
| <b>Total Rates</b>                               |                   |                             |                          |   | 2,620,800                                | 2,601,371                |

**SHIRE OF PERENJORI  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2018**

**8(a). RATING INFORMATION - 2017/18 FINANCIAL YEAR (CONTINUED)**

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

The general rates detailed above for the 2017/18 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  |
|---------------------|--|--|--|
| UV - Rural/Pastoral | Properties within the Shire that are for broad acre farming                          | The 4.3% decrease in the UV Rural rate in the \$ will result in revenue yield being 4.6% higher than the previous year for this rating category as the decrease is offset by the increase in valuations of around 12%. | The UV rate reflects the significant contribution by the rural industries to the Shire income and is kept as reasonably low as possible.   |
| UV - Mining         | Properties within the Shire with a mining, exploration or prospecting tenement lease | Council has increased the rate in the dollar by 1.63% resulting in an increase in revenue compared to the previous year of 6.44%.  | The UV Mining category is rated higher to reflect the higher infrastructure maintenance & renewal costs the Shire bears due to mining in the area. It also reflects the advantage that mining companies enjoy being able to utilise already established services and facilities in the area. |

**Differential Minimum Payment**

| Description         | Characteristics   | Objects  | Reasons  |
|---------------------|---|--|--|
| UV - Rural/Pastoral | Properties within the Shire that are for broad acre farming                           | The object of the minimums is to raise a reasonable contribution from all ratepayers towards the cost of providing municipal services. | The minimum is a realistic contribution that any property should make towards the cost of services provided. |
| UV - Mining         | Properties within the Shire with a mining, exploration or prospecting tenement lease. |  |  |

