



# SHIRE OF YILGARN

## BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

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**SHIRE OF YILGARN**

**STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>REVENUE</b>				
Rates	8	4,157,575	3,992,383	4,490,398
Operating Grants, Subsidies and Contributions		2,317,983	1,566,469	1,265,006
Fees and Charges	12	1,051,484	1,002,932	928,963
Interest Earnings	2(a)	210,430	257,280	277,950
Other Revenue		<u>251,960</u>	<u>175,137</u>	<u>158,688</u>
		7,989,432	6,994,201	7,121,005
<b>EXPENSES</b>				
Employee Costs		(3,191,657)	(2,557,467)	(2,766,768)
Materials and Contracts		(2,565,240)	(2,712,365)	(2,634,190)
Utility Charges		(361,306)	(415,912)	(346,300)
Depreciation	2(a)	(3,339,400)	(2,990,479)	(3,277,400)
Interest Expenses	2(a)	0	0	0
Insurance Expenses		(147,270)	(311,677)	(150,570)
Other Expenditure		<u>(178,206)</u>	<u>(76,216)</u>	<u>(180,216)</u>
		<u>(9,783,079)</u>	<u>(9,064,116)</u>	<u>(9,355,444)</u>
		(1,793,647)	(2,069,915)	(2,234,439)
Non-Operating Grants, Subsidies and Contributions		2,241,056	1,413,504	2,657,849
Profit on Asset Disposals	4	12,255	0	73,479
Loss on Asset Disposals	4	<u>(86,902)</u>	<u>(119,272)</u>	<u>(10,810)</u>
<b>NET RESULT</b>		<b>372,762</b>	<b>(775,683)</b>	<b>486,079</b>
<b>Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>372,762</u></b>	<b><u>(775,683)</u></b>	<b><u>486,079</u></b>

**Notes:**

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss and (if any) 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 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 in revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

**SHIRE OF YILGARN**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>REVENUE (Refer Notes 1,2,8 to 13)</b>				
Governance		1,000	0	1,320
General Purpose Funding		6,237,831	5,120,950	5,490,596
Law, Order, Public Safety		36,265	110,456	70,446
Health		25,500	20,469	25,500
Education and Welfare		223,399	224,224	211,689
Housing		49,660	47,785	60,060
Community Amenities		473,585	477,532	515,134
Recreation and Culture		37,200	43,227	31,600
Transport		298,501	257,828	324,427
Economic Services		498,491	221,027	269,895
Other Property and Services		108,000	470,703	120,338
		<u>7,989,432</u>	<u>6,994,201</u>	<u>7,121,005</u>
<b>EXPENSES EXCLUDING</b>				
<b>FINANCE COSTS (Refer Notes 1,2 &amp; 14)</b>				
Governance		(394,742)	(393,601)	(429,771)
General Purpose Funding		(410,001)	(382,616)	(404,710)
Law, Order, Public Safety		(404,976)	(284,764)	(401,715)
Health		(232,891)	(258,843)	(315,396)
Education and Welfare		(492,128)	(483,315)	(532,751)
Housing		(213,532)	(253,612)	(254,914)
Community Amenities		(928,878)	(807,880)	(916,848)
Recreation & Culture		(1,811,380)	(1,606,932)	(1,563,034)
Transport		(3,780,843)	(3,315,712)	(3,460,950)
Economic Services		(1,038,458)	(577,011)	(656,581)
Other Property and Services		(75,250)	(699,830)	(418,774)
		<u>(9,783,079)</u>	<u>(9,064,116)</u>	<u>(9,355,444)</u>
<b>FINANCE COSTS (Refer Notes 2 &amp; 5)</b>				
Housing		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
<b>NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>				
General Purpose Funding		0	0	392,361
Law, Order, Public Safety		435,000	0	450,000
Education and Welfare		0	0	0
Recreation & Culture		195,333	417	0
Transport		1,218,362	1,413,087	1,334,453
Economic Services		392,361	0	481,035
Other Property and Services		0	0	0
		<u>2,241,056</u>	<u>1,413,504</u>	<u>2,657,849</u>
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)</b>				
Law, Order, Public Safety		0	0	0
Community Amenities		0	0	0
Recreation and Culture		0	0	0
Transport		(81,193)	(88,626)	25,864
Economic Services		0	0	0
Other Property and Services		6,546	(30,646)	36,805
		<u>(74,647)</u>	<u>(119,272)</u>	<u>62,669</u>
<b>NET RESULT</b>		<u><b>372,762</b></u>	<u><b>(775,683)</b></u>	<u><b>486,079</b></u>

**SHIRE OF YILGARN  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2015**

	<b>NOTE</b>	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>	<b>2013/14 Budget \$</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of non-current assets		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>372,762</u></b>	<b><u>(775,683)</u></b>	<b><u>486,079</u></b>

**Notes:**

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss and (if any) 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 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 in revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

