

Statement of Comprehensive Income Input Sheet

Enter data in blue cells only.

Completion of the notes to the budget will populate the white cells

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$	Rounded 2015/16 Budget \$	Rounded 2014/15 Actual \$	Rounded 2014/15 Budget \$
Revenue							
Rates	8	2,078,560	1,991,488	2,022,616	2,078,560	1,991,488	2,022,616
Specified Area Rates (Ex - Gratia)	8	0	0	0	0	0	0
Operating Grants, Subsidies and Contributions		1,034,854	2,977,105	1,524,608	1,034,854	2,977,105	1,524,608
Fees and Charges	11	657,050	593,490	730,950	657,050	593,490	730,950
Service Charges	10	0	0	0	0	0	0
Interest Earnings	2(a)	91,731	69,024	104,910	91,731	69,024	104,910
Other Revenue	2(a)	39,950	36,686	47,150	39,950	36,686	47,150
		<u>3,902,145</u>	<u>5,667,793</u>	<u>4,430,234</u>	<u>3,902,145</u>	<u>5,667,793</u>	<u>4,430,234</u>
Expenses							
Employee Costs		(1,747,615)	(1,370,099)	(1,542,424)	(1,747,615)	(1,370,099)	(1,542,424)
Materials and Contracts		(931,448)	(977,616)	(792,873)	(931,448)	(977,616)	(792,873)
Utility Charges		(132,618)	(130,137)	(138,025)	(132,618)	(130,137)	(138,025)
Depreciation on Non-Current Assets	2(a)	(1,444,550)	(470,659)	(1,448,849)	(1,444,550)	(470,659)	(1,448,849)
Interest Expenses	2(a)	(36,425)	(22,583)	(35,713)	(36,425)	(22,583)	(35,713)
Insurance Expenses		(136,212)	(146,990)	(141,076)	(136,212)	(146,990)	(141,076)
Other Expenditure		(477,281)	(385,108)	(474,595)	(477,281)	(385,108)	(474,595)
		<u>(4,906,149)</u>	<u>(3,503,192)</u>	<u>(4,573,555)</u>	<u>(4,906,149)</u>	<u>(3,503,192)</u>	<u>(4,573,555)</u>
		(1,004,004)	2,164,601	(143,321)	(1,004,004)	2,164,601	(143,321)
Non-Operating Grants, Subsidies and Contributions		1,089,969	606,172	1,853,395	1,089,969	606,172	1,853,395
Profit on Asset Disposals	3	68,500	105,000	94,584	68,500	105,000	94,584
Loss on Asset Disposals	3	(29,440)	(46,691)	(41,233)	(29,440)	(46,691)	(41,233)
NET RESULT		125,025	2,829,082	1,763,425	125,025	2,829,082	1,763,425
Other Comprehensive Income							
Changes on Revaluation of non-current assets		777,460	0	0	777,460	0	0
Total Other Comprehensive Income		<u>777,460</u>	<u>0</u>	<u>0</u>	<u>777,460</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>902,485</u>	<u>2,829,082</u>	<u>1,763,425</u>	<u>902,485</u>	<u>2,829,082</u>	<u>1,763,425</u>

