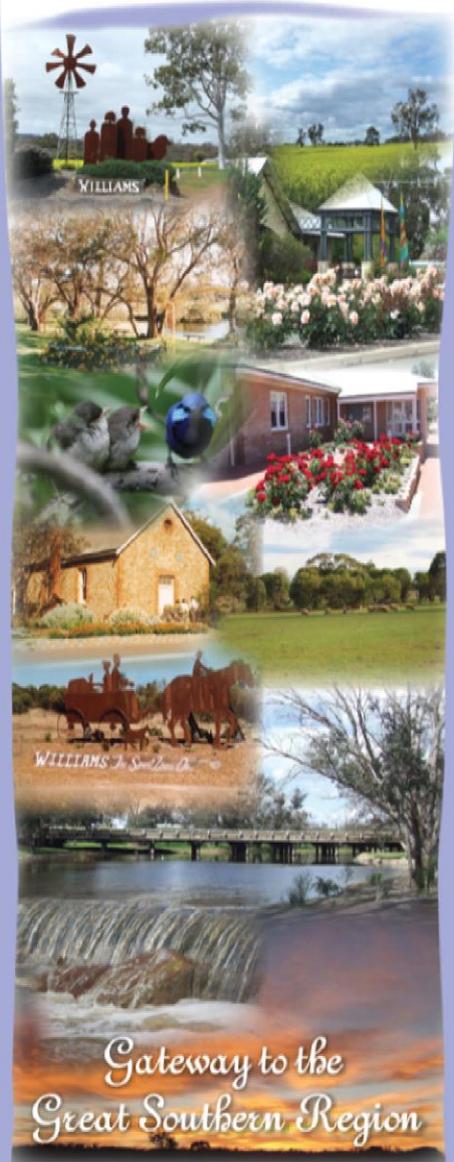


ADOPTED BUDGET

2015/2016

SHIRE OF
WILLIAMS



9 Brooking St, Williams
Ph: (08) 98851005
Fax: (08) 98851020
www.williams.wa.gov.au
Map Ref: E5





SHIRE OF WILLIAMS

BUDGET

FOR THE YEAR ENDED 30TH JUNE 2016

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Comprehensive Income by Program	3 & 4
Statement of Cash Flows	5
Rate Setting Statement	6
Notes to and Forming Part of the Budget	7 to 34
Supplementary Information - Capital Projects	35 to 37

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

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Revenue				
Rates	8	1,556,539	1,450,994	1,461,677
Operating Grants, Subsidies and Contributions		343,702	815,198	677,083
Fees and Charges	11	571,782	573,224	557,546
Service Charges	10	0	0	0
Interest Earnings	2(a)	37,000	43,419	87,000
Other Revenue	2(a)	138,538	176,570	27,200
		<u>2,647,561</u>	<u>3,059,405</u>	<u>2,810,506</u>
Expenses				
Employee Costs		(1,337,183)	(1,473,612)	(1,321,436)
Materials and Contracts		(478,107)	(604,837)	(638,413)
Utility Charges		(156,050)	(156,082)	(156,950)
Depreciation on Non-Current Assets	2(a)	(1,534,300)	(761,074)	(552,240)
Interest Expenses	2(a)	(32,417)	(25,395)	(17,155)
Insurance Expenses		(140,037)	(166,215)	(161,835)
Other Expenditure		0	(5,086)	0
		<u>(3,678,094)</u>	<u>(3,192,301)</u>	<u>(2,848,029)</u>
		(1,030,533)	(132,896)	(37,523)
Non-Operating Grants, Subsidies and Contributions				
		1,121,123	749,920	689,511
Profit on Asset Disposals	3	1,000	2,669	132,700
Loss on Asset Disposals	3	0	(67,804)	(42,117)
		<u>0</u>	<u>(67,804)</u>	<u>(42,117)</u>
NET RESULT		91,590	551,889	742,571
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>91,590</u>	<u>551,889</u>	<u>742,571</u>

Notes:

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

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

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

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

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

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Revenue (Refer Notes 1,2,8 to 13)				
Governance		49,250	82,675	49,250
General Purpose Funding		1,800,661	2,132,306	1,963,755
Law, Order, Public Safety		29,060	31,996	29,850
Health		1,500	1,593	100
Education and Welfare		280,103	281,428	258,452
Housing		163,944	82,492	91,728
Community Amenities		125,150	115,888	117,285
Recreation and Culture		46,557	88,228	119,090
Transport		47,846	60,466	63,846
Economic Services		43,290	33,862	30,450
Other Property and Services		60,200	148,471	86,700
		<u>2,647,561</u>	<u>3,059,405</u>	<u>2,810,506</u>
Expenses Excluding Finance Costs (Refer Notes 1,2 & 14)				
Governance		(256,176)	(273,084)	(246,335)
General Purpose Funding		(12,050)	(24,098)	(24,050)
Law, Order, Public Safety		(59,543)	(59,283)	(59,521)
Health		(84,680)	(73,531)	(65,593)
Education and Welfare		(380,726)	(351,348)	(333,928)
Housing		(145,599)	(145,125)	(82,922)
Community Amenities		(194,572)	(183,402)	(197,928)
Recreation and Culture		(728,516)	(753,366)	(639,056)
Transport		(1,595,489)	(1,064,003)	(976,053)
Economic Services		(93,742)	(98,421)	(88,106)
Other Property and Services		(94,584)	(141,244)	(117,382)
		<u>(3,645,677)</u>	<u>(3,166,905)</u>	<u>(2,830,874)</u>
Finance Costs (Refer Notes 2 & 5)				
Governance		(1,014)	(600)	0
General Purpose Funding		(500)	(10)	(1,000)
Transport		(8,048)	(5,161)	(636)
Economic Services		(8,034)	(4,227)	0
Other Property and Services		(14,821)	(15,397)	(15,519)
		<u>(32,417)</u>	<u>(25,395)</u>	<u>(17,155)</u>
Non-operating Grants, Subsidies and Contributions				
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	0	0
Health		0	0	0
Education and Welfare		3,500	4,065	0
Housing		13,700	138,407	150,920
Community Amenities		30,000	0	0
Recreation and Culture		30,000	127,451	0
Transport		1,043,923	479,996	538,591
Economic Services		0	0	0
Other Property and Services		0	0	0
		<u>1,121,123</u>	<u>749,919</u>	<u>689,511</u>

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

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Profit/(Loss) On				
Disposal Of Assets (Refer Note 3)				
Governance		1,000	(5,452)	(1,500)
Transport		0	(59,683)	92,083
		<u>1,000</u>	<u>(65,135)</u>	<u>90,583</u>
NET RESULT		91,590	551,889	742,571
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>91,590</u>	<u>551,889</u>	<u>742,571</u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

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

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

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

SHIRE OF WILLIAMS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,556,539	1,450,994	1,461,677
Operating Grants, Subsidies and Contributions		313,702	1,139,703	877,083
Fees and Charges		571,782	639,439	557,546
Service Charges		0	0	0
Interest Earnings		37,000	43,419	87,000
Goods and Services Tax		102,400	202,224	126,100
Other Revenue		138,538	176,570	27,200
		<u>2,719,961</u>	<u>3,652,349</u>	<u>3,136,606</u>
Payments				
Employee Costs		(1,372,551)	(1,449,754)	(1,538,027)
Materials and Contracts		(606,873)	(797,576)	(644,559)
Utility Charges		(156,050)	(156,082)	(156,950)
Interest Expenses		(32,417)	(25,394)	(18,045)
Insurance Expenses		(140,037)	(166,215)	(161,835)
Goods and Services Tax		(102,400)	(195,571)	(126,100)
Other Expenditure		0	(5,086)	0
		<u>(2,410,328)</u>	<u>(2,795,678)</u>	<u>(2,645,516)</u>
Net Cash Provided By Operating Activities	15(b)	<u>309,633</u>	<u>856,671</u>	<u>491,090</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	4	0	0	0
Payments for Purchase of Property, Plant & Equipment	4	(140,924)	(1,341,383)	(1,269,710)
Payments for Construction of Infrastructure	4	(1,575,135)	(781,618)	(906,334)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,121,123	749,920	689,511
Proceeds from Sale of Plant & Equipment	3	10,000	242,968	310,000
Net Cash Used in Investing Activities		<u>(584,936)</u>	<u>(1,130,114)</u>	<u>(1,176,533)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(59,815)	(50,005)	(25,040)
Advances to Community Groups		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures	5	0	496,559	476,159
Net Cash Provided By (Used In) Financing Activities		<u>(59,815)</u>	<u>446,554</u>	<u>451,119</u>
Net Increase (Decrease) in Cash Held		(335,118)	173,111	(234,324)
Cash at Beginning of Year		1,130,875	957,764	920,664
Cash and Cash Equivalents at the End of the Year	15(a)	<u>795,757</u>	<u>1,130,875</u>	<u>686,340</u>