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

**SHIRE OF YILGARN**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30TH JUNE 2015**

	<b>NOTE</b>	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>	<b>2013/14 Budget \$</b>
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		4,170,105	3,832,126	4,502,928
Operating Grants, Subsidies and Contributions		2,343,183	1,566,469	1,290,206
Fees and Charges		1,059,484	910,844	936,963
Interest Earnings		260,950	257,280	325,740
Goods and Services Tax		452,050	389,018	452,050
Other		251,960	188,718	158,688
		<u>8,537,732</u>	<u>7,144,455</u>	<u>7,666,575</u>
<b>Payments</b>				
Employee Costs		(3,138,522)	(2,481,041)	(2,713,633)
Materials and Contracts		(2,527,655)	(3,227,983)	(2,596,605)
Utility Charges		(350,101)	(415,912)	(335,095)
Insurance Expenses		(147,270)	(311,677)	(150,570)
Interest Expenses		0	0	0
Goods and Services Tax		(441,950)	(358,496)	(441,950)
Other		(178,206)	(76,216)	(180,216)
		<u>(6,783,704)</u>	<u>(6,871,325)</u>	<u>(6,418,069)</u>
<b>Net Cash Provided By Operating Activities</b>	16(b)	<u>1,754,028</u>	<u>273,130</u>	<u>1,248,506</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	3	0	0	(50,000)
Payments for Purchase of Property, Plant & Equipment	3	(3,010,889)	(1,739,460)	(2,889,724)
Payments for Construction of Infrastructure	3	(3,217,872)	(2,411,868)	(2,945,269)
Advances to Community Groups		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		2,241,056	1,413,504	2,657,849
Proceeds from Sale of Plant & Equipment	4	236,840	259,042	245,440
Proceeds from Advances		0	0	0
<b>Net Cash Used in Investing Activities</b>		<u>(3,750,865)</u>	<u>(2,478,782)</u>	<u>(2,981,704)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	0	0	0
Proceeds from Self Supporting Loans		6,000	4,500	6,000
Proceeds from New Debentures	5	0	0	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		6,000	4,500	6,000
<b>Net Increase (Decrease) in Cash Held</b>		(1,990,837)	(2,201,152)	(1,727,198)
Cash at Beginning of Year		5,169,421	7,370,573	7,369,849
<b>Cash and Cash Equivalents at the End of the Year</b>	16(a)	<u><u>3,178,584</u></u>	<u><u>5,169,421</u></u>	<u><u>5,642,651</u></u>

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

**SHIRE OF YILGARN  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>REVENUES</b>	1,2			
Governance		1,000	0	1,320
General Purpose Funding		2,080,256	1,128,567	1,392,559
Law, Order, Public Safety		471,265	110,456	520,446
Health		25,500	20,469	25,500
Education and Welfare		223,399	224,224	211,689
Housing		49,660	47,785	60,060
Community Amenities		473,585	477,532	515,134
Recreation and Culture		232,533	43,644	31,600
Transport		1,522,572	1,670,915	1,695,554
Economic Services		890,852	221,027	750,930
Other Property and Services		114,546	470,703	157,143
		<u>6,085,168</u>	<u>4,415,322</u>	<u>5,361,935</u>
<b>EXPENSES</b>	1,2			
Governance		(394,742)	(393,601)	(429,771)
General Purpose Funding		(410,001)	(382,616)	(404,710)
Law, Order, Public Safety		(404,976)	(284,764)	(401,715)
Health		(232,891)	(258,843)	(315,396)
Education and Welfare		(492,128)	(483,315)	(532,751)
Housing		(213,532)	(253,612)	(254,914)
Community Amenities		(928,878)	(807,880)	(916,848)
Recreation & Culture		(1,811,380)	(1,606,932)	(1,563,034)
Transport		(3,867,745)	(3,404,338)	(3,471,760)
Economic Services		(1,038,458)	(577,011)	(656,581)
Other Property and Services		(75,250)	(730,476)	(418,774)
		<u>(9,869,981)</u>	<u>(9,183,388)</u>	<u>(9,366,254)</u>
<b>Net Operating Result Excluding Rates</b>		(3,784,813)	(4,768,066)	(4,004,319)
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	4	74,647	119,272	(62,669)
Movement in Leave Reserve (Added Back)		0	(27,839)	0
Movement in Deferred Pensioner Rates/ESL (non-current)		0	0	0
Movement in Employee Benefit Provisions (non-current)		0	(6,188)	0
Rounding Adjustment		0	0	0
Depreciation on Assets	2(a)	3,339,400	2,990,479	3,277,400
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	3	0	0	(50,000)
Purchase Land and Buildings	3	(1,677,489)	(799,814)	(1,470,224)
Purchase Plant and Equipment	3	(1,333,400)	(939,646)	(1,419,500)
Purchase Infrastructure Assets - Roads	3	(2,527,779)	(2,317,636)	(2,441,765)
Purchase Infrastructure Assets - Footpaths	3	(31,878)	(19,842)	(72,073)
Purchase Infrastructure Assets - Drainage	3	(29,245)	0	(33,955)
Purchase Infrastructure Assets - Parks & Ovals	3	(550,000)	0	(29,115)
Purchase Infrastructure Assets - Refuse Site	3	0	0	0
Purchase Infrastructure Assets - Sewerage	3	(37,300)	(36,610)	(74,600)
Purchase Infrastructure Assets - Townscape	3	(41,670)	(37,780)	(54,838)
Purchase Infrastructure Assets - Other	3	0	0	(238,923)
Proceeds from Disposal of Assets	4	236,840	259,042	245,440
Repayment of Debentures	5	0	0	0
Advances to Community Groups		0	0	0
Self-Supporting Loan Principal Income		6,000	4,500	6,000
Transfers to Reserves (Restricted Assets)	6	(820,836)	(965,929)	(1,815,565)
Transfers from Reserves (Restricted Assets)	6	2,048,339	2,885,925	2,886,593
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	971,609	639,358	861,715
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	971,609	0
<b>Amount Required to be Raised from General Rate</b>	8	<u>(4,157,575)</u>	<u>(3,992,383)</u>	<u>(4,490,398)</u>

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

## SHIRE OF YILGARN

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2015

#### 1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

##### (a) Basis of Accounting

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.

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.

##### (b) 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, but a separate statement of those monies appears at Note 17 to this budget document.

##### (c) 2013/14 Actual Balances

Balances shown in this budget as 2013/14 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

##### (d) Rounding Off Figures

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

##### (e) 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

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

##### (f) Goods and Services Tax

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.

##### (g) 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 YILGARN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) **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 with original maturities of three months or less 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 on the statement of financial position.

