

**SHIRE OF BROOKTON**  
**BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**SHIRE OF BROOKTON  
BUDGET  
FOR THE YEAR ENDED 30 JUNE 2017**

**INTRODUCTION**

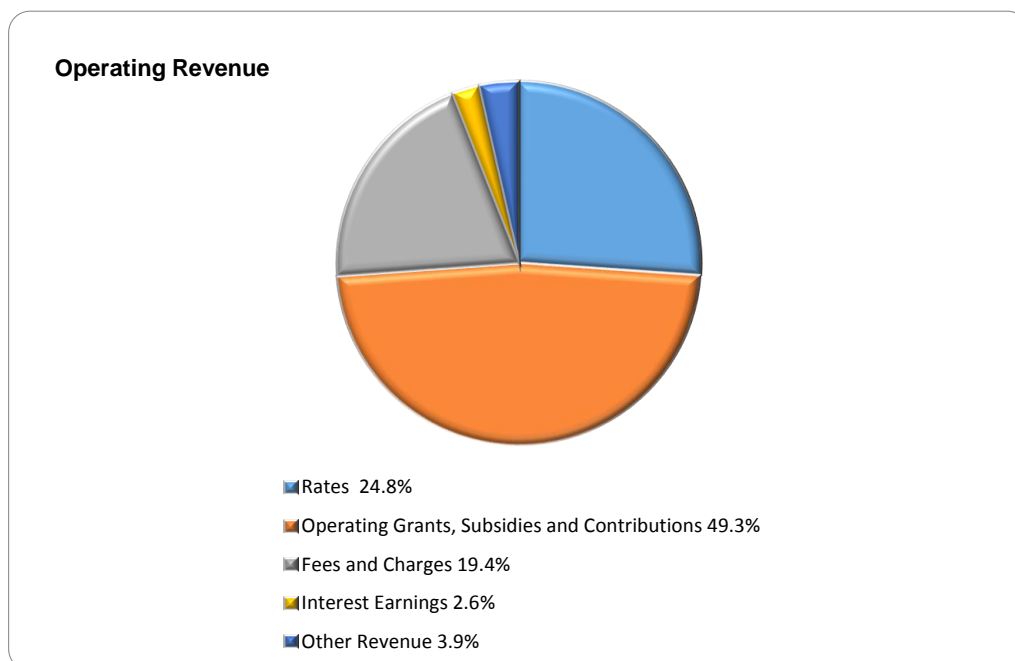
The 2016/17 Budget has been developed based in the Shire of Brookton's Long Term Financial Plan 2016-2026 which was adopted in July 2016. This was done in conjunction the an adoption of the Corporate Business Plan in July 2016.

The budget is based on the following Key Principles:

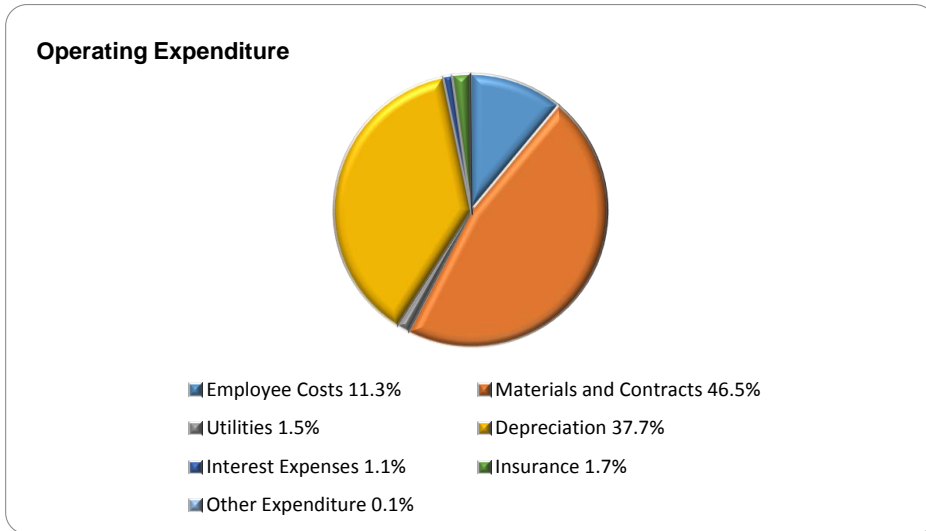
- \* Reserves and Loans are used to fund Capital Expenditure
- \* Fees and Charges are increase by 6% each year. The long term goal is to cover the costs of providing services such as Sewerage and Rubbish Collection have been achieved.
- \* Operating Expenditure based on current service provisions.
- \* Capital Expenditure based on Long Term Financial Plan provisions and service levels as outlined in the Asset Management Plan.

**BUDGET OVERVIEW**

The below graphs summarise the budgeted operating revenue and expenditure for the 2016/2017 year as a percentage of the total budgeted.



**SHIRE OF BROOKTON  
BUDGET  
FOR THE YEAR ENDED 30 JUNE 2017  
INTRODUCTION**



**FINANCIAL SUSTAINABILITY AND ASSET MANAGEMENT**

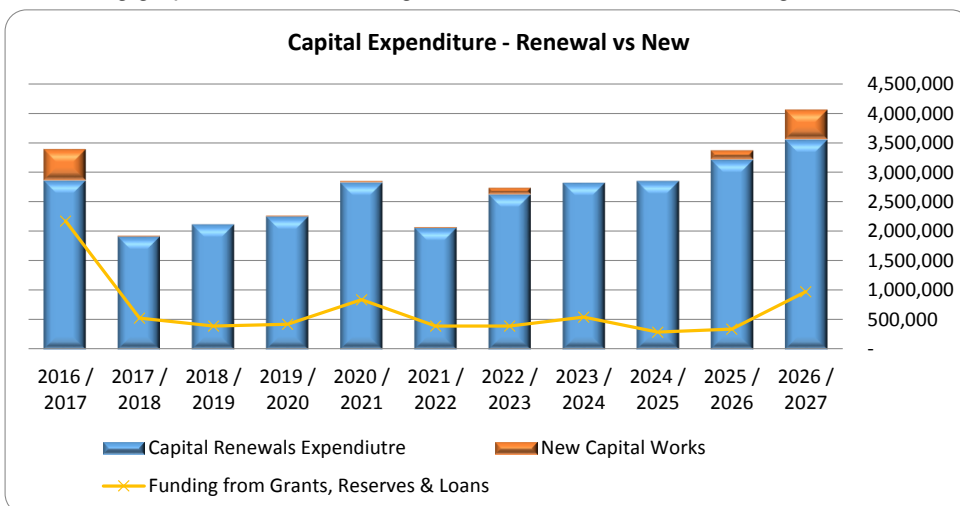
To continue to financially sustainable requires the local government's finances to:

- Be currently or prospectively in good shape;
- Be likely to remain in good shape if the council's present spending and revenue policies continue unchanged;
- Provide for resources to maintain our asset base to a satisfactory service level.

In the future the Shire of Brookton will need to prioritise decisions about assets and asset preservation and must consider issues such as:

- \* Fully costing the use of assets and deciding whether benefits received justify retaining them;
- \* Thoroughly considering the financial impact of increasing asset stocks and acquiring new assets on a whole life basis;
- \* Considering the need to prioritise funding of renewal of existing assets ahead of spending on new assets;
- \* Considering rationalisation of the number of assets that need to be maintained or renewed and /or adjusting the standard of those that remain to meet service levels and demand.
- \* Ensure that asset growth does not exceed asset renewal.