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

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

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Revenue	1,2			
Governance		50,250	82,675	49,250
General Purpose Funding		244,123	681,312	502,078
Law, Order, Public Safety		29,060	31,996	29,850
Health		1,500	1,593	100
Education and Welfare		283,603	285,493	258,452
Housing		177,644	220,899	242,648
Community Amenities		155,150	115,888	117,285
Recreation and Culture		76,557	215,679	119,090
Transport		1,091,769	543,131	735,137
Economic Services		43,290	33,862	30,450
Other Property and Services		60,200	148,471	86,700
		<u>2,213,146</u>	<u>2,360,999</u>	<u>2,171,040</u>
Expenses	1,2			
Governance		(257,190)	(279,136)	(247,835)
General Purpose Funding		(12,550)	(24,108)	(25,050)
Law, Order, Public Safety		(59,543)	(59,283)	(59,521)
Health		(84,680)	(73,531)	(65,593)
Education and Welfare		(380,726)	(351,348)	(333,928)
Housing		(145,599)	(145,125)	(82,922)
Community Amenities		(194,572)	(183,402)	(197,928)
Recreation and Culture		(728,516)	(753,366)	(639,056)
Transport		(1,603,537)	(1,131,516)	(1,017,306)
Economic Services		(101,776)	(102,648)	(88,106)
Other Property and Services		(109,405)	(156,641)	(132,901)
		<u>(3,678,094)</u>	<u>(3,260,104)</u>	<u>(2,890,146)</u>
Net Result Excluding General Rates		(1,464,948)	(899,105)	(719,106)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	3	(1,000)	65,135	(90,583)
Depreciation on Assets	2(a)	1,534,300	761,074	552,240
Movement in Non-Current Staff Leave Provisions		0	14,732	0
Movement in Non- Current Receivables		0	4,244	0
Capital Expenditure and Revenue				
Purchase Land Held for Resale	4	0	0	0
Purchase Property, Plant and Equipment	4	(140,924)	(1,341,383)	(1,269,710)
Purchase Infrastructure	4	(1,575,135)	(781,618)	(906,334)
Proceeds from Disposal of Assets	3	10,000	242,968	310,000
Repayment of Debentures	5	(59,815)	(50,005)	(25,040)
Proceeds from New Debentures	5	0	496,559	476,159
Self-Supporting Loan Principal Income		0	0	0
Transfers to Reserves (Restricted Assets)	6	(65,000)	(15,349)	(320,000)
Transfers from Reserves (Restricted Assets)	6	0	0	220,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	205,984	257,737	272,457
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	(0)	205,984	(38,240)
Amount Required to be Raised from General Rate	8	<u>(1,556,539)</u>	<u>(1,450,994)</u>	<u>(1,461,677)</u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

The Local Government Reporting Entity

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

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

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

(b) 2014/15 Actual Balances

Balances shown in this budget as 2014/15 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

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

(e) Goods and Services Tax (GST)

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

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

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

(f) Superannuation

The Council contributes to a number of Superannuation Funds on behalf of employees.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash and Cash Equivalents

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 7 - Net Current Assets.

(h) Trade and Other Receivables

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

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

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

(i) Inventories

General

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

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

Land Held for Resale

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

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

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

(j) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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

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

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

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

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

Land Under Control

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

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

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they were revalued along with other items of Land and Buildings at 30 June 2014 and now form part of Land and Buildings to be subject to regular revaluation as detailed above.

Initial Recognition and Measurement between Mandatory Revaluation Dates

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

Revaluation

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

Transitional Arrangement

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

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

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

Land Under Roads

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

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

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

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

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

Depreciation

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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

Buildings	30 to 50 years
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.

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

Capitalisation Threshold

Expenditure purchased below the following thresholds are not capitalised.

Land	\$1
Buildings	\$10,000
Furniture & Equipment	\$2,000
Plant & Equipment	\$2,000
Infrastructure	\$5,000

(k) Fair Value of Assets and Liabilities

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

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

(l) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(m) Impairment of Assets

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of Assets (Continued)

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2016.