(i) **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.

Collectibility 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.

(j) **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 purchased for development and/or resale 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 the statement of comprehensive income 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 resale is classified as current except where it is held as non-current based on Council's intention to release for sale.



SHIRE OF YILGARN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or 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.

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 is 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 other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

SHIRE OF YILGARN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

***Initial Recognition and Measurement between Mandatory Revaluation Dates***

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the 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.

***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.

SHIRE OF YILGARN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

**Depreciation**

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

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

Buildings	30 to 50 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	30 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	12 years
Sewerage piping	50 years
Water supply piping & drainage systems	50 years
Airfields and Runways	30 years
Refuse Disposal Sites	not depreciated

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 \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(k) Fair Value of Assets and Liabilities

When performing a revaluation, the 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 YILGARN

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2015

#### 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 YILGARN

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2015

#### 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 YILGARN

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2015

#### 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 YILGARN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

**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 YILGARN

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2015

#### 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 2015.

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 YILGARN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

**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) 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.

**(s) Comparative Figures**

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

**(t) 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 YILGARN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>2. REVENUES AND EXPENSES</b>			
<b>(a) Net Result from Ordinary Activities was arrived at after:</b>			
(i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	30,000	29,105	21,020
Other Services	5,000	6,000	5,000
<b>Depreciation By Program</b>			
Governance	47,500	43,509	42,900
General Purpose Funding	0	0	0
Law, Order, Public Safety	202,700	141,533	237,200
Health	25,600	23,429	18,800
Education and Welfare	103,100	94,545	103,000
Housing	87,300	80,082	85,800
Community Amenities	69,400	57,178	72,800
Recreation and Culture	477,900	438,187	397,000
Transport	1,797,700	1,647,921	1,674,200
Economic Services	67,300	58,849	62,000
Other Property and Services	460,900	405,246	583,700
	<u>3,339,400</u>	<u>2,990,479</u>	<u>3,277,400</u>
<b>By Class</b>			
Land and Buildings	788,338	705,968	741,907
Furniture and Equipment	2,174	1,947	0
Plant and Equipment	596,080	533,798	709,837
Roads	1,755,228	1,571,831	1,539,059
Airport	22,119	19,808	16,254
Footpaths	43,935	39,344	36,047
Drainage	7,290	6,528	7,678
Sewerage	23,451	21,001	21,921
Other	85,788	76,824	191,919
Townscape	14,997	13,430	12,778
	<u>3,339,400</u>	<u>2,990,479</u>	<u>3,277,400</u>
<b>Borrowing Costs (Interest)</b>			
- Debentures (refer note 5(a))	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Rental Charges</b>			
- Operating Leases	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(ii) Crediting as Revenues:			
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	125,430	154,993	167,950
- Other Funds	45,000	44,291	75,000
Other Interest Revenue (refer note 13)	40,000	57,996	35,000
	<u>210,430</u>	<u>257,280</u>	<u>277,950</u>

## SHIRE OF YILGARN

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2015

## 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 and for each of its broad activities/programs.

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

#### **GOVERNANCE**

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**

Rates, General Purpose government grants and interest revenue

#### **LAW, ORDER, PUBLIC SAFETY**

Supervision of various by-laws, fire prevention, emergency services and animal control

#### **HEALTH**

Food quality and pest control, immunisation services, inspection of abattoir and operation of child health clinic

#### **EDUCATION AND WELFARE**

Operation of Senior Citizens centre, day care centres and pre-school facilities; assistance to playgroups, Homes for the Aged and other voluntary services

#### **HOUSING**

Maintenance of staff housing as well as commercially rented dwellings

#### **COMMUNITY AMENITIES**

Rubbish collection services, operation of refuse disposal sites, noise control, administration of the Town Planning Scheme, maintenance of cemeteries, maintenance of rest centre and storm water drainage maintenance, operation and maintenance of sewerage schemes

#### **RECREATION AND CULTURE**

Maintenance of halls, the aquatic centre, recreation centres and various reserves; operation of the library

#### **TRANSPORT**

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, traffic lights; depot maintenance and airstrip maintenance

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

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

**ECONOMIC SERVICES**

The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control, plant nursery and standpipes

**OTHER PROPERTY & SERVICES**

Private works operations and miscellaneous other items. Plant Operation Costs, Public Works Overheads and Administration expenses are re-allocated to the relevant function area

SHIRE OF YILGARN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

3. ACQUISITION OF ASSETS	2014/15 Budget \$
The following assets are budgeted to be acquired during the year:	
<b><u>By Program</u></b>	
Governance	0
General Purpose Funding	0
Law, Order, Public Safety	410,000
Health	0
Education and Welfare	1,077,419
Housing	32,030
Community Amenities	66,545
Recreation and Culture	652,200
Transport	3,301,357
Economic Services	494,078
Other Property and Services	195,131
	<b><u>6,228,761</u></b>
<b><u>By Class</u></b>	
Land Held for Resale	0
Land and Buildings	1,677,489
Plant and Equipment	1,333,400
Furniture and Equipment	0
Infrastructure Assets - Roads	2,527,779
Infrastructure Assets - Footpaths	31,878
Infrastructure Assets - Drainage	29,245
Infrastructure Assets - Parks and Ovals	550,000
Infrastructure Assets - Refuse Site	0
Infrastructure Assets - Sewerage	37,300
Infrastructure Assets - Townscape	41,670
Infrastructure Assets - Other	0
	<b><u>6,228,761</u></b>

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

- plant replacement programme
- capital expenditure and income by program and asset class
- capital funding sources

