

SHIRE OF NGAANYATJARRAKU

BUDGET

FOR THE YEAR ENDED 30TH JUNE 2016

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SHIRE OF NGAANYATJARRAKU
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	387,801	377,968	415,595
Operating Grants, Subsidies and Contributions	2(a)	2,518,612	7,718,776	5,619,086
Fees and Charges	11	259,236	244,796	305,350
Interest Earnings	2(a)	28,250	27,962	34,000
Other Revenue	2(a)	38,285	42,611	44,100
		<u>3,232,184</u>	<u>8,412,113</u>	<u>6,418,131</u>
Expenses				
Employee Costs		(2,370,034)	(1,727,891)	(2,064,245)
Materials and Contracts		(3,689,864)	(2,772,289)	(3,375,410)
Utility Charges		(63,000)	(73,633)	(94,750)
Depreciation on Non-Current Assets	2(a)	(1,072,196)	(1,040,967)	(1,135,600)
Interest Expenses	2(a)	0	0	0
Insurance Expenses		(149,262)	(139,893)	(142,996)
Other Expenditure		(124,300)	(67,758)	(123,450)
		<u>(7,468,656)</u>	<u>(5,822,431)</u>	<u>(6,936,451)</u>
		(4,236,472)	2,589,682	(518,320)
Non-Operating Grants,				
Subsidies and Contributions		4,760,014	2,196,668	2,363,716
Profit on Asset Disposals	3	46,272	0	0
Loss on Asset Disposals	3	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
NET RESULT		569,814	4,786,350	1,845,396
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>569,814</u>	<u>4,786,350</u>	<u>1,845,396</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 NGAANYATJARRAKU
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		10,750	21,424	43,000
General Purpose Funding		2,283,621	4,619,752	4,905,643
Law, Order, Public Safety		350	324	300
Health		53,976	119,876	103,458
Education and Welfare		267,380	808,895	251,035
Housing		17,500	23,175	35,000
Community Amenities		411,236	449,242	398,145
Recreation and Culture		178,136	169,712	204,000
Transport		0	2,196,668	450,700
Economic Services		4,086	3,045	11,500
Other Property and Services		5,150	0	15,350
		<u>3,232,185</u>	<u>8,412,113</u>	<u>6,418,131</u>
Expenses Excluding Finance Costs (Refer Notes 1,2 & 14)				
Governance		(123,500)	(160,072)	(167,015)
General Purpose Funding		(23,266)	(17,766)	(17,552)
Law, Order, Public Safety		(94,058)	(82,138)	(94,132)
Health		(419,769)	(369,408)	(419,074)
Education and Welfare		(1,068,084)	(857,427)	(933,048)
Housing		(480,321)	(448,709)	(442,168)
Community Amenities		(737,785)	(500,889)	(707,022)
Recreation and Culture		(1,262,934)	(749,279)	(1,004,378)
Transport		(3,011,859)	(2,542,555)	(2,888,443)
Economic Services		(222,900)	(192,964)	(202,983)
Other Property and Services		(24,181)	98,776	(60,636)
		<u>(7,468,657)</u>	<u>(5,822,431)</u>	<u>(6,936,451)</u>
Non-operating Grants, Subsidies and Contributions				
Education and Welfare		0	0	601,676
Transport		4,760,014	2,196,668	1,762,040
		<u>4,760,014</u>	<u>2,196,668</u>	<u>2,363,716</u>