**SHIRE OF PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**9. CASH BACKED RESERVES**

|  | 2017/18 Budget        |                   |          |                       |                       | 2016/17 Actual        |                   |                       |                       | 2016/17 Budget        |                   |          |                       |                       |
|--|-----------------------|-------------------|----------|-----------------------|-----------------------|-----------------------|-------------------|-----------------------|-----------------------|-----------------------|-------------------|----------|-----------------------|-----------------------|
|  | Opening Balance<br>\$ | Transfer to<br>\$ | Interest | Transfer (from)<br>\$ | Closing Balance<br>\$ | Opening Balance<br>\$ | Transfer to<br>\$ | Transfer (from)<br>\$ | Closing Balance<br>\$ | Opening Balance<br>\$ | Transfer to<br>\$ | Interest | Transfer (from)<br>\$ | Closing Balance<br>\$ |
| Leave Reserve                            | 59,800                | 0                 | 1,217    | 0                     | 61,017                | 59,114                | 686               | 0                     | 59,800                | 59,114                | 0                 | 1,262    | 0                     | 60,376                |
| Plant Reserve                            | 237,583               | 0                 | 4,252    | (15,000)              | 226,835               | 236,246               | 1,337             | 0                     | 237,583               | 236,246               | 100,000           | 4,241    | (188,000)             | 152,487               |
| Reserve - Computer                       | 8,621                 | 0                 | 0        | 0                     | 8,621                 | 8,522                 | 99                | 0                     | 8,621                 | 8,522                 | 0                 | 0        | 0                     | 8,522                 |
| Reserve - Staff Housing                  | 31,631                | 0                 | 4,941    | 0                     | 36,572                | 274,484               | 1,647             | (244,500)             | 31,631                | 274,484               | 0                 | 3,130    | (244,500)             | 33,114                |
| Reserve - Local Group Interest Free Loan | 16,345                | 0                 | 339      | 0                     | 16,684                | 16,158                | 188               | 0                     | 16,345                | 16,158                | 0                 | 290      | 0                     | 16,448                |
| Reserve - Local Achievement              | 2,677                 | 0                 | 0        | 0                     | 2,677                 | 2,646                 | 31                | 0                     | 2,677                 | 2,646                 | 0                 | 0        | 0                     | 2,646                 |
| Reserve - Refuse Site                    | 197,517               | 0                 | 1,735    | 0                     | 199,252               | 96,398                | 101,119           | 0                     | 197,517               | 96,398                | 0                 | 1,731    | 0                     | 98,129                |
| Reserve - Swimming Pool                  | 83,311                | 0                 | 1,493    | 0                     | 84,804                | 82,940                | 371               | 0                     | 83,311                | 82,940                | 0                 | 1,489    | 0                     | 84,429                |
| Reserves - Gravel Pit Rehabilitation     | 18,998                | 0                 | 338      | 0                     | 19,336                | 18,780                | 218               | 0                     | 18,998                | 18,780                | 0                 | 337      | 0                     | 19,117                |
| Reserves - Joint Venture Housing         | 288,010               | 0                 | 5,162    | 0                     | 293,172               | 286,752               | 1,257             | 0                     | 288,010               | 286,752               | 0                 | 5,150    | 0                     | 291,902               |
| Reserve - Tourism - Caravan Park         | 8,263                 | 0                 | 147      | 0                     | 8,410                 | 8,168                 | 95                | 0                     | 8,263                 | 8,169                 | 0                 | 147      | 0                     | 8,316                 |
| Reserve - Tourism - CVP Village          | 31,287                | 0                 | 557      | 0                     | 31,844                | 30,927                | 360               | 0                     | 31,287                | 30,927                | 0                 | 914      | 0                     | 31,841                |
| Reserve - Sport & Recreation Amenities   | 2,739                 | 0                 | 0        | 0                     | 2,739                 | 2,707                 | 31                | 0                     | 2,739                 | 2,707                 | 0                 | 49       | 0                     | 2,756                 |
| Reserve - Mt Gibson Infrastructure       | 515,647               | 200,000           | 9,207    | (200,000)             | 524,854               | 511,490               | 404,157           | (400,000)             | 515,647               | 511,490               | 0                 | 9,200    | 0                     | 520,690               |
| Reserve - Airstrip Development           | 3,015                 | 0                 | 54       | 0                     | 3,069                 | 2,980                 | 35                | 0                     | 3,015                 | 2,980                 | 0                 | 53       | 0                     | 3,033                 |
| Reserve - Water Harvesting Control       | 140,373               | 0                 | 718      | 0                     | 141,091               | 39,910                | 100,463           | 0                     | 140,373               | 39,910                | 0                 | 717      | 0                     | 40,627                |
| Reserve - Vocal History                  | 7,549                 | 0                 | 134      | 0                     | 7,683                 | 7,463                 | 87                | 0                     | 7,549                 | 7,463                 | 0                 | 134      | 0                     | 7,597                 |
| Reserve - Water Supply                   | 18,402                | 0                 | 327      | 0                     | 18,729                | 18,191                | 211               | 0                     | 18,402                | 18,191                | 0                 | 327      | 0                     | 18,518                |
| Reserve - Community Bus & Maintenance    | 18,162                | 0                 | 323      | 0                     | 18,485                | 17,954                | 208               | 0                     | 18,162                | 17,954                | 0                 | 322      | 0                     | 18,276                |
| Reserve - Road                           | 10,422                | 0                 | 185      | 0                     | 10,607                | 10,302                | 120               | 0                     | 10,422                | 10,302                | 0                 | 185      | 0                     | 10,487                |
| Reserve - Community Amenities            | 25,113                | 0                 | 447      | 0                     | 25,560                | 24,825                | 288               | 0                     | 25,113                | 24,825                | 0                 | 446      | (20,000)              | 5,271                 |
| Reserve - Communications                 | 153,110               | 0                 | 0        | (153,110)             | (0)                   | 152,450               | 660               | 0                     | 153,110               | 152,450               | 0                 | 2,737    | 0                     | 155,187               |
|  | 1,878,575             | 200,000           | 31,576   | (368,110)             | 1,742,041             | 1,909,405             | 613,670           | (644,500)             | 1,878,575             | 1,909,405             | 100,000           | 32,861   | (452,500)             | 1,589,766             |

**SHIRE OF PERENJORI  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2018**

**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 major plant   |
| Reserve - Computer                      | - to be used to maintain the administration computer systems   |
| Reserve - Staff Housing                 | - to be used for future staff housing  |
| Reserve - Local Group Interest Free Loa | - to be used for community groups in purchasing equipment for their activities   |
| Reserve - Local Achievement             | - to be used as an incentive to local achievers  |
| Reserve - Refuse Site                   | - to be used for a future landfill site  |
| Reserve - Swimming Pool                 | - to be used for the refurbishment and upgrade of the Perenjori swimming pool facilities   |
| Reserves - Gravel Pit Rehabilitation    | - for the purpose of covering the costs of rehabilitating exhausted pits   |
| Reserves - Joint Venture Housing        | - surplus funds to be used as per the JV housing agreement   |
| Reserve - Tourism - Caravan Park        | - to be used to maintain and upgrade the facilities at the Perenjori caravan park  |
| Reserve - Tourism - CVP Village         | - to fund maintenance costs in the accommodation village   |
| Reserve - Sport & Recreation Amenities  | - to be used to support the maintenance an replacement of sporting & recreation facilities   |
| Reserve - Mt Gibson Infrastructure      | - to be used for the purpose of supporting the acquisition, restoration, extension or improvement of infrastructure assets including but not limited to public buildings, recreation facilities, parks and gardens, power supply, water supply, land drainage or roads. (As per agreement) |
| Reserve - Airstrip Development          | - to be used for the ongoing development and maintenance of the airstrip   |
| Reserve - Water Harvesting Control      | - to be used for the purchase and installation of dams to increase water capacity for 'supplementing the town's parks, gardens and reserve water supply.   |
| Reserve - Vocal History                 | - to be used for the history of our pioneers   |
| Reserve - Water Supply                  | - to be used for holding loan funds for the project to supply scheme water to the West Bogada locality   |
| Reserve - Community Bus & Maintenance   | - to be used for the ongoing maintenance and eventual replacement if the Community Bus   |
| Reserve - Road                          | - for the purpose of completing road projects  |
| Reserve - Community Amenities           | - for assisting organisations providing community amenities  |
| Reserve - Communications                | - to subsidise the funding of telephone communication towers in and near Perenjori   |

