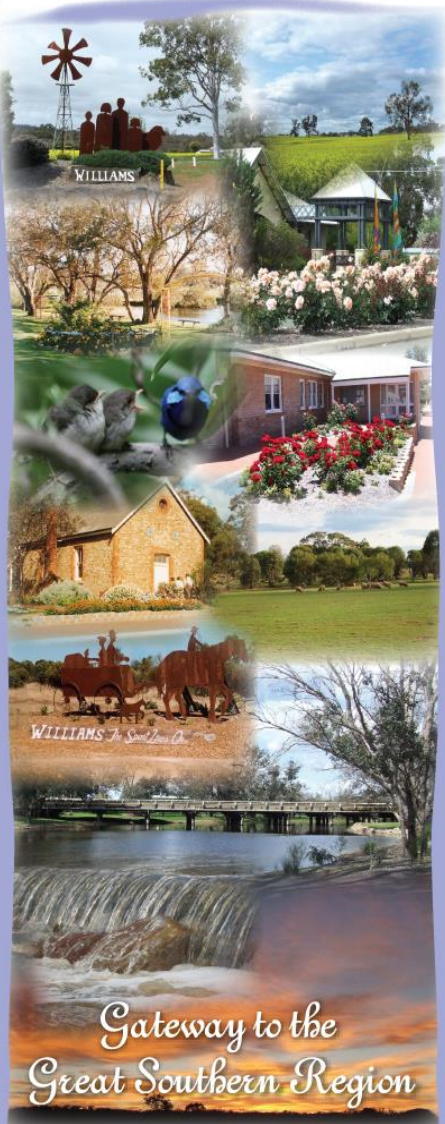


SHIRE OF WILLIAMS

ADOPTED BUDGET

2016/2017

SHIRE OF
WILLIAMS



*Gateway to the
Great Southern Region*

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SHIRE OF WILLIAMS

BUDGET

FOR THE YEAR ENDED 30 JUNE 2017

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Revenue				
Rates	8	1,681,705	1,540,559	1,539,890
Operating grants, subsidies and contributions		845,905	387,168	343,702
Fees and charges	14	631,831	639,159	588,431
Service charges	11	0	0	0
Interest earnings	2(a)	38,318	43,846	37,000
Other revenue	2(a)	226,904	245,675	138,538
		<u>3,424,663</u>	<u>2,856,407</u>	<u>2,647,561</u>
Expenses				
Employee costs		(1,583,185)	(1,523,100)	(1,337,183)
Materials and contracts		(932,193)	(537,479)	(478,107)
Utility charges		(161,200)	(154,533)	(156,050)
Depreciation on non-current assets	2(a)	(1,219,800)	(1,218,365)	(1,534,300)
Interest expenses	2(a)	(32,272)	(34,340)	(32,417)
Insurance expenses		(144,237)	(143,549)	(140,037)
Other expenditure		0	0	0
		<u>(4,072,887)</u>	<u>(3,611,366)</u>	<u>(3,678,094)</u>
		(648,224)	(754,959)	(1,030,533)
Non-operating grants, subsidies and contributions		1,178,911	1,251,866	1,121,123
Profit on asset disposals	6	500	1,527	1,000
Loss on asset disposals	6	0	(906)	0
Loss on revaluation of non current assets		0	0	0
NET RESULT		531,187	497,528	91,590
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>531,187</u>	<u>497,528</u>	<u>91,590</u>

Notes:

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

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

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

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

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

NOTE	2016/17 Budget	2015/16 Actual	2015/16 Budget
Revenue (Refer Notes 1,2,8,10 to 14)	\$	\$	\$
Governance	73,890	108,482	49,250
General purpose funding	2,158,526	1,804,630	1,800,661
Law, order, public safety	15,569	26,365	29,060
Health	1,400	937	1,500
Education and welfare	336,223	341,157	280,103
Housing	184,634	115,873	163,944
Community amenities	124,534	134,956	125,150
Recreation and culture	66,953	49,756	46,557
Transport	331,526	118,476	47,846
Economic services	43,337	48,103	43,290
Other property and services	88,071	107,672	60,200
	<u>3,424,663</u>	<u>2,856,407</u>	<u>2,647,561</u>
Expenses Excluding Finance Costs Refer Notes 1, 2 & 15)			
Governance	(268,685)	(290,926)	(256,176)
General purpose funding	(11,550)	(10,744)	(12,050)
Law, order, public safety	(57,285)	(57,713)	(59,543)
Health	(88,198)	(83,048)	(84,680)
Education and welfare	(421,568)	(406,237)	(380,726)
Housing	(179,789)	(187,964)	(145,599)
Community amenities	(229,983)	(202,447)	(194,572)
Recreation and culture	(741,737)	(697,727)	(728,516)
Transport	(1,811,416)	(1,398,260)	(1,595,489)
Economic services	(102,556)	(101,036)	(93,742)
Other property and services	(127,848)	(140,923)	(94,584)
	<u>(4,040,615)</u>	<u>(3,577,025)</u>	<u>(3,645,677)</u>
Finance Costs (Refer Notes 2 & 9)			
Governance	(787)	(1,014)	(1,014)
General purpose funding	(2,750)	(2,423)	(500)
Transport	(6,872)	(8,048)	(8,048)
Economic services	(7,611)	(8,034)	(8,034)
Other property and services	(14,252)	(14,821)	(14,821)
	<u>(32,272)</u>	<u>(34,340)</u>	<u>(32,417)</u>
Non-operating Grants, Subsidies and Contributions			
Law, order, public safety	0	25,000	0
Education and welfare	3,500	0	3,500
Housing	552,791	240,614	13,700
Community amenities	0	30,000	30,000
Recreation and culture	47,000	30,000	30,000
Transport	575,620	926,252	1,043,923
	<u>1,178,911</u>	<u>1,251,866</u>	<u>1,121,123</u>

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Profit/(Loss) On				
Disposal Of Assets (Refer Note 6)				
Governance		0	317	1,000
Transport		500	303	0
		500	620	1,000
Loss on				
Revaluation Of Non Current Assets				
Governance		0	0	0
		0	0	0
NET RESULT		531,187	497,528	91,590
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
TOTAL COMPREHENSIVE INCOME		531,187	497,528	91,590

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 WILLIAMS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,685,705	1,552,193	1,556,539
Operating grants, subsidies and contributions		880,905	194,930	313,702
Fees and charges		641,831	639,159	571,782
Service charges		0	0	0
Interest earnings		38,318	43,846	37,000
Goods and services tax		200,000	190,980	102,400
Other revenue		251,904	245,675	138,538
		<u>3,698,663</u>	<u>2,866,783</u>	<u>2,719,961</u>
Payments				
Employee costs		(1,641,865)	(1,441,223)	(1,372,551)
Materials and contracts		(879,529)	(737,324)	(606,873)
Utility charges		(161,200)	(154,533)	(156,050)
Interest expenses		(32,272)	(34,340)	(32,417)
Insurance expenses		(144,237)	(143,549)	(140,037)
Goods and services tax		(200,000)	(190,980)	(102,400)
Other expenditure		0	0	0
		<u>(3,059,103)</u>	<u>(2,701,949)</u>	<u>(2,410,328)</u>
Net cash provided by (used in) operating activities	3(b)	<u>639,560</u>	<u>164,834</u>	<u>309,633</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale	5	0	0	0
Payment for purchase of property, plant & equipment	5	(754,718)	(359,912)	(140,924)
Payment for construction of infrastructure	5	(1,165,554)	(1,430,134)	(1,575,135)
Non-operating grants, subsidies and contributions used for the development of assets		1,178,911	1,251,869	1,121,123
Proceeds from sale of Plant & Equipment	6	38,500	14,318	10,000
Net cash provided by (used in) investing activities		<u>(702,861)</u>	<u>(523,859)</u>	<u>(584,936)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures	7	(62,210)	(59,814)	(59,815)
Advances to community groups		0	0	0
Proceeds from self supporting loans		0	0	0
Proceeds from new debentures	7	167,858	0	0
Net cash provided by (used in) financing activities		<u>105,648</u>	<u>(59,814)</u>	<u>(59,815)</u>
Net increase (decrease) in cash held		42,347	(418,839)	(335,118)
Cash at beginning of year		<u>712,036</u>	<u>1,130,875</u>	<u>1,130,875</u>
Cash and cash equivalents at the end of the year	3(a)	<u><u>754,383</u></u>	<u><u>712,036</u></u>	<u><u>795,757</u></u>