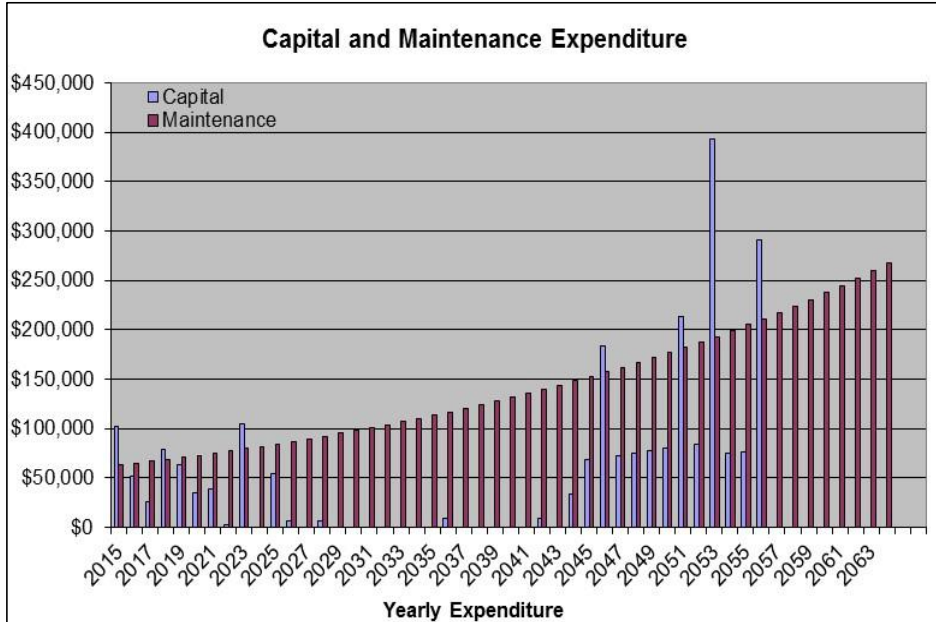
The following graph illustrates the long term focus in renewal of existing assets.



**SHIRE OF BROOKTON  
BUDGET  
FOR THE YEAR ENDED 30 JUNE 2017  
INTRODUCTION**

**ASSET MANAGEMENT PLAN - SEWERAGE**

The Shire of Brookton has the additional challenge of operating and maintaining its own Sewerage System. A large portion of this infrastructure was constructed in 1976 and therefore must be considered in the context of financial exposure. The graph below taken from the current asset management plan outlines the projected expenditure both capital and operating over the expected life cycle of the asset.



**SHIRE OF BROOKTON  
STATEMENT OF BUDGET  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2016/17 Budget \$	2017/18 Budget \$	2018/19 Budget \$	2019/20 Budget \$	2015/16 Actual \$	2015/16 Adopted Budget \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>							
Rates	8	1,917,236	2,051,442	2,195,043	2,348,696	1,791,638	1,789,993
Operating Grants, Subsidies and Contributions		3,812,835	3,781,513	3,904,457	4,031,221	3,327,899	3,511,063
Fees and Charges	11	1,499,148	1,634,033	1,695,647	1,760,264	1,437,553	1,548,723
Interest Earnings	2(a)	199,619	201,920	203,596	205,266	157,307	175,867
Other Revenue		309,101	319,603	330,656	310,252	369,503	252,121
		<u>7,737,938</u>	<u>7,988,510</u>	<u>8,329,399</u>	<u>8,655,698</u>	<u>7,083,900</u>	<u>7,277,767</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>							
Employee Costs		(1,184,512)	(1,236,911)	(1,289,468)	(1,336,821)	(1,148,015)	(1,285,851)
Materials and Contracts		(4,968,683)	(4,813,465)	(4,890,769)	(5,047,937)	(4,666,574)	(4,912,745)
Utilities		(158,895)	(175,216)	(173,989)	(191,374)	(158,295)	(172,417)
Depreciation	2(a)	(4,023,244)	(4,081,727)	(4,115,488)	(4,153,074)	(3,973,987)	(1,354,697)
Interest Expenses	2(a)	(122,249)	(113,800)	(104,474)	(94,557)	(105,983)	(120,026)
Insurance		(213,229)	(220,067)	(227,451)	(234,756)	(140,185)	(161,940)
Other Expenditure		(14,202)	(14,313)	(14,428)	(14,546)	(11,547)	(13,525)
		<u>(10,685,014)</u>	<u>(10,655,500)</u>	<u>(10,816,066)</u>	<u>(11,073,064)</u>	<u>(10,204,586)</u>	<u>(8,021,201)</u>
		<u>(2,947,076)</u>	<u>(2,666,989)</u>	<u>(2,486,667)</u>	<u>(2,417,366)</u>	<u>(3,120,686)</u>	<u>(743,434)</u>
Non-Operating Grants, Subsidies & Contributions		1,071,854	461,855	385,162	414,029	1,207,997	898,545
Profit on Asset Disposals	4	30,534	75,249	140,580	41,579	6,640	139,401
Loss on Asset Disposals	4	(21,285)	(30,407)	(17,516)	(33,409)	(219,417)	(22,643)
<b>NET RESULT</b>		<u>(1,865,974)</u>	<u>(2,160,292)</u>	<u>(1,978,441)</u>	<u>(1,995,167)</u>	<u>(2,125,466)</u>	<u>271,869</u>

This statement is to be read in conjunction with the accompanying notes. These notes apply to the 2016/2017 year only.

**SHIRE OF BROOKTON**  
**STATEMENT OF BUDGET**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2017**

NOTE	2016/17	2017/18	2018/19	2019/20	2015/16	2015/16
	Budget	Budget	Budget	Budget	Actual	Adopted Budget
	\$	\$	\$	\$	\$	\$
<b>OPERATING REVENUES (Refer Notes 1,2,8 to 3)</b>						
Governance	36,661	36,869	38,152	39,486	39,304	32,789
General Purpose Funding	3,035,573	3,173,209	3,357,631	3,553,720	2,406,013	2,418,999
Law, Order, Public Safety	34,763	43,814	45,588	47,434	389,599	139,125
Health	2,509	2,638	2,773	2,916	625	2,467
Education and Welfare	3,719,654	3,778,543	3,885,482	3,995,196	3,812,350	3,885,322
Housing	82,562	82,622	82,686	82,753	132,332	54,528
Community Amenities	426,922	453,029	480,889	510,622	383,389	402,256
Recreation and Culture	96,790	100,180	103,807	75,649	50,553	56,706
Transport	92,614	96,079	99,689	103,451	86,693	81,988
Economic Services	57,550	61,003	64,663	68,543	53,015	59,090
Other Property and Services	165,475	190,931	185,554	209,336	160,979	156,279
	<u>7,751,072</u>	<u>8,018,917</u>	<u>8,346,915</u>	<u>8,689,107</u>	<u>7,514,852</u>	<u>7,289,549</u>
<b>OPERATING EXPENSES (Refer Notes 1,2 &amp; 4)</b>						
Governance	(676,884)	(694,285)	(705,267)	(744,017)	(662,404)	(662,533)
General Purpose Funding	(199,250)	(200,922)	(217,572)	(215,346)	(199,735)	(190,580)
Law, Order, Public Safety	(218,386)	(220,933)	(226,189)	(238,099)	(203,131)	(394,399)
Health	(51,035)	(52,540)	(54,226)	(55,991)	(51,128)	(51,836)
Education and Welfare	(3,850,981)	(3,759,060)	(3,841,348)	(3,945,710)	(3,826,341)	(3,918,973)
Housing	(116,769)	(128,326)	(133,132)	(135,276)	(172,818)	(130,744)
Community Amenities	(613,362)	(580,031)	(596,481)	(613,735)	(491,048)	(493,737)
Recreation & Culture	(755,744)	(789,735)	(783,042)	(827,873)	(699,129)	(769,419)
Transport	(3,870,659)	(3,941,454)	(3,958,161)	(4,012,805)	(3,711,676)	(1,081,029)
Economic Services	(158,894)	(128,765)	(133,399)	(138,381)	(110,510)	(153,478)
Other Property and Services	(72,341)	(83,936)	(87,610)	(91,418)	(106,873)	(67,335)
	<u>(10,584,306)</u>	<u>(10,579,987)</u>	<u>(10,736,427)</u>	<u>(11,018,651)</u>	<u>(10,234,793)</u>	<u>(7,914,063)</u>
<b>BORROWING COSTS EXPENSE (Refer Notes 2 &amp; 5)</b>						
Governance	(3,838)	(3,564)	(3,271)	(2,960)	(2,799)	(4,095)
General Purpose Funding	(30,823)	(28,254)	(25,510)	(22,580)	-	(33,229)
Education and Welfare	(5,858)	(5,452)	(4,960)	(4,441)	(3,967)	(5,771)
Housing	(9,666)	(8,996)	(8,184)	(7,327)	(6,546)	(9,522)
Community Amenities	(4,101)	(3,817)	(3,472)	(3,109)	(2,777)	(4,040)
Recreation & Culture	(49,891)	(46,840)	(43,574)	(40,077)	(51,072)	(52,740)
Other Property & Services	(9,666)	(8,996)	(8,184)	(7,327)	(6,545)	(9,522)
	<u>(113,842)</u>	<u>(105,919)</u>	<u>(97,155)</u>	<u>(87,822)</u>	<u>(73,706)</u>	<u>(118,919)</u>
<b>NON-OPERATING GRANTS/CONTRIBUTIONS FOR THE DEVELOPMENT OF ASSETS</b>						
General Purpose	-	-	-	-	-	-
Law, Order, Public Safety	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Community Amenities	100,000	-	-	-	140,000	200,000
Recreation & Culture	81,000	-	-	-	32,000	71,000
Economic Services	5,300	-	-	-	-	-
Transport	885,554	461,855	385,162	414,029	697,083	627,545
	<u>1,071,854</u>	<u>461,855</u>	<u>385,162</u>	<u>414,029</u>	<u>869,083</u>	<u>898,545</u>
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)</b>						
Governance	(607)	9,393	9,393	9,393	(1,875)	6,503
Law, Order & Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Education and Welfare	-	-	-	-	(87,234)	-
Housing	-	45,915	49,631	-	(37,976)	128,500
Community Amenities	(6,918)	(6,918)	(6,918)	(6,918)	-	(7,385)
Recreation and Culture	-	-	-	-	(26,395)	-
Transport	-	-	-	-	-	-
Economic Services	24,925	-	-	-	-	-
Other Property and Services	(8,151)	(3,547)	70,959	5,697	(47,422)	(10,861)
	<u>9,248</u>	<u>44,843</u>	<u>123,064</u>	<u>8,171</u>	<u>(200,902)</u>	<u>116,757</u>
<b>NET RESULT</b>	<u>(1,865,974)</u>	<u>(2,160,292)</u>	<u>(1,978,441)</u>	<u>(1,995,167)</u>	<u>(2,125,466)</u>	<u>271,869</u>