**SHIRE OF PERENJORI  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2018**

**10. SPECIFIED AREA RATE - 2017/18 FINANCIAL YEAR**

The Shire of Perenjori does not impose a specified area rate as prescribed under the Local Government Act WA.

**11. SERVICE CHARGES - 2017/18 FINANCIAL YEAR**

The Shire of Perenjori does not impose a service charge as prescribed under the Local Government Act WA.

**12. INTEREST CHARGES AND INSTALMENTS - RATES AND SERVICE CHARGES - 2017/18 FINANCIAL YEAR**

| <b>Instalment Options</b>    | <b>Date Due</b> | <b>Instalment<br/>Plan Admin<br/>Charge<br/>\$</b> | <b>Instalment<br/>Plan<br/>Interest<br/>Rate<br/>%</b> | <b>Unpaid<br/>Rates<br/>Interest<br/>Rate<br/>%</b> |
|------------------------------|-----------------|--|--|---|
| <b>Payment in Full</b>       | 12/09/2017      |  |  |   |
| <b>Payment by Instalment</b> |                 |  |  |   |
| 1st Instalment               | 12/09/2017      |  |  |   |
| 2nd Instalment               | 14/11/2017      | 10   | 5.50%  | 11%   |
| 3rd Instalment               | 16/01/2017      | 10   | 5.50%  | 11%   |
| 4th Instalment               | 17/03/2018      | 10   | 5.50%  | 11%   |

| <b>Interest and Charges</b> | <b>2017/18<br/>Budget<br/>Revenue<br/>\$</b> | <b>2016/17<br/>Actual<br/>\$</b> |
|-----------------------------|--|----------------------------------|
| Interest on Unpaid Rates    | 0  | 376                              |
| Interest on Instalment Plan | 3,000  | 3,205                            |
| Charges on Instalment Plan  | 1,200  | 1,200                            |
|                             | <b>4,200</b>                                 | <b>4,782</b>                     |

**SHIRE OF PERENJORI  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2018**

**13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS  
- 2017/18 FINANCIAL YEAR**

**Rates Discounts**

| Rate or Fee and Charge to which Discount is Granted                 | Type     | Disc % or Amount (\$) | 2017/18 Budget \$ | 2016/17 Actual \$ | Circumstances in which Discount is Granted   |
|---|----------|-----------------------|-------------------|-------------------|--|
| Current Rates & Charges (excluding Interim Rates and Minimum Rates) | Discount | 10.00%                | 205,668           | 205,668           | A discount is offered to ratepayers who pay the full amount of rates and charges including any previous outstanding amounts, on or before the due date as stated on the rates notice; this date is at least 35 days after the notice is issued. This discount does not apply to Interim Rates levied and those properties to which a minimum rate applies. |

**Waivers or Concessions**

| Rate or Fee and Charge to which the Waiver or Concession is Granted | Type   | Disc % or Amount (\$) | 2017/18 Budget \$ | 2016/17 Actual \$ | Circumstances in which the Waiver or Concession is Granted   | Objects of the Waiver or Concession                                  | Reasons for the Waiver or Concession   |
|---|--------|-----------------------|-------------------|-------------------|--|--|--|
| Photocopy and Paper Charges   | Waiver | Gratis                | 0                 | unknown           | A Waiver will be granted for community groups where Council considers support for these groups is required for the benefit of the overall community. | To assist community groups with photocopying and printing facilities | To relieve community groups of the costs associated with the printing of documents for community purposes. |

**SHIRE OF PERENJORI**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

| <b>14. FEES &amp; CHARGES REVENUE</b> | <b>2017/18<br/>Budget<br/>\$</b> | <b>2016/17<br/>Actual<br/>\$</b> |
|---------------------------------------|----------------------------------|----------------------------------|
| Governance                            | 4,000                            | 7,377                            |
| General purpose funding               | 1,450                            | 1,460                            |
| Law, order, public safety             | 2,300                            | 2,336                            |
| Health                                | 2,600                            | 2,600                            |
| Education and welfare                 | 95,000                           | 97,738                           |
| Housing                               | 188,000                          | 193,780                          |
| Community amenities                   | 42,200                           | 40,748                           |
| Recreation and culture                | 15,500                           | 16,630                           |
| Transport                             | 10,180                           | 12,901                           |
| Economic services                     | 313,500                          | 324,950                          |
| Other property and services           | 266,000                          | 287,010                          |
|                                       | <u>940,730</u>                   | <u>987,531</u>                   |