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

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Net current assets at start of financial year - surplus/(deficit)	4	(545)	187,808	205,984
Revenue from operating activities (excluding rates and non-operating grants, subsidies and contributions)	1,2			
Governance		73,890	108,799	50,250
General purpose funding		476,821	264,071	260,771
Law, order, public safety		15,569	26,365	29,060
Health		1,400	937	1,500
Education and welfare		336,223	341,157	280,103
Housing		184,634	115,873	163,944
Community amenities		124,534	134,956	125,150
Recreation and culture		66,953	49,756	46,557
Transport		332,026	119,685	47,846
Economic services		43,337	48,103	43,290
Other property and services		88,071	107,672	60,200
		<u>1,743,458</u>	<u>1,317,374</u>	<u>1,108,671</u>
Expenditure from operating activities	1,2			
Governance		(269,472)	(291,940)	(257,190)
General purpose funding		(14,300)	(13,167)	(12,550)
Law, order, public safety		(57,285)	(57,713)	(59,543)
Health		(88,198)	(83,048)	(84,680)
Education and welfare		(421,568)	(406,237)	(380,726)
Housing		(179,789)	(187,964)	(145,599)
Community amenities		(229,983)	(202,447)	(194,572)
Recreation and culture		(741,737)	(697,727)	(728,516)
Transport		(1,818,288)	(1,407,214)	(1,603,537)
Economic services		(110,167)	(109,070)	(101,776)
Other property and services		(142,100)	(155,744)	(109,405)
		<u>(4,072,887)</u>	<u>(3,612,271)</u>	<u>(3,678,094)</u>
Operating activities excluded from budget				
(Profit)/Loss on asset disposals	6	(500)	(621)	(1,000)
Depreciation on assets	2(a)	1,219,800	1,218,365	1,534,300
Movement in employee benefit provisions (non-current)		0	10,129	0
Amount attributable to operating activities		<u>(1,110,674)</u>	<u>(879,216)</u>	<u>(830,139)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,178,911	1,251,866	1,121,123
Purchase property, plant and equipment	5	(754,718)	(359,912)	(140,924)
Purchase and construction of infrastructure	5	(1,165,554)	(1,430,134)	(1,575,135)
Proceeds from disposal of assets	6	38,500	14,318	10,000
Amount attributable to investing activities		<u>(702,861)</u>	<u>(523,862)</u>	<u>(584,936)</u>
FINANCING ACTIVITIES				
Repayment of debentures	7	(62,210)	(59,814)	(59,815)
Proceeds from new debentures	7	167,858	0	0
Transfers to cash backed reserves (restricted assets)	9	(15,818)	(78,211)	(65,000)
Transfers from cash backed reserves (restricted assets)	9	42,000	0	0
Amount attributable to financing activities		<u>131,830</u>	<u>(138,026)</u>	<u>(124,815)</u>
Budgeted deficiency before general rates		<u>(1,681,705)</u>	<u>(1,541,104)</u>	<u>(1,539,890)</u>
Estimated amount to be raised from general rates	8	1,681,705	1,540,559	1,539,890
Net current assets at end of financial year - surplus/(deficit)	4	<u>(0)</u>	<u>(545)</u>	<u>0</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 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

The Local Government Reporting Entity

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

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

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

(b) 2015/16 Actual Balances

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

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

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

(e) Goods and Services Tax (GST)

