

Shire of Lake Grace



Special Council Meeting

# Minutes

29 July 2015

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## **SHIRE OF LAKE GRACE**

Minutes of the Special Meeting of Council held at Council Chambers, 1 Bishop St Lake Grace on Wednesday 29 July 2015. The purpose of the meeting was to adopt the 2015/16 Budget.

### **1.0 OPENING & ANNOUNCEMENT OF VISITORS**

The Chairperson (Shire President) opened the meeting at 3.00 pm.

### **2.0 ATTENDANCE RECORD**

#### **2.1 PRESENT**

Cr AJ Walker	Shire President
Cr JF De Landgraft	Deputy Shire President
Cr LW Armstrong	
Cr R Chappell	
Cr SG Hunt	
Cr DP Sinclair	
Cr MG Stanton	

#### **In Attendance**

Mr NA Hale	Chief Executive Officer
Mr P Dittrich	A/Manager Corporate Services
Mr L Shopov	Manager Infrastructure Services
Mrs L Holben	Manager Community Services
Mrs J Bennett	Executive Assistant

#### **2.2 APOLOGIES**

None

#### **2.3 LEAVE OF ABSENCE PREVIOUSLY GRANTED**

##### **Cr Marshall - Motion 12032 May 2015**

- Cr Marshall has approved leave of absence from 20 July to 25 August 2015.

##### **Cr Clarke – Motion 12062 July 2015**

- Cr Clarke has approved leave of absence from 24 July to 5 August 2015.

### **3.0 PUBLIC QUESTION TIME**

No members of the public present

### **4.0 DECLARATIONS OF INTEREST**

#### **4.1 DECLARATIONS OF FINANCIAL INTEREST – LOCAL GOVERNMENT ACT SECTION 5.60A**

#### **4.2 DECLARATIONS OF PROXIMITY INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60B**

#### **4.3 DECLARATIONS OF IMPARTIALITY INTEREST – ADMINISTRATION REGULATION SECTION 34C**

Cr Chappell – Item 5.1

**5.0 MATTERS FOR CONSIDERATION**

*Cr Chappell disclosed an interest of impartiality in Item 5.1 in that his wife is a Shire employee.*

**5.1 2015/16 BUDGET ADOPTION**

Resolution

**MOTION 12085**

Moved Cr Chappell  
Seconded Cr De Landgraftt

That, as per clause 16.1 of the Shire of Lake Grace Standing Orders Local Law, Standing Orders be suspended at this time being 3.10 pm, to allow discussion on the 2015/16 Draft Budget.

**MOTION CARRIED 7/0**

Resolution

**MOTION 12086**

Moved Cr Chappell  
Seconded Cr Hunt

That Standing Orders resume at this time being 3.27 pm

**MOTION CARRIED 7/0**

<b>Applicant:</b>	Chief Executive Officer
<b>File No.</b>	0756
<b>Attachments:</b>	No 1 2015/16 Statutory Budget No 2 Schedules No 3 Fees & Charges
<b>Author:</b>	Mr Peter Dittrich  A/Manager Corporate Services
<b>Disclosure of Interest:</b>	Nil
<b>Date of Report:</b>	28 July 2015
<b>Senior Officer:</b>	Mr Neville Hale  Chief Executive Officer

Summary

For Council to consider and adopt the Municipal Fund Budget for the 2015/16 financial year together with supporting schedules, including the striking of the municipal fund rates, establishment of new reserve funds, setting of elected member's fees for the year, and other consequential matters arising from the budget papers.

Background

The 2015/16 budget has been compiled on the principles contained in the revised Strategic (Community) Plan and other informing documents including the Forward Capital Works Plan, Five Year Road Program and Asset Management Plan.

The 2015/16 budget has been prepared in accordance with the presentations made to Councillors at the budget workshops held in May, June and July.

Comment

The budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and *Australian Accounting Standards*. The main features of the draft budget include:

- The budget has been prepared with a 3.23 % increase in the total of all rate income to align with the forward financial plans contained in the Strategic Plan and other supporting plans.
- General Fees and charges have increased by 3% (CPI) with some variation for rounding. Statutory fees and charges such as those for Town Planning are as per legislative requirements.
- Household and commercial waste charges are proposed to increase in the range of 3% to meet the cost of waste facility management.
- Capital works totalling \$4.8M is planned. Expenditure on road infrastructure (\$2.5M) is a major component of this spending along with plant replacement (\$1.2M).
- A new Reserve for the provision of essential medical services (\$150K) will be established.
- An estimated surplus of \$1.873M is anticipated to be brought forward from 30 June 2015 following the early payment of the 2015/16 Federal Assistance Grants. However this is unaudited and may change. Any change will be addressed as part of a future budget review.
- Principal grant funding income for the year is estimated from:

	\$
MRWA – general contribution	248,400
Grants Commission General	497,961
Grants Commission Roads	571,197
Regional Road Group (MRWA)	330,000
Roads to Recovery	1,052,710

Legal Implications

Section 6.2 of the *Local Government Act 1995* requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt, (Absolute Majority required) in the form and manner prescribed, a budget for its municipal fund for the financial year ending 30 June of the next year.

- *Local Government (Functions and General) Regulations 1996*
- *Cemeteries Act 1986*
- *Waste Avoidance and Resources Recovery Act 2007*
- *Local Government (Miscellaneous Provisions) Act 1960*
- *Australian Accounting Standards*

Policy Implications

N/A

Consultation

Internal                      Staff  
   Council

External                      Community groups (and Councillors) have had the opportunity to submit budget requests

Financial Implications

The Budget document establishes activities which the Shire will pursue during the 2015/16 financial year.

Strategic Implications

Nil

Voting Requirements

Absolute majority (5) required.

Recommendation/Resolution

**MOTION 12087**

Moved Cr Chappell

Seconded Cr De Landgraft

1. That Council adopt all recommendations in parts A to J as follows as its budget for 2015/16:

**PART A - MUNICIPAL FUND BUDGET FOR 2015/16**

Pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, the Council adopt the Municipal Fund Budget as contained in Attachment 1 of this agenda for the Shire of Lake Grace for the 2015/16 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type on page 2 showing a net result for that year of (\$802,026).
- Statement of Comprehensive Income by Program on page 3 showing a net result for that year of (\$802,026).
- Statement of Cash Flows on page 5.
- Rate Setting Statement on page 6 showing an amount required to be raised from rates of \$2,698,669 which includes Ex Gratia rates of \$53,487 and interim rates of \$823.
- Notes to and Forming Part of the Budget.
- Budget schedules as detailed in Attachment 2.
- Transfers to/from Reserve accounts as detailed in Note 6 of Attachment 1.

**PART B – GENERAL AND MINIMUM RATES, INSTALMENT PAYMENT ARRANGEMENTS**

1. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, Council, pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*, impose the following general and minimum rates on Gross Rental and Unimproved Values.

**MOTION 12087 continued:**

## 1.1 General Rates

Gross Rental Value (GRV)	8.9660 cents in the dollar
Rural (UV)	0.86130 cents in the dollar

## 1.2 Minimum Rates

Gross Rental Value (GRV)	\$400
Unimproved Value (UV)	\$400

2. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64 (2) of the *Local Government (Financial Management) Regulations 1996*, Council nominates the following due dates for payment in full or by instalments:

- Full payment and 1<sup>st</sup> instalment due date 11 September 2015
- 2<sup>nd</sup> half instalment due date 15 January 2016
- 2<sup>nd</sup> quarterly instalment due date 13 November 2015
- 3<sup>rd</sup> quarterly instalment due date 15 January 2016
- 4<sup>th</sup> quarterly & final instalment due date 15 March 2016

3. Pursuant to Section 6.46 of the *Local Government Act 1995*, Council does not undertake to offer discount for payment of rates within the 35 days after the date of issue of rates notices.

4. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 67 if the *Local Government (Financial Management) Regulations 1996*, Council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$11 for each instalment after the initial instalment is paid.

5. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 68 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.

6. Pursuant to section 6.51 (1) and subject to section 6.51 (4) of the *Local Government Act 1995* and regulation 70 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 11% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

**PART C – RESERVE FUNDS – NEW RESERVES ESTABLISHED**

Pursuant to section 6.11 of the *Local Government Act 1995* a Essential Medical Services Reserve be established. The purpose of the reserve is as follows:

- Essential Medical Services

To be used to meet expenditure relating to the provision of future essential medical services.

**PART D – GENERAL FEES AND CHARGES FOR 2015/16**

Pursuant to section 6.16 of the *Local Government Act 1995*, Council adopts the Fees and Charges as per Attachment 3 of this Agenda.



**MOTION 12087 continued****PART E – OTHER STATUTORY FEES FOR 2015/16**

1. Pursuant to Part 7 Local Government Planning Charges *Planning and Development Regulations 2009* that Council adopts the Fees and Charges for Planning Services within the Shire of Lake Grace as included in Attachment 3 of this Agenda.

2. Pursuant to section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, Council adopt the following charges for the removal and deposit of domestic and commercial waste:

**Refuse Removal Charges**

Lake Grace Weekly Kerbside Collection (per year)	\$124.00 (GST Free)
Newdegate Weekly Kerbside Collection (per year)	\$124.00 (GST Free)
Lake King Weekly Kerbside Collection (per year)	\$124.00 (GST Free)
Varley Weekly Kerbside Collection (per year)	\$124.00 (GST Free)

Pensioners Discount (Refuse Collection 1 <sup>st</sup> Bin)	50%
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(As determined by the *Pensioners (Rates, Rebates and Deferments) Act 1995*)

Additional Lake Grace Weekly Kerbside Collection (per year)	\$109.00 (Inc GST)
Additional Newdegate Weekly Kerbside Collection (per year)	\$109.00 (Inc GST)
Additional Lake King Weekly Kerbside Collection (per year)	\$109.00 (Inc GST)
Additional Varley Weekly Kerbside Collection (per year)	\$109.00 (Inc GST)

**Recycling Collection**

Lake Grace Fortnightly Kerbside Collection (per year)	\$128.00 (GST Free)
Newdegate Fortnightly Kerbside Collection (per year)	\$128.00 (GST Free)

4. Pursuant to section 67 of the *Waste Avoidance and Resources Recovery Act 2007* and section 6.16 of the *Local Government Act 1995* Council adopt the following charges for the deposit of commercial waste:

Trade and Other Refuse (per m3)	\$79.00 (Inc GST)
Commercial (per m <sup>3</sup> )	\$11.00 (Inc GST)
Asbestos Disposal (per m3)	\$95.00 (Inc GST)

**PART F – ELECTED MEMBERS FEES AND ALLOWANCES FOR 2015/16**

Pursuant to the *Salaries and Allowances Act 1975*, section 5.99 of the Local Government Act 1995 and regulation 34 of the Local Government (Administration) Regulations 1996 Council adopt the following annual fees for payment to elected members:

President Allowance	\$11,112
Deputy President Allowance	\$2,778

**Council Sitting Fees**

President	\$340 per meeting attended
Councillors	\$170 per meeting attended

**Committee Meeting Sitting Fees**

Elected Members	\$85 per meeting attended
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*Note: The committee meeting sitting fee only applies if the committee is a committee of council.*

**MOTION 12087 continued****PART G – MATERIAL VARIANCE REPORTING FOR 2015/16**

In accordance with regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, and *AASB 1031 Materiality*, the level to be used in statements of financial activity shall be 10% or \$5,000 whichever is the greater.

**PART H – SPECIFIED AREA RATES**

That in accordance with section 6.37 of the *Local Government Act 1995* the specified area rates to recoup costs of recreation and culture operating expenses for the Lake Grace, Newdegate, Lake King and Varley area being \$575,077, \$248,618, \$93,589 and \$58,395 respectively for the 2015/16 rating year be raised on those properties identified as being within the specified area as follows:

Sport & Recreation	Cents in the \$	Basis of Rate	Rateable Value	2015/16 Budgeted Revenue
Varley	3.5015	GRV	116,719	4,087
Varley	0.1607	UV	33,805,000	54,308
Lake King	2.3369	GRV	240,231	5,614
Lake King	0.1607	UV	54,752,500	87,975
Newdegate	5.3383	GRV	695,211	37,112
Newdegate	0.2137	UV	98,990,000	211,506
Lake Grace	6.1481	GRV	2,899,536	178,266
Lake Grace	0.4971	UV	79,822,200	396,811
			Total	975,679

**PART J – SEWERAGE CHARGES**

That the rates for the Lake Grace Sewerage Scheme for 2015/16 rating year be based on the schedule of rates approved by Cabinet in respect to subsidised sewerage schemes, being:

	Rate in \$ or Charge	Basis of Rate	Rateable Value	2015/16 Budgeted Revenue \$
<b>Lake Grace Sewerage</b>				
Residential	4.5812	GRV	1,956,050	89,611
Commercial	4.5812	GRV	618,713	28,344
Vacant	4.5812	GRV	112,801	5,168
1st Major Fixture	231.71	GRV		6,950
Additional Fixtures	101.93	GRV		4,647
			<b>Total</b>	134,720

**MOTION CARRIED BY ABSOLUTE MAJORITY 7/0**

**6.0 CLOSURE**

There being no further business, the Chairperson closed the meeting at 3.27 pm.

**7.0 CERTIFICATION**

I Andrew James Walker certify that the minutes of the special meeting held on the 29 July 2015 as shown were confirmed as a true record at the meeting held on the 26 August 2015.

\_\_\_\_\_

Chairman

\_\_\_\_\_

Date

**SHIRE OF LAKE GRACE**  
**BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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**SHIRE OF LAKE GRACE  
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 \$
<b>Revenue</b>				
Rates	8	3,863,327	3,742,467	3,756,484
Operating Grants, Subsidies and Contributions		1,785,678	4,193,936	2,510,028
Fees and Charges	11	303,605	300,005	350,790
Service Charges	10	0	0	0
Interest Earnings	2(a)	101,755	130,978	97,899
Other Revenue	2(a)	181,795	213,837	624,878
		<u>6,236,160</u>	<u>8,581,223</u>	<u>7,340,079</u>
<b>Expenses</b>				
Employee Costs		(2,388,261)	(1,351,057)	(1,933,146)
Materials and Contracts		(1,760,345)	(2,329,871)	(2,247,710)
Utility Charges		(201,301)	(256,590)	(316,233)
Depreciation on Non-Current Assets	2(a)	(3,456,432)	(2,366,792)	(2,392,378)
Interest Expenses	2(a)	(101,604)	(117,586)	(122,614)
Insurance Expenses		(337,907)	(279,266)	(250,009)
Other Expenditure		(85,270)	(91,283)	(122,274)
		<u>(8,331,120)</u>	<u>(6,792,445)</u>	<u>(7,384,364)</u>
		(2,094,960)	1,788,778	(44,285)
Non-Operating Grants, Subsidies and Contributions		1,457,199	1,611,651	2,437,070
Profit on Asset Disposals	3	0	2,368	118,000
Loss on Asset Disposals	3	(164,265)	(47,370)	0
<b>NET RESULT</b>		<b>(802,026)</b>	<b>3,355,427</b>	<b>2,510,785</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-Current Assets		0	0	0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>(802,026)</u></b>	<b><u>3,355,427</u></b>	<b><u>2,510,785</u></b>