**SHIRE OF YILGARN**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2015**

**4. DISPOSALS OF ASSETS**

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

<b><u>By Program</u></b>	<b>Net Book Value</b>	<b>Sale Proceeds</b>	<b>Profit(Loss)</b>
	<b>2014/15 BUDGET</b>	<b>2014/15 BUDGET</b>	<b>2014/15 BUDGET</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Law, Order &amp; Public Safety</b>			
P5128 - Bodallin 2.4 Truck	2,170	2,170	0
P5129 - Marvel Loch 2.4 Truck	2,170	2,170	0
<b>Transport</b>			
YL5199 - Grader	132,845	70,000	(62,845)
YL129 - Roller	34,291	40,000	5,709
YL645 - Mechanics Ute	49,057	25,000	(24,057)
<b>Other Property &amp; Services</b>			
Executive Sedan - CEO	26,548	32,000	5,452
Executive Sedan - Manager Health & Building	18,378	18,500	122
Utility - Works Supervisor	46,028	47,000	972
	<b>311,487</b>	<b>236,840</b>	<b>(74,647)</b>

<b><u>By Class</u></b>	<b>Net Book Value</b>	<b>Sale Proceeds</b>	<b>Profit(Loss)</b>
	<b>2014/15 BUDGET</b>	<b>2014/15 BUDGET</b>	<b>2014/15 BUDGET</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Plant and Equipment</b>			
P5128 - Bodallin 2.4 Truck	2,170	2,170	0
P5129 - Marvel Loch 2.4 Truck	2,170	2,170	0
YL5199 - Grader	132,845	70,000	(62,845)
YL129 - Roller	34,291	40,000	5,709
YL645 - Mechanics Ute	49,057	25,000	(24,057)
Executive Sedan - CEO	26,548	32,000	5,452
Executive Sedan - Manager Health & Building	18,378	18,500	122
Utility - Works Supervisor	46,028	47,000	972
	<b>311,487</b>	<b>236,840</b>	<b>(74,647)</b>

**Summary**

	<b>2014/15 BUDGET \$</b>
Profit on Asset Disposals	12,255
Loss on Asset Disposals	(86,902)
	<u>(74,647)</u>

**SHIRE OF YILGARN**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2015**

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Council has no loan borrowings in 2013/14 and 2014/15.

(b) New Debentures - 2014/15

Council has not budgeted to raise any new debenture funds during 2014/15.

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2014 nor is it expected to have unspent debenture funds as at 30th June 2015.

(d) Overdraft

Council does not currently have an overdraft facility with the Westpac Bank.

## SHIRE OF YILGARN

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE YEAR ENDED 30TH JUNE 2015

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>6. RESERVES</b>			
<b>(a) Airport Reserve</b>			
Opening Balance	84,370	74,646	74,646
Amount Set Aside / Transfer to Reserve	10,230	9,724	40,040
Amount Used / Transfer from Reserve	0	0	0
	<u>94,600</u>	<u>84,370</u>	<u>114,686</u>
<b>(b) Building Reserve</b>			
Opening Balance	1,155,970	1,145,982	1,145,982
Amount Set Aside / Transfer to Reserve	33,090	90,988	297,419
Amount Used / Transfer from Reserve	(1,077,419)	(81,000)	(244,480)
	<u>111,641</u>	<u>1,155,970</u>	<u>1,198,921</u>
<b>(c) Community Bus Reserve</b>			
Opening Balance	89,888	65,553	65,553
Amount Set Aside / Transfer to Reserve	24,120	24,335	24,490
Amount Used / Transfer from Reserve	0	0	0
	<u>114,008</u>	<u>89,888</u>	<u>90,043</u>
<b>(d) Computer Hardware and Software Reserve</b>			
Opening Balance	0	46,348	46,348
Amount Set Aside / Transfer to Reserve	0	1,041	0
Amount Used / Transfer from Reserve	0	(47,389)	(46,348)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(e) Homes for the Aged Reserve</b>			
Opening Balance	265,126	255,971	255,971
Amount Set Aside / Transfer to Reserve	55,010	9,155	55,110
Amount Used / Transfer from Reserve	0	0	0
	<u>320,136</u>	<u>265,126</u>	<u>311,081</u>
<b>(f) Land Development Reserve</b>			
Opening Balance	106,249	102,580	102,581
Amount Set Aside / Transfer to Reserve	3,290	3,669	3,200
Amount Used / Transfer from Reserve	0	0	(50,000)
	<u>109,539</u>	<u>106,249</u>	<u>55,781</u>
<b>(g) Long Service Leave Reserve</b>			
Opening Balance	227,872	255,711	255,712
Amount Set Aside / Transfer to Reserve	6,920	9,146	8,160
Amount Used / Transfer from Reserve	(57,440)	(36,985)	(55,950)
	<u>177,352</u>	<u>227,872</u>	<u>207,922</u>
<b>(h) Mt Hampton/Dulyalbin Water Supply Reserve</b>			
Opening Balance	33,832	31,395	31,394
Amount Set Aside / Transfer to Reserve	3,050	2,437	3,000
Amount Used / Transfer from Reserve	0	0	(10,000)
	<u>36,882</u>	<u>33,832</u>	<u>24,394</u>
<b>(i) Museum Reserve</b>			
Opening Balance	11,514	13,739	13,739
Amount Set Aside / Transfer to Reserve	860	5,621	1,450
Amount Used / Transfer from Reserve	0	(7,846)	0
	<u>12,374</u>	<u>11,514</u>	<u>15,189</u>