Shire of Kent
Statement of Comprehensive Income Input Sheet
BY PROGRAM

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$			
Revenue (Refer Notes 1,2,8 to 13)							
Governance		15,000	26,315	69,500	15,000	0	26,315 0 69,500
General Purpose Funding		2,843,245	3,959,521	3,357,584	2,843,245	0	3,959,521 0 3,357,584
Law, Order, Public Safety		185,400	82,408	66,250	185,400	0	82,408 0 66,250
Health		250	98,976	250	250	0	98,976 0 250
Education and Welfare		500	0	500	500	0	0 0 500
Housing		92,000	740,125	94,200	92,000	0	740,125 0 94,200
Community Amenities		121,000	124,927	122,050	121,000	0	124,927 0 122,050
Recreation and Culture		2,450	29,079	9,500	2,450	0	29,079 0 9,500
Transport		490,400	427,745	479,100	490,400	0	427,745 0 479,100
Economic Services		30,400	31,643	42,300	30,400	0	31,643 0 42,300
Other Property and Services		121,500	147,054	189,000	121,500	0	147,054 0 189,000
		3,902,145	5,667,793	4,430,234	3,902,145		5,667,793 4,430,234
Expenses Excluding							
Finance Costs (Refer Notes 1,2 & 14)							
Governance		(532,357)	(345,963)	(481,905)	(532,357)	0	(345,963) 0 (481,905)
General Purpose Funding		(161,697)	(80,712)	(155,102)	(161,697)	0	(80,712) 0 (155,102)
Law, Order, Public Safety		(210,663)	(108,587)	(96,716)	(210,663)	0	(108,587) 0 (96,716)
Health		(18,039)	(11,843)	(21,098)	(18,039)	0	(11,843) 0 (21,098)
Education and Welfare		(15,339)	(10,676)	(14,334)	(15,339)	0	(10,676) 0 (14,334)
Housing		(412,349)	(311,317)	(264,172)	(412,349)	0	(311,317) 0 (264,172)
Community Amenities		(251,809)	(211,457)	(243,741)	(251,809)	0	(211,457) 0 (243,741)
Recreation & Culture		(694,880)	(596,945)	(615,510)	(694,880)	0	(596,945) 0 (615,510)
Transport		(2,171,759)	(1,343,695)	(2,264,303)	(2,171,759)	0	(1,343,695) 0 (2,264,303)
Economic Services		(240,548)	(312,009)	(219,261)	(240,548)	0	(312,009) 0 (219,261)
Other Property and Services		(163,825)	(147,401)	(161,701)	(163,825)	0	(147,401) 0 (161,701)
		(4,873,265)	(3,480,605)	(4,537,843)	(4,873,265)		(3,480,605) (4,537,843)
Finance Costs (Refer Notes 2 & 5)							
Governance		0	0	0	0	0	0 0 0
General Purpose Funding		0	0	0	0	0	0 0 0
Law, Order, Public Safety		0	0	0	0	0	0 0 0
Health		0	0	0	0	0	0 0 0
Education and Welfare		0	0	0	0	0	0 0 0
Housing		(28,390)	(18,808)	(30,748)	(28,390)		(18,808) (30,748)
Community Amenities		(2,308)	(1,696)	(2,476)	(2,308)		(1,696) (2,476)
Recreation & Culture		0	0	0	0	0	0 0 0
Transport		0	0	0	0	0	0 0 0
Economic Services		0	0	0	0	0	0 0 0
Other Property and Services		(2,186)	(2,083)	(2,490)	(2,186)		(2,083) (2,490)
		(32,884)	(22,587)	(35,714)	(32,884)		(22,587) (35,714)
Non-operating Grants, Subsidies and Contributions							
Governance		0	0	0	0	0	0 0 0
General Purpose Funding		0	357,489	324,995	0		357,489 324,995
Law, Order, Public Safety		0	0	0	0	0	0 0 0
Health		0	0	0	0	0	0 0 0
Education and Welfare		0	0	0	0	0	0 0 0
Housing		0	0	0	0	0	0 0 0
Community Amenities		0	0	0	0	0	0 0 0
Recreation & Culture		0	0	0	0	0	0 0 0
Transport		1,089,969	121,410	1,528,400	1,089,969		121,410 1,528,400
Economic Services		0	127,273	0	0		127,273 0
Other Property and Services		0	0	0	0		0 0 0
		1,089,969	606,172	1,853,395	1,089,969		606,172 1,853,395
Profit On							
Disposal Of Assets (Refer Note 4)							
Governance		0	0	0	0	0	0 0 0
General Purpose Funding		0	0	0	0	0	0 0 0
Law, Order, Public Safety		0	0	0	0	0	0 0 0
Health		0	0	0	0	0	0 0 0
Education and Welfare		0	0	0	0	0	0 0 0
Housing		0	105,000	94,584	0		105,000 94,584
Community Amenities		0	0	0	0	0	0 0 0
Recreation & Culture		0	0	0	0	0	0 0 0
Transport		68,500	0	0	68,500	0	0 0 0
Economic Services		0	0	0	0	0	0 0 0
Other Property and Services		0	0	0	0	0	0 0 0
		68,500	105,000	94,584	68,500		105,000 94,584
(Loss) On							
Disposal Of Assets (Refer Note 4)							
Governance		0	0	0	0	0	0 0 0
General Purpose Funding		0	0	0	0	0	0 0 0
Law, Order, Public Safety		0	0	0	0	0	0 0 0
Health		0	0	0	0	0	0 0 0
Education and Welfare		0	0	0	0	0	0 0 0
Housing		0	0	0	0	0	0 0 0
Community Amenities		0	0	0	0	0	0 0 0
Recreation & Culture		0	0	0	0	0	0 0 0
Transport		(29,440)	(46,691)	(41,233)	(29,440)		(46,691) (41,233)

Economic Services	0		0	0	0	0
Other Property and Services	0		0	0	0	0
	<u>(29,440)</u>	<u>(46,691)</u>	<u>(41,233)</u>	<u>(29,440)</u>	<u>(46,691)</u>	<u>(41,233)</u>
NET RESULT	125,025	2,829,082	1,763,423	125,025	2,829,082	1,763,423
Other Comprehensive Income						
Changes on Revaluation of non-current assets	<u>777,460</u>	<u>0</u>	<u>0</u>	<u>777,460</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income	<u>777,460</u>	<u>0</u>	<u>0</u>	<u>777,460</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME	<u><u>902,485</u></u>	<u><u>2,829,082</u></u>	<u><u>1,763,423</u></u>	<u><u>902,485</u></u>	<u><u>2,829,082</u></u>	<u><u>1,763,423</u></u>

SHIRE OF KENT

Estimated Financial Position
as at

30 June 2016

	Balances As at 30-Jun-15 \$	Adjustments to 30 June Balance \$	Rounded Balances As at 30-Jun-15 \$	Budgeted Movements \$	Projected Balance As at 30-Jun-16 \$
3. CASH AND CASH EQUIVALENTS					
Unrestricted	1,020,905		1,020,905	(967,752)	53,153
Restricted	1,640,841		1,640,841	96,195	1,737,036
	<u>2,661,746</u>	<u>0</u>	<u>2,661,746</u>	<u>(871,557)</u>	<u>1,790,189</u>
4. TRADE AND OTHER RECEIVABLES					
Current					
Rates Outstanding	87,442		87,442	(50,000)	37,442
Sundry Debtors	377,068		377,068	14,765	391,833
GST Receivable	41,735		41,735	(40,812)	923
Loans - Clubs/Institutions	0		0	0	0
	<u>506,245</u>	<u>0</u>	<u>506,245</u>	<u>(76,047)</u>	<u>430,198</u>
Non-Current					
Rates Outstanding - Pensioners	5,002		5,002	674	5,676
Loans - Clubs/Institutions	0		0	0	0
	<u>5,002</u>	<u>0</u>	<u>5,002</u>	<u>674</u>	<u>5,676</u>
5. INVENTORIES					
Current					
Fuel and Materials	80,614		80,614	20,000	100,614
	<u>80,614</u>	<u>0</u>	<u>80,614</u>	<u>20,000</u>	<u>100,614</u>
Non-Current					
Land Held for Resale - Cost					
Cost of Acquisition			0	0	0
Development Costs			0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