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

(n) Trade and Other Payables

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

(o) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Borrowing Costs

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

(q) Provisions

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

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

(r) Leases

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

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

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

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

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

(s) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

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

(u) Comparative Figures

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

(v) Budget Comparative Figures

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

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

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result			
The Net Result includes:			
(i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	10,000	8,972	7,250
Other Services	0	3,000	1,000
Depreciation			
<u>By Program</u>			
Governance	45,500	45,480	36,775
General Purpose Funding	0	0	0
Law, Order, Public Safety	1,300	1,221	550
Health	21,300	21,299	3,700
Education and Welfare	38,500	38,380	23,215
Housing	45,600	41,679	10,300
Community Amenities	2,600	2,579	1,550
Recreation and Culture	210,000	209,233	110,900
Transport	1,162,000	394,140	363,500
Economic Services	7,500	7,062	1,750
Other Property and Services	0	0	0
	1,534,300	761,074	552,240
<u>By Class</u>			
Land and Buildings	305,400	292,602	138,000
Furniture and Equipment	8,400	8,352	6,900
Plant and Equipment	155,000	155,013	146,400
Roads	997,500	239,857	230,000
Infrastructure Parks & Reserves	68,000	65,250	30,940
	1,534,300	761,074	552,240
Interest Expenses (Finance Costs)			
Debentures (<i>refer note 5(a)</i>)	31,917	25,385	16,155
Bank Overdraft	500	10	1,000
	32,417	25,395	17,155
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	15,000	15,349	25,000
- Other Funds	10,000	15,435	50,000
Other Interest Revenue (<i>refer note 13</i>)	12,000	12,635	12,000
	37,000	43,419	87,000
(iii) Other Revenue			
Reimbursements and Recoveries	138,538	176,570	27,200
Other			
	138,538	176,570	27,200

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

In 2022 Williams is an independent, growing and vibrant community. This will be achieved by maintaining a balanced and caring approach to its people, economy and environment.

GOVERNANCE

Objective: To provide a decision making process for the efficient allocation of scarce resources.
Activities: Administration and operation of facilities and services to members of Council; Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services.
Activities: Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective: To provide services to ensure a safer community.
Activities: Supervision and enforcement of local laws, fire prevention and suppression activities and animal control.

HEALTH

Objective: To provide an operational framework for good community health.
Activities: Health inspection and advisory services, analytical services, mosquito control and collection agent for Williams St John Ambulance subscriptions.

EDUCATION AND WELFARE

Objective: To provide a framework that enables community needs in these areas to be met.
Activities: Provision and maintenance of premises for Williams Community Resource Centre & Willi Wagtails Childcare Centre. Provide payroll administration for Williams Community Resource Centre and Willi Wagtails Childcare Centre and provision of scholarships.

HOUSING

Objective: To help ensure the availability of adequate housing for community needs.
Activities: Management, administration and maintenance of Williams Community Homes, Sandalwood Court, Wandoo Cottages and Jamtree Lane Units.

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective: Provision of amenities required by the community.

Activities: Refuse management, protection of environment, maintenance of cemeteries and public conveniences.

RECREATION AND CULTURE

Objective: To establish and manage efficiently infrastructure and resources which will meet the the recreational and cultural needs of the community.

Activities: Maintenance of halls, recreational facilities and reserves, operation of library, compilation and maintenance of local heritage register.

TRANSPORT

Objective: To provide effective and efficient transport services to the community.

Activities: Construction and maintenance of street, roads, bridges, cleaning and lighting of streets, depot maintenance and on-line agent for Department of Transport collections.

ECONOMIC SERVICES

Objective: Promotion of Williams and improvement of the economic wellbeing of the district and it's inhabitants.

Activities: Tourism services, area promotion, implementation of building controls, provision of standpipe water, maintenance and management of the Williams Stud Breeders pavilion.

OTHER PROPERTY & SERVICES

Objective: Efficient utilisation of Council resources, plant repairs and operations, management of Williams Town Planning Scheme.

Activities: Provision of private works to public, maintenance of Council plant, approvals and monitoring of town planning activities.

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

3. DISPOSALS OF ASSETS

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

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2015/16	2015/16	2015/16
	BUDGET	BUDGET	BUDGET
	\$	\$	\$
Governance			
Ford Sedan - WL16	9,000	10,000	1,000
	9,000	10,000	1,000

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2015/16	2015/16	2015/16
	BUDGET	BUDGET	BUDGET
	\$	\$	\$
Plant & Equipment			
Ford Sedan - WL16	9,000	10,000	1,000
	9,000	10,000	1,000

<u>Summary</u>	2015/16 BUDGET \$
Profit on Asset Disposals	1,000
Loss on Asset Disposals	0
	<u>1,000</u>