This statement is to be read in conjunction with the accompanying notes. These notes apply to the 2016/2017 year only.

**SHIRE OF BROOKTON  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Adopted Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,917,236	1,791,638	1,732,163
Grants and Subsidies - operating		3,812,835	3,327,899	3,511,063
Fees and Charges		1,499,148	1,437,553	1,548,723
Interest Earnings		199,619	157,307	175,867
Goods and Services Tax		0	0	0
Other		309,101	369,503	252,121
		<u>7,737,938</u>	<u>7,083,900</u>	<u>7,219,937</u>
<b>Payments</b>				
Employee Costs		(1,184,512)	(1,148,015)	(1,285,851)
Materials and Contracts		(4,823,687)	(4,691,634)	(4,788,772)
Utilities (gas, electricity, water, etc)		(158,895)	(158,295)	(172,417)
Insurance		(213,229)	(140,185)	(161,940)
Interest		(122,249)	(105,983)	(120,026)
Goods and Services Tax		0	0	0
Other		(14,202)	(11,548)	(13,525)
		<u>(6,516,774)</u>	<u>(6,255,660)</u>	<u>(6,542,531)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>1,221,164</u>	<u>828,240</u>	<u>677,406</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	3	0	0	0
Payments for Purchase of Property, Plant & Equipment	3	(2,045,343)	(1,351,025)	(1,877,628)
Payments for Construction of Infrastructure	3	(1,344,280)	(1,121,475)	(1,181,390)
Non-Operating Grants, Subsidies and Contributions for the Development of Assets		1,071,854	1,207,996	898,545
Proceeds from Sale of Plant & Equipment	4	264,000	556,280	694,000
Proceeds from Advances		0	0	0
<b>Net Cash Used in Investing Activities</b>		<u>(2,053,769)</u>	<u>(708,224)</u>	<u>(1,466,473)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	(122,136)	(114,637)	(114,637)
Proceeds from Self Supporting Loans		38,036	35,630	35,630
Proceeds from New Debentures	5	0	0	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(84,100)</u>	<u>(79,007)</u>	<u>(79,007)</u>
<b>Net Increase (Decrease) in Cash Held</b>		(916,705)	41,010	(868,074)
Cash at Beginning of Year		3,994,828	3,953,818	3,953,818
<b>Cash at End of Year</b>	15(a)	<u><u>3,078,123</u></u>	<u><u>3,994,828</u></u>	<u><u>3,085,744</u></u>

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

**SHIRE OF BROOKTON  
STATEMENT OF BUDGET  
FINANCIAL ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2016/17 Budget \$	2017/18 Budget \$	2018/19 Budget \$	2019/20 Budget \$	2015/16 Actual \$	2015/16 Adopted Budget \$
<b>Revenues/Sources</b>							
Governance	1,2	36,054	46,262	47,545	48,879	39,304	39,292
General Purpose Funding		1,118,337	1,121,767	1,162,588	1,205,024	614,375	629,006
Law, Order, Public Safety		34,763	43,814	45,588	47,434	389,599	139,125
Health		2,509	2,638	2,773	2,916	625	2,467
Education and Welfare		3,719,654	3,778,543	3,885,482	3,995,196	3,812,350	3,885,322
Housing		82,562	128,537	132,316	82,753	94,356	183,028
Community Amenities		520,003	446,111	473,970	503,704	523,389	594,871
Recreation and Culture		177,790	100,180	103,807	75,649	82,553	127,706
Transport		978,168	557,934	484,851	517,480	783,776	709,533
Economic Services		87,775	61,003	64,663	68,543	53,015	59,090
Other Property and Services		165,475	187,384	256,513	215,033	113,557	156,279
		<u>6,923,090</u>	<u>6,474,173</u>	<u>6,660,098</u>	<u>6,762,610</u>	<u>6,506,899</u>	<u>6,525,719</u>
<b>(Expenses)/(Applications)</b>							
Governance	1,2	(680,722)	(697,848)	(708,539)	(746,977)	(667,078)	(666,628)
General Purpose Funding		(230,073)	(229,176)	(243,082)	(237,926)	(199,735)	(223,809)
Law, Order, Public Safety		(218,386)	(220,933)	(226,189)	(238,099)	(203,131)	(394,399)
Health		(51,035)	(52,540)	(54,226)	(55,991)	(51,128)	(51,836)
Education and Welfare		(3,856,839)	(3,764,512)	(3,846,308)	(3,950,151)	(3,917,543)	(3,924,744)
Housing		(126,435)	(137,323)	(141,315)	(142,604)	(179,364)	(140,267)
Community Amenities		(617,463)	(583,847)	(599,953)	(616,844)	(493,825)	(497,777)
Recreation & Culture		(805,635)	(836,575)	(826,616)	(867,950)	(776,596)	(822,159)
Transport		(3,870,659)	(3,941,454)	(3,958,161)	(4,012,805)	(3,711,676)	(1,081,029)
Economic Services		(158,894)	(128,765)	(133,399)	(138,381)	(110,510)	(153,478)
Other Property and Services		(90,158)	(92,932)	(95,794)	(98,745)	(113,417)	(87,719)
		<u>(10,706,299)</u>	<u>(10,685,906)</u>	<u>(10,833,582)</u>	<u>(11,106,473)</u>	<u>(10,424,003)</u>	<u>(8,043,845)</u>
<b>Adjustments for Non-Cash</b>							
<b>(Revenue) and Expenditure</b>							
(Profit)/Loss on Asset Disposals	4	(9,248)	(44,843)	(123,064)	(8,171)	212,777	(116,757)
Movement in Non Current Provisions						(5,737)	
Depreciation on Assets	2(a)	<u>4,023,244</u>	<u>4,081,727</u>	<u>4,115,488</u>	<u>4,153,074</u>	<u>3,973,987</u>	<u>1,354,697</u>
<b>Total Expenses Depreciation Adjusted</b>		<u>(6,692,304)</u>	<u>(6,649,022)</u>	<u>(6,841,158)</u>	<u>(6,961,570)</u>	<u>(6,242,976)</u>	<u>(6,805,905)</u>
<b>Capital Revenue and (Expenditure)</b>							
Purchase - Footpaths	3	(100,000)	(150,000)	(100,000)	(100,000)	(29,176)	(32,750)
Purchase - Subdivisional Costs		0	0			0	0
Purchase Land and Buildings	3	(1,392,243)	(220,954)	(422,903)	(524,835)	(531,258)	(1,248,878)
Purchase Infrastructure Assets - Roads & Bridges	3	(1,166,600)	(955,614)	(900,074)	(804,004)	(965,242)	(998,640)
Purchase Infrastructure Assets - Parks	3	(30,000)	(10,000)	(10,000)	(10,000)	0	0
Purchase Drainage & Sewerage	3	(47,680)	(100,000)	(100,000)	(100,000)	(127,057)	(150,000)
Purchase Plant and Equipment	3	(540,500)	(478,000)	(585,500)	(675,000)	(765,168)	(607,000)
Purchase Furniture and Equipment	3	(112,600)	(10,000)	-	(50,000)	(54,600)	(21,750)
Proceeds from Disposal of Assets	4	264,000	359,000	459,000	189,000	556,280	694,000
Repayment of Debentures	5	(122,136)	(130,130)	(138,652)	(147,737)	(114,637)	(114,637)
Proceeds from New Debentures		0	0	0	0	0	0
Self-Supporting Loan Principal Income		38,036	40,605	43,349	46,279	35,630	35,630
Transfers to Reserves (Restricted Assets)	6	(586,658)	(591,279)	(607,217)	(400,434)	(1,008,983)	(831,799)
Transfers from Reserves (Restricted Assets)	6	1,099,300	60,000	0	0	347,000	715,080
		<u>(2,697,081)</u>	<u>(2,186,372)</u>	<u>(2,361,997)</u>	<u>(2,576,731)</u>	<u>(2,657,211)</u>	<u>(2,560,744)</u>
Estimated Net Current Assets B/Fwd 1 July 2015	7	549,059	309,779	348,014	426,994	1,115,010	1,050,937
LESS Estimated Net Current Assets C/Fwd 30 June 2016	7	0	0	0	0	513,359	0
<b>Amount Required from Rates</b>	8	<u>(1,917,236)</u>	<u>(2,051,442)</u>	<u>(2,195,043)</u>	<u>(2,348,696)</u>	<u>(1,791,637)</u>	<u>(1,789,993)</u>