6. PROPERTY, PLANT AND EQUIPMENT

Land and Buildings	8,614,449		8,614,449	775,000	9,389,449
Less Accumulated Depreciation	(134,227)		(134,227)	(136,900)	(271,127)
	<u>8,480,222</u>	<u>0</u>	<u>8,480,222</u>	<u>638,100</u>	<u>9,118,322</u>
Furniture and Equipment	21,263		21,263	50,000	71,263
Less Accumulated Depreciation	(14,387)		(14,387)	(7,450)	(21,837)
	<u>6,876</u>	<u>0</u>	<u>6,876</u>	<u>42,550</u>	<u>49,426</u>
Plant and Equipment	2,373,309		2,373,309	825,000	3,198,309
Less Accumulated Depreciation	(400,341)		(400,341)	(264,700)	(665,041)
	<u>1,972,968</u>	<u>0</u>	<u>1,972,968</u>	<u>560,300</u>	<u>2,533,268</u>
	<u>10,460,066</u>	<u>0</u>	<u>10,460,066</u>	<u>1,240,950</u>	<u>11,701,016</u>

7. INFRASTRUCTURE

Roads	48,080,017		48,080,017	2,547,152	50,627,169
Less Accumulated Depreciation	(17,542,274)		(17,542,274)	(970,000)	(18,512,274)
	<u>30,537,743</u>	<u>0</u>	<u>30,537,743</u>	<u>1,577,152</u>	<u>32,114,895</u>
Parks and Reserves	2,750,449		2,750,449	191,975	2,942,424
Less Accumulated Depreciation	(899,659)		(899,659)	(65,500)	(965,159)
	<u>1,850,790</u>	<u>0</u>	<u>1,850,790</u>	<u>126,475</u>	<u>1,977,265</u>
	<u>32,388,533</u>	<u>0</u>	<u>32,388,533</u>	<u>1,703,627</u>	<u>34,092,160</u>

8. TRADE AND OTHER PAYABLES

Current

Sundry Creditors	270,642		270,642	95,194	365,836
Accrued Interest on Debentures	0		0	0	0
Accrued Salaries and Wages	0		0	0	0
ATO Liabilities	22,643		22,643	1,357	24,000
GST Payable	11,923		11,923	10,000	21,923
Excess Rate Receipts	11,389		11,389	(2,000)	9,389
	<u>316,597</u>	<u>0</u>	<u>316,597</u>	<u>104,551</u>	<u>421,148</u>

3. SHORT-TERM BORROWINGS

Overdraft	0		0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

9. LONG-TERM BORROWINGS

Current

Secured by Floating Charge Debentures	42,623		42,623	31,560	74,183
	<u>42,623</u>	<u>0</u>	<u>42,623</u>	<u>31,560</u>	<u>74,183</u>

Non-Current

Secured by Floating Charge Debentures	513,725		513,725	160,000	673,725
	<u>513,725</u>	<u>0</u>	<u>513,725</u>	<u>160,000</u>	<u>673,725</u>

10. PROVISIONS

Current

Provision for Annual Leave	92,282		92,282	15,000	107,282
Provision for Long Service Leave	62,126		62,126	5,000	67,126
	<u>154,408</u>	<u>0</u>	<u>154,408</u>	<u>20,000</u>	<u>174,408</u>

Non-Current

Provision for Long Service Leave	24,966		24,966	21,591	46,557
	<u>24,966</u>	<u>0</u>	<u>24,966</u>	<u>21,591</u>	<u>46,557</u>

11. EQUITY

Retained Surplus	25,875,653		25,875,653	819,882	26,695,535
Reserves Cash Backed	1,640,842		1,640,842	82,603	1,723,445
Revaluation Surplus	17,533,392		17,533,392	777,460	18,310,852
	<u>45,049,887</u>	<u>0</u>	<u>45,049,887</u>	<u>1,679,945</u>	<u>46,729,832</u>

Total Assets	46,102,206	0	46,102,206	2,017,647	48,119,853
Total Liabilities	(1,052,319)	0	(1,052,319)	(337,702)	(1,390,021)
Total Equity	<u>(45,049,887)</u>	<u>0</u>	<u>(45,049,887)</u>	<u>(1,679,945)</u>	<u>(46,729,832)</u>
	0	0	0	0	0

**SHIRE OF KENT
CASHFLOW WORKINGS
APPENDIX I**

**BALANCE SHEET
30 June 2016**

	NOTE	Estimated Actual 30-Jun-15 \$	Budget 30-Jun-16 \$	MOVEMENT \$	DESCRIPTION	INVESTING	FINANCING	OPERATING	ELIMINATIONS	TOTAL
ASSETS										
Cash and Cash Equivalents	3	2,661,746	1,790,189	871,557	Increase in Cash					
Trade and Other Receivables Non Current	5	506,245 5,002	430,198 5,676	75,373	Proceeds from Self Supporting Loans Decrease in GST Receivable Decrease in Rates Decrease in Sundry Debtors #REF! #REF! #REF!		0	40,138 50,000 (14,765) 0 0 0		75,373
Inventories - Materials etc	6	80,614	100,614	(20,000)	Increase in Inventories			(20,000)		(20,000)
- Land Held for Resale	6	0	0	0	Payments for Development of Land held for Resale	0				0
Property, Plant & Equipment	7	10,460,066	11,701,016	(1,240,950)	Payments for Purchase of Property, Plant & Equip Proceeds from Sale of Plant & Equip Depreciation (Profit) Loss on Disposal	(1,800,440) 189,500		409,050 (39,060)		(1,240,950)
Infrastructure	8	32,388,533	34,092,160	(1,703,627)	Payments for Construction of Infrastructure Depreciation Revaluation Adjustment	(1,961,667)		1,035,500	(777,460)	(1,703,627)
TOTAL ASSETS		<u>46,102,206</u>	<u>48,119,853</u>							