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

4. ACQUISITION OF ASSETS

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

Asset Class	Reporting Program											Total \$
	Governance \$	General Purpose Funding \$	Law, Order, Public Safety \$	Health \$	Education and Welfare \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Economic Services \$	Other Property and Services \$	
<i>Property, Plant and Equipment</i>												
Land and Buildings	0	0	0	0	3,500	17,424	0	0	0	0	0	20,924
Furniture and Equipment	0	0	0	0	0	0	0	0	0	0	0	0
Plant and Equipment	30,000	0	0	0	0	0	0	0	90,000	0	0	120,000
<i>Infrastructure</i>												
Roads	0	0	0	0	0	0	0	0	1,221,552	0	0	1,221,552
Footpaths	0	0	0	0	0	0	0	149,508	0	0	0	149,508
Drainage	0	0	0	0	0	0	0	0	0	0	0	0
Parks & Ovals	0	0	0	0	0	0	174,075	30,000	0	0	0	204,075
<i>Land Held for Resale</i>	0	0	0	0	0	0	0	0	0	0	0	0
	30,000	0	0	0	3,500	17,424	174,075	179,508	1,311,552	0	0	1,716,059

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

- Capital Projects (page 35 to 37)

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

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

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

Particulars	Principal 1-Jul-15	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$
Governance								
Loan # 68 IT Equipment	32,800		6,882	3,358	25,918	32,800	1,014	599
Transport								
Loan #63 Excavator	0		0	16,898	0	0	0	637
Loan # 67 Grader	243,780		34,098	16,620	209,682	243,780	8,048	4,525
Other Property and Services								
Loan #65 Industrial Land	234,839		8,799	8,264	226,040	234,839	14,821	15,397
Loan #66 Industrial Shed	195,135		10,036	4,865	185,099	195,135	8,034	4,227
	706,554	0	59,815	50,005	646,739	706,554	31,917	25,385

All debenture repayments will be financed by general purpose revenue.

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

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2015/16

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
No New Debentures								0
					0		0	0

(c) Unspent Debentures

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

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$100,000 with the ANZ Bank does exist. It is not anticipated that this facility will be required to be utilised during 2015/16.

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

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
6. RESERVES			
(a) Leave Reserve			
Opening Balance	160	125	379
Amount Set Aside / Transfer to Reserve	30	35	0
Amount Used / Transfer from Reserve	0	0	0
	<u>190</u>	<u>160</u>	<u>379</u>
(b) Plant Reserve			
Opening Balance	546	529	529
Amount Set Aside / Transfer to Reserve	10	17	0
Amount Used / Transfer from Reserve	0	0	0
	<u>556</u>	<u>546</u>	<u>529</u>
(c) Building Reserve			
Opening Balance	410,109	397,469	397,215
Amount Set Aside / Transfer to Reserve	62,360	12,640	320,000
Amount Used / Transfer from Reserve	0	0	(190,000)
	<u>472,469</u>	<u>410,109</u>	<u>527,215</u>
(d) Joint Venture Housing Reserve			
Opening Balance	56,075	54,248	54,146
Amount Set Aside / Transfer to Reserve	1,800	1,827	0
Amount Used / Transfer from Reserve	0	0	(30,000)
	<u>57,875</u>	<u>56,075</u>	<u>24,146</u>
(e) Recreation Facilities Reserve			
Opening Balance	19,445	18,942	18,934
Amount Set Aside / Transfer to Reserve	500	504	0
Amount Used / Transfer from Reserve	0	0	0
	<u>19,945</u>	<u>19,445</u>	<u>18,934</u>
(f) Art Acquisition Reserve			
Opening Balance	10,665	10,339	10,080
Amount Set Aside / Transfer to Reserve	300	326	0
Amount Used / Transfer from Reserve	0	0	0
	<u>10,965</u>	<u>10,665</u>	<u>10,080</u>
(g) Computer Replacement Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total Reserves	<u><u>562,000</u></u>	<u><u>497,000</u></u>	<u><u>581,283</u></u>

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

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

6. RESERVES (Continued)	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
SUMMARY OF RESERVE TRANSFERS			
Transfers to Reserves			
Leave Reserve	30	35	0
Plant Reserve	10	17	0
Building Reserve	62,360	12,640	320,000
Joint Venture Housing Reserve	1,800	1,827	0
Recreation Facilities Reserve	500	504	0
Art Acquisition Reserve	300	326	0
Computer Replacement Reserve	0	0	0
	<u>65,000</u>	<u>15,349</u>	<u>320,000</u>
Transfers from Reserves			
Leave Reserve	0	0	0
Plant Reserve	0	0	0
Building Reserve	0	0	(190,000)
Joint Venture Housing Reserve	0	0	(30,000)
Recreation Facilities Reserve	0	0	0
Art Acquisition Reserve	0	0	0
Computer Replacement Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>(220,000)</u>
Total Transfer to/(from) Reserves	<u>65,000</u>	<u>15,349</u>	<u>100,000</u>

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

6. RESERVES (Continued)

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

Leave Reserve

To be used to fund annual and long service leave requirements.