**Notes:**

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets 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 LAKE GRACE  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Budget	2014/15 Actual	2014/15 Budget
<b>Revenue (Refer Notes 1,2,8 to 13)</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
Governance		49,992	83,264	39,757
General Purpose Funding		3,943,452	6,187,673	5,020,974
Law, Order, Public Safety		54,145	53,442	137,485
Health		11,600	2,859	1,000
Education and Welfare		0	0	0
Housing		33,051	36,381	19,960
Community Amenities		349,239	298,814	256,069
Recreation and Culture		1,023,834	1,075,597	1,007,111
Transport		286,900	288,223	263,320
Economic Services		44,036	116,521	533,861
Other Property and Services		73,240	87,569	60,542
		<u>5,869,489</u>	<u>8,230,343</u>	<u>7,340,079</u>
<b>Expenses Excluding Finance Costs (Refer Notes 1,2 &amp; 14)</b>				
Governance		(469,665)	(358,513)	(431,137)
General Purpose Funding		(271,485)	(259,370)	(497,428)
Law, Order, Public Safety		(250,768)	(269,093)	(330,578)
Health		(314,383)	(280,023)	(361,698)
Education and Welfare		0	0	0
Housing		(138,536)	(119,964)	(148,591)
Community Amenities		(772,639)	(650,151)	(749,004)
Recreation and Culture		(1,481,488)	(1,342,956)	(1,613,998)
Transport		(3,946,644)	(2,917,423)	(2,580,198)
Economic Services		(520,250)	(437,836)	(537,349)
Other Property and Services		(63,658)	(39,530)	(11,768)
		<u>(8,229,516)</u>	<u>(6,674,859)</u>	<u>(7,261,750)</u>
<b>Finance Costs (Refer Notes 2 &amp; 5)</b>				
Governance		(21,263)	(22,134)	(22,606)
General Purpose Funding		0	0	(1,288)
Law, Order, Public Safety		(58)	(244)	(287)
Health		(6,753)	(7,962)	(7,962)
Education and Welfare		0	0	0
Housing		(5,280)	(11,115)	(11,287)
Community Amenities		(192)	(359)	(436)
Recreation and Culture		(34,230)	(37,422)	(37,756)
Transport		(13,675)	(14,987)	(15,004)
Economic Services		(16,772)	(23,363)	(25,988)
Other Property and Services		(3,381)	0	0
		<u>(101,604)</u>	<u>(117,586)</u>	<u>(122,614)</u>
<b>Non-operating Grants, Subsidies and Contributions</b>				
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	0	0
Health		0	0	0
Education and Welfare		0	0	0
Housing		337,768	752,232	1,165,000
Community Amenities		0	0	0
Recreation and Culture		71,392	349,435	427,112
Transport		1,382,710	810,995	795,000
Economic Services		32,000	49,868	49,958
Other Property and Services		0	0	0
		<u>1,823,870</u>	<u>1,962,530</u>	<u>2,437,070</u>

**SHIRE OF LAKE GRACE  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>Profit/(Loss) On</b>				
<b>Disposal Of Assets (Refer Note 3)</b>				
Governance		(16,914)	(20,125)	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		(3,084)	0	0
Health		0	(6,975)	10,000
Education and Welfare		0	0	0
Housing		0	0	0
Community Amenities		0	(178)	0
Recreation & Culture		0	0	0
Transport		(144,267)	(20,091)	108,000
Economic Services		0	2,368	0
Other Property and Services		0	0	0
		<u>(164,265)</u>	<u>(45,001)</u>	<u>118,000</u>
<b>NET RESULT</b>		<b>(802,026)</b>	<b>3,355,427</b>	<b>2,510,785</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-Current Assets		0	0	0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>(802,026)</u></b>	<b><u>3,355,427</u></b>	<b><u>2,510,785</u></b>

**Notes:**

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets 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 LAKE GRACE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		3,887,820	3,786,061	3,759,772
Operating Grants, Subsidies and Contributions		1,963,157	4,275,412	2,491,843
Fees and Charges		303,605	300,004	350,790
Service Charges		0	0	0
Interest Earnings		101,755	130,978	97,899
Goods and Services Tax		44,352	46,369	450,000
Other Revenue		181,795	622,990	624,879
		<u>6,482,484</u>	<u>9,161,814</u>	<u>7,775,183</u>
<b>Payments</b>				
Employee Costs		(2,583,476)	(1,419,594)	(2,021,516)
Materials and Contracts		(1,344,644)	(2,379,753)	(2,498,515)
Utility Charges		(201,301)	(256,590)	(316,233)
Interest Expenses		(105,354)	(121,253)	(250,009)
Insurance Expenses		(337,907)	(279,266)	378,450
Goods and Services Tax		0	(44,346)	(450,000)
Other Expenditure		(85,270)	(91,283)	(129,307)
		<u>(4,657,952)</u>	<u>(4,592,085)</u>	<u>(5,287,130)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>1,824,532</u>	<u>4,569,729</u>	<u>2,488,053</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	4	0	0	0
Payments for Purchase of Property, Plant & Equipment	4	(1,973,088)	(2,135,898)	(3,285,095)
Payments for Construction of Infrastructure	4	(2,829,199)	(2,119,210)	(2,191,899)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,457,199	1,611,651	2,437,070
Proceeds from Sale of Plant & Equipment	3	306,800	172,593	331,000
<b>Net Cash Used in Investing Activities</b>		<u>(3,038,288)</u>	<u>(2,470,864)</u>	<u>(2,708,924)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	(241,908)	(687,086)	(687,118)
Advances to Community Groups		0	(110,000)	(110,000)
Proceeds from Self Supporting Loans		29,503	18,283	18,255
Proceeds from New Debentures	5	0	110,000	110,000
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(212,405)</u>	<u>(668,803)</u>	<u>(668,863)</u>
<b>Net Increase (Decrease) in Cash Held</b>		(1,426,161)	1,430,062	(889,734)
Cash at Beginning of Year		<u>3,680,658</u>	<u>2,250,596</u>	<u>2,233,004</u>
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u>2,254,497</u>	<u>3,680,658</u>	<u>1,343,270</u>

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



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

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>Revenue</b>	1,2			
Governance		49,992	83,264	39,757
General Purpose Funding		1,190,524	3,515,766	2,344,398
Law, Order, Public Safety		54,145	53,442	137,485
Health		11,600	2,859	11,000
Education and Welfare		0	0	0
Housing		370,819	788,613	1,184,960
Community Amenities		349,239	298,814	256,069
Recreation and Culture		1,095,226	1,425,032	1,434,223
Transport		1,669,610	1,099,218	1,166,320
Economic Services		76,036	168,757	583,819
Other Property and Services		73,240	87,569	60,542
		<u>4,940,431</u>	<u>7,523,334</u>	<u>7,218,573</u>
<b>Expenses</b>	1,2			
Governance		(507,842)	(400,772)	(453,743)
General Purpose Funding		(271,485)	(259,370)	(498,716)
Law, Order, Public Safety		(253,910)	(269,337)	(330,865)
Health		(321,136)	(294,960)	(369,660)
Education and Welfare		0	0	0
Housing		(143,816)	(131,079)	(159,878)
Community Amenities		(772,831)	(650,688)	(749,440)
Recreation and Culture		(1,515,718)	(1,380,378)	(1,651,754)
Transport		(4,104,586)	(2,952,501)	(2,595,202)
Economic Services		(537,022)	(461,199)	(563,338)
Other Property and Services		(67,039)	(39,530)	(11,768)
		<u>(8,495,385)</u>	<u>(6,839,814)</u>	<u>(7,384,364)</u>
<b>Net Result Excluding General Rates</b>		(3,554,954)	683,520	(165,791)
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	4	164,265	45,002	(118,000)
Depreciation on Assets	2(a)	3,456,432	2,366,792	2,392,378
Movement in Non-Current Staff Leave Provisions		30,022	(16,514)	
<b>Capital Expenditure and Revenue</b>				
Purchase Land held for resale	3	0	0	0
Purchase Property, Plant and Equipment	3	(1,973,088)	(2,135,898)	(3,285,095)
Purchase Infrastructure	3	(2,829,199)	(2,119,210)	(2,191,899)
Proceeds from Disposal of Assets	4	306,800	172,593	331,000
Repayment of Debentures	5	(241,908)	(687,086)	(687,118)
Proceeds from New Debentures	5	0	110,000	110,000
Payment to Community			(110,000)	(110,000)
Self-Supporting Loan Principal Income		29,503	18,283	18,255
Transfers to Reserves (Restricted Assets)	6	(255,358)	(364,906)	(134,167)
Transfer to Restricted Cash (other)			(261,511)	
SEC Current Income			4,545	
Transfers from Reserves (Restricted Assets)	6	294,457	266,044	416,425
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	1,873,587	1,229,930	747,438
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	1,873,587	0
<b>Amount Required to be Raised from General Rate</b>	8	<u>(2,699,441)</u>	<u>(2,672,003)</u>	<u>(2,676,574)</u>