KEY: Increase in Asset/Decrease in Liability - Outflow of funds (Recorded in brackets)
Decrease in Asset/Increase in Liability - Inflow of funds

BALANCE SHEET
30 June 2016

APPENDIX I (Cont'd)

	NOTE	30-Jun-15 \$	30-Jun-16 \$	MOVEMENT \$	DESCRIPTION			TOTAL
LIABILITIES								
Trade and Other Payables	9	316,597	421,148	104,551	Increase in Sundry Creditors		95,194	
					Increase in Accrued Interest on Debentures		0	
					Increase in Accrued Salaries and Wages		0	
					Increase in ATO Liabilities		1,357	
					Increase in GST Payable		10,000	
					Increase in Excess Rate Receipts		(2,000)	104,551
Long-Term Borrowings Non Current	10	42,623 513,725	74,183 673,725	191,560	Repayment of Debentures	31,560		
					Proceeds from New Borrowings	160,000		
					Advances to Community Groups	0		191,560
Provisions Non Current	11	154,408 24,966	174,408 46,557	41,591	Decrease in Employee Provisions		41,591	41,591
TOTAL LIABILITIES		<u>1,052,319</u>	<u>1,390,021</u>					
NET ASSETS		<u>45,049,887</u>	<u>46,729,832</u>					
EQUITY								
Accumulated Surplus		25,875,653	26,695,535					
Reserves - Cash/Inv. Backed	12	1,640,842	1,723,445					
Reserves - Asset Revaluation	13	17,533,392	18,310,852					
		<u>45,049,887</u>	<u>46,729,832</u>	1,679,945	Change in Net assets from Operations		902,485	
					Rounding adjustment		0	
					Revaluation Adjustment		777,460	1,679,945
				<u>0</u>		(3,572,607)	<u>191,560</u>	2,509,490
					Government Grants - Non-Operating	1,089,969	(1,089,969)	
						<u>(2,482,638)</u>	<u>1,419,521</u>	

KEY: Increase in Asset/Decrease in Liability - Outflow of funds (Recorded in brackets)
Decrease in Asset/Increase in Liability - Inflow of funds

30 June 2016

**SHIRE OF KENT
CASHFLOW WORKINGS
APPENDIX II**

Cash Flows from Operations by Nature or Type

	Totals per N & T	Increase in GST	Increase in Debtors	Decrease in Rates	Increase in Inventories	Depreciation Property, Plant & Equip	Profit (Loss) on Disposal	Depreciation on Infrastructure	Increase in Creditors	Increase in Interest	Increase in ATO Liabilities	Increase in Wages	Decrease in Provisions	Adjustments		Totals for Cash Flow		
														Non-Op Grants etc	Effect of GST			
Rates	2,078,560			50,000													2,128,560	
Operating Grants, Subsidies and Conts.	1,034,854		(14,765)														1,020,089	
Non-Operating Grants, Subsidies and Conts.	1,089,969														(1,089,969)		0	
Profit on Asset Disposals	68,500						(68,500)										0	
Fees and Charges	657,050																657,050	
Service Charges	0																0	
Interest Earnings	91,731																91,731	
Goods and Services Tax	0	40,138														0	40,138	
Other Revenue	39,950																39,950	
	<u>5,060,614</u>																<u>3,977,518</u>	
Employee Costs	(1,747,615)											0	1,357	41,591			(1,704,667)	
Materials and Contracts	(931,448)				(20,000)				208,000								(743,448)	
Utility Charges	(132,618)																(132,618)	
Insurance	(136,212)																(136,212)	
Loss on Asset Disposals	(29,440)						29,440										0	
Depn. on Non-curr. Assets	(1,444,550)					409,050		1,035,500									0	
Interest	(36,425)									0							(36,425)	
Goods and Services Tax Other	0 (477,281)																0 (477,281)	
	<u>(4,935,589)</u>																<u>(3,230,651)</u>	
TOTALS	125,025	40,138	(14,765)	50,000	(20,000)	409,050	(39,060)	1,035,500	208,000	0	0	1,357	41,591	(1,089,969)	0		746,867	
																	Checksum	746,867
																	Unallocated Operating movements	(672,654)

SHIRE OF KENT

30 June 2016

Note to Rate setting statement - Surplus/(Deficit) Calculation

	Est Balance as at 30 June 2015	Est. Balance as at 30 June 2016
Cash and Cash Equivalents		
Unrestricted	1,020,905	53,153
Restricted	1,640,841	1,737,036
	<u>2,661,746</u>	<u>1,790,189</u>
Receivables		
Rates Outstanding	87,442	37,442
Sundry Debtors	377,068	391,833
GST Receivable	41,735	923
Loans - Clubs/Institutions	0	0
	<u>506,245</u>	<u>430,198</u>
Inventories		
Fuel and Materials	80,614	100,614
	<u>80,614</u>	<u>100,614</u>
	<u>3,248,605</u>	<u>2,321,001</u>
Trade and other Payables		
Sundry Creditors	(270,642)	(365,836)
Accrued Interest on Debentures	0	0
Accrued Salaries and Wages	0	0
ATO Liabilities	(22,643)	(24,000)
GST Payable	(11,923)	(21,923)
Excess Rate Receipts	(11,389)	(9,389)
	<u>(316,597)</u>	<u>(421,148)</u>
SHORT-TERM BORROWINGS		
Overdraft	0	0
	<u>0</u>	<u>0</u>
LONG-TERM BORROWINGS		
Debentures	(42,623)	(74,183)
	<u>(42,623)</u>	<u>(74,183)</u>
PROVISIONS		
Provision for Annual Leave	(92,282)	(107,282)
Provision for Long Service Leave	(62,126)	(67,126)
	<u>(154,408)</u>	<u>(174,408)</u>
	<u>(513,628)</u>	<u>(669,739)</u>
Net Current Assets	2,734,977	1,651,262
Adjustments		
Less: Reserves - Restricted Cash	(1,640,842)	(1,725,445)
Less: Land Held for Resale	0	0
Less: Loans - Clubs / Institutions	0	0
Add: Current portion of Debentures	42,623	74,183
Other	0	0
	<u>1,136,758</u>	<u>0</u>