Plant Reserve

To be used for the purchase of plant items as per Council's Plant Replacement Program.

Building Reserve

To be used for the construction and acquisition of buildings.

Joint Venture Housing Reserve

To be used to finance long term maintenance requirements of Sandalwood Court and to finance new joint venture housing construction.

Recreation Facilities Reserve

To be used to finance capital improvements of existing recreation facilities and to fund acquisition of future recreation facilities.

Art Acquisition Reserve

To be used for the purchase of art pieces for the Williams Art Collection.

Computer Replacement Reserve

To be used to ensure that the administration computer system is maintained.

All Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

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

	Note	2015/16 Budget \$	2014/15 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)	233,757	633,875
Cash - Restricted Reserves	15(a)	562,000	497,000
Receivables		88,931	58,931
Inventories		16,000	11,626
		900,688	1,201,432
LESS: CURRENT LIABILITIES			
Trade and Other Payables		(118,817)	(258,577)
Short Term Borrowings		0	0
Long Term Borrowings		0	0
Provisions		(219,991)	(239,991)
		(338,808)	(498,568)
NET CURRENT ASSET POSITION		561,880	702,864
Less: Cash - Restricted Reserves	15(a)	(562,000)	(497,000)
Less: Land Held for Resale		0	0
Less: Current Loans - Clubs / Institutions		0	0
Add: Current Portion of Debentures		0	0
Add: Cashbacking Provisions		120	120
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		(0)	205,984

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

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

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

8. RATING INFORMATION - 2015/16 FINANCIAL YEAR

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2015/16 Budgeted Rate Revenue \$	2015/16 Budgeted Interim Rates \$	2015/16 Budgeted Back Rates \$	2015/16 Budgeted Total Revenue \$	2014/15 Actual \$
General Rate								
GRV Industrial/Commercial	0.056742	19	959,856	54,464	0	0	54,464	40,943
GRV Residential	0.056742	169	2,026,202	114,971	0	0	114,971	105,176
UV Rural/Mining	0.006300	311	205,470,500	1,294,464	0	0	1,294,464	1,236,839
Sub-Totals		499	208,456,558	1,463,899	0	0	1,463,899	1,382,958
Minimum Payment	Minimum \$							
GRV Industrial/Commercial	510	18	58,875	9,180	0	0	9,180	8,730
GRV Residential	510	126	375,074	57,630	0	0	57,630	53,835
UV Rural/Mining	510	18	772,644	9,180	0	0	9,180	5,335
Sub-Totals		162	1,206,593	75,990	0	0	75,990	67,900
Ex- Gratia Rates Written Off							16,650	14,464
Total Amount Raised from General Rate							0	(14,328)
							1,556,539	1,450,994
Total Rates							1,556,539	1,450,994

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

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

The general rates detailed above for the 2015/16 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

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

9. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

Council does not impose Specified Area Rate.

10. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

Council does not impose Service Charges.

11. FEES & CHARGES REVENUE	2015/16 Budget \$	2014/15 Actual \$
Governance	49,050	51,658
General Purpose Funding	4,750	7,561
Law, Order, Public Safety	2,250	2,030
Health	1,500	159
Education and Welfare	128,075	120,353
Housing	112,060	81,428
Community Amenities	123,150	113,700
Recreation and Culture	33,557	28,166
Transport	41,100	51,442
Economic Services	43,290	33,862
Other Property and Services	33,000	82,865
	<u>571,782</u>	<u>573,224</u>

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

No discounts, incentive or write offs are offered by Council.

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

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

	Interest Rate %	Admin. Charge \$	2015/16 Budget \$	2014/15 Actual \$
Interest on Unpaid Rates	11.00%		5,000	7,314
Interest on Instalments Plan	5.50%		7,000	5,321
Charges on Instalment Plan		25	3,250	3,225
			15,250	15,860

Two separate option plans will be available to ratepayers for payment of rates.

Option 1 (Full Payment)

Full payment of rates and charges including arrears to be paid within 35 days after date of service appearing on the rate notice.