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

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

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

(f) Superannuation

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash and Cash Equivalents

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

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

(h) Trade and Other Receivables

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

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

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

(i) Inventories

General

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

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

Land Held for Resale

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

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

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

(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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (continued)

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

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 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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

Buildings	30 to 50 years
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 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 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 WILLIAMS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

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

(l) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(m) Impairment of Assets

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of Assets (Continued)

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

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

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

(n) Trade and Other Payables

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

(o) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Borrowing Costs

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

(q) Provisions

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

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

(r) Leases

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

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

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

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

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

(s) Interests in Joint Arrangements

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

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

(u) Comparative Figures

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

(v) Budget Comparative Figures

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

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

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result			
The net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
Audit services	8,000	7,946	10,000
Other services	0	2,750	0
Depreciation By Program			
Governance	55,800	55,752	45,500
General purpose funding	0	0	0
Law, order, public safety	2,100	2,054	1,300
Health	21,300	21,289	21,300
Education and welfare	38,400	38,380	38,500
Housing	66,600	66,584	45,600
Community amenities	2,600	2,579	2,600
Recreation and culture	209,000	208,282	210,000
Transport	817,000	816,381	1,162,000
Economic services	7,000	7,062	7,500
Other property and services	0	0	0
	<u>1,219,800</u>	<u>1,218,365</u>	<u>1,534,300</u>
Depreciation By Asset Class			
Land and buildings	325,500	325,507	305,400
Furniture and equipment	15,500	15,222	8,400
Plant and equipment	177,800	177,664	155,000
Infrastructure Parks & Reserves	67,000	66,159	68,000
Roads/Footpaths/Bridges/Drainage	634,000	633,813	997,500
	<u>1,219,800</u>	<u>1,218,365</u>	<u>1,534,300</u>
Interest Expenses (Finance Costs)			
- Debentures (<i>refer note 7(a)</i>)	29,522	31,917	31,917
Other	2,750	2,423	500
	<u>32,272</u>	<u>34,340</u>	<u>32,417</u>
(ii) Crediting as revenues:			
Interest Earnings			
Investments			
- Reserve funds	15,818	15,196	15,000
- Other funds	12,000	15,082	10,000
Other interest revenue (<i>refer note 12</i>)	10,500	13,568	12,000
	<u>38,318</u>	<u>43,846</u>	<u>37,000</u>
(iii) Other Revenue			
Reimbursements and recoveries	226,904	245,675	138,538
Other	0	0	0
	<u>226,904</u>	<u>245,675</u>	<u>138,538</u>

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

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 member 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 met.

Activities: Provision and maintenance of premises for the Williams Community Resource Centre and Willi Wagtails Childcare Centre. Provide payroll administration for the Williams Community Resource Centre and Willi Wagtails Childcare Centre and provision of scholarships.

HOUSING

Objective: To help ensure the availability of adequate housing for the community needs.

Activities: Management, administration and maintenance of Williams Community Homes, Sandalwood Court, Wandoo Cottages and Jamtree Lane Units.

COMMUNITY AMENITIES

Objective: Provision of amenities required by the community.

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

RECREATION AND CULTURE

Objective: To establish and manage efficiently infrastructure and resources which will meet 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.

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

TRANSPORT

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

Activities: Construction and maintenance of street, roads, bridges and 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 its 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 30 JUNE 2017

3. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Cash - unrestricted	205,353	136,824	233,757
Cash - restricted	549,030	575,212	562,000
	<u>754,383</u>	<u>712,036</u>	<u>795,757</u>

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

Leave Reserve	169	164	190
Plant Reserve	5,713	5,561	556
Building Reserve	390,588	421,010	472,469
Joint Venture Housing Reserve	69,511	67,650	57,875
Recreation Facilities Reserve	20,426	19,880	19,945
Art Acquisition Reserve	11,247	10,946	10,965
Computer Replacement Reserve	0	0	0
Refuse Site Reserve	51,375	50,000	0
	<u>549,030</u>	<u>575,212</u>	<u>562,000</u>