## SHIRE OF YILGARN

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE YEAR ENDED 30TH JUNE 2015

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>(j) Plant Reserve</b>			
Opening Balance	487,614	1,044,059	1,044,059
Amount Set Aside / Transfer to Reserve	475,090	31,558	635,110
Amount Used / Transfer from Reserve	<u>(657,200)</u>	<u>(588,003)</u>	<u>(751,900)</u>
	<u>305,504</u>	<u>487,614</u>	<u>927,269</u>
<b>(k) Recreation Facility Reserve</b>			
Opening Balance	701,220	677,006	677,006
Amount Set Aside / Transfer to Reserve	29,700	24,214	22,000
Amount Used / Transfer from Reserve	<u>(139,630)</u>	<u>0</u>	<u>0</u>
	<u>591,290</u>	<u>701,220</u>	<u>699,006</u>
<b>(l) Refuse Disposal Site Reserve</b>			
Opening Balance	159,460	153,954	153,953
Amount Set Aside / Transfer to Reserve	4,940	5,506	5,000
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>164,400</u>	<u>159,460</u>	<u>158,953</u>
<b>(m) Sewerage Reserve</b>			
Opening Balance	500,679	500,916	500,917
Amount Set Aside / Transfer to Reserve	68,396	68,402	62,008
Amount Used / Transfer from Reserve	<u>0</u>	<u>(68,639)</u>	<u>(5,157)</u>
	<u>569,075</u>	<u>500,679</u>	<u>557,768</u>
<b>(n) Health Services Reserve</b>			
Opening Balance	180,535	135,682	135,682
Amount Set Aside / Transfer to Reserve	55,980	44,853	4,410
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>236,515</u>	<u>180,535</u>	<u>140,092</u>
<b>(o) Unspent Grants Reserve</b>			
Opening Balance	67,046	1,654,877	1,678,792
Amount Set Aside / Transfer to Reserve	0	25,000	0
Amount Used / Transfer from Reserve	<u>(25,000)</u>	<u>(1,612,831)</u>	<u>(1,612,831)</u>
	<u>42,046</u>	<u>67,046</u>	<u>65,961</u>
<b>(p) HVRIC Reserve</b>			
Opening Balance	141,075	138,067	70,102
Amount Set Aside / Transfer to Reserve	20,000	22,240	76,000
Amount Used / Transfer from Reserve	<u>(91,650)</u>	<u>(19,232)</u>	<u>(109,927)</u>
	<u>69,425</u>	<u>141,075</u>	<u>36,175</u>
<b>(q) Youth Development Reserve</b>			
Opening Balance	75,429	5,242	5,242
Amount Set Aside / Transfer to Reserve	12,600	270,187	256,920
Amount Used / Transfer from Reserve	<u>0</u>	<u>(200,000)</u>	<u>0</u>
	<u>88,029</u>	<u>75,429</u>	<u>262,162</u>
<b>(r) ICT and Furniture &amp; Equipment Reserve</b>			
Opening Balance	23,853	0	0
Amount Set Aside / Transfer to Reserve	5,130	47,853	64,508
Amount Used / Transfer from Reserve	<u>0</u>	<u>(24,000)</u>	<u>0</u>
	<u>28,983</u>	<u>23,853</u>	<u>64,508</u>

**SHIRE OF YILGARN**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2015**

<b>6. RESERVES (Continued)</b>	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>	<b>2013/14 Budget \$</b>
<b>(s) Tourism Reserve</b>			
Opening Balance	70,000	0	0
Amount Set Aside / Transfer to Reserve	12,430	270,000	256,740
Amount Used / Transfer from Reserve	<u>0</u>	<u>(200,000)</u>	<u>0</u>
	<u>82,430</u>	<u>70,000</u>	<u>256,740</u>
 <b>Total Reserves</b>	 <u><u>3,154,229</u></u>	 <u><u>4,381,732</u></u>	 <u><u>5,186,651</u></u>

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

**Summary of Transfers  
To Cash Backed Reserves**

**Transfers to Reserves**

Airport Reserve	10,230	9,724	40,040
Building Reserve	33,090	90,988	297,419
Community Bus Reserve	24,120	24,335	24,490
Computer Hardware and Software Reserve	0	1,041	0
Homes for the Aged Reserve	55,010	9,155	55,110
Land Development Reserve	3,290	3,669	3,200
Long Service Leave Reserve	6,920	9,146	8,160
Mt Hampton/Dulyalbin Water Supply Reserve	3,050	2,437	3,000
Museum Reserve	860	5,621	1,450
Plant Reserve	475,090	31,558	635,110
Recreation Facility Reserve	29,700	24,214	22,000
Refuse Disposal Site Reserve	4,940	5,506	5,000
Sewerage Reserve	68,396	68,402	62,008
Health Services Reserve	55,980	44,853	4,410
Unspent Grants Reserve	0	25,000	0
HVRIC Reserve	20,000	22,240	76,000
Youth Development Reserve	12,600	270,187	256,920
ICT and Furniture & Equipment Reserve	5,130	47,853	64,508
Tourism Reserve	<u>12,430</u>	<u>270,000</u>	<u>256,740</u>
	<u><u>820,836</u></u>	<u><u>965,929</u></u>	<u><u>1,815,565</u></u>

**Transfers from Reserves**

Airport Reserve	0	0	0
Building Reserve	(1,077,419)	(81,000)	(244,480)
Community Bus Reserve	0	0	0
Computer Hardware and Software Reserve	0	(47,389)	(46,348)
Homes for the Aged Reserve	0	0	0
Land Development Reserve	0	0	(50,000)
Long Service Leave Reserve	(57,440)	(36,985)	(55,950)
Mt Hampton/Dulyalbin Water Supply Reserve	0	0	(10,000)
Museum Reserve	0	(7,846)	0
Plant Reserve	(657,200)	(588,003)	(751,900)
Recreation Facility Reserve	(139,630)	0	0
Refuse Disposal Site Reserve	0	0	0
Sewerage Reserve	0	(68,639)	(5,157)
Health Services Reserve	0	0	0
Unspent Grants Reserve	(25,000)	(1,612,831)	(1,612,831)
HVRIC Reserve	(91,650)	(19,232)	(109,927)
Youth Development Reserve	0	(200,000)	0
ICT and Furniture & Equipment Reserve	0	(24,000)	0
Tourism Reserve	<u>0</u>	<u>(200,000)</u>	<u>0</u>
	<u><u>(2,048,339)</u></u>	<u><u>(2,885,925)</u></u>	<u><u>(2,886,593)</u></u>