Option 2 (Instalments)

First instalment to be received by 4 September 2015 including all arrears and one quarter of current rates and charges. Second instalment to be received by 6 November 2015, third instalment by 8 January 2016 and fourth instalment by 11 March 2016.

The cost to the ratepayer of the instalment plan will comprise simple interest of 5.5% pa calculated on the balance of general rates outstanding from the date the first instalment is due plus administration fee of \$25 per assesment paid by instalments.

14. ELECTED MEMBERS REMUNERATION

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

	2015/16 Budget \$	2014/15 Actual \$
Meeting Fees	16,000	15,852
President's Allowance	4,120	4,000
Travelling Expenses	4,000	3,930
	24,120	23,781

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

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Cash - Unrestricted	233,757	633,875	105,057
Cash - Restricted	562,000	497,000	581,283
	<u>795,757</u>	<u>1,130,875</u>	<u>686,340</u>

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

Leave Reserve	190	160	379
Plant Reserve	556	546	529
Building Reserve	472,469	410,109	527,215
Joint Venture Housing Reserve	57,875	56,075	24,146
Recreation Facilities Reserve	19,945	19,445	18,934
Art Acquisition Reserve	10,965	10,665	10,080
Computer Replacement Reserve	0	0	0
	<u>562,000</u>	<u>497,000</u>	<u>581,283</u>

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

Net Result	91,590	551,889	742,571
Depreciation	1,534,300	761,074	552,240
(Profit)/Loss on Sale of Asset	(1,000)	65,135	(90,583)
(Increase)/Decrease in Receivables	(30,000)	397,372	200,000
(Increase)/Decrease in Inventories	(4,374)	861	(1,682)
Increase/(Decrease) in Payables	(139,760)	(193,599)	(5,354)
Increase/(Decrease) in Employee Provisions	(20,000)	23,858	(216,591)
Grants/Contributions for the Development of Assets	(1,121,123)	(749,919)	(689,511)
Net Cash from Operating Activities	<u>309,633</u>	<u>856,671</u>	<u>491,090</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft Limit	100,000	100,000	100,000
Bank Overdraft at Balance Date	0	0	0
Credit Card Limit	10,000	10,000	10,000
Credit Card Balance at Balance Date	0	0	0
Total Amount of Credit Unused	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>

Loan Facilities

Loan Facilities in use at Balance Date	<u>646,739</u>	<u>706,554</u>	<u>711,119</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

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

16. TRUST FUNDS

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

Detail	Balance 1-Jul-15 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-16 \$
Housing Deposits	6,366	0	(6,366)	0
Sale of Land for Rates	60,008	0	(60,008)	(0)
Subdivision Bond	49,178	0	0	49,178
Public Open Space Contribution	20,000	0	0	20,000
Recycling Shed Community Fund	8,207	1,500	0	9,707
4WDL Regional Housing Project	1,264,033	5,023,648	(2,464,033)	3,823,648
Childcare Fundraising	3,727	0	(3,727)	(0)
Remediation Works	2,000	0	0	2,000
	<u>1,413,518</u>	<u>5,025,148</u>	<u>(2,534,134)</u>	<u>3,904,532</u>

17. MAJOR LAND TRANSACTIONS

The Shire of Williams does not propose any major land developments in 2015/2016.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

**SHIRE OF WILLIAMS
SUPPLEMENTARY INFORMATION FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

	Reference Document	2015/16 BUDGET	2014/2015 BUDGET
LAND & BUILDINGS			
Industrial Land Development	<i>Industrial Units Business Case</i>		450,000
Regional Housing Project - 5 Units	<i>Aged Housing Project Business Case</i>		353,551
Jamtree Lane - Landscaping		17,424	
Childcare Centre - Softfall		3,500	
		20,924	803,551
FURNITURE & EQUIPMENT			
Computer/Office Equipment			36,159
		0	36,159
PLANT & MACHINERY			
Dual Cab Utility - WL19	<i>Plant Replacement Program</i>		35,000
Sedan - WL16	<i>Plant Replacement Program</i>	30,000	45,000
Utility		15,000	
Grader	<i>Plant Replacement Program</i>		350,000
Skidsteer with Broom attachment		75,000	
		120,000	430,000
ROAD ASSETS			
Project Grant Expenditure			
York Williams Road - Shoulder Widening	<i>10 Year Road Program 2009-2020</i>	152,133	358,316
Marradong Rd - Pavement repair		102,460	
York Williams Road - Shoulder Widening	<i>2013/2014 Carry Over</i>		48,888
Pingelly Rd		86,304	
		340,897	407,204
Direct Grant Expenditure			
Brooking St - Right of Way	<i>10 Year Road Program 2009-2020</i>		59,500
		0	59,500
Commodity Route Funding			
Glenfield Rd - Seal		357,071	
		357,071	0
State Blackspot Program			
Cornwall Tce/Brooking St Intersection		45,849	
		45,849	0
Roads to Recovery Expenditure			
Dardadine Road Gravel Sheeting		162,105	146,379
Rural Road - Reseal - TBA		115,200	
Darkan Quindanning Rd - Tree Trimming		55,352	
Extract Rd - Tree Trimming and Repair Failed Section		82,758	
Zilko Rd - Tree Trimming and Gravel Sheeting		62,318	
		477,734	146,379
Special Grant Expenditure			
Dardadine Rd - Bridge	<i>Main Roads recoup</i>		56,000
		0	56,000
Road Asset Expenditure		1,221,552	669,083