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

Net result	531,187	497,528	91,590
Depreciation	1,219,800	1,218,365	1,534,300
(Profit)/loss on sale of asset	(500)	(621)	(1,000)
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	74,000	(180,604)	(30,000)
(Increase)/decrease in inventories	0	(12,358)	(4,374)
Increase/(decrease) in payables	23,984	(121,729)	(139,760)
Increase/(decrease) in employee provisions	(30,000)	16,119	(20,000)
Grants/contributions for the development of assets	(1,178,911)	(1,251,866)	(1,121,123)
Net Cash from Operating Activities	<u>639,560</u>	<u>164,834</u>	<u>309,633</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>752,388</u>	<u>646,740</u>	<u>646,739</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 30 JUNE 2017

	Note	2016/17 Budget \$	2015/16 Actual \$
4. NET CURRENT ASSETS			
Composition of estimated net current assets			
CURRENT ASSETS			
Cash - unrestricted	3(a)	205,353	136,824
Cash - restricted reserves	3(a)	549,030	575,212
Receivables		167,075	241,077
Inventories		23,846	23,846
		945,304	976,959
LESS: CURRENT LIABILITIES			
Trade and other payables		(171,438)	(147,454)
Short term borrowings		0	0
Long term borrowings		0	0
Provisions		(224,956)	(254,958)
		(396,394)	(402,412)
		548,910	574,547
Unadjusted net current assets			
Differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with FM Reg 32 as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments below.			
Adjustments			
Less: Cash - restricted reserves	3(a)	(549,030)	(575,212)
Less: Land held for resale		0	0
Less: Current loans - clubs / institutions		0	0
Add: Current portion of debentures		0	0
Add: Leave Entitlements Cashbacked		120	120
		0	0
Adjusted net current assets - surplus/(deficit)		0	(545)

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

5. ACQUISITION OF ASSETS

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

Asset Class	Reporting Program											2016/17 Budget Total \$	2015/16 Actual Total \$
	Governance \$	General Purpose Funding \$	Law, Order, Public Safety \$	Health \$	Education and Welfare \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Economic Services \$	Other Property and Services \$		
<i>Property, Plant and Equipment</i>													
Land and buildings	0	0	0	0	5,778	552,940	0	34,000	0	5,000	0	597,718	216,787
Furniture and equipment	19,000	0	0	0	0	0	0	0	0	0	0	19,000	3,232
Plant and equipment	50,000	0	0	0	0	0	0	0	88,000	0	0	138,000	139,893
	69,000	0	0	0	5,778	552,940	0	34,000	88,000	5,000	0	754,718	359,912
<i>Infrastructure</i>													
Roads	0	0	0	0	0	0	0	0	903,807	0	0	903,807	1,224,145
Footpaths	0	0	0	0	0	0	0	0	0	0	0	0	112,187
Drainage	0	0	0	0	0	0	0	0	0	0	0	0	0
Parks and ovals	0	0	0	0	0	0	16,778	244,969	0	0	0	261,747	93,803
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Bridges	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	16,778	244,969	903,807	0	0	1,165,554	1,430,134
<i>Land Held for Resale</i>													
Land Held for Resale													
Total Acquisitions	69,000	0	0	0	5,778	552,940	16,778	278,969	991,807	5,000	0	1,920,272	1,790,046

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 (pages 32 to 34)

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

6. DISPOSALS OF ASSETS

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

<u>By Program</u>	2016/17 Budget			
	Net Book Value	Sale Proceeds	Profit	Loss
	\$	\$	\$	\$
Governance				
Toyota Kluger - 16WL	32,000	32,000	0	0
Transport				
Mitsubishi Triton Utility - WL430	0	500	500	0
Holden Rodeo Utility - WL826	2,000	2,000	0	0
Recreation				
Toro Z597 Mower	4,000	4,000	0	0
	38,000	38,500	500	0