<b>Total Transfer to/(from) Reserves</b>	<u><u>(1,227,503)</u></u>	<u><u>(1,919,996)</u></u>	<u><u>(1,071,028)</u></u>
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## SHIRE OF YILGARN

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2015

#### 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:

**Airport Reserve**

- to be used for the upkeep and any major upgrade works to the Southern Cross Airport

**Building Reserve**

- to be used for major construction and improvements to Council's Buildings

**Community Bus Reserve**

- to provide a conduit Reserve for the proceeds from the hire of the Yilgarn Community Bus.

**Computer Hardware and Software Reserve**

- to be used to provide funds for the future management of Council's computer systems

**Homes for the Aged Reserve**

- to be used as a conduit for the placement of rental income from all twelve units, providing funding for future redevelopment works at this facility.

**Land Development Reserve**

- to be used for the acquisition of land in the Southern Cross townsite for future expansion of the town

**Long Service Leave Reserve**

- to be used to fund Long Service Leave requirements. Council approves the fixing of this Reserve to the level of Long Service Leave Reserve to the level of liability, recognised as at the 30th June each year, totalling the combined balance of the Current and Non-Current Long Service Leave Liability

**Mt Hampton / Dulyalbin Water Supply Reserve**

- to be used to fund future maintenance works at the Mt Hampton Dam and Dulyalbin Water Supply Tank, via annual contributions from the sale of water from these facilities

**Museum Reserve**

- monies held on behalf of the Yilgarn History Museum for their purpose and use as required.

**Plant Replacement Reserve**

- to be used for the purchase of major plant

**Recreation Facility Reserve**

- to be used to fund any major projects relating to Recreation within the community

**Refuse Disposal Reserve**

- to be used to meet future costs of major works to be carried out at Refuse Disposal Sites within the Shire of Yilgarn. Funds held in this Reserve will provide a buffer in the event of an emergency, where a substantial, catastrophic or undesired Refuse Disposal incident was to occur and could not be accommodated within the confines of Council's facilities.

**Sewerage Reserve**

- to be used to fund any major maintenance or future construction works required for the Southern Cross Sewerage and Marvel Loch Effluent Waste Water Schemes

**Health Services Reserve**

- to be used to fund the costs of providing medical services in the Shire and funded by Council allocation and contributions from others.

**Unspent Grants Reserve**

- to be used for transactional purposes to record unspent grant funds.

**HVRIC Reserve**

- To provide adequate disclosure of funds received under the HVRIC and the relevant road that funds are to be expended on.

**Youth Development Reserve**

- To be used to fund the development of Youth in the Yilgarn District.

**ICT and Furniture & Equipment Reserve**

- To be used to provide funds for the future of the Council's computer systems and furniture and equipment.

**Tourism Reserve**

- To be used to fund tourism in the Yilgarn District.

All Reserve accounts except for Unspent Grant Reserve and HVRIC Reserve, will be utilised over the next 5 to 10 years. The Unspent Grant Reserve and HVRIC Reserve will be utilised over the next 2 years.

**SHIRE OF YILGARN**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2015**

	<b>Note</b>	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	16(a)	24,355	787,689
Cash - Restricted Unspent Grants	16(a)	0	0
Cash - Restricted Unspent Loans	16(a)	0	0
Cash - Restricted Reserves		3,154,229	4,381,732
Rates - Current		336,890	348,895
Sundry Debtors		237,270	270,470
Accrued Income/Payments in Advance		0	0
GST Receivable		32,386	34,436
ESL Control		6,569	7,094
Provision For Doubtful Debts		(40,819)	(40,819)
Inventories		<u>27,346</u>	<u>29,396</u>
		3,778,226	5,818,893
<b>LESS: CURRENT LIABILITIES</b>			
Sundry Creditors		(97,340)	0
Accrued Expenditure		0	0
Income Received in Advance		0	0
PAYG Payable		(42,445)	(39,860)
Payroll Creditors		0	0
GST Payable		(20,419)	(12,369)
Rates Creditor		0	0
FBT Liability		0	0
Other Payables		0	0
ESL Levied		(332)	(382)
Accrued Interest on Debentures		0	0
Accrued Salaries and Wages		(79,567)	(79,567)
Current Employee Benefits Provision		(561,246)	(561,246)
Current Loan Liability		<u>0</u>	<u>0</u>
		(801,349)	(693,424)
<b>NET CURRENT ASSET POSITION</b>		<b>2,976,877</b>	<b>5,125,469</b>
Less: Cash - Restricted Reserves	16(a)	(3,154,229)	(4,381,732)
Less: Cash - Restricted Municipal		0	0
Adjustment for Trust Transactions Within Muni		0	0
Add Back : Liabilities Supported by Reserves			
- Lesser of Leave Provision and Leave Reserve		177,352	227,872
Add Back : Current Loan Liability		0	0
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>		<b><u>0</u></b>	<b><u>971,609</u></b>

The estimated surplus/(deficiency) c/fwd in the 2013/14 actual column represents the surplus (deficit) brought forward as at 1 July 2014.

The estimated surplus/(deficiency) c/fwd in the 2014/15 budget column represents the surplus (deficit) carried forward as at 30 June 2015.