SHIRE OF NGAANYATJARRAKU
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)				
Health		1,347	0	0
Community Amenities		1,466	0	0
Recreation & Culture		36,783	0	0
Transport		0	0	0
Other Property and Services		6,676	0	0
		<u>46,272</u>	<u>0</u>	<u>0</u>
NET RESULT		569,814	4,786,350	1,845,396
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>569,814</u>	<u>4,786,350</u>	<u>1,845,396</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 NGAANYATJARRAKU
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		513,677	377,968	430,595
Operating Grants, Subsidies and Contributions		3,037,937	7,222,111	5,619,086
Fees and Charges		259,236	244,796	123,719
Interest Earnings		28,250	27,962	34,000
Goods and Services Tax		393,137	300,453	550,000
Other Revenue		38,285	42,611	44,100
		<u>4,270,522</u>	<u>8,215,901</u>	<u>6,801,500</u>
Payments				
Employee Costs		(2,440,657)	(1,727,891)	(2,022,483)
Materials and Contracts		(3,663,491)	(2,873,158)	(3,039,226)
Utility Charges		(63,000)	(49,039)	(94,750)
Interest Expenses		0	0	0
Insurance Expenses		(149,262)	(139,893)	(142,996)
Goods and Services Tax		(393,137)	(300,453)	(233,369)
Other Expenditure		(124,300)	(67,757)	(123,450)
		<u>(6,833,847)</u>	<u>(5,158,191)</u>	<u>(5,656,274)</u>
Net Cash Provided By Operating Activities	15(b)	<u>(2,563,325)</u>	<u>3,057,710</u>	<u>1,145,226</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	(1,789,000)	(160,728)	(1,466,000)
Payments for Construction of Infrastructure	4	(4,839,162)	(2,223,913)	(2,350,000)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		4,760,014	2,196,668	2,363,716
Proceeds from Sale of Plant & Equipment	3	106,000	44,050	106,000
Net Cash Used in Investing Activities		<u>(1,762,148)</u>	<u>(143,923)</u>	<u>(1,346,284)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	0	0	0
Advances to Community Groups		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures	5	0	0	0
Net Cash Provided By (Used In) Financing Activities		<u>0</u>	<u>0</u>	<u>0</u>
Net Increase (Decrease) in Cash Held		(4,325,473)	2,913,787	(201,058)
Cash at Beginning of Year		5,206,197	2,292,410	2,292,410
Cash and Cash Equivalents at the End of the Year	15(a)	<u>880,724</u>	<u>5,206,197</u>	<u>2,091,352</u>

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

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

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Revenue	1,2			
Governance		10,750	21,424	43,000
General Purpose Funding		1,895,820	4,241,784	4,490,048
Law, Order, Public Safety		350	324	300
Health		55,323	119,876	103,458
Education and Welfare		267,380	808,895	852,711
Housing		17,500	23,175	35,000
Community Amenities		412,702	449,242	398,145
Recreation and Culture		214,919	169,712	204,000
Transport		4,760,014	4,393,336	2,212,740
Economic Services		4,086	3,045	11,500
Other Property and Services		11,826	0	15,350
		<u>7,650,670</u>	<u>10,230,813</u>	<u>8,366,252</u>
Expenses	1,2			
Governance		(123,500)	(160,072)	(167,015)
General Purpose Funding		(23,266)	(17,766)	(17,552)
Law, Order, Public Safety		(94,058)	(82,138)	(94,132)
Health		(419,769)	(369,408)	(419,074)
Education and Welfare		(1,068,084)	(857,427)	(933,048)
Housing		(480,321)	(448,709)	(442,168)
Community Amenities		(737,785)	(500,889)	(707,022)
Recreation and Culture		(1,262,934)	(749,279)	(1,004,378)
Transport		(3,011,859)	(2,542,555)	(2,888,443)
Economic Services		(222,900)	(192,964)	(202,983)
Other Property and Services		(24,181)	98,776	(60,636)
		<u>(7,468,657)</u>	<u>(5,822,431)</u>	<u>(6,936,451)</u>
Net Result Excluding General Rates		182,013	4,408,382	1,429,801
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	4	(46,272)	0	0
Depreciation on Assets	2(a)	1,072,196	1,040,967	1,135,600
Movement in Non-Current Staff Leave Provisions		0	0	6,863
Capital Expenditure and Revenue				
Purchase Property, Plant and Equipment	3	(1,789,000)	(160,728)	(1,466,000)
Purchase Infrastructure	3	(4,839,162)	(2,223,913)	(2,350,000)
Proceeds from Disposal of Assets	4	106,000	44,050	106,000
Transfers to Reserves (Restricted Assets)	6	(28,000)	(28,861)	(733,000)
Transfers from Reserves (Restricted Assets)	6	0	0	0
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	4,954,424	1,496,559	1,455,141
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	4,954,424	0
Amount Required to be Raised from General Rate	8	<u>(387,801)</u>	<u>(377,968)</u>	<u>(415,595)</u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

Depreciation rates and periods used for each class of depreciable asset are:

Office Furniture	10%
Office Equipment	30%
Household Furniture-Non electrical	10%
Household Furniture - Electrical	20%
Heavy Plant	22%
Light Fleet	15%
Equipment	25%
Communications Equipment	15%
Infrastructure Assets – Roads Pavement	15-20 years
Infrastructure Assets – Roads Seal	30-40 years
Infrastructure Assets – Roads Kerbing	20 years
Infrastructure Assets - Recreation Facilities	20%
Infrastructure Assets - Aerodromes	10%
Education & Welfare - Plant and Equipment	15%
Recreation & Culture - Plant and Equipment	15%
Community Amenities - Plant and Equipment	15%
Land & Buildings	10%

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

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

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

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

Capitalisation Threshold

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an "Attractive Items" list for reference and maintenance.