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Fixed Assets (Continued)**

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

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

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

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

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

***Capitalisation Threshold***

Expenditure on items of equipment under \$ 1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

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

When performing a revaluation, the 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 LAKE GRACE  
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 LAKE GRACE  
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 LAKE GRACE  
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 LAKE GRACE  
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 LAKE GRACE  
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 LAKE GRACE**  
**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 LAKE GRACE  
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 LAKE GRACE**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

<b>2. REVENUES AND EXPENSES</b>	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>	<b>2014/15 Budget \$</b>
<b>(a) Net Result</b>			
The Net Result includes:			
(i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	30,000	41,515	27,000
Other Services	3,500		
<b>Depreciation</b>			
<b><u>By Program</u></b>			
Governance	94,320	65,394	94,315
General Purpose Funding		0	0
Law, Order, Public Safety	45,145	54,204	23,992
Health	15,005	54,165	73,015
Education and Welfare	0	0	0
Housing	83,390	79,392	83,363
Community Amenities	59,555	60,126	39,374
Recreation and Culture	572,138	333,523	569,729
Transport	2,337,080	1,479,108	1,303,103
Economic Services	28,100	28,464	20,521
Other Property and Services	221,699	212,416	184,967
	<u>3,456,432</u>	<u>2,366,792</u>	<u>2,392,378</u>
<b><u>By Class</u></b>			
Land and Buildings	466,657	402,622	304,000
Furniture and Equipment	60,878	29,675	60,878
Plant and Equipment	410,000	296,350	410,000
Roads	2,300,000	1,425,624	1,407,500
Footpaths	0		0
Drainage	218,897	212,521	210,000
	<u>3,456,432</u>	<u>2,366,792</u>	<u>2,392,378</u>
<b>Interest Expenses (Finance Costs)</b>			
- Finance Lease Charges		0	0
- Interest on Overdraft			1,288
- Debentures (refer note 5(a))	101,604	117,586	121,326
Other			
	<u>101,604</u>	<u>117,586</u>	<u>122,614</u>
(ii) Crediting as Revenues:			
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	33,100	52,830	61,800
- Other Funds	25,200	41,269	20,649
Other Interest Revenue (refer note 13)	43,455	36,879	15,450
	<u>101,755</u>	<u>130,978</u>	<u>97,899</u>
(iii) <b>Other Revenue</b>			
Reimbursements and Recoveries	106,595	96,125	
Other	75,200	117,712	624,878
	<u>181,795</u>	<u>213,837</u>	<u>624,878</u>

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

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

**(b) Statement of Objective**

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

**COMMUNITY VISION**

The Shire of Lake Grace will be a prosperous, sustainable and healthy place to live where:

- people feel connected, valued and supported;
- quality leadership is demonstrated;
- industries and infrastructure are vibrant and responsive; and
- the environment is well-understood, managed and flourishing.

**GOVERNANCE**

**Objective:**

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

**Activities:**

Administration and operation of facilities and services to members of Council.  
Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Rating, General Purpose Government Grants and the earning of interest.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

To provide bushfire prevention services and animal (dog) control services.

**Activities:**

Supervision, enforcement of Bushfire Act and Dog Act.

**HEALTH**

**Objective:**

To provide for an operational framework for good community health in conjunction with the Health Department of WA.

**Activities:**

Health Inspection Services regarding food quality, pest control etc. and the provision of Doctor and Dental Surgery facilities and Child Health Clinics.

**HOUSING**

**Objective:**

To help to ensure that adequate housing is available to staff and the community.

**Activities:**

Provision and maintenance of Aged Persons units and Community accommodation (Joint Venture and LOGCHOP) units.

**SHIRE OF LAKE GRACE  
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 community amenities and other infrastructure as required by the community.

**Activities:**

Rubbish collection and disposal, maintenance of rubbish tips and chemical drum recycling. Administration of Town Planning Schemes for the four townsites within the Shire and the whole of the Shire including the provision of residential, commercial and industrial land, townscaping facilities and the maintenance of cemeteries for each town.

**RECREATION AND CULTURE**

**Objective:**

To establish and manage efficiently sport and recreation infrastructure and resources which will help the social wellbeing and the health of the various communities of the Shire.

**Activities:**

The provision and maintenance, in conjunction with the various communities, of public halls, recreation grounds, sports pavilions etc, the Lake Grace Swimming Pool and the operation of public libraries in conjunction with the Education Department.

**TRANSPORT**

**Objective:**

To provide efficient and effective transport infrastructure to the community.

**Activities:**

Construction and maintenance of streets, roads, bridges; the cleaning and lighting of streets and the maintenance of Council depots and aerodromes.

**ECONOMIC SERVICES**

**Objective:**

To help promote the Shire and improve its economic wellbeing.

**Activities:**

The regulation and provision of tourism, area promotion activities, building control, noxious weeds and the provision of water standpipes.

**OTHER PROPERTY & SERVICES**

**Objective:**

To provide other services etc. not elsewhere included.

**Activities:**

Private works operations, council plant repairs and operation costs.



**SHIRE OF LAKE GRACE  
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.

<b><u>By Program</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	2015/16 BUDGET \$	2015/16 BUDGET \$	2015/16 BUDGET \$
<b>Governance</b>			
LG 001	51,240	43,700	(7,540)
LG 139	27,274	17,900	(9,374)
<b>Law Order Public Safety</b>			
CESM Vehicle	28,284	25,200	(3,084)
<b>Transport</b>			
Volvo Grader	139,250	90,000	(49,250)
Daf Truck	109,108	65,000	(44,108)
Daf Truck	115,909	65,000	(50,909)
	471,065	306,800	(164,265)

<b><u>By Class</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	2015/16 BUDGET \$	2015/16 BUDGET \$	2015/16 BUDGET \$
Plant & Equipment	471,065	306,800	(164,265)
	471,065	306,800	(164,265)

**Summary**

Profit on Asset Disposals  
Loss on Asset Disposals

**2015/16  
BUDGET  
\$**

(164,265)  
(164,265)

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

**4. ACQUISITION OF ASSETS**

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

Asset Class	Reporting Program											Total \$
	Governance \$	General Purpose Funding \$	Law, Order, Public Safety \$	Health \$	Education and Welfare \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Economic Services \$	Other Property and Services \$	
<i>Property, Plant and Equipment</i>												
Land and Buildings				69,010		401,629		277,244			48,710	796,593
Furniture and Equipment	7,140											7,140
Plant and Equipment	96,239								1,067,116		6,000	1,169,355
<i>Infrastructure</i>												
Roads									2,571,882			2,571,882
Footpaths									62,000			62,000
Drainage							95,317					95,317
Sewerage							100,000					100,000
	<b>103,379</b>	<b>0</b>	<b>0</b>	<b>69,010</b>	<b>0</b>	<b>401,629</b>	<b>195,317</b>	<b>277,244</b>	<b>3,700,998</b>	<b>0</b>	<b>54,710</b>	<b>4,802,287</b>