This statement is to be read in conjunction with the accompanying notes. These notes apply to the 2016/2017 year only.



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

**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 16 to this budget document.

**(c) 2015/16 Actual Balances**

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

**(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 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.

**(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.

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

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

**(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**

**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 complete are expensed.

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

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

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.

**(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 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.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

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

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

**(k) Fixed Assets (Continued)**

***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.

***Initial Recognition***

All assets are initially recognised at cost. 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

***Revaluation***

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

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

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

**(k) Fixed Assets (Continued)**

***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.

***Early Adoption of AASB 13 - Fair Value Measurement***

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13 - Fair Value Measurement* have been applied to this reporting period (year ended 30 June 2013).

***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 this 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 of Non-Current Assets***

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	5 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
<u>Infrastructure - Roads Sealed</u>	20 to 50 years
Formation and Subgrade	not depreciated
Pavement	15 to 100 years
Surface	15 to 25 years
Surface Water Channel	5 to 100 years
<u>Infrastructure - Roads Gravel</u>	
Formation and Subgrade	not depreciated
Pavement	15 to 100 years
<u>Infrastructure - Roads Unsealed</u>	
Formation and Subgrade	not depreciated
Pavement	15 to 100 years
Infrastructure - Footpaths	40 to 100 years
Infrastructure - Parks & Gardens	30 to 50 years
Infrastructure - Sewerage Piping	1 to 100 years
Water Supply Piping and drainage systems	50 to 75 Years
Storm Water Drainage	50 to 100 years
Bridges	10 to 50 years

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

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

**(k) Fixed Assets (Continued)**

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 with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**Capitalisation Threshold**

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

**(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 at cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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;

(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; and

(b) less any reduction for impairment.

The effective interest rate 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 at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at fair value with changes to 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.

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

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

**(l) Financial Instruments (Continued)**

**Classification and Subsequent Measurement (Continued)**

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities 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.

They are subsequently measured at fair value with changes in such fair value (ie 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 the 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 (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

**Impairment**

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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 having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, 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 into profit or loss at this point.

**Derecognition**

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. 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.

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

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

**(m) Impairment**

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 (eg AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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.

**(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**

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

**(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.

**(q) Provisions**

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) 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 resale where it is held as non-current based on Council's intentions to release for sale.

**(s) Comparative Figures**

Where required, comparative figures have been adjusted to conform with changes in presentation of 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 BROOKTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Adopted Budget \$
<b>2. REVENUES AND EXPENSES</b>			
<b>(a) Net Result from Ordinary Activities was arrived at after:</b>			
(i) Charging as Expenses:			
<b>Depreciation</b>	4,023,244	3,973,987	1,354,697
<b>By Program</b>			
Governance	61,599	62,074	65,488
General Purpose Funding	0	0	0
Law, Order, Public Safety	65,408	76,294	116,316
Health	0	0	1,523
Education and Welfare	188,016	200,850	199,200
Housing	23,593	17,417	31,206
Community Amenities	102,975	106,899	30,383
Recreation and Culture	176,463	191,047	195,638
Transport	3,152,714	3,312,795	453,023
Economic Services	1,252	1,538	1,450
Other Property and Services	251,225	263,125	260,470
	<u>4,023,244</u>	<u>4,232,037</u>	<u>1,354,697</u>
<b>By Class</b>			
Land and Buildings	661,486	695,815	222,734
Furniture and Equipment	123,073	129,461	41,441
Plant and Equipment	965,557	1,015,666	325,120
Roads	2,142,368	2,253,550	721,373
Footpaths	47,182	49,631	15,887
Drainage	47,182	49,631	15,887
Parks & Ovals	36,395	38,284	12,255
	<u>4,023,244</u>	<u>4,232,037</u>	<u>1,354,697</u>
<b>(a) Net Result from Ordinary Activities was arrived at after:</b>			
<b>Borrowing Costs (Interest)</b>			
- Finance Lease Charges	0	0	0
- Debentures ( <i>refer note 5(a)</i> )	122,249	105,982	120,026
	<u>122,249</u>	<u>105,982</u>	<u>120,026</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	96,658	73,983	76,799
- Other Funds	30,049	19,907	49,908
- Self Supporting Loans	36,571	36,632	33,660
Other Interest Revenue ( <i>refer note 13</i> )	15,500	11,187	15,500
	<u>178,778</u>	<u>141,709</u>	<u>175,867</u>



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

**2. STATEMENT OF OBJECTIVE**

- (b) In order to discharge its responsibilities to the community, the Shire 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 statement encompass the following service orientated activities/programs:

**GOVERNANCE**

**Objective:** To provide a decision making process for the efficient allocation of resources.

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

**GENERAL PURPOSE FUNDING**

**Objective:** To collect revenue to allow for the provision of services.

**Activities:** Rates, general purpose grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:** To provide services to help ensure a safer community.

**Activities:** Supervision of various by-laws, fire prevention, emergency services and animal control.

**HEALTH**

**Objective:** To provide an operational framework for good community health..

**Activities:** Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance. In addition this program also includes the costs associated with the maintenance of the Saddleback Medical Centre.

**EDUCATION AND WELFARE**

**Objective:** The Shire of Brookton incorporates the operation of Kalkarni Residency, which is an Aged Care facility. Annual contributions are also made to pre-school education through the Early Years Network.

**Activities:** Support day care centres and pre school facilities and assistance to senior citizens and retirement villages and other voluntary services.

**HOUSING**

**Objective:** Provision and maintenance of rental housing to staff and non-staff tenants.

**Activities:** Provision and maintenance of rental housing to staff and non-staff tenants.

**COMMUNITY AMENITIES**

**Objective:** Provision and maintenance of a sewerage overflow system; street, household and commercial refuse collection; provision and maintenance of the Brookton refuse disposal site; administration of a town planning scheme; provision and maintenance of public conveniences, and Brookton Cemetery operations.

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

**RECREATION AND CULTURE**

**Objective:** To establish and manage efficiently infrastructure and resources which will help the social well being of the community.

**Activities:** Maintenance of halls, aquatic centre, recreation centre and reserves, parks and gardens, library service, cultural and heritage services and facilities.

**TRANSPORT**

**Objective:** Construction and maintenance of road network including traffic signs, footpaths, bridges, culverts and other drains, street cleaning and lighting of streets. Townscape projects and the maintenance of a works depot.