SHIRE OF KENT
Annual Budget Checklist
FOR THE YEAR ENDED 30TH JUNE 2016

NOTE: The Cross Check contained within the Shire of Somewhere Manual should be completed manually against the printed Annual Budget as this is an initial cross check to aid completion of the Budget

		2016 Budget	2015 \$	2015 Budget
Table of Contents	Check page numbers are correct			
Estimated Financial Position Input	Check Net Assets = Net Liabilities + Equity	0	0	
Statement of Comprehensive Income by Nature or Type	Check all note numbers are relevant (not changed/deleted) and adjacent totals tie up to totals contained in the relevant note.			
	Rates revenue agree to note 8	(28,290)	(27,340)	
	Interest Earnings agree to Note 2(a)(iii)	0	0	0
	Fees and Charges agree to Note 11	0	0	
	Service Charges agree to Note 10	0	0	
	Depreciation agrees to total of Depreciation - Rate Setting Statement	0	0	0
	- Note 2(a)(i)	0	0	0
	Interest Expenses agree to			
	- Borrowing costs in total of Statement of Comprehensive Income - by Program	(3,541)	4	1
	- Interest Expenses Note 2(a)	0	0	0
	- Interest Expenses Note 5(a)	0	0	
	Non-Operating Grants, Subsidies and Contributions - agree to Non-Operating Grants, Subsidies and Contributions by Program	0	0	0
	- agree to Non-Operating Grants, Subsidies and Contributions in Statement of Cash Flows	0	0	0
	Profit on Asset Disposals less Loss on Asset Disposals agrees to: - Statement of Comprehensive Income by Program	0	0	0
	- Rate setting statement	0	0	0
	- Note 4	0		
	Net Result to agree to			
	- Statement of Comprehensive Income by Program	0	0	0
	- Rate setting statement revenue less expenses plus rates.	0	0	0
	- Note 15 (b) net result	0	0	0
	Revenue Items agree with - revenue items in Rate Setting Statement	0	0	0
	- revenue items in Statement of Comprehensive Income by program	0	0	0
	Expenditure Items agree with - total expenses in Rate Setting Statement	0	0	0
	- Expenditure items in Statement of Comprehensive Income by Program	0	0	0
	Other Comprehensive Income agrees with Other Comprehensive Income by Program	0	0	0
	Statement of Comprehensive Income by Program	Check Note numbers are relevant (i.e. not changed/deleted) and tie up to totals contained in the relevant note.		

SHIRE OF KENT
Annual Budget Checklist
FOR THE YEAR ENDED 30TH JUNE 2016

NOTE: The Cross Check contained within the Shire of Somewhere Manual should be completed manually against the printed Annual Budget as this is an initial cross check to aid completion of the Budget

		2016 Budget	2015 \$	2015 Budget
Table of Contents	Check page numbers are correct			
Statement of Cash Flows	Check Note numbers are relevant (i.e. not changed/deleted) and tie up to totals contained in the relevant note.			
	Cash from Operating Activities agrees to Note 15(b)	0	(470,659)	(1)
	Proceeds from Sale of Plant and Equipment agrees with Note 4	0		
	Proceeds from Sale of Plant and Equipment agrees with Rate Setting Statement	0	0	0
	Payments for Purchases of Infrastructure agrees with Rate Setting Statement	0	0	0
	Payments for Purchases for Land Held for Resale agrees with Rate Setting Statement	0	0	0
	Payments for Purchases for Property, Plant and Equipment agrees with Rate Setting Statement	0	0	0
	Repayment of Debentures agrees to Note 5	0	0	
	Repayment of Debentures agrees to Rate Setting Statement	0	0	0
	Proceeds from New Debentures agrees to Rate Setting Statement	0	0	0
	Proceeds from New Debentures agrees to Note 5	0		
	Cash and Cash Equivalents agree to Note 15(a)	0	(842,247)	0
	Cash and Cash Equivalents opening balance agree to Note 15(a)	0		
	Rate Setting Statement	Check Note numbers are relevant (i.e. not changed/deleted) and tie up to totals contained in the relevant note.		
Check any items relating to Initial Recognition of Assets due to Change in Regulations agrees to:				
- Note 2(a)(ii)				
- Note 15(b)				
	Amount Required to be Raised from Rates agrees to note 8	(0)	(843,515)	
Note 1(a)	Check note reference to Trust Note is correct (i.e. not changed)			
Note 1(i)	Check/Amend Depreciation rates as required Check Capitalisation Threshold is correct as per Council Policy			
Note 2(a)(i)	Depreciation to agree to Note 15(b)	0	0	0
	Check note number cross reference to Note 5 Interest Expenses is relevant/correct.	0	0	
Note 2(a)(ii)	Check note number cross reference to Note 13 Interest revenue is relevant/correct and that totals agree.			
Note 2(b) Statement of Objectives	Check these are as per Council policy			
Note 3 Disposal of Assets	Check Proceeds match Rate Setting Statement	0		
	Check Profit less Loss equals same in Rate Setting Statement	0		
Note 4 Acquisition of Assets by Program	Check totals match Rate Setting Statement	0		
Note 5 Borrowings	Check new Debenture amounts agrees to Note 5(b)			
Note 6 Reserves	Check Closing Balance agrees to Surplus	(11,591)	1	
	Check movement in Reserves agrees to opening and closing balances.	0		