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

<b>ACQUISITION OF ASSETS</b>	<b>2014/15 Budget \$</b>	
The following assets are budgeted to be acquired during the year:		
<b><u>By Program</u></b>		
<b>Governance</b>		
Renewal: CEO Vehicle	56,573	
Renewal: MCRS Vehicle	39,666	
Renewal: Council Chambers	7,140	<b>103,379</b>
<b>Health</b>		
Renewal: Lake Grace Medical Centre	58,010	
Renewal: 8 Wattle Drive	11,000	<b>69,010</b>
<b>Housing</b>		
New: Newdegate Independent Living Units	401,629	<b>401,629</b>
<b>Community Amenities</b>		
New: Lake Grace Stormwater Harvest	95,317	
Upgrade: Lake Grace Sewerage Network	100,000	<b>195,317</b>
<b>Recreation &amp; Culture</b>		
Renewal & Upgrade: Lake Grace Swimming Pool	30,000	
Renewal: Varley Public Hall	26,000	
Renewal: Newdegate Recreation Centre	21,500	
Upgrade & Renewal: LG Sporting Precinct	51,000	
Upgrade: Lake King Tractor Museum	32,825	
Upgrade: Newdegate Lesser Hall	115,919	<b>277,244</b>
<b>Transport</b>		
New: Lake Grace Footpath	25,000	
New: Newdegate Footpath	25,000	
Renewal: Footpaths	12,000	
Renewal: Varley South Road	151,374	
Renewal: Newdegate North Road	102,242	
Renewal: Willcocks Road	58,480	
Renewal: Brookfield Road	40,641	
Renewal: Fourteen Mile Road	58,047	
Renewal: Mallee Hill Road	56,661	
Renewal: Bidy Camm Road	54,008	
Renewal: Creek Road	47,696	
Renewal: Hogan Road	55,287	
Renewal: Mt Vernon Road	97,022	
Renewal: North Burngup Road	39,733	
Renewal: Green Road	59,267	
Renewal: Bidy Camm Road	57,115	
Renewal: Pelham Road	59,462	
Renewal: Edwards Road	40,153	
Renewal: Bidy Camm Road	96,727	
Renewal: Hollands Track	58,905	

**SHIRE OF LAKE GRACE**  
**Asset Acquisitions**  
**Budget 2015/16**

**ACQUISITION OF ASSETS (cont)**

Renewal: Fisher Road	59,855	
Renewal: Dunham Road	54,867	
Renewal: Burns Road	58,855	
Renewal: Hogan Road	70,894	
Renewal: Pickernell Road	79,821	
Renewal: Creek Road	57,115	
Renewal: Newman Road	51,341	
Renewal: Mission Road	17,516	
Renewal: Old Ravensthorpe Road	79,366	
Renewal: Orr Road	59,615	
Renewal: Biddy Camm Road-Reseal	99,814	
Renewal: Taylor Road Reseal	24,284	
Renewal: Magenta Road Reseal	70,159	
Renewal: Street Intersections Hotmix Reseal	76,409	
Renewal: Old Ravensthorpe Road (R2R)	35,250	
Renewal: Mission Road (Shire)	38,077	
Upgrade: Holt Rock South Road	241,385	
Upgrade: Jarring South Road	15,836	
Upgrade: West Kuender Road (50)	59,297	
Upgrade: Jarring South Road-floodway 2	45,239	
Upgrade: Biddy Camm Road - floodway 1	19,939	
Upgrade: Biddy Camm Road - floodway 2	19,553	
Renewal: Street Reseals	80,000	
Renewal: Street Signs	5,000	
Renewal: Street Renewal	13,075	
Renewal: Trees	6,500	
Renewal: Works Road Construction Grader LG041	379,746	
Renewal: Truck (replace DAF)	250,000	
Renewal: (Truck Replace DAF)	250,000	
New : Builders Truck	82,370	
Renewal: Trailer	105,000	
		<b>3,700,998</b>

**Economic Services**

**Other Property Services**

Renewal: Tools & Equipment	6,000	
Renewal: 6 Banksia Place	5,300	
Renewal: 5 Banksia Place	5,200	
Renewal: 10b Gumtree Drive	19,105	
Renewal: 10a Gumtree Drive	19,105	
		<b>54,710</b>
		<b>4,802,287</b>

Property Plant and Equipment	1,973,088	
Infrastructure Assets	2,829,199	
	<u>4,802,287</u>	

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

**5. INFORMATION ON BORROWINGS**

**(a) Debenture Repayments**

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

Particulars	Principal 1-Jul-15	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$
<b>Governance</b>								
L175 - CEO's Residence	47,065		10,703	10,064	36,362	47,065	2,777	3,100
L181- Office Redevelopment	322,954		12,722	12,017	310,232	322,954	18,486	19,034
<b>Law, Order, Public Safety</b>								
L195 - CESMO Vehicle	3,627		3,627	7,084	0	3,627	58	244
<b>Health</b>								
L190 - Ngt Medical Centre	125,683		22,430	21,221	103,253	125,683	6,753	7,962
Housing								
L178 - Newdegate Joint Venture	0		0	7,750	0	0	0	259
L184 - Country Housing Auth	38,043		11,759	10,923	26,284	38,043	2,640	3,431
L185 - Country Housing Auth	38,043		11,759	10,923	26,284	38,043	2,640	3,447
Other Property & Services								
L191 - Staff Housing	57,762		10,203	9,606	47,559	57,762	3,381	3,978
<b>Community Amenities</b>								
L180 - Newdegate Toilet	4,453		4,453	4,208	0	4,453	192	359
<b>Recreation and Culture</b>								
L173 - Lake Grace Pool	107,478		10,929	10,327	96,549	107,478	6,015	6,469
L179 - Lake Grace Dam	0		0	5,812	0	0	0	194
L182 - LG Sport Precinct	206,204		11,919	11,199	194,285	206,204	12,867	13,335
L188* - LG Sportsman's Club	48,498		8,567	8,066	39,931	48,498	2,839	3,597
L192 - LG Bowling Club	48,498		8,567	8,066	39,931	48,498	2,839	3,340
L193 - NGT Bowling Club	35,145		4,339	4,139	30,806	35,145	1,625	1,747
L198 - LG Precinct	183,747		16,989	16,253	166,758	183,747	8,045	8,741
<b>Transport</b>								
L196 - Roadworks & Plant	368,777		40,256	38,765	328,521	368,777	13,675	14,987
<b>Economic Services</b>								
L189 - LG Residential Land	168,026		7,147	6,734	160,879	168,026	10,042	10,455
L194 - Water Connection	0		0	0	0	0	0	3,573
L197 - Headworks	0		0	450,000	0	0	0	1,962
L199 - Standpipe Controllers	104,093		24,603	23,712	79,490	104,093	3,646	4,453
L201* - Lake Grace Develop. Assoc.	99,811		20,936	10,217	78,875	99,811	3,084	2,919
	2,007,907	0	241,908	687,086	1,765,999	2,007,907	101,604	117,586

All debenture repayments will be financed by general purpose revenue.