<u>By Class</u>	2016/17 Budget			
	Net Book Value	Sale Proceeds	Profit	Loss
	\$	\$	\$	\$
Plant and Equipment				
Toyota Kluger - 16WL	32,000	32,000	0	0
Mitsubishi Triton Utility - WL430	0	500	500	0
Holden Rodeo Utility - WL826	2,000	2,000	0	0
Toro Z597 Mower	4,000	4,000	0	0
	0	0	0	0
	38,000	38,500	500	0

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

7. INFORMATION ON BORROWINGS

(a) Debenture Repayments

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

Particulars	Principal 1-Jul-16	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$
Governance								
Loan #68 IT Equipment	25,918		7,109	6,882	18,809	25,918	787	1,014
Transport								
Loan #67 Grader	209,682		35,274	34,098	174,408	209,682	6,872	8,048
Other Property and Services								
Loan #65 Industrial Land	226,040		9,368	8,798	216,672	226,040	14,252	14,821
Loan #66 Industrial Shed	185,100		10,459	10,036	174,641	185,100	7,611	8,034
	646,740	0	62,210	59,814	584,530	646,740	29,522	31,917
Self Supporting Loans								
Williams Bowling Club	0	167,858	0	0	167,858	0	0	0
	0	167,858	0	0	167,858	0	0	0
	646,740	167,858	62,210	59,814	752,388	646,740	29,522	31,917

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 30 JUNE 2017**

7. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
Williams Bowling Club	167,858	WATC	Debenture	10	Unknown	Unknown	167,858	0

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2016 nor is it expected to have unspent debenture funds as at 30th June 2017.

(d) Overdraft

Council 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 2016/2017.

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

8. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2016/17 Budgeted Rate Revenue \$	2016/17 Budgeted Interim Rates \$	2016/17 Budgeted Back Rates \$	2016/17 Budgeted Total Revenue \$	2015/16 Actual \$
Differential general rate or general rate								
GRV Industrial/Commercial	0.063551	19	959,856	61,000	0	0	61,000	40,942
GRV Residential	0.063551	154	1,905,016	121,066	0	0	121,066	129,862
UV Rural/Mining	0.006741	297	205,778,000	1,387,149	0	0	1,387,149	1,296,315
Sub-Totals		470	208,642,872	1,569,215	0	0	1,569,215	1,467,119
Minimum payment	Minimum \$							
GRV Industrial/Commercial	610	18	58,875	10,980	0	0	10,980	8,730
GRV Residential	610	128	546,500	78,080	0	0	78,080	57,570
UV Rural/Mining	710	33	2,048,946	23,430	0	0	23,430	7,140
Sub-Totals		179	2,654,321	112,490	0	0	112,490	73,440
Total amount raised from general rates							1,681,705	1,540,559
Ex Gratia Rates							17,610	16,649
Specified area rates (Note 10)							0	0
Total Rates							1,699,315	1,557,208

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 of Williams.

The general rates detailed above for the 2016/17 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

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

9. CASH BACKED RESERVES

	2016/17 Budget				2015/16 Actual				2015/16 Budget			
	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$
Leave Reserve	164	5		169	160	4	0	164	160	30	0	190
Plant Reserve	5,561	153		5,713	546	5,015	0	5,561	546	10	0	556
Building Reserve	421,010	11,578	(42,000)	390,588	410,109	10,902	0	421,010	410,109	62,360	0	472,469
Joint Venture Housing Reserve	67,650	1,860		69,511	56,075	11,576	0	67,650	56,075	1,800	0	57,875
Recreation Facilities Reserve	19,880	547		20,426	19,445	434	0	19,880	19,445	500	0	19,945
Art Acquisition Reserve	10,946	301		11,247	10,665	281	0	10,946	10,665	300	0	10,965
Computer Replacement Reserve	0	0		0	0	0	0	0	0	0	0	0
Refuse Site Reserve	50,000	1,375		51,375	0	50,000	0	50,000	0	0	0	0
	575,212	15,818	(42,000)	549,030	497,000	78,211	0	575,212	497,000	65,000	0	562,000

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 plant items.
Building Reserve	To be used for the construction, refurbishment and acquisition of buildings.
Joint Venture Housing Reserve	To be used to finance maintenance and construction of joint venture housing.
Recreation Facilities Reserve	To be used to finance capital improvements of existing recreation facilities and to fund acquisition of new 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 for the replacement of computer equipment.
Refuse Site Reserve	To be used to for the re-development of waste facilities.