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

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

**2. STATEMENT OF OBJECTIVE (continued)**

**(b) ECONOMIC SERVICES**

**Objective:** Tourism and promotion of Brookton, operation of Brookton Caravan Park, building control and land care development of the Brookton district.

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

**OTHER PROPERTY & SERVICES**

**Objective:** Private works and indirect cost allocation pools for plant operation and public works.

**Activities:** Private works operations, public works operation, plant operation costs, gross salaries and wages.

<b>3. ACQUISITION OF ASSETS</b>	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>	<b>2015/16 Adopted Budget \$</b>
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The following assets have been acquired during the period under review:

**By Program**

Governance	86,000	31,208	101,750
General Purpose Funding	0	0	0
Law, Order, Public Safety	0	347,285	0
Health	0	0	10,000
Education and Welfare	357,243	64,352	252,330
Housing	780,000	326,172	342,168
Community Amenities	303,000	435,219	570,380
Recreation and Culture	111,000	0	111,000
Transport	1,731,780	852,706	1,671,390
Economic Services	20,600	5,300	0
Other Property and Services	0	417,883	0
	<u>3,389,623</u>	<u>2,480,125</u>	<u>3,059,018</u>

**By Class**

Land Held for Resale	0	0	0
Land and Buildings	1,392,243	680,595	1,248,878
Infrastructure Assets - Roads & Bridges	1,166,600	823,530	998,640
Infrastructure Assets - Parks and Ovals	30,000	0	0
Infrastructure Assets - Sewerage & Drainage	47,680	127,057	150,000
Infrastructure Assets - Footpaths	100,000	29,176	32,750
Plant and Equipment	540,500	765,168	607,000
Furniture and Equipment	112,600	54,600	21,750
	<u>3,389,623</u>	<u>2,480,125</u>	<u>3,059,018</u>

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

**4. DISPOSALS OF ASSETS**

The following assets have been disposed of during the period under review:

<b><u>By Program</u></b>	<b>Net Book Value</b>	<b>Sale Proceeds</b>	<b>Profit(Loss)</b>
	<b>2016/17 Budget \$</b>	<b>2016/17 Budget \$</b>	<b>2016/17 Budget \$</b>
<b>Governance</b>			
CEO Vehicle	24,582	25,000	418
DCEO Vehicle	23,025	22,000	(1,025)
<b>Community Amenities</b>			
Lot 100 Korrnong Drive	30,075	55,000	24,925
<b>Community Amenities</b>			
Shire Planner Vehicle	28,918	22,000	(6,918)
<b>Transport</b>			
Grader D Series	102,744	100,000	(2,744)
Works Supervisors Ute	30,597	20,000	(10,597)
Dual Cab Utility - Foreman - 33BO	14,809	20,000	5,191
	254,752	264,000	9,248

<b><u>By Class</u></b>	<b>Net Book Value</b>	<b>Sale Proceeds</b>	<b>Profit(Loss)</b>
	<b>2016/17 Budget \$</b>	<b>2016/17 Budget \$</b>	<b>2016/17 Budget \$</b>
Plant & Equipment	254,752	209,000	(15,677)
Land & Buildings	30,075	55,000	24,925
	284,827	264,000	9,248

<b><u>Summary</u></b>	<b>2016/17 Budget \$</b>
Profit on Asset Disposals	30,534
Loss on Asset Disposals	(21,285)
	9,248

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

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-16	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$
<b>Self Supporting Loans</b>								
78 Senior Citizen's Home	130,452		12,783	11,963	117,669	130,452	9,458	9,934
79 Multifunctional Family Centre	39,429		7,904	7,463	31,525	39,429	2,445	1,803
82 Country Club	292,938		17,349	16,203	275,589	292,939	22,032	20,539
<b>Governance</b>								
75 Office Renovations	60,436		4,178	3,921	56,258	60,436	4,239	2,799
<b>Education and Welfare</b>								
80 Kalkarni Residence	95,643		7,356	6,959	88,287	95,642	5,858	3,967
<b>Housing</b>								
80 Staff Housing	157,810		12,137	11,482	145,673	157,810	9,666	6,546
<b>Community Amenities</b>								
80 Sewerage	66,950		5,149	4,871	61,801	66,950	4,101	2,777
<b>Transport</b>								
80 Grader	157,810		12,137	11,482	145,673	157,810	9,666	6,546
<b>Recreation and Culture</b>								
81 Sport and Recreation	728,457		43,143	40,293	685,315	728,458	54,784	51,072
	1,729,926	0	122,136	114,637	1,607,789	1,729,926	122,249	105,982

All debenture repayments were financed by general purpose revenue.

(b) Unspent Debentures

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

(c) Overdraft

Council do not utilise the overdraft facility during the 2015/2016 financial year. It is not anticipated that an overdraft facility will be utilised during 2016/17.

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

	2016/17 Budget \$	2017/18 Budget \$	2018/19 Budget \$	2019/20 Budget \$	2015/16 Actual \$	2015/16 Adopted Budget \$
<b>6. RESERVES</b>						
<b>Cash Backed Reserves</b>						
<b>(a) Housing Reserve</b>						
Opening Balance	754,114	11,738	252,090	499,653	310,210	310,210
Amount Set Aside / Transfer to Reserve	37,623	240,352	247,563	29,990	443,905	494,306
Amount Used / Transfer from Reserve	(780,000)	0	0	0	0	(40,000)
	<u>11,738</u>	<u>252,090</u>	<u>499,653</u>	<u>529,642</u>	<u>754,114</u>	<u>764,516</u>
<b>(b) Plant and Vehicle Reserve</b>						
Opening Balance	494,514	609,349	727,630	849,459	354,660	354,660
Amount Set Aside / Transfer to Reserve	114,835	118,280	121,829	125,484	214,854	110,640
Amount Used / Transfer from Reserve	0	0	0	0	(75,000)	(85,000)
	<u>609,349</u>	<u>727,630</u>	<u>849,459</u>	<u>974,943</u>	<u>494,514</u>	<u>380,300</u>
<b>(c) Furniture and Equipment Reserve</b>						
Opening Balance	23,982	64,702	76,643	88,942	13,597	13,597
Amount Set Aside / Transfer to Reserve	40,719	11,941	12,299	12,668	10,385	10,408
Amount Used / Transfer from Reserve	0	0	0	0	0	0
	<u>64,702</u>	<u>76,643</u>	<u>88,942</u>	<u>101,611</u>	<u>23,982</u>	<u>24,005</u>
<b>(d) Municipal Buildings Reserve</b>						
Opening Balance	115,626	219,095	255,668	293,338	83,312	83,312
Amount Set Aside / Transfer to Reserve	103,469	36,573	37,670	38,800	32,314	32,499
Amount Used / Transfer from Reserve	0	0	0	0	0	-
	<u>219,095</u>	<u>255,668</u>	<u>293,338</u>	<u>332,138</u>	<u>115,626</u>	<u>115,811</u>
<b>(e) Land Redevelopment Reserve</b>						
Opening Balance	126,049	129,830	133,725	137,737	122,707	122,707
Amount Set Aside / Transfer to Reserve	3,781	3,895	4,012	4,132	3,342	3,681
Amount Used / Transfer from Reserve	0	0	0	0	0	0
	<u>129,830</u>	<u>133,725</u>	<u>137,737</u>	<u>141,869</u>	<u>126,049</u>	<u>126,388</u>
<b>(f) Townscape and Footpath Reserve</b>						
Opening Balance	142,081	46,343	47,733	49,165	235,807	235,807
Amount Set Aside / Transfer to Reserve	4,262	1,390	1,432	1,475	6,273	7,074
Amount Used / Transfer from Reserve	(100,000)	0	0	0	(100,000)	(200,000)
	<u>46,343</u>	<u>47,733</u>	<u>49,165</u>	<u>50,640</u>	<u>142,081</u>	<u>42,881</u>
<b>(g) Road and Bridges Infrastructure Reserve</b>						
Opening Balance	187,018	292,629	311,408	330,750	45,568	45,568
Amount Set Aside / Transfer to Reserve	105,611	18,779	19,342	19,922	141,450	11,367
Amount Used / Transfer from Reserve	-	-	-	-	0	0
	<u>292,629</u>	<u>311,408</u>	<u>330,750</u>	<u>350,672</u>	<u>187,018</u>	<u>56,935</u>
<b>(h) Community Bus Reserve</b>						
Opening Balance	57,160	63,875	10,792	16,115	50,770	50,770
Amount Set Aside / Transfer to Reserve	6,715	6,916	5,324	5,483	6,390	6,523
Amount Used / Transfer from Reserve	0	(60,000)	0	0	0	0
	<u>63,875</u>	<u>10,792</u>	<u>16,115</u>	<u>21,599</u>	<u>57,160</u>	<u>57,293</u>