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

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>6. RESERVES</b>			
<b>(a) Community Water Supply Reserve</b>			
Opening Balance	10,962	10,962	10,962
Amount Set Aside / Transfer to Reserve	224	0	0
Amount Used / Transfer from Reserve	0	0	0
	11,186	10,962	10,962
<b>(b) Computer System Upgrade Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	0	0	0
<b>(c) Emergency Services Reserve</b>			
Opening Balance	24,844	24,844	24,844
Amount Set Aside / Transfer to Reserve	503	0	0
Amount Used / Transfer from Reserve	0	0	0
	25,347	24,844	24,844
<b>(d) Housing Reserve</b>			
Opening Balance	30,080	30,080	30,080
Amount Set Aside / Transfer to Reserve	609	0	0
Amount Used / Transfer from Reserve	0	0	0
	30,689	30,080	30,080
<b>(e) Lake Grace Sewerage Scheme Reserve</b>			
Opening Balance	618,712	487,446	487,446
Amount Set Aside / Transfer to Reserve	64,794	131,266	46,174
Amount Used / Transfer from Reserve	(100,000)	0	(4,350)
	583,506	618,712	529,270
<b>(f) Lake Grace Sport and Rec SARS Reserve</b>			
Opening Balance	0	1,951	1,951
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	(1,951)	(1,951)
	0	0	(0)
<b>(g) Lake Grace TV Reserve</b>			
Opening Balance	34,546	34,546	34,546
Amount Set Aside / Transfer to Reserve	700	0	0
Amount Used / Transfer from Reserve	0	0	0
	35,246	34,546	34,546
<b>(h) Lake King Sport and Rec SARS Reserve</b>			
Opening Balance	0	45,473	45,486
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	(45,473)	(45,486)
	0	0	0
<b>(i) Lake King TV Reserve</b>			
Opening Balance	0	0	(13)
Amount Set Aside / Transfer to Reserve	0	0	13
Amount Used / Transfer from Reserve	0	0	0
	0	0	0
<b>Total Reserves C/Fwd</b>	685,974	719,144	629,702

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

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>Total Reserves B/Fwd</b>	<u>685,974</u>	<u>719,144</u>	<u>629,702</u>
<b>(j) Land Development Reserve</b>			
Opening Balance	72,377	26,463	26,463
Amount Set Aside / Transfer to Reserve	1,466	45,914	0
Amount Used / Transfer from Reserve	0	0	0
	<u>73,843</u>	<u>72,377</u>	<u>26,463</u>
<b>(k) Leave Reserve</b>			
Opening Balance	157,888	157,888	157,888
Amount Set Aside / Transfer to Reserve	3,199	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>161,087</u>	<u>157,888</u>	<u>157,888</u>
<b>(l) Newdegate Ground Keeping SAR Reserve</b>			
Opening Balance	15,000	10,000	10,000
Amount Set Aside / Transfer to Reserve	5,304	5,000	5,000
Interest Transferred to Reserve	0	0	0
	<u>20,304</u>	<u>15,000</u>	<u>15,000</u>
<b>(m) Newdegate Hall Reserve</b>			
Opening Balance	234,096	305,793	305,793
Amount Set Aside / Transfer to Reserve	4,743	0	0
Amount Used / Transfer from Reserve	(73,682)	(71,697)	(160,000)
	<u>165,157</u>	<u>234,096</u>	<u>145,793</u>
<b>(n) Newdegate Sport &amp; Rec SARS Reserve</b>			
Opening Balance	0	115,069	115,069
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	(115,069)	(115,069)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(o) Newdegate Sports Dam Reserve</b>			
Opening Balance	15,000	15,000	15,000
Amount Set Aside / Transfer to Reserve	304	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>15,304</u>	<u>15,000</u>	<u>15,000</u>
<b>(p) Newdegate Stadium Floor Reserve</b>			
Opening Balance	7,715	20,000	20,000
Amount Set Aside / Transfer to Reserve	5,156	0	0
Amount Used / Transfer from Reserve	0	(12,285)	(20,000)
	<u>12,871</u>	<u>7,715</u>	<u>0</u>
<b>(q) Newdegate 100 Year Centenary Reserve</b>			
Opening Balance	15,000	10,000	10,000
Amount Set Aside / Transfer to Reserve	5,304	5,000	5,000
Amount Used / Transfer from Reserve	0	0	0
	<u>20,304</u>	<u>15,000</u>	<u>15,000</u>
<b>Total Reserves C/Fwd</b>	<u>1,154,844</u>	<u>1,236,220</u>	<u>1,004,846</u>

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

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>Total Reserves B/Fwd</b>	<u>1,154,844</u>	<u>1,236,220</u>	<u>1,004,846</u>
<b>(r) Newdegate TV Reserve</b>			
Opening Balance	4,227	4,227	4,227
Amount Set Aside / Transfer to Reserve	86	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>4,313</u>	<u>4,227</u>	<u>4,227</u>
<b>(s) Office Furniture &amp; Equipment Reserve</b>			
Opening Balance	12,179	12,179	12,179
Amount Set Aside / Transfer to Reserve	247	0	0
Interest Transferred to Reserve	0	0	0
	<u>12,426</u>	<u>12,179</u>	<u>12,179</u>
<b>(t) Office Redevelopment Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(u) Photocopier Upgrade Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(v) Plant Replacement Reserve</b>			
Opening Balance	313,315	150,589	150,589
Amount Set Aside / Transfer to Reserve	6,348	162,726	62,980
Amount Used / Transfer from Reserve	(120,775)	0	(50,000)
	<u>198,888</u>	<u>313,315</u>	<u>163,569</u>
<b>(w) Recreation Reserve</b>			
Opening Balance	696	696	696
Amount Set Aside / Transfer to Reserve	14	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>710</u>	<u>696</u>	<u>696</u>
<b>(x) Swimming Pool (Lake Grace) Reserve</b>			
Opening Balance	30,401	20,401	20,401
Amount Set Aside / Transfer to Reserve	5,616	10,000	10,000
Amount Used / Transfer from Reserve	0	0	0
	<u>36,017</u>	<u>30,401</u>	<u>30,401</u>
<b>(y) Varley Sport &amp; Rec SARS Reserve</b>			
Opening Balance	0	19,569	19,569
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	(19,569)	(19,569)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Reserves C/Fwd</b>	<u>1,407,198</u>	<u>1,597,038</u>	<u>1,215,918</u>



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

	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>	<b>2014/15 Budget \$</b>
<b>6. RESERVES (Continued)</b>			
<b>Total Reserves B/Fwd</b>	<u>1,407,198</u>	<u>1,597,038</u>	<u>1,215,918</u>
<b>(z) Varley Sullage Reserve</b>			
Opening Balance	1,524	1,524	1,524
Amount Set Aside / Transfer to Reserve	31	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>1,555</u>	<u>1,524</u>	<u>1,524</u>
<b>(aa) Works and Services Reserve</b>			
Opening Balance	30,070	30,070	30,070
Amount Set Aside / Transfer to Reserve	609	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>30,679</u>	<u>30,070</u>	<u>30,070</u>
<b>(ab) History Book Reserve</b>			
Opening Balance	5,000	0	0
Amount Set Aside / Transfer to Reserve	101	5,000	5,000
Amount Used / Transfer from Reserve	0	0	0
	<u>5,101</u>	<u>5,000</u>	<u>5,000</u>
<b>(ac) Essential Medical Services</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	150,000	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>150,000</u>	<u>0</u>	<u>0</u>
<b>Total Reserves</b>	<u><u>1,594,533</u></u>	<u><u>1,633,632</u></u>	<u><u>1,252,512</u></u>

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

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

<b>6. RESERVES (Continued)</b>	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>	<b>2014/15 Budget \$</b>
<b>SUMMARY OF RESERVE TRANSFERS</b>			
<b>Transfers to Reserves</b>			
<b>a</b> Community Water Supply Reserve	224	0	0
<b>b</b> Computer System Upgrade Reserve	0	0	0
<b>c</b> Emergency Services Reserve	503	0	0
<b>d</b> Housing Reserve	609	0	0
<b>e</b> Lake Grace Sewerage Scheme Reserve	64,794	131,266	46,174
<b>f</b> Lake Grace Sport and Rec SARS Reserve	0	0	0
<b>g</b> Lake Grace TV Reserve	700	0	0
<b>h</b> Lake King Sport and Rec SARS Reserve	0	0	0
<b>i</b> Lake King TV Reserve	0	0	13
<b>j</b> Land Development Reserve	1,466	45,914	0
<b>k</b> Leave Reserve	3,199	0	0
<b>l</b> Newdegate Ground Keeping SAR Reserve	5,304	5,000	5,000
<b>m</b> Newdegate Hall Reserve	4,743	0	0
<b>n</b> Newdegate Sport & Rec SARS Reserve	0	0	0
<b>o</b> Newdegate Sports Dam Reserve	304	0	0
<b>p</b> Newdegate Stadium Floor Reserve	5,156	0	0
<b>q</b> Newdegate 100 Year Centenary Reserve	5,304	5,000	5,000
<b>r</b> Newdegate TV Reserve	86	0	0
<b>s</b> Office Furniture & Equipment Reserve	247	0	0
<b>t</b> Office Redevelopment Reserve	0	0	0
<b>u</b> Photocopier Upgrade Reserve	0	0	0
<b>v</b> Plant Replacement Reserve	6,348	162,726	62,980
<b>w</b> Recreation Reserve	14	0	0
<b>x</b> Swimming Pool (Lake Grace) Reserve	5,616	10,000	10,000
<b>y</b> Varley Sport & Rec SARS Reserve	0	0	0
<b>z</b> Varley Sullage Reserve	31	0	0
<b>aa</b> Works and Services Reserve	609	0	0
<b>ab</b> History Book Reserve	101	5,000	5,000
<b>ac</b> Essential Medical Services	150,000	0	0
	<u>255,358</u>	<u>364,906</u>	<u>134,167</u>