| <b>15. ELECTED MEMBERS REMUNERATION</b>   | <b>2017/18<br/>Budget<br/>\$</b> | <b>2016/17<br/>Actual<br/>\$</b> |
|---|----------------------------------|----------------------------------|
| <p>The following fees, expenses and allowances were paid to council members and/or the Mayor/President.</p> |                                  |                                  |
| Meeting fees  | 30,000                           | 29,472                           |
| Mayor/President's allowance   | 21,850                           | 21,850                           |
| Deputy Mayor/President's allowance  | 5,500                            | 5,500                            |
| Travelling expenses   | 8,000                            | 8,257                            |
| Telecommunications allowance  | 0                                | 0                                |
|   | <u>65,350</u>                    | <u>65,079</u>                    |



**SHIRE OF PERENJORI  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2018**

**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:

| <b>Detail</b>                 | <b>Balance<br/>1-Jul-17<br/>\$</b> | <b>Estimated<br/>Amounts<br/>Received<br/>\$</b> | <b>Estimated<br/>Amounts<br/>Paid<br/>(\$)</b> | <b>Estimated<br/>Balance<br/>30-Jun-18<br/>\$</b> |
|-------------------------------|------------------------------------|--|--|---|
| Bus Bonds                     | 0                                  | 1,000  | (1,000)  | 0   |
| Hall Bonds                    | 0                                  | 500  | (500)  | 0   |
| Housing Bonds                 | 400                                | 0  | (400)  | 0   |
| Other Bonds                   | 900                                | 500  | (500)  | 900   |
| Perenjori Public Benefit Fund | 203,900                            | 50,000   | (50,000)                                       | 203,900   |
|                               | <u>205,200</u>                     | <u>52,000</u>                                    | <u>(52,400)</u>                                | <u>204,800</u>                                    |

**SHIRE OF PERENJORI  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2018**

**17. MAJOR LAND TRANSACTIONS**

*John Street/Hirshauer Street Residential Subdivision*

**(a) Details**

Council commenced this 21 lot sub-division on Council owned land in 2007 -2008. The sub-division currently comprises of the following lots: 3 lots have been sold to others and 18 are owned by the Shire of Perenjori.

It is proposed to review the market value of the lots and develop a marketing plan to sell those lots not required by the Shire.

| <b>(b) Current year transactions</b> | <b>2017/18<br/>Budget<br/>\$</b> | <b>2016/17<br/>Actual<br/>\$</b> |
|--------------------------------------|----------------------------------|----------------------------------|
| <b>Operating Revenue</b>             |                                  |                                  |
| - Profit on sale                     | 0                                | 0                                |
| <b>Capital Revenue</b>               |                                  |                                  |
| - Sale proceeds                      | 0                                | 0                                |
| <b>Capital Expenditure</b>           |                                  |                                  |
| - Purchase of land                   | 0                                | 0                                |
| - Development costs                  | 0                                | 0                                |
|                                      | <u>0</u>                         | <u>0</u>                         |

There are no liabilities in relation to this land transaction as at 30 June 2017.

**(c) Expected Future Cash Flows**

|                           | <b>2017/18<br/>\$</b> | <b>2018/19<br/>\$</b> | <b>2019/20<br/>\$</b> | <b>2020/21<br/>\$</b> | <b>2021/22<br/>\$</b> | <b>Total<br/>\$</b> |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| <b>Cash Outflows</b>      |                       |                       |                       |                       |                       | 0                   |
| Loan Principal Repayments | 16,448                | 17,615                | 18,865                | 20,202                | 21,635                | 94,765              |
|                           | <u>16,448</u>         | <u>17,615</u>         | <u>18,865</u>         | <u>20,202</u>         | <u>21,635</u>         | <u>94,765</u>       |
| <b>Cash Inflows</b>       |                       |                       |                       |                       |                       | 0                   |
| Sale Proceeds             | 0                     | 0                     | 50,000                | 50,000                | 50,000                | 150,000             |
|                           | <u>0</u>              | <u>0</u>              | <u>50,000</u>         | <u>50,000</u>         | <u>50,000</u>         | <u>150,000</u>      |
| <b>Net Cash Flows</b>     | <u>16,448</u>         | <u>17,615</u>         | <u>68,865</u>         | <u>70,202</u>         | <u>71,635</u>         | <u>244,765</u>      |

**18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated any trading undertakings or major trading undertakings will occur in 2017/2018.

**19. INTERESTS IN JOINT ARRANGEMENTS**

The Shire has no Interests in Joint Arrangements