(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 NGAANYATJARRAKU
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 NGAANYATJARRAKU
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 NGAANYATJARRAKU
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 NGAANYATJARRAKU
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 NGAANYATJARRAKU
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 NGAANYATJARRAKU
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 NGAANYATJARRAKU
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 NGAANYATJARRAKU
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	47,500	20,610	47,500
Other Services	0	0	0
Depreciation			
<u>By Program</u>			
Governance	35,406	34,375	37,500
General Purpose Funding	0	0	
Law, Order, Public Safety	7,081	6,875	7,500
Health	9,442	9,167	10,000
Education and Welfare	16,995	16,500	18,000
Housing	255,869	248,417	271,000
Community Amenities	17,467	16,958	18,500
Recreation and Culture	76,100	73,883	80,600
Transport	648,643	629,750	687,000
Economic Services	5,193	5,042	5,500
Other Property and Services	0	0	
	1,072,196	1,040,967	1,135,600
<u>By Class</u>			
Land and Buildings	201,976	196,093	213,920
Furniture and Equipment	19,001	18,448	20,125
Plant and Equipment	202,576	196,675	214,555
Roads and Footpaths	580,663	563,750	615,000
Other	67,980	66,000	72,000
	1,072,196	1,040,967	1,135,600
(ii) Crediting as Revenues:			
Operating Grants, Subsidies and Contributions			
The Financial Assistance Grants - First 2015-16 Quarter was paid in 2014-15 which increased the revenue against the budgeted amount by \$1,695,087.			
Interest Earnings			
Investments			
- Reserve Funds	28,000	27,799	33,000
- Other Funds	250	163	1,000
Other Interest Revenue (<i>refer note 13</i>)	0	0	0
	28,250	27,962	34,000
(iii) Other Revenue			
Reimbursements and Recoveries	0	0	0
Other	38,285	42,611	44,100
	38,285	42,611	44,100

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

COMMUNITY VISION

The Shire of Ngaanyatjarraku is dedicated to providing high quality services to the community through the various service orientated programs which it has established.
We live in a diverse and dynamic region with outstanding opportunities for all.

GOVERNANCE

Objective:

To provide a decision making process for the efficient allocation of scarce resources.

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

Objective:

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

Activities:

Maintenance of child minding centre, playgroup centre, senior citizens centre and aged care centre.
Provision and maintenance of home and community care programs and youth support services.

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

**SHIRE OF NGAANYATJARRAKU
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:

To provide services required by the community.

Activities:

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resources which will help the social well being of the community.

Activities:

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.

OTHER PROPERTY & SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF NGAANYATJARRAKU
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 BUDGET \$	2015/16 BUDGET \$	2015/16 BUDGET \$
Health			
Toyota LC 1COM575	13,653	15,000	1,347
Community Amenities			
Iveco Rubbish Truck	4,534	6,000	1,466
Recreation & Culture			
Isuzu 4WD Bus 1BWF783	19,988	55,000	35,012
Toyota Hilux 1CGJ892	8,229	10,000	1,771
Other Property & Services			
Toyota Prado 1CLX670	13,324	20,000	6,676
	59,728	106,000	46,272

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2015/16 BUDGET \$	2015/16 BUDGET \$	2015/16 BUDGET \$
Plant & Equipment	59,728	106,000	46,272
	59,728	106,000	46,272

Summary

	2015/16 BUDGET \$
Profit on Asset Disposals	46,272
Loss on Asset Disposals	0
	<u>46,272</u>

**SHIRE OF NGAANYATJARRAKU
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 \$	Education and Welfare \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Other Property and Services \$	
<i>Property, Plant and Equipment</i>								
Land and Buildings	0	650,000	575,000	0	20,000	15,000	0	1,260,000
Furniture and Equipment	0	23,500	12,500	0	0	0	0	36,000
Plant and Equipment	22,000	130,000	0	205,000	50,000	6,000	80,000	493,000
<i>Infrastructure</i>								
Roads	0	0	0	0	0	4,839,162	0	4,839,162
	22,000	803,500	587,500	205,000	70,000	4,860,162	80,000	6,628,162

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

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

No borrowings currently exist.