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

<b>6. RESERVES (Continued)</b>	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>	<b>2014/15 Budget \$</b>
<b>SUMMARY OF RESERVE TRANSFERS</b>			
<b>Transfers from Reserves</b>			
a Community Water Supply Reserve	0	0	0
b Computer System Upgrade Reserve	0	0	0
c Emergency Services Reserve	0	0	0
d Housing Reserve	0	0	0
e Lake Grace Sewerage Scheme Reserve	(100,000)	0	(4,350)
f Lake Grace Sport and Rec SARS Reserve	0	(1,951)	(1,951)
g Lake Grace TV Reserve	0	0	0
h Lake King Sport and Rec SARS Reserve	0	(45,473)	(45,486)
i Lake King TV Reserve	0	0	0
j Land Development Reserve	0	0	0
k Leave Reserve	0	0	0
l Newdegate Ground Keeping SAR Reserve	0	0	0
m Newdegate Hall Reserve	(73,682)	(71,697)	(160,000)
n Newdegate Sport & Rec SARS Reserve	0	(115,069)	(115,069)
o Newdegate Sports Dam Reserve	0	0	0
p Newdegate Stadium Floor Reserve	0	(12,285)	(20,000)
q Newdegate 100 Year Centenary Reserve	0	0	0
r Newdegate TV Reserve	0	0	0
s Office Furniture & Equipment Reserve	0	0	0
t Office Redevelopment Reserve	0	0	0
u Photocopier Upgrade Reserve	0	0	0
v Plant Replacement Reserve	(120,775)	0	(50,000)
w Recreation Reserve	0	0	0
x Swimming Pool (Lake Grace) Reserve	0	0	0
y Varley Sport & Rec SARS Reserve	0	(19,569)	(19,569)
z Varley Sullage Reserve	0	0	0
aa Works and Services Reserve	0	0	0
ab History Book Reserve	0	0	0
ac Essential Medical Services	0	0	0
	<u>(294,457)</u>	<u>(266,044)</u>	<u>(416,425)</u>
<b>Total Transfer to/(from) Reserves</b>	<u>(39,099)</u>	<u>98,862</u>	<u>(282,258)</u>

**SHIRE OF LAKE GRACE  
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:

**Community Water Supply Reserve**

- to be used to meet the future commitments with the construction and maintenance of community water supplies.

**Computer System Upgrade Reserve**

- to be used to upgrade Council's IT Hardware and Software Systems.

**Emergency Services Reserve**

- to be used to fund volunteer bush fire brigade and other emergency services.

**Housing Reserve**

- to be used for additions and/or renovations of existing Council staff houses and the acquisition of new houses

**Lake Grace Sewerage Scheme Reserve**

- to be used for the renovation, addition and improvements of the Lake Grace Sewerage System.

**Lake Grace Sport & Rec SARS Reserve**

- to be used to meet expenditure associated with sport and recreation costs in the Lake Grace Specified Area.

**Lake Grace TV Reserve**

- to be used for the maintenance and upgrade of television and radio services in the Lake Grace town site.

**Lake King Sport & Rec Reserve**

- to be used to meet expenditure associated with sport and recreation costs in the Lake King Specified Area.

**Lake King TV Reserve**

- to be used for the maintenance and upgrade of television and radio services in the Lake King townsite.

**Land Development Reserve**

- to be used for the development of new residential, commercial and industrial land.

**Leave Reserve**

- to be used to fund accrued leave entitlements of employees.

**Newdegate 100 Year Centenary Reserve**

- to be used to fund the 100 year centenary of the Newdegate Townsite

**Newdegate Ground Keeping SAR Reserve**

- to be used to meet all expenditure relating to preparation of grounds and purchase and replacement of related plant and equipment.

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

**6. RESERVES (Continued)**

Newdegate Hall Reserve

- to be used for the repair, renovation, addition to and improvements of the Newdegate Town Hall.

Newdegate Sports & Rec SARS Reserve

- to be used to meet expenditure associated with sport and recreation costs in the Newdegate Specified Area.

Newdegate Sports Dam Reserve

- a contribution of \$5,000 per year (to be capped at \$20,000) for upgrade works to the Newdegate Sports Dam.

Newdegate Stadium Floor Reserve

- a contribution of \$5,000 per year (to be capped at \$20,000) for upgrade works to the Newdegate Stadium Floor.

Newdegate TV Reserve

- to be used for the maintenance and upgrade of television and radio services in the Newdegate townsite.

Office Furniture & Equipment Reserve

- to replace furniture, office, electrical and computer equipment at the Lake Grace Administration Centre.

Photocopier Replacement Reserve

- to be used to fund the replacement of Council's photocopier.

Plant Replacement Reserve

- to be used to for the replacement of major items of roadmaking plant.

Recreation Reserve

- to be used for the development of sport and recreation facilities.

Swimming Pool (Lake Grace) Reserve

- to be used for the repair and improvement of the swimming pool and associated plant.

Varley Sport & Rec SARS Reserve

- to be used to meet expenditure associated with sport and recreation costs in the Varley Specified Area.

Varley Sullage Reserve

- to be used for the expenditure associated with the servicing of loan and operations of the Varley Sullage Scheme.

Works and Services Reserve

- to be used for the expenditure associated with road and street works, including drainage.

History Book Reserve

- to be used for the expenditure associated with producing a local History Book.

Essential Medical Services

- to be used to provide essential medical services

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

	Note	2015/16 Budget \$	2014/15 Actual \$
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	15(a)	349,248	1,736,310
Cash - Restricted Unspent Grants			260,644
Cash - Restricted Unspent Loans			
Cash - Restricted LOGCHOP Housing			44,669
Cash - Restricted Rural Towns Program			5,403
Cash - Restricted Reserves	15(a)	1,594,533	1,633,632
Rates - Current		151,103	175,596
Sundry Debtors		51,152	209,652
Self Supporting Loans		0	29,503
GST Receivable		26,003	70,355
ESL Control		0	4,100
SEC Extensions Current		0	0
Accrued Income		0	14,879
Inventories		4,249	4,249
		<u>2,176,288</u>	<u>4,188,992</u>
<b>LESS: CURRENT LIABILITIES</b>			
Trade and Other Payables		(625,186)	(323,655)
Short Term Borrowings		0	0
Long Term Borrowings		0	(241,908)
Provisions		(276,983)	(391,800)
		<u>(902,169)</u>	<u>(957,363)</u>
<b>NET CURRENT ASSET POSITION</b>		<b>1,274,119</b>	<b>3,231,629</b>
Less: Cash - Restricted Reserves	15(a)	(1,594,533)	(1,633,632)
Less : Cash Restricted			(310,716)
Less: Land Held for Resale		0	0
Less: Current Loans - Clubs / Institutions		0	(29,503)
Add: Current Portion of Debentures		0	241,908
Add: Current Portion of Leave Provisions			373,901
Add: Current Provisions		320,414	
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>		<u><u>0</u></u>	<u><u>1,873,587</u></u>