SHIRE OF KENT
Annual Budget Checklist
FOR THE YEAR ENDED 30TH JUNE 2016

NOTE: The Cross Check contained within the Shire of Somewhere Manual should be completed manually against the printed Annual Budget as this is an initial cross check to aid completion of the Budget

		2016 Budget	2015 \$	2015 Budget
Table of Contents	Check page numbers are correct			
Note 7 Surplus/Deficit	Check Opening Surplus/Deficit agrees to Opening Surplus/Deficit in Rate Setting Statement	0	0	
	Check Closing Surplus/Deficit agrees to Closing Surplus/Deficit in Rate Setting Statement	0		
Note 8(a) Objects and reasons	If Differential rates are levied, ensure objects and reasons are correct as per Council Resolution to levy differential rates			
Note 9 Specified Area Rates	If these are levied, check amount agrees to note 8	7,576	3,341	
Note 12 Discounts and Waivers	If any discounts/concessions are granted, check amount agrees to Note 8			
Note 13 Instalment Charges and Dates	List instalment charges, penalty interest and dates, penalty interest on overdue rates . List charge rates and amounts expected to be raised. Check these match Note 2(a)(ii)			
Note 15(c) BankDraft and Credit Card	Check overdraft limit matches disclosure at Note 5(d)			
	Check Loan Facilities at Balance Date agree to Note 5(a)	0	0	
	Check unused loan funds agrees to Note 5(c)			

SHIRE OF KENT
BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Comprehensive Income by Program	3
Statement of Cash Flows	5
Rate Setting Statement	6
Notes to and Forming Part of the Budget	7 to 36
Supplementary Information	37

SHIRE OF KENT
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Revenue				
Rates	8	2,078,560	1,991,488	2,022,616
Operating Grants, Subsidies and Contributions		1,034,854	2,977,105	1,524,608
Fees and Charges	11	657,050	593,490	730,950
Service Charges	10	0	0	0
Interest Earnings	2(a)	91,731	69,024	104,910
Other Revenue	2(a)	39,950	36,686	47,150
		3,902,145	5,667,793	4,430,234
Expenses				
Employee Costs		(1,747,615)	(1,370,099)	(1,542,424)
Materials and Contracts		(931,448)	(977,616)	(792,873)
Utility Charges		(132,618)	(130,137)	(138,025)
Depreciation on Non-Current Assets	2(a)	(1,444,550)	(470,659)	(1,448,849)
Interest Expenses	2(a)	(36,425)	(22,583)	(35,713)
Insurance Expenses		(136,212)	(146,990)	(141,076)
Other Expenditure		(477,281)	(385,108)	(474,595)
		(4,906,149)	(3,503,192)	(4,573,555)
		(1,004,004)	2,164,601	(143,321)
Non-Operating Grants, Subsidies and Contributions		1,089,969	606,172	1,853,395
Profit on Asset Disposals	3	68,500	105,000	94,584
Loss on Asset Disposals	3	(29,440)	(46,691)	(41,233)
NET RESULT		125,025	2,829,082	1,763,425
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets		777,460	0	0
Total Other Comprehensive Income		777,460	0	0
TOTAL COMPREHENSIVE INCOME		902,485	2,829,082	1,763,425

Notes:

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

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

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

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

SHIRE OF KENT
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2015/16 Budget	2014/15 Actual	2014/15 Budget
Revenue (Refer Notes 1,2,8 to 13)		\$	\$	\$
Governance		15,000	26,315	69,500
General Purpose Funding		2,843,245	3,959,521	3,357,584
Law, Order, Public Safety		185,400	82,408	66,250
Health		250	98,976	250
Education and Welfare		500	0	500
Housing		92,000	740,125	94,200
Community Amenities		121,000	124,927	122,050
Recreation and Culture		2,450	29,079	9,500
Transport		490,400	427,745	479,100
Economic Services		30,400	31,643	42,300
Other Property and Services		121,500	147,054	189,000
		3,902,145	5,667,793	4,430,234
Expenses Excluding Finance Costs (Refer Notes 1,2 & 14)				
Governance		(532,357)	(345,963)	(481,905)
General Purpose Funding		(161,697)	(80,712)	(155,102)
Law, Order, Public Safety		(210,663)	(108,587)	(96,716)
Health		(18,039)	(11,843)	(21,098)
Education and Welfare		(15,339)	(10,676)	(14,334)
Housing		(412,349)	(311,317)	(264,172)
Community Amenities		(251,809)	(211,457)	(243,741)
Recreation and Culture		(694,880)	(596,945)	(615,510)
Transport		(2,171,759)	(1,343,695)	(2,264,303)
Economic Services		(240,548)	(312,009)	(219,261)
Other Property and Services		(163,825)	(147,401)	(161,699)
		(4,873,265)	(3,480,605)	(4,537,841)
Finance Costs (Refer Notes 2 & 5)				
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	0	0
Health		0	0	0
Education and Welfare		0	0	0
Housing		(28,390)	(18,808)	(30,748)
Community Amenities		(2,308)	(1,696)	(2,476)
Recreation and Culture		0	0	0
Transport		0	0	0
Economic Services		0	0	0
Other Property and Services		(2,186)	(2,083)	(2,490)
		(32,884)	(22,587)	(35,714)
Non-operating Grants, Subsidies and Contributions				
Governance		0	0	0
General Purpose Funding		0	357,489	324,995
Law, Order, Public Safety		0	0	0
Health		0	0	0
Education and Welfare		0	0	0
Housing		0	0	0
Community Amenities		0	0	0
Recreation and Culture		0	0	0
Transport		1,089,969	121,410	1,528,400
Economic Services		0	127,273	0
Other Property and Services		0	0	0
		1,089,969	606,172	1,853,395