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

6. RESERVES (Continued)	2016/17 Budget \$	2017/18 Budget \$	2018/19 Budget \$	2019/20 Budget \$	2015/16 Actual \$	2015/16 Adopted Budget \$
<b>(i) Sewerage and Drainage Infrastructure Reserve</b>						
Opening Balance	125,338	194,098	249,921	307,419	199,455	199,455
Amount Set Aside / Transfer to Reserve	68,760	55,823	57,498	59,223	53,883	55,984
Amount Used / Transfer from Reserve	0	0	0	0	(128,000)	(150,000)
	<u>194,098</u>	<u>249,921</u>	<u>307,419</u>	<u>366,641</u>	<u>125,338</u>	<u>105,439</u>
<b>(j) Health &amp; Aged Care Reserve</b>						
Opening Balance	777,991	686,331	756,920	829,628	708,616	708,616
Amount Set Aside / Transfer to Reserve	73,340	70,590	72,708	74,889	69,375	71,258
Amount Used / Transfer from Reserve	(165,000)	-	-	-	0	(145,000)
	<u>686,331</u>	<u>756,920</u>	<u>829,628</u>	<u>904,517</u>	<u>777,991</u>	<u>634,874</u>
<b>(k) Sport and Recreation Reserve</b>						
Opening Balance	10,125	10,428	10,741	11,063	9,856	9,856
Amount Set Aside / Transfer to Reserve	304	313	322	332	268	296
Amount Used / Transfer from Reserve	0	0	0	0	0	0
	<u>10,428</u>	<u>10,741</u>	<u>11,063</u>	<u>11,395</u>	<u>10,125</u>	<u>10,152</u>
<b>(l) Rehabilitation Refuse &amp; Gravel Reserve</b>						
Opening Balance	40,355	46,566	52,963	59,552	34,410	34,410
Amount Set Aside / Transfer to Reserve	6,211	6,397	6,589	6,787	5,945	6,032
Amount Used / Transfer from Reserve	0	0	0	0	0	0
	<u>46,566</u>	<u>52,963</u>	<u>59,552</u>	<u>66,338</u>	<u>40,355</u>	<u>40,442</u>
<b>(m) Saddleback Building Reserve</b>						
Opening Balance	48,828	50,292	51,801	53,355	47,533	47,533
Amount Set Aside / Transfer to Reserve	1,465	1,509	1,554	1,601	1,295	1,426
Amount Used / Transfer from Reserve	-	-	-	-	0	-
	<u>50,292</u>	<u>51,801</u>	<u>53,355</u>	<u>54,956</u>	<u>48,828</u>	<u>48,959</u>
<b>(n) Caravan Park Reserve</b>						
Opening Balance	127,936	116,474	119,969	123,568	124,544	124,544
Amount Set Aside / Transfer to Reserve	3,838	3,494	3,599	3,707	3,392	3,736
Amount Used / Transfer from Reserve	(15,300)	0	-	0	0	0
	<u>116,474</u>	<u>119,969</u>	<u>123,568</u>	<u>127,275</u>	<u>127,936</u>	<u>128,280</u>
<b>(o) Brookton Museum/Heritage Reserve</b>						
Opening Balance	34,353	37,884	41,520	45,266	31,005	31,005
Amount Set Aside / Transfer to Reserve	3,531	3,637	3,746	3,858	3,348	3,430
Amount Used / Transfer from Reserve	0	0	0	0	0	0
	<u>37,884</u>	<u>41,520</u>	<u>45,266</u>	<u>49,124</u>	<u>34,353</u>	<u>34,435</u>
<b>(p) Kweda Hall Reserve</b>						
Opening Balance	22,548	25,725	28,997	32,367	19,513	19,513
Amount Set Aside / Transfer to Reserve	3,176	3,272	3,370	3,471	3,035	3,086
Amount Used / Transfer from Reserve	0	0	0	0	0	-
	<u>25,725</u>	<u>28,997</u>	<u>32,367</u>	<u>35,838</u>	<u>22,548</u>	<u>22,599</u>
<b>(q) Aldersyde Hall Reserve</b>						
Opening Balance	22,549	25,725	28,997	32,367	19,513	19,513
Amount Set Aside / Transfer to Reserve	3,176	3,272	3,370	3,471	3,035	3,086
Amount Used / Transfer from Reserve	0	0	0	0	0	0
	<u>25,725</u>	<u>28,997</u>	<u>32,367</u>	<u>35,838</u>	<u>22,549</u>	<u>22,599</u>
<b>(r) Railway Station Reserve</b>						
Opening Balance	22,548	7,725	10,457	13,270	19,513	19,513
Amount Set Aside / Transfer to Reserve	3,176	2,732	2,814	2,898	3,035	3,086
Amount Used / Transfer from Reserve	(18,000)	-	-	-	0	(18,000)
	<u>7,725</u>	<u>10,457</u>	<u>13,270</u>	<u>16,168</u>	<u>22,548</u>	<u>4,599</u>

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

	2016/17 Budget \$	2017/18 Budget \$	2018/19 Budget \$	2019/20 Budget \$	2015/16 Actual \$	2015/16 Adopted Budget \$
<b>6. RESERVES (Continued)</b>						
<b>(s) Madison Square Units Reserve</b>						
Opening Balance	17,235	17,752	18,285	18,833	16,778	16,778
Amount Set Aside / Transfer to Reserve	517	533	549	565	457	504
Amount Used / Transfer from Reserve	0	0	0	0	0	-
	<u>17,752</u>	<u>18,285</u>	<u>18,833</u>	<u>19,398</u>	<u>17,235</u>	<u>17,282</u>
<b>(t) Cemetery Reserve</b>						
Opening Balance	20,920	21,548	22,194	22,860	63,263	63,263
Amount Set Aside / Transfer to Reserve	628	646	666	686	1,657	1,899
Amount Used / Transfer from Reserve	-	-	-	-	(44,000)	(51,080)
	<u>21,548</u>	<u>22,194</u>	<u>22,860</u>	<u>23,546</u>	<u>20,920</u>	<u>14,082</u>
<b>(u) Water Harvesting Reserve</b>						
Opening Balance	50,665	31,184	32,120	33,084	49,321	49,321
Amount Set Aside / Transfer to Reserve	1,520	936	964	993	1,343	1,480
Amount Used / Transfer from Reserve	(21,000)	-	-	-	0	(26,000)
	<u>31,184</u>	<u>32,120</u>	<u>33,084</u>	<u>34,076</u>	<u>50,665</u>	<u>24,801</u>
<b>Total Cash Backed Reserves</b>	<u>2,709,295</u>	<u>3,240,574</u>	<u>3,847,791</u>	<u>4,248,225</u>	<u>3,221,937</u>	<u>2,676,672</u>

All of the above reserve accounts are supported by cash held in financial institutions.