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

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

**SHIRE OF LAKE GRACE  
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 \$
<b>Differential General Rate/General Rate</b>								
Gross Rental Value	8.966000	378	3,859,160	346,012	823		346,835	334,643
Unimproved Value	0.861300	583	267,154,980	2,301,006			2,301,006	2,236,135
<b>Sub-Totals</b>		961	271,014,140	2,647,018	823	0	2,647,841	2,570,778
<b>Minimum Payment</b>	<b>Minimum \$</b>							
Gross Rental Value	400	44	71,873	17,600			17,600	19,600
Unimproved Value	400	85	743,442	34,000			34,000	29,600
<b>Sub-Totals</b>		129	815,315	51,600	0	0	51,600	49,200
Discounts (Note 12)							0	0
<b>Total Amount Raised from General Rate</b>							2,699,441	2,619,978
Specified Area Rates (Note 9)							1,110,399	1,070,926
Movement in Excess Rates								(366)
Exgratia							53,487	51,929
<b>Total Rates</b>							3,863,327	3,742,467

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

**9. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR**

	Rate in \$	Rateable Value	2015/16 Budgeted Revenue \$	Budget Applied to Costs \$	2014/15 Actual \$
<b>Lake Grace Sewerage</b>					
Residential Minimum	4.5812	1,956,050	89,611	89,611	
Commercial Minimum	4.5812	618,713	28,343	28,343	
Vacant Land Minimum	4.5812	112,801	5,168	5,168	130,795
1st Major Fixture			6,950	6,950	
Additional Fixtures			4,648	4,648	
<b>Sport &amp; Recreation</b>					
Varley	3.5015	116,719	4,087	4,087	4,083
Varley	0.1607	33,805,000	54,308	54,308	54,152
Lake King	2.3369	240,231	5,614	5,614	4,584
Lake King	0.1607	54,752,500	87,975	87,975	65,025
Newdegate	5.3382	695,211	37,112	37,112	36,524
Newdegate	0.2137	98,990,000	211,506	211,506	203,720
Lake Grace	6.1481	2,899,536	178,266	178,266	177,376
Lake Grace	0.4971	79,822,200	396,811	396,811	394,667
			1,110,399	1,110,399	1,070,926

**10. SERVICE CHARGES - 2015/16 FINANCIAL YEAR**

The Shire of Lake Grace does not intend imposing Service Charges in the 2015/16 Financial Year



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

<b>11. FEES &amp; CHARGES REVENUE</b>	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>
Governance	17,892	17,312
General Purpose Funding	15,610	8,378
Law, Order, Public Safety	3,250	2,966
Health	1,600	791
Education and Welfare	0	0
Housing	33,051	36,052
Community Amenities	137,599	134,199
Recreation and Culture	39,213	44,567
Transport	0	0
Economic Services	8,890	8,619
Other Property and Services	46,500	47,121
	<u>303,605</u>	<u>300,005</u>

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

The Shire of Lake Grace does not intend to offer rate payment discounts, waivers nor concessions in the 2015/16 Financial Year

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

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

	Interest Rate %	Admin. Charge \$	2015/16 Budget \$	2014/15 Actual \$
Interest on Unpaid Rates	11.00%		27,541	24,622
Interest on Instalments Plan	5.50%		15,914	12,257
Charges on Instalment Plan		11		6,028
			43,455	42,907

Maximum rate on overdue money: 11%

Maximum rate on instalments: 5.5%

Full payment and first instalment date Friday, 11 September 2015

2nd Half instalment date Friday, 15 January 2016

2nd Quarterly Instalment date Friday, 13 November 2015

3rd Quarterly Instalment date Friday, 15 January 2016

4th Quarterly Instalment date Tuesday, 15 March 2016

**14. ELECTED MEMBERS REMUNERATION**

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

	2015/16 Budget \$	2014/15 Actual \$
Meeting Fees	18,588	20,989
President's Allowance	11,112	14,678
Deputy President's Allowance	2,778	3,669
Travelling Expenses	21,266	16,146
	53,744	55,482

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

**15. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>	<b>2014/15 Budget \$</b>
Cash - Unrestricted	349,248	1,736,310	41,553
Cash - Restricted Reserves	1,594,533	1,633,632	1,252,512
Cash - Restricted	310,716	310,716	49,205
	<u>2,254,497</u>	<u>3,680,658</u>	<u>1,294,065</u>

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

Community Water Supply Reserve	10,962	10,962	10,962
Emergency Services Reserve	24,844	24,844	24,844
Housing Reserve	30,080	30,080	30,080
Lake Grace Sewerage Scheme Reserve	570,970	618,712	529,270
Lake Grace TV Reserve	34,546	34,546	34,546
Land Development Reserve	72,377	72,377	26,463
Leave Reserve	157,888	157,888	157,888
Newdegate Ground Keeping SAR Reserve	20,000	15,000	15,000
Newdegate Hall Reserve	160,414	234,096	145,793
Newdegate Sports Dam Reserve	15,000	15,000	15,000
Newdegate Stadium Floor Reserve	12,715	7,715	0
Newdegate 100 Year Centenary Reserve	20,000	15,000	15,000
Newdegate TV Reserve	4,227	4,227	4,227
Office Furniture & Equipment Reserve	12,179	12,179	12,179
Plant Replacement Reserve	272,329	313,315	163,569
Recreation Reserve	696	696	696
Swimming Pool (Lake Grace) Reserve	35,401	30,401	30,401
Varley Sullage Reserve	1,524	1,524	1,524
Works and Services Reserve	30,070	30,070	30,070
History Book Reserve	5,000	5,000	5,000
Essential Medical Services	150,000	0	0
Office Redevelopment Reserve	0	0	0
	<u>1,641,222</u>	<u>1,633,632</u>	<u>1,252,512</u>

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

Net Result	(802,026)	3,355,427	2,510,785
Depreciation	3,456,432	2,366,792	2,392,378
(Profit)/Loss on Sale of Asset	164,265	45,001	(118,000)
(Increase)/Decrease in Receivables	246,324	934,877	(21,929)
(Increase)/Decrease in Inventories	0	6,469	(47,130)
Increase/(Decrease) in Payables	301,531	(144,474)	297,389
Increase/(Decrease) in Employee Provisions	(84,795)	(31,833)	(88,370)
Grants/Contributions for the Development of Assets	(1,457,199)	(1,962,530)	(2,437,070)
<b>Net Cash from Operating Activities</b>	<u>1,824,532</u>	<u>4,569,729</u>	<u>2,488,053</u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank Overdraft Limit	500,000	500,000	500,000
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
<b>Total Amount of Credit Unused</b>	<u>510,000</u>	<u>510,000</u>	<u>510,000</u>

**Loan Facilities**

Loan Facilities in use at Balance Date	<u>1,765,999</u>	<u>2,007,907</u>	<u>2,007,907</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

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

**16. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 1-Jul-15 \$</b>	<b>Estimated Amounts Received \$</b>	<b>Estimated Amounts Paid (\$)</b>	<b>Estimated Balance 30-Jun-16 \$</b>
Sale of Number Plates	100	300	(400)	0
BCITF	4,125	3,000	(7,125)	0
BRB	2,602	1,500	(4,102)	0
Housing Bond	5,185	0	0	5,185
Nomination Deposits	0	900	(900)	0
Hall Hire Bonds	5,050	700	(700)	5,050
Miscellaneous Deposits	1,327	0	(1,327)	0
Department of Transport	0	25,163	(25,163)	0
Standpipe Bonds	3,500	1,000	(1,500)	3,000
	<u>21,889</u>	<u>32,563</u>	<u>(41,217)</u>	<u>13,235</u>

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

**17. MAJOR LAND TRANSACTIONS**

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

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

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