SHIRE OF KENT
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Profit/(Loss) On				
Disposal Of Assets (Refer Note 3)				
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	0	0
Health		0	0	0
Education and Welfare		0	0	0
Housing		0	105,000	94,584
Community Amenities		0	0	0
Recreation & Culture		0	0	0
Transport		39,060	(46,691)	(41,233)
Economic Services		0	0	0
Other Property and Services		0	0	0
		<u>39,060</u>	<u>58,309</u>	<u>53,351</u>
NET RESULT		125,025	2,829,082	1,763,425
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets		777,460	0	0
		<u>777,460</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income		777,460	0	0
TOTAL COMPREHENSIVE INCOME		<u>902,485</u>	<u>2,829,082</u>	<u>1,763,425</u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

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

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

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

**SHIRE OF KENT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,128,560	1,991,488	2,017,616
Operating Grants, Subsidies and Contributions		1,020,089	2,977,105	1,450,108
Fees and Charges		657,050	593,490	730,950
Service Charges		0	0	0
Interest Earnings		91,731	69,024	104,910
Goods and Services Tax		40,138	0	36,000
Other Revenue		39,950	36,686	47,150
		<u>3,977,518</u>	<u>5,667,793</u>	<u>4,386,734</u>
Payments				
Employee Costs		(1,704,667)	(1,370,099)	(1,521,783)
Materials and Contracts		(743,448)	(977,616)	(797,037)
Utility Charges		(132,618)	(130,137)	(138,025)
Interest Expenses		(36,425)	(470,659)	(35,714)
Insurance Expenses		(136,212)	(22,583)	(141,076)
Goods and Services Tax		0	(146,990)	(36,000)
Other Expenditure		(477,281)	(385,108)	(474,595)
		<u>(3,230,651)</u>	<u>(3,503,192)</u>	<u>(3,144,230)</u>
Net Cash Provided By Operating Activities	15(b)	<u>746,867</u>	<u>2,164,601</u>	<u>1,242,504</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	4	0	0	0
Payments for Purchase of Property, Plant & Equipment	4	(1,650,000)	(1,285,516)	(1,657,000)
Payments for Construction of Infrastructure	4	(1,961,667)	(1,318,018)	(1,806,330)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,089,969	606,172	1,853,395
Proceeds from Sale of Plant & Equipment	3	189,500	0	224,000
Net Cash Used in Investing Activities		<u>(2,332,198)</u>	<u>(1,997,362)</u>	<u>(1,385,935)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(74,226)	(42,665)	(42,623)
Advances to Community Groups				0
Grants for the Development of Assets		628,000	0	0
Proceeds from New Debentures	5	160,000	0	0
Net Cash Provided By (Used In) Financing Activities		<u>713,774</u>	<u>(42,665)</u>	<u>(42,623)</u>
Net Increase (Decrease) in Cash Held		(871,557)	124,574	(186,054)
Cash at Beginning of Year		2,661,746	1,694,925	1,880,979
Cash and Cash Equivalents at the End of the Year	15(a)	<u>1,790,189</u>	<u>1,819,499</u>	<u>1,694,925</u>

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

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

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Revenue	1,2			
Governance		15,000	26,315	69,500
General Purpose Funding		764,685	2,325,522	1,659,963
Law, Order, Public Safety		185,400	82,408	66,250
Health		250	98,976	250
Education and Welfare		500	0	500
Housing		92,000	845,125	188,784
Community Amenities		121,000	124,927	122,050
Recreation and Culture		2,450	29,079	9,500
Transport		1,793,369	549,155	2,007,500
Economic Services		30,400	158,916	42,300
Other Property and Services		121,500	147,054	189,000
		3,126,554	4,387,477	4,355,597
Expenses	1,2			
Governance		(532,357)	(345,963)	(481,905)
General Purpose Funding		(161,697)	(80,712)	(155,102)
Law, Order, Public Safety		(210,663)	(108,587)	(96,716)
Health		(18,039)	(11,843)	(21,098)
Education and Welfare		(15,339)	(10,676)	(14,334)
Housing		(440,739)	(330,125)	(294,920)
Community Amenities		(254,117)	(213,153)	(246,217)
Recreation and Culture		(694,880)	(596,945)	(615,510)
Transport		(2,345,699)	(1,390,386)	(2,305,536)
Economic Services		(240,548)	(312,009)	(219,261)
Other Property and Services		(166,011)	(149,484)	(164,191)
		(5,080,089)	(3,549,883)	(4,614,790)
Net Result Excluding General Rates		(1,953,535)	837,594	(259,193)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	4	39,060	(58,309)	(53,351)
Depreciation on Assets	2(a)	1,444,550	470,659	1,448,849
Movement in Non-Current Staff Leave Provisions		0		0
Capital Expenditure and Revenue				
Purchase Land Held for Resale	3	0		0
Purchase Property, Plant and Equipment	3	(1,650,000)	(1,285,516)	(1,657,000)
Purchase Infrastructure	3	(1,961,667)	(1,318,018)	(1,806,330)
Proceeds from Disposal of Assets	4	189,500	0	224,000
Repayment of Debentures	5	(74,226)	(42,665)	(42,623)
Proceeds from New Debentures	5	160,000		0
Grants for the Development of Assets		628,000		0
Transfers to Reserves (Restricted Assets)	6	(342,000)	(396,310)	(346,000)
Transfers from Reserves (Restricted Assets)	6	305,000	94,320	76,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	1,136,758		393,031
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	1,136,758	0
Amount Required to be Raised from General Rate	8	<u>(2,078,560)</u>	<u>(2,835,003)</u>	<u>(2,022,617)</u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

The Local Government Reporting Entity

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

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

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

(b) 2014/15 Actual Balances

Balances shown in this budget as 2014/15 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

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

(e) Goods and Services Tax (GST)

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

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

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

(f) Superannuation

The Council contributes to a number of Superannuation Funds on behalf of employees.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash and Cash Equivalents

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 7 - Net Current Assets.