(b) New Debentures - 2015/16

It is not anticipated any new debentures will be drawn during 2015/16.

(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

No overdraft facilities currently exist with the Shire's bank.

It is not anticipated that this facility will be required to be utilised during 2015/16.

SHIRE OF NGAANYATJARRAKU
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			
Asset Replacement, Acquisition &			
(a) Development Reserve			
Opening Balance	786,303	759,690	759,690
Amount Set Aside / Transfer to Reserve	26,000	26,613	730,500
Amount Used / Transfer from Reserve	0	0	0
	<u>812,303</u>	<u>786,303</u>	<u>1,490,190</u>
(b) Cultural Centre Reserve			
Opening Balance	66,421	64,173	64,173
Amount Set Aside / Transfer to Reserve	2,000	2,248	2,500
Amount Used / Transfer from Reserve	0	0	0
	<u>68,421</u>	<u>66,421</u>	<u>66,673</u>
Total Reserves	<u><u>880,724</u></u>	<u><u>852,724</u></u>	<u><u>1,556,863</u></u>

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

SUMMARY OF RESERVE TRANSFERS

Transfers to Reserves

Asset Replacement, Acquisition & Development	26,000	26,613	730,500
Cultural Centre Reserve	2,000	2,248	2,500
	<u>28,000</u>	<u>28,861</u>	<u>733,000</u>

Transfers from Reserves

Asset Replacement, Acquisition & Development	0	0	0
Cultural Centre Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>

Total Transfer to/(from) Reserves

	<u><u>28,000</u></u>	<u><u>28,861</u></u>	<u><u>733,000</u></u>
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**SHIRE OF NGAANYATJARRAKU
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:

Asset Replacement, Acquisition & Development Reserve

To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves.

Cultural Centre Reserve

To provide for the successful operation of the Cultural Centre as provided for in clause 8.2 of the management deed between the Shire of Ngaanyatjarraku, Warburton Community Incorporated and the Ngaanyatjarra Council (Aboriginal Corporation), transfers to the reserve representing surplus funds from the day to day operations of the Cultural Centre after deducting costs incurred by the Shire.

It is the Shire's intention to utilise the funds held in the abovementioned reserves for the purpose of not utilising Overdraft Facilities from time to time during the financial year. The benefit to the Shire is that it reduces financing costs.

**SHIRE OF NGAANYATJARRAKU
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)	0	4,353,473
Cash - Restricted Reserves	15(a)	880,724	852,724
Receivables		250,000	895,201
Inventories		80,000	87,880
		<u>1,210,724</u>	<u>6,189,278</u>
LESS: CURRENT LIABILITIES			
Trade and Other Payables		(169,522)	(221,652)
Provisions		(160,478)	(160,478)
		<u>(330,000)</u>	<u>(382,130)</u>
NET CURRENT ASSET POSITION		880,724	5,807,148
Less: Cash - Restricted Reserves	15(a)	(880,724)	(852,724)
ESTIMATED SURPLUS C/FWD		<u><u>0</u></u>	<u><u>4,954,424</u></u>

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

The estimated zero balance c/fwd in the 2015/16 budget column represents a balanced budget as at 30 June 2016.

**SHIRE OF NGAANYATJARRAKU
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								
UV	0.180000	58	1,230,595	322,479	0	0	322,479	285,549
Sub-Totals		58	1,230,595	322,479	0	0	322,479	285,549
Minimum Payment								
UV	220	2	2,993	440	0	0	440	27,537
Sub-Totals		2	2,993	440	0	0	440	27,537
Discounts (Note 12)							0	0
Exgratia Rates							64,882	64,882
Ngaanyatjarra Community								
Total Amount Raised from General Rate							387,801	377,968
Total Rates							387,801	377,968

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

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

All land except exempt land in the Shire of Ngaanyatjarraku is rated according to its Unimproved Value.