**SHIRE OF WILLIAMS
SUPPLEMENTARY INFORMATION FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

	Reference Document	2015/16 BUDGET	2014/2015 BUDGET
PARKS AND RESERVES ASSETS			
Regional Waste Site	Land purchase	85,000	85,000
Lions Park Furniture			10,000
Footpath	Brooking Street	39,944	
Footpath	New Street	46,448	
Bikepath/Footpath	Growse/Piesse St	63,116	
Swimming Pool Improvements		30,000	
Waste Transfer Station		89,075	14,192
War Memorial			16,257
Quindanning Hall			3,000
Bowling Club Carpark			9,065
Recreation Facilities Upgrade	<i>Sport & Recreation Facilities Plan</i>		120,000
		353,583	257,514
TOTAL ASSET PURCHASES		1,716,059	2,196,307
CONTRIBUTIONS FROM GOVERNMENT FOR DEVELOPMENT OF ASSETS			
Roads to Recovery Program	<i>10 Year Road Program 2009- 2020</i>	402,008	143,000
Roads to Recovery Program - 2014/15	<i>10 Year Road Program 2009- 2020</i>	58,595	
Direct Grant for Roadworks		64,700	59,500
Road Project Grants	<i>10 Year Road Program 2009- 2020</i>	226,118	233,965
Commodity Route Funding		230,000	
State Blackspot Program		30,252	
RBN Grant		32,250	
Grants Commission Special Grant - Dardadine Rd Bridge		0	56,000
Country Local Government Fund - Regional Housing Project		1,200	81,344
RDC Strategic Projects		13,700	68,627
Waste Authority Grant		30,000	
RDA Round 5		0	
Country Local Government Fund - Industrial Land Development	<i>Industrial Units Business Case</i>	0	260,104
Solving their Service	<i>War Memorial</i>	0	3,000
Anzac Centenary	<i>War Memorial</i>	0	3,000
Lotterywest	<i>War Memorial</i>	0	8,257
Community Pool Revitalisation Grant		30,000	
Childcare Fundraising - softfall		3,500	
Department of Sport & Recreation - Recreation Facilities Upgrade			
		1,122,323	916,797
CONTRIBUTIONS FROM ORGANISATIONS FOR DEVELOPMENT OF ASSETS			
		0	0

**SHIRE OF WILLIAMS
SUPPLEMENTARY INFORMATION FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2016**

	Reference Document	2015/16 BUDGET	2014/2015 BUDGET
PROCEEDS FROM FIXED ASSET SALES BY ASSET CLASS			
PLANT & MACHINERY			
Volvo Grader	<i>Plant Replacement Program</i>		100,000
Vib Roller	<i>Plant Replacement Program</i>		35,000
Ford Sedan - WL16	<i>Plant Replacement Program</i>	10,000	15,000
Land & Buildings			
23 Fry street			160,000
		10,000	310,000
TOTAL FIXED ASSET INCOME		1,132,323	1,226,797
RESERVE FUND TRANSFERS			
Building Reserve - Pavilion Kitchen Upgrade			
Building Reserve - Regional Housing Project			175,000
Building Reserve - Recreation House			15,000
Joint Venture Housing Reserve - Regional Housing Project	<i>Aged Housing Project Business Case</i>		30,000
		0	220,000
LOAN FUND INCOME			
Grader purchase			240,000
Office Computer Finance			36,159
Industrial Units	<i>Industrial Units Business Case</i>		200,000
		0	476,159
		1,132,323	1,922,956
Municipal Fund		583,736	273,351