The Building Reserve is expected to be utilised in 2016/2017. All other reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected.

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

10. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

Council does not impose Specified Area Rate.

11. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

Council does not impose Service Charges.

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

	Interest Rate %	Admin Charge \$	2016/2017 Budget \$	2015/2016 Actual \$
Interest on Unpaid Rates	11.00%	0	5,500	7,589
Interest on Instalment Plan	5.50%		5,000	5,979
Charges on Instalment Plan		25	2,500	2,825
			13,000	16,393

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 9 September 2016 including all arrears and one quarter of current rates and charges. Second instalment to be received by 11 November 2016, third instalment by 13 January 2017 and fourth instalment by 17 March 2017.

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 assessment paid by instalments.

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

No discounts, waivers or concessions are offered by Council.

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

14. FEES & CHARGES REVENUE	2016/17 Budget \$	2015/16 Actual \$
Governance	71,890	80,332
General purpose funding	3,750	3,988
Law, order, public safety	2,100	2,057
Health	1,100	937
Education and welfare	148,819	143,639
Housing	123,246	111,445
Community amenities	122,534	119,956
Recreation and culture	33,453	31,331
Transport	47,531	44,773
Economic services	43,337	48,103
Other property and services	34,071	52,597
	<u>631,831</u>	<u>639,159</u>

15. ELECTED MEMBERS REMUNERATION	2016/17 Budget \$	2015/16 Actual \$
The following fees, expenses and allowances were paid to council members and/or the Mayor/President.		
Meeting fees	16,500	15,979
President's allowance	4,220	4,120
Travelling expenses	4,000	3,974
	<u>24,720</u>	<u>24,073</u>

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

16. TRUST FUNDS

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

Detail	Balance 1-Jul-16 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-17 \$
Housing Deposits	2,208	0	(2,208)	0
Sales of Land for Rates	60,008	0	(60,008)	(0)
Subdivision Bond	0	0	0	0
Public Open Space Contribution	20,000	0	0	20,000
Recycling Shed Community Fund	10,133	1,500	0	11,633
4WDL Regional Housing Project	4,728,922	2,000	(4,730,922)	0
Childcare Fundraising	3,727	500	(3,500)	727
	<u>4,824,998</u>	<u>4,000</u>	<u>(4,796,638)</u>	<u>32,360</u>

**SHIRE OF WILLIAMS
SUPPLEMENTARY INFORMATION FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

	Reference Document	2016/17 BUDGET	2015/16 BUDGET
LAND & BUILDINGS			
Industrial Land Development - Landscaping	<i>Industrial Units Business Case</i>	5,000	
Regional Housing Project - 2 Units	<i>Aged Housing Project Business Case</i>	552,940	
Recreation Ground House - Renovations		30,000	
Tarwonga Hall - Remove Shed Roof		4,000	
Jamtrees Lane - Landscaping			17,256
Childcare Centre - Softfall		5,778	3,500
		597,718	20,756
FURNITURE & EQUIPMENT			
Air-conditioning Office		12,000	
Printer Officer		7,000	
		19,000	0
PLANT & MACHINERY			
Toyota Kluger - 16WL	<i>Plant Replacement Program</i>	50,000	
Sedan - WL16	<i>Plant Replacement Program</i>		30,000
Ride on Mower	<i>Plant Replacement Program</i>	38,000	
2 x Utilities	<i>Plant Replacement Program</i>	50,000	15,000
Skidsteer with Broom attachment			75,000
		138,000	120,000
ROAD ASSETS			
Project Grant Expenditure			
York Williams Road - Shoulder Widening	<i>10 Year Road Program 2009-2020</i>		141,204
Marradong Rd - Pavement repair			127,633
Williams Darkan Rd - Reseal		104,195	
Pingelly Rd - Seal 3km		271,725	73,874
		375,920	342,711
Direct Grant Expenditure			
Rural Roads		0	65,750
			65,750
Commodity Route Funding			
Glenfield Rd - Seal			321,460
		0	321,460
State Blackspot Program			
Cornwall Tce/Brooking St Intersection			53,906
		0	53,906
Roads to Recovery Expenditure			
Dardadine Rd - Gravel Sheeting			154,414
Dardadine Rd - Seal		93,216	
Carne Rd - Reseal			57,600
Clayton Rd - Shoulder Widening		49,723	
Darkan Quindanning Rd - Tree Trimming		56,968	46,266
Extract Rd - Tree Trimming and Repair Failed Section			81,916
Zilko Rd - Tree Trimming and Gravel Sheeting		47,806	62,318
Marradong Rd - Clearing/Failure Repair and Drainage		88,165	
York Williams Rd - Reseal		59,850	
		395,728	460,114