SHIRE OF YILGARN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

8. RATING INFORMATION - 2014/15 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2014/15 Budgeted Rate Revenue \$	2014/15 Budgeted Interim Rates \$	2014/15 Budgeted Back Rates \$	2014/15 Budgeted Total Revenue \$	2013/14 Actual \$
<b>Differential General Rate</b>								
GRV - Townsite (Residential/Industrial)	0.1038	416	3,085,832	320,309	0	0	320,309	303,802
GRV - Commercial	0.0710	33	1,069,048	75,902	0	0	75,902	78,852
GRV - Minesite	0.4001	14	73,828	29,539	0	0	29,539	77,298
GRV - Single Persons Quarters	0.4001	8	1,608,342	643,498	0	0	643,498	969,279
UV - Rural	0.0174	407	86,125,626	1,498,586	0	0	1,498,586	1,445,125
UV - Mining	0.2114	412	7,036,477	1,487,511	0	0	1,487,511	1,014,343
<b>Sub-Totals</b>		1,290	98,999,153	4,055,345	0	0	4,055,345	3,888,699
<b>Minimum Rates</b>	<b>Minimum \$</b>							
GRV - Townsite (Residential/Industrial)	365	100	82,514	36,500	0	0	36,500	0
GRV - Commercial	365	7	19,839	2,555	0	0	2,555	2,520
GRV - Minesite	365	4	1,280	1,460	0	0	1,460	1,440
GRV - Single Persons Quarters	365	1	400	365	0	0	365	1,440
UV - Rural	365	38	328,235	13,870	0	0	13,870	13,680
UV - Mining	365	361	270,986	131,765	0	0	131,765	138,759
<b>Sub-Totals</b>		511	703,254	186,515	0	0	186,515	157,839
Ex-Gratia Rates							4,241,860	4,046,538
Discounts							27,715	24,215
							(112,000)	(78,370)
<b>Total Amount of General Rates</b>							<b>4,157,575</b>	<b>3,992,383</b>
Movement in Excess Rates							0	0
<b>Total Rates</b>							<b>4,157,575</b>	<b>3,992,383</b>

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

The general rates detailed above for the 2014/15 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

**Note: Change in the imposed rates**

Council resolved at the May 2013 Ordinary Council meeting to impose a 3.1% increase to GRV Residential/Industrial, 3.1% to GRV Commercial and UV Rural categories and 5% increase the GRV and UV Mining categories. These rates were approved by the Minister.

**SHIRE OF YILGARN**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2015**

**9. SPECIFIED AREA RATES - 2014/15 FINANCIAL YEAR**

The Shire of Yilgarn does not intend to raise any Specified Area Rates during 2014/15.

**10. SEWERAGE CHARGE ( SECTION 41 HEALTH ACT) - 2014/15 FINANCIAL YEAR**

	Rate in \$	Minimum \$	Basis of Rate	Rateable Value	2014/15 Budgeted Revenue \$	Budget Applied to Costs \$	2013/14 Actual \$
<b>Southern Cross Sewerage</b>							
Residential	6.9		GRV	2,183,532	150,664	97,928	154,183
Residential Minimum		260	GRV	6,659	1,560	1,560	1,560
Commercial	4.6		GRV	891,320	41,001	41,001	41,001
Commercial Minimum		550	GRV	115,440	9,350	9,350	9,350
Industrial	6.9		GRV	0	0	0	0
Industrial Minimum		550	GRV	4,940	550	550	550
1st Major Fixture		166	GRV	0	1,162	1,162	1,162
Additional Fixtures		83	GRV	0	3,237	3,237	3,237
Class 3		884	GRV	0	2,652	2,652	2,652
<b>Marvel Loch Sewerage</b>							
General	4.6		GRV	438,486	20,170	20,170	20,265
General - Minimum		95	GRV	13,251	2,945	2,945	2,945
1st Major Fixture		130	GRV	0	0	0	0
Additional Major Fixture		58	GRV	0	0	0	0
					233,291	180,555	236,905

The health rate for the Southern Cross Sewerage Scheme is for those properties in the Southern Cross locality which are connected to the scheme.

The proceeds of the rate are applied to the maintenance of the Scheme with the balance of the income (\$52,736) transferred to the Sewerage Scheme Reserve.

The health rate for the Marvel Loch Sewerage Scheme is for those properties in the Marvel Loch locality which are connected to the scheme.

The proceeds of the rate are applied to the maintenance of the Scheme with the balance of the income (Nil for 2014/15) transferred to the Sewerage Scheme Reserve.

**11. SERVICE CHARGES - 2014/15 FINANCIAL YEAR**

The Shire of Yilgarn does not intend to raise any Service Charges during 2014/15.

**SHIRE OF YILGARN**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2015**

<b>12. FEES &amp; CHARGES REVENUE</b>	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>
Governance	0	0
General Purpose Funding	9,800	14,032
Law, Order, Public Safety	4,150	6,205
Health	500	1,400
Education and Welfare	100,939	101,828
Housing	49,660	47,785
Community Amenities	462,535	477,032
Recreation & Culture	31,700	23,505
Transport	27,600	7,054
Economic Services	333,600	27,145
Other Property & Services	31,000	296,946
	<u>1,051,484</u>	<u>1,002,932</u>

**13. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2014/15 FINANCIAL YEAR**

A discount of 5.0% of the current rates levied (excluding Rubbish, Sewerage and ESL) will be offered to rate payers whose payment of the full amount owing, including arrears, and service charges is received on or before Wednesday 10th September 2014 or 35 days after the date of service appearing on the rate notice, whichever is the later.

The discount will not apply to interim rates after the billing date. The total value of the discount is estimated to be \$112,000.

Photocopy Charges are waived for certain community groups such as St John Ambulance, Volunteer Bush Fire Brigades of the Yilgarn and the Southern Cross Volunteer Fire and Rescue Service. Council considers its support of these groups necessary for the overall benefit of the community.