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

9. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

It is not the intention of the council to raise a specified area rate during the financial year ended 30 June 2016.

10. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

It is not the intention of the council to raise a service charge during the financial year ended 30 June 2016.

11. FEES & CHARGES REVENUE	2015/16 Budget \$	2014/15 Actual \$
Governance	1,500	238
Health	1,800	0
Education and Welfare	3,000	576
Housing	17,500	23,175
Community Amenities	79,500	78,062
Recreation and Culture	147,000	139,700
Economic Services	3,886	3,045
Other Property and Services	5,050	0
	<u>259,236</u>	<u>244,796</u>

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

The council does not intend to offer any discounts, incentives, concessions or write offs.

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

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

The council has not imposed any administration charges on rates paid by instalments. 11% interest will be applied on all overdue rates, which will start accruing after the due date of annual rates, instalments and interim rates. Interest will continue to accrue until the outstanding amount is paid.

Outstanding Rates

Rate accounts that remain outstanding after the due date will be recovered with legal action.

Where such action is instigated, ALL costs incurred by Council will be added to the outstanding rates balances.

Option 1 (Full Payment)

Full amount of rates and charges including arrears, to be paid on or before 31 December 2015 or 35 days after the date of service appearing on the rate notice whichever is the later.

Option 2 (Two Instalments)

First instalment to be received on or before 31 December 2015 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and half the current rates and service charges.

Second instalment to be made on or before 29 February 2016

Option 3 (Four Instalments)

First instalment to be received on or before 31 December 2015 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and one quarter of the current rates and service charges.

Second instalment to be made on or before 29 February 2016, third instalment to be made on or before 30 April 2016 and the fourth instalment to be made on or before 30 June 2016.

14. ELECTED MEMBERS REMUNERATION	2015/16 Budget \$	2014/15 Actual \$
The following fees, expenses and allowances were paid to council members and/or the president.		
Meeting Fees		
- Ordinary Council Meetings (\$175 per Councillor, \$350 Shire President and Deputy Shire President).	18,000	11,725
- Committee Meetings	3,000	630
- Other Meetings (Special Meetings \$90 all members).	3,000	0
Annual Local Government Allowance		
- President's Allowance	4,000	3,375
- Deputy President's Allowance	1,000	1,000
Travelling Expenses	20,000	12,908
	<u>49,000</u>	<u>29,638</u>

SHIRE OF NGAANYATJARRAKU
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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	0	4,353,473	534,489
Cash - Restricted	880,724	852,724	1,556,863
	<u>880,724</u>	<u>5,206,197</u>	<u>2,091,352</u>

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

Asset Replacement, Acquisition & Development Reserv	812,303	786,303	1,490,190
Cultural Centre Reserve	68,421	66,421	66,673
	<u>880,724</u>	<u>852,724</u>	<u>1,556,863</u>

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

Net Result	569,814	4,786,350	1,845,396
Depreciation	1,072,196	1,040,967	1,135,600
(Profit)/Loss on Sale of Asset	(46,272)	0	0
(Increase)/Decrease in Receivables	645,201	(496,664)	150,000
(Increase)/Decrease in Inventories	7,880	0	0
Increase/(Decrease) in Payables	(52,130)	(76,275)	336,184
Increase/(Decrease) in Employee Provisions	0	0	41,762
Grants/Contributions for the Development of Assets	(4,760,014)	(2,196,668)	(2,363,716)
Net Cash from Operating Activities	<u>(2,563,325)</u>	<u>3,057,710</u>	<u>1,145,226</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft Limit	0	0	0
Bank Overdraft at Balance Date	0	0	0
Credit Card Limit	7,000	7,000	4,000
Credit Card Balance at Balance Date	0	0	0
Total Amount of Credit Unused	<u>7,000</u>	<u>7,000</u>	<u>4,000</u>

Loan Facilities

Loan Facilities in use at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

**SHIRE OF NGAANYATJARRAKU
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16. TRUST FUNDS

It is not anticipated there will be any funds held by the local government over which it has not control and which will not be included in the financial statements during the year 2015/16.

17. MAJOR LAND TRANSACTIONS

It is not anticipated the Shire will participate in any major land transactions during the 2015/16 financial year.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated the Shire will participate in any trading undertakings or major trading undertakings during the 2015/16 financial year.