**SUPPLEMENTARY INFORMATION FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

	Reference Document	2016/17 BUDGET	2015/16 BUDGET
Council Funded			
Fourteen Mile Brook Rd - Reconstruct culvert		35,237	
Wilkie Rd - Reconstruct culvert		22,770	
Kennedy Rd - Gravel sheeting		46,707	
Curteis Rd - Clear and gravel sheeting		27,445	
		132,159	
Road Asset Expenditure		903,807	1,243,941
PARKS AND RESERVES ASSETS			
Regional Waste Site	Land purchase		85,000
Cemetery Niche Wall		16,778	
Footpath	Brooking Street		38,259
Footpath	New Street		44,762
Bikepath/Footpath	Growse/Piesse St		63,116
Swimming Pool Improvements		32,000	30,000
Waste Transfer Station			89,075
Bowling Green		212,969	
Recreation Facilities Upgrade	<i>Sport & Recreation Facilities Plan</i>		
		261,747	350,212
TOTAL ASSET PURCHASES		1,920,272	1,734,909
CONTRIBUTIONS FROM GOVERNMENT FOR DEVELOPMENT OF ASSETS			
Roads to Recovery Program	<i>10 Year Road Program 2009-2020</i>	324,967	402,008
Roads to Recovery Program	<i>10 Year Road Program 2009-2020</i>		58,595
Direct Grant for Roadworks			64,700
Road Project Grants	<i>10 Year Road Program 2009-2020</i>	250,653	226,118
Commodity Route Funding			230,000
State Blackspot Program			30,252
RBN Grant			32,250
Stronger Communities Funding (Bowling Green)		15,000	0
SII Funding - 2 x Aged Units		552,791	0
Waste Authority Grant			30,000
Community Pool Revitalisation Grant		32,000	30,000
Childcare Fundraising - Softfall		3,500	3,500
		1,178,911	1,107,423
PROCEEDS FROM FIXED ASSET SALES BY ASSET CLASS			
PLANT & MACHINERY			
Toyota Kluger - 16WL	<i>Plant Replacement Program</i>	32,000	
Toro Z597 Ride on Mower	<i>Plant Replacement Program</i>	4,000	
2 x Utility's	<i>Plant Replacement Program</i>	2,500	10,000
		38,500	10,000
TOTAL FIXED ASSET INCOME		1,217,411	1,117,423

**SUPPLEMENTARY INFORMATION FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017**

Reference Document	2016/17 BUDGET	2015/16 BUDGET
RESERVE FUND TRANSFERS		
Building Reserve - Office Air-conditioning	12,000	
Building Reserve - Recreation House	30,000	
	42,000	0
LOAN FUND INCOME		
Grader purchase		
Bowling Green (Self Supporting Loan)	167,858	
	167,858	0
	1,427,269	1,117,423
Municipal Fund	493,003	617,486