**SHIRE OF YILGARN**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2015**

**14. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR**

An interest rate of 11% will be charged on all rate payments which are late. It is estimated this will generate income of \$40,000. Three separate payment option plans will be available to ratepayers for payment of their rates.

**Option 1 ( Full Payment )**

Full amount of rates and charges including arrears to be paid on or before Wednesday 10th September 2014 or 35 days after the date of service appearing on the rates notice, whichever is the later.

See Note 12 for discount provisions under this option

**Option 2 ( Two Instalments )**

First instalment to be received on or before Wednesday 10th September 2014 or 35 days after the date of service appearing on the rate notice, whichever is the later. This payment is to include all arrears and half of the current rates and service charges.

The second and final instalment is to be made by Friday 9th January 2015.

**Option 3 ( Four Instalments )**

First instalment to be received on or before Wednesday 10th September 2014 or 35 days after the date of service appearing on the rate notice, whichever is the later. This payment is to include all arrears and one quarter of the current rates and service charges. Second, third and fourth instalments are to be made at two monthly intervals thereafter, being Wednesday 4th November 2014, Friday 9th January 2015 and Friday 13th March 2015.

**Costs of Instalment Options**

The cost of the instalment plans will comprise if simple interest of 5.5% per annum, calculated daily from the date the first instalment is due, together with an administration fee of \$10.00 for each instalment notice. (ie. \$10.00 for Option 2 and \$30.00 for Option 3).

The total revenue from the imposition of the administration charge is estimated at \$8,000

	<b>Interest Rate %</b>	<b>Admin Charge \$</b>	<b>Budgeted Revenue \$</b>	<b>Actual Revenue \$</b>
Interest on Unpaid Rates	11		39,500	57,996
Interest on Instalments Plan	5.5		500	0
Charges on Instalment Plan		10	8,000	11,010

**15. ELECTED MEMBERS REMUNERATION**

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

	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>
Meeting Fees	23,216	23,900
President's Allowance	7,000	6,750
Deputy President's Allowance	1,750	1,688
Travelling Expenses	7,000	7,504
	<u>38,966</u>	<u>39,842</u>



**SHIRE OF YILGARN**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2015**

**16. 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:

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Cash - Unrestricted	24,355	787,689	456,000
Cash - Restricted	3,154,229	4,381,732	5,186,651
	3,178,584	5,169,421	5,642,651

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

Airport Reserve	94,600	84,370	114,686
Building Reserve	111,641	1,155,970	1,198,921
Community Bus Reserve	114,008	89,888	90,043
Computer Hardware and Software Reserve	0	0	0
Homes for the Aged Reserve	320,136	265,126	311,081
Land Development Reserve	109,539	106,249	55,781
Long Service Leave Reserve	177,352	227,872	207,922
Mt Hampton/Dulyalbin Water Supply Reserve	36,882	33,832	24,394
Museum Reserve	12,374	11,514	15,189
Plant Reserve	305,504	487,614	927,269
Recreation Facility Reserve	591,290	701,220	699,006
Refuse Disposal Site Reserve	164,400	159,460	158,953
Sewerage Reserve	569,075	500,679	557,768
Health Services Reserve	236,515	180,535	140,092
Unspent Grants Reserve	42,046	67,046	65,961
HVRIC Reserve	69,425	141,075	36,175
Youth Development Reserve	88,029	75,429	262,162
ICT and Furniture & Equipment Reserve	28,983	23,853	64,508
Tourism Reserve	82,430	70,000	256,740
	3,154,229	4,381,732	5,186,651

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

Net Result	372,762	(775,683)	486,079
Depreciation	3,339,400	2,990,479	3,277,400
(Profit)/Loss on Sale of Asset	74,647	119,272	(62,669)
(Increase)/Decrease in Receivables	98,300	(206,393)	95,570
(Increase)/Decrease in Inventories	2,050	(4,583)	2,050
Increase/(Decrease) in Payables	101,925	(498,550)	101,925
Increase/(Decrease) in Employee Provisions	6,000	62,092	6,000
Grants/Contributions for the Development of Assets	(2,241,056)	(1,413,504)	(2,657,849)
<b>Net Cash from Operating Activities</b>	<b>1,754,028</b>	<b>273,130</b>	<b>1,248,506</b>

**SHIRE OF YILGARN**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank Overdraft limit	0	0	0
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>10,000</u>	<u>10,000</u>	<u>10,000</u>

**Loan Facilities**

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

**SHIRE OF YILGARN**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2015**

**17. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 1-Jul-14 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance 30-Jun-15 \$</b>
Police Licencing	(12,968)	810,631	(800,000)	(2,337)
Builders Levy (BCITF)	9,084	251	(500)	8,835
TransWA Bookings	8,685	26,925	(25,000)	10,610
Council Nominations	0	0	0	0
Hall Hire Bonds & Deposits	2,262	800	(200)	2,862
Third Party Contributions	5,629	5,000	(5,000)	5,629
Staff Personal Deductions	24,000	25,000	(23,945)	25,055
Housing Tenancy Bonds	56,771	500	(200)	57,071
Security Key System Bonds	1,680	150	(50)	1,780
Skeleton Weed	35,878	5,000	(10,000)	30,878
Community Groups (Wound-up)	13,371	0	0	13,371
Rates Overpaid	4,569	3,000	(3,600)	3,969
Residual - Doctor's Vehicle	0	0	0	0
Retention Fund	0	0	0	0
Medical Services Provision	37,571	50,000	(10,000)	77,571
YBTC Sinkin fund	6,666	6,666	0	13,332
Dump Point	23	300	0	323
	<u>193,221</u>			<u>248,626</u>

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**18. MAJOR LAND TRANSACTIONS**

It is not anticipated any Major Land Transactions will occur in 2014/15.

**19. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated any trading undertakings or major trading undertakings will occur in 2014/15.