**Summary of Transfers  
To Cash Backed Reserves**

**Transfers to Reserves**

Housing Reserve	37,623	240,352	247,563	29,990	443,905	494,306
Plant and Vehicle Reserve	114,835	118,280	121,829	125,484	214,854	110,640
Furniture and Equipment Reserve	40,719	11,941	12,299	12,668	10,385	10,408
Municipal Buildings Reserve	103,469	36,573	37,670	38,800	32,314	32,499
Land Redevelopment Reserve	3,781	3,895	4,012	4,132	3,342	3,681
Townscape and Footpath Reserve	4,262	1,390	1,432	1,475	6,273	7,074
Road and Bridges Infrastructure Reserve	105,611	18,779	19,342	19,922	141,450	11,367
Community Bus Reserve	6,715	6,916	5,324	5,483	6,390	6,523
Sewerage and Drainage Infrastructure Reserve	68,760	55,823	57,498	59,223	53,883	55,984
Health & Aged Care Reserve	73,340	70,590	72,708	74,889	69,375	71,258
Sport and Recreation Reserve	304	313	322	332	268	296
Rehabilitation Refuse & Gravel Reserve	6,211	6,397	6,589	6,787	5,945	6,032
Saddleback Building Reserve	1,465	1,509	1,554	1,601	1,295	1,426
Caravan Park Reserve	3,838	3,494	3,599	3,707	3,392	3,736
Brookton Museum/Heritage Reserve	3,531	3,637	3,746	3,858	3,348	3,430
Kweda Hall Reserve	3,176	3,272	3,370	3,471	3,035	3,086
Aldersyde Hall Reserve	3,176	3,272	3,370	3,471	3,035	3,086
Railway Station Reserve	3,176	2,732	2,814	2,898	3,035	3,086
Madison Square Units Reserve	517	533	549	565	457	504
Cemetery Reserve	628	646	666	686	1,657	1,899
Water Harvesting Reserve	1,520	936	964	993	1,343	1,480
	<u>586,658</u>	<u>591,279</u>	<u>607,217</u>	<u>400,434</u>	<u>1,008,983</u>	<u>831,801</u>

**Transfers from Reserves**

Housing Reserve	(780,000)	0	0	0	0	(40,000)
Plant and Vehicle Reserve	0	0	0	0	(75,000)	(85,000)
Furniture and Equipment Reserve	0	0	0	0	0	0
Municipal Buildings Reserve	0	0	0	0	0	0
Land Redevelopment Reserve	0	0	0	0	0	0
Townscape and Footpath Reserve	(100,000)	0	0	0	(100,000)	(200,000)
Road and Bridges Infrastructure Reserve	0	0	0	0	0	0
Community Bus Reserve	0	(60,000)	0	0	0	0
Sewerage and Drainage Infrastructure Reserve	0	0	0	0	(128,000)	(150,000)
Health & Aged Care Reserve	(165,000)	0	0	0	0	(145,000)
Sport and Recreation Reserve	0	0	0	0	0	0
Rehabilitation Refuse & Gravel Reserve	0	0	0	0	0	0
Saddleback Building Reserve	0	0	0	0	0	0
Caravan Park Reserve	(15,300)	0	0	0	0	0
Brookton Museum/Heritage Reserve	0	0	0	0	0	0
Kweda Hall Reserve	0	0	0	0	0	0
Aldersyde Hall Reserve	0	0	0	0	0	0
Railway Station Reserve	(18,000)	0	0	0	0	(18,000)
Madison Square Units Reserve	0	0	0	0	0	0
Cemetery Reserve	0	0	0	0	(44,000)	(51,080)
Water Harvesting Reserve	(21,000)	0	0	0	0	(26,000)
	<u>(1,099,300)</u>	<u>(60,000)</u>	<u>0</u>	<u>0</u>	<u>(347,000)</u>	<u>(715,080)</u>

<b>Total Transfer to/(from) Reserves</b>	<u>(512,642)</u>	<u>531,279</u>	<u>607,217</u>	<u>400,434</u>	<u>661,983</u>	<u>116,721</u>
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**SHIRE OF BROOKTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**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:

**Plant and Vehicle Reserve**

This reserve is for the purchase of major items in the Shire's plant and vehicle replacement program.

**Staff Housing Reserve**

This reserve is for the construction of housing to meet future housing requirements.

**Furniture and Equipment Reserve**

This reserve is for the replacement of major items of furniture and equipment.

**Municipal Buildings & Facilities Reserve**

This reserve is for the upgrading of Shire owned buildings and facilities.

**Land Redevelopment Reserve**

This reserve is to be used for the cost of land development.

**Townscape & Footpaths Reserve**

This reserve is for the cost of major works to construct and upgrade footpaths and general townscape works.

**Sewerage and Drainage Infrastructure Reserve**

This reserve is for major upgrades to the Brookton town sewerage and drainage infrastructure as required.

**Road and Bridges Infrastructure Reserve**

This reserve is for the construction of roads and bridges within the Shire.

**Health & Aged Care Reserve**

This reserve is for the refurbishment of Saddleback Medical Centre and Kalkarni Residency.

**Community Bus Reserve**

This reserve is for the changeover of the Brookton Community Bus.

**Sport & Recreation Reserve**

This reserve is to be used to fund future sporting and recreation infrastructure.

**Rehabilitation Refuse & Gravel Reserve**

This reserve is to be used to fund the rehabilitation of the refuse site.

**Saddleback Building Reserve**

This reserve is to be used for the Saddleback building to fund future upgrades and major maintenance of the building.

**Caravan Park Reserve**

This reserve is to be used to fund any upgrades or major maintenance on the caravan park.

**Brookton Museum/Heritage Reserve**

This reserve is to be used to fund any upgrades or major maintenance of the museum.

**Kweda Hall Reserve**

This reserve is to be used to fund any upgrades or major maintenance on the Kweda Hall.

**Aldersyde Hall Reserve**

This reserve is to be used to fund any upgrades or major maintenance on the Aldersyde Hall.

**Railway Station Reserve**

This reserve is to be used to fund any upgrades or major maintenance on the Railway Station.

**Madison Square Units Reserve**

This reserve is to be used to fund any upgrades or major maintenance on the Madison Square Units.

**Cemetery Reserve**

This reserve is to be used to fund any upgrades or major maintenance on the Cemetery.

**Water Harvesting Reserve**

This reserve is to be used to fund any upgrades or major maintenance on the Water Harvesting scheme infrastructure.



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

	2016/17	2017/18	2018/19	2019/20	2015/16 Forecasted Closing Balance
	Budget \$	Budget \$	Budget \$	Budget \$	\$
<b>7. NET CURRENT ASSETS</b>					
<b>Estimated Net Current Asset Position</b>					
<b>CURRENT ASSETS</b>					
Cash - Unrestricted	368,827	500,000	500,000	500,000	772,890
Cash - Restricted - Reserves	2,709,295	3,240,574	3,847,791	4,248,225	3,221,937
Receivables	250,000	250,000	250,000	250,000	1,535,523
Receivables - Other	300,000	300,000	300,000	300,000	0
GST Receivable	50,000	50,000	50,000	50,000	0
Loans	0	0	0	0	0
Inventories	15,000	15,000	15,000	15,000	13,438
	<u>3,693,122</u>	<u>4,355,574</u>	<u>4,962,791</u>	<u>5,363,225</u>	<u>5,543,788</u>
<b>LESS: CURRENT LIABILITIES</b>					
Payables and Provisions	(983,827)	(1,115,000)	(1,115,000)	(1,115,000)	(1,808,493)
GST Payable	0	0	0	0	0
PAYG Payable	0	0	0	0	0
Income In Advance	0	0	0	0	0
Accrued Expenses	0	0	0	0	0
Accrued Interest on Debentures	0	0	0	0	0
Accrued Salaries and Wages	0	0	0	0	0
Current Loan Liability	0	0	0	0	0
Current Employee Provisions	0	0	0	0	0
	<u>(983,827)</u>	<u>(1,115,000)</u>	<u>(1,115,000)</u>	<u>(1,115,000)</u>	<u>(1,808,493)</u>
	<u>2,709,295</u>	<u>3,240,574</u>	<u>3,847,791</u>	<u>4,248,225</u>	<u>3,735,295</u>
Less: Cash - Reserves - Restricted	(2,709,295)	(3,240,574)	(3,847,791)	(4,248,225)	(3,221,937)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>513,359</u>
Add Back: Current Loan Liability	0	0	0	0	-
Add Back: Interest Accrual budgeted 16/17	0	0	0	0	-
Less: Current Portion of Self Supporting Loan	0	0	0	0	-
<b>NET CURRENT ASSET POSITION</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>513,359</u>

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

**8. RATING INFORMATION**

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2016/17 Budgeted Rate Revenue \$	2016/17 Budgeted Back Rates \$	2016/17 Budgeted Total Revenue \$	2015/16 Actual Total Revenue \$
<b>Differential Rate</b>							
Unimproved Value (UV)	0.009995	263	137,063,065	1,369,945	0	1,369,945	1,313,798
GRV - Commercial	0.104740	22	485,836	50,886	0	50,886	47,557
GRV - Residential	0.104740	240	2,357,709	246,946	0	246,946	228,523
GRV - Industrial	0.104740	5	65,936	6,906	0	6,906	6,454
GRV - Rural	0.104740	2	332,500	34,826	0	34,826	32,548
<b>Sub-Totals</b>		532	140,305,045	1,709,510	0	1,709,510	1,628,880
	<b>Minimum \$</b>						
<b>Differential Minimum Rates</b>							
Unimproved Value (UV)	1,287	97	8,521,303	124,839	0	124,839	85,413
GRV - Commercial	751	9	36,077	6,759	0	6,759	6,318
GRV - Residential	751	72	217,196	54,072	0	54,072	50,544
GRV - Industrial	751	1	5,980	751	0	751	702
GRV - Rural	751	0	0	0			
<b>Sub-Totals</b>		179	8,780,557	186,421	0	186,421	142,977
Less rates written off						1,895,931	1,771,857
<b>Total of Rates</b>						(1,000)	(1,064)
Ex Gratia Rates (Contributions)						1,894,931	1,770,793
						22,304	20,845
<b>Totals</b>						1,917,236	1,791,638

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

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

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

**9. SPECIFIED AREA RATE - 2016/2017 FINANCIAL YEAR**

Council will not be levying specified area rates in the 2016/2017 financial year.

**10. SERVICE CHARGES - 2016/2017 FINANCIAL YEAR**

Council will not be levying prescribed service charges in the 2016/2017 financial year.

**11. FEES & CHARGES REVENUE**

	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>
Governance	77	74
General Purpose Funding	6,213	5,956
Law, Order, Public Safety	6,330	6,068
Health	57	55
Education and Welfare	934,965	896,278
Housing	94,712	90,793
Community Amenities	327,704	314,144
Recreation & Culture	45,645	43,756
Transport	0	0
Economic Services	47,736	45,760
Other Property & Services	35,709	34,232
	1,499,148	1,437,116

**12. RATE PAYMENT DISCOUNTS, WAIVERS & CONCESSIONS  
- 2016/17 FINANCIAL YEAR**

The Shire of Brookton will not be offering any rate discounts in the 2016/17 financial year.

It is a Shire of Brookton policy to write off rates penalty interest amounts between \$0 and \$5 that remain outstanding after all other rates and service charges have been paid in full. The Shire has a budget of \$100 for rate write-offs in the 2016/17 financial year.

**13. INTEREST CHARGES AND INSTALMENTS - 2016/2017 FINANCIAL YEAR**

An interest rate of 11% will be charged on all rate payments which are late.  
It is estimated this will generate \$5,500.

Three separate option plans will be available to ratepayers for payment of their rates

**Option 1**

Full amount of rates and charges including arrears to be paid on or before 19th September 2016 or 35 days after the date of service appearing on the rate notice, whichever is the later.

**Option 2 (2 Instalments)**

First instalment is to be received on or before 19th September 2016 or 35 days after the date of service appearing on the rate notice, whichever is later and including all arrears and half of the current rates and service charges. The second instalment will be due 30th January 2017.

**Option 3 (4 Instalments)**

First instalment to be received on or before the 19th September 2016 or 35 days after the date of service appearing on the rate notice, whichever is the later and including all arrears and quarter of the current rates and service charges. Second, third and fourth instalments to be made at two monthly intervals thereafter.

Instalment dates are as listed:

- First Instalment 19th September 2016
- Second Instalment 21st November 2016
- Third Instalment 30th January 2017
- Fourth Instalment 10th April 2017

The cost of instalment plans will comprise of simple interest of 5.5% p.a. Calculated from the date the first instalment is due, together with an administration fee of \$10.00 for each instalment notice (i.e. \$10 for Option 2 and \$30 for Option 3).

The total revenue from the imposition of interest and administration charge under this option is estimated at \$20,000 and is comprised of;

	<b>2016/17 Budget \$</b>
Administration Charges	4,500
Interest Charges	15,500
	20,000

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

**14. COUNCILLORS' REMUNERATION**

	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>
The following fees, expenses and allowances were paid to council members and/or the president.		
Meeting Fees	34,400	28,000
Presidents Allowance	1,500	1,500
Deputy Presidents Allowance	375	375
Travelling Expenses	4,120	2,802
Telecommunications Allowance	0	0
	<u>40,395</u>	<u>32,677</u>

**15. NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>	<b>2015/16 Budget \$</b>
Cash - Unrestricted	368,827	772,890	409,070
Cash - Restricted	2,709,295	3,221,937	2,676,672
	<u>3,078,122</u>	<u>3,994,827</u>	<u>3,085,742</u>

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

Housing Reserve	11,738	754,114	764,516
Plant and Vehicle Reserve	609,349	494,514	380,300
Furniture and Equipment Reserve	64,702	23,982	24,005
Municipal Buildings Reserve	219,095	115,626	115,811
Land and Development Reserve	129,830	126,049	126,388
Townscape and Footpath Reserve	46,343	142,081	42,881
Road and Bridge Infrastructure Reserve	292,629	187,018	56,935
Community Bus Reserve	63,875	57,160	57,293
Sewerage and Drainage Reserve	194,098	125,338	105,439
Health & Aged Care Reserve	686,331	777,991	634,874
Sport and Recreation Reserve	10,428	10,125	10,152
Rehabilitation Refuse & Gravel Reserve	46,566	40,355	40,442
Saddleback Building Reserve	50,292	48,828	48,959
Caravan Park Reserve	116,474	127,936	128,280
Brookton Museum/Heritage Reserve	37,884	34,353	34,435
Kweda Hall Reserve	25,725	22,548	22,599
Aldersyde Hall Reserve	25,725	22,549	22,599
Railway Station Reserve	7,725	22,548	4,599
Madison Square Units Reserve	17,752	17,235	17,282
Cemetery Reserve	21,548	20,920	14,082
Water Harvesting Reserve	31,184	50,665	24,801
	<u>2,709,295</u>	<u>3,221,937</u>	<u>2,676,672</u>

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

**15. NOTES TO THE CASH FLOW STATEMENT**

	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>	<b>2015/16 Adopted Budget \$</b>
<b>(a) Reconciliation of Cash (continued)</b>			
Net Result	(1,865,974)	(2,125,466)	271,868
Depreciation	4,023,244	3,973,987	1,354,697
(Profit)/Loss on Sale of Asset	(9,248)	212,777	(116,757)
(Increase)/Decrease in Receivables	0	(473,493)	(57,830)
(Increase)/Decrease in Inventories			0
Increase/(Decrease) in Payables	144,996	448,432	123,973
Increase/(Decrease) in Employee Provisions	0		0
Grants/Contributions for the Development of Assets	(1,071,854)	(1,207,997)	(898,545)
<b>Net Cash from Operating Activities</b>	<u>1,221,164</u>	<u>828,240</u>	<u>677,406</u>
<b>(c) Undrawn Borrowing Facilities</b>			
<b>Credit Standby Arrangements</b>			
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>
<b>Loan Facilities</b>			
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 BROOKTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**16 TRUST FUNDS**

Estimated movements in funds held over which the municipality has no control and which are not included in the financial statements are as follows:

Detail	Balance 01-Jul-16 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-17 \$
Housing Bonds	180	0	0	180
Other Bonds	10,120	0	0	10,120
Election Nomination Bonds	0	0	0	0
Rates Incentive Prize	200	0	0	200
Staff AFL Tipping	0	0	0	0
Les McMullen Sporting Grants	6,760	0	0	6,760
Gnulla Child Care Facility	3,073	0	0	3,073
Wildflower Show Funds	1,240	0	0	1,240
Kalkarni Resident's Accounts	0	0	0	0
Public Open Space Contributions	13,820	0	0	13,820
Developer Road Contributions	4,915	0	0	4,915
	<u>40,308</u>	<u>0</u>	<u>0</u>	<u>40,308</u>

**17. MAJOR LAND TRANSACTIONS**

Council currently holds 7 lots of land that are available for sale. In the 2016/17 year the following transactions are expected;

	Land Cost	Other Sale Costs	Total Costs
Lot 100 Korrnong Drive	30,075	4,377	34,452
Proceeds from Sale			55,000
Net Cash Flow			<u>20,548</u>

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

It is not anticipated any trading undertakings or major trading undertakings will occur in 2016/17.