(h) Trade and Other Receivables

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

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

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

(i) Inventories

General

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

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

Land Held for Resale

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

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

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

(j) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or
 - (II) infrastructure; and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the budget as necessary.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of state or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they were revalued along with other items of Land and Buildings at 30 June 2014 and now form part of Land and Buildings to be subject to regular revaluation as detailed above.

Initial Recognition and Measurement between Mandatory Revaluation Dates

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

Revaluation

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

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** Methodology section as detailed above.

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

Depreciation

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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

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

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

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

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

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 \$ 2,000 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 KENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(l) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(m) Impairment of Assets

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of Assets (Continued)

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2016.

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

(n) Trade and Other Payables

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

(o) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Borrowing Costs

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

(q) Provisions

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

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

(r) Leases

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

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

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

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

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

(s) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

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

(u) Comparative Figures

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

(v) Budget Comparative Figures

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

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

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result			
The Net Result includes:			
(i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	20,000	13,632	20,000
Other Services	0	0	0
Depreciation			
<u>By Program</u>			
Governance	18,700	17,448	8,578
General Purpose Funding	0	0	0
Law, Order, Public Safety	7,500	7,357	7,311
Health	0	0	0
Education and Welfare	0	0	0
Housing	58,000	54,862	51,738
Community Amenities	18,700	18,299	23,412
Recreation and Culture	108,200	106,997	118,783
Transport	976,000	6,057	968,609
Economic Services	4,700	20,043	14,554
Other Property and Services	252,750	239,596	255,864
	<u>1,444,550</u>	<u>470,659</u>	<u>1,448,849</u>
<u>By Class</u>			
Land and Buildings	136,900	146,707	133,574
Furniture and Equipment	7,450	7,076	8,934
Plant and Equipment	264,700	252,407	271,598
Infrastructure Roads	970,000	214	962,881
Infrastructure Other	65,500	64,255	71,862
	<u>1,444,550</u>	<u>470,659</u>	<u>1,448,849</u>
Interest Expenses (Finance Costs)			
- Debentures (refer note 5(a))	36,425	22,583	35,713
Other			
	<u>36,425</u>	<u>22,583</u>	<u>35,713</u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	59,081	41,771	58,160
- Other Funds	25,000	18,763	40,250
Other Interest Revenue (refer note 13)	7,650	8,490	6,500
	<u>91,731</u>	<u>69,024</u>	<u>104,910</u>
(iii) Other Revenue			
Reimbursements and Recoveries			
Other	39,950	36,686	47,150
	<u>39,950</u>	<u>36,686</u>	<u>47,150</u>

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, the Shire of Kent 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.

The Shire of Kent operations as disclosed in this budget encompass the following service orientated activities/programs:

GOVERNANCE

Administration and operation of facilities and services to members of the Shire of Kent; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Shire of Kent services.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest income.

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

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

EDUCATION AND WELFARE

Operation of pre-school facilities, assistance to playgroups and other voluntary services.

COMMUNITY AMENITIES

Rubbish collection services, operation of tips, administration of the town planning scheme, maintenance of cemeteries and townsite sewerage schemes.

RECREATION AND CULTURE

Maintenance of hall, recreation centres and various reserves; operation of library.

TRANSPORT

Construction and maintenance of streets, roads; cleaning and lighting of streets.

ECONOMIC SERVICES

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

OTHER PROPERTY & SERVICES

Private works operations, plant repairs and operation costs.

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

3. DISPOSALS OF ASSETS

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

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2015/16 BUDGET \$	2015/16 BUDGET \$	2015/16 BUDGET \$
TRANSPORT			
Toyota Prado - 0KT	0	0	0
Toyota Rav4 - 40KT	40,500	42,000	1,500
Ford Ranger - 50KT	47,000	30,000	(17,000)
DAF Tip Truck - KT044	0	65,000	65,000
Mitsub Triton Utility - KT002	10,000	10,000	0
Mitsub Triton Utility - KT004	12,500	10,000	(2,500)
Mitsub Triton Utility - KT026	9,000	10,000	1,000
Kia Truck - KT008	11,979	2,500	(9,479)
Mitsub Triton Utility - KT019	9,000	10,000	1,000
Chamberlain Tractor - KT022	5,461	5,000	(461)
Gianni Mower	5,000	5,000	0
	150,440	189,500	39,060

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2015/16 BUDGET \$	2015/16 BUDGET \$	2015/16 BUDGET \$
PLANT AND EQUIPMENT			
Toyota Prado - 0KT	0	0	0
Toyota Rav4 - 40KT	40,500	42,000	1,500
Ford Ranger - 50KT	47,000	30,000	(17,000)
DAF Tip Truck - KT044	0	65,000	65,000
Mitsub Triton Utility - KT004	12,500	10,000	(2,500)
Mitsub Triton Utility - KT002	10,000	10,000	0
Mitsub Triton Utility - KT026	9,000	10,000	1,000
Kia Truck - KT008	11,979	2,500	(9,479)
Mitsub Triton Utility - KT019	9,000	10,000	1,000
Chamberlain Tractor - KT022	5,461	5,000	(461)
Gianni Mower	5,000	5,000	0
	150,440	189,500	39,060

Summary

	2015/16 BUDGET \$
Profit on Asset Disposals	68,500
Loss on Asset Disposals	(29,440)
	<u>39,060</u>

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

4. ACQUISITION OF ASSETS

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

Asset Class	Reporting Program											Total \$
	Governance \$	General Purpose Funding \$	Law, Order, Public Safety \$	Health \$	Education and Welfare \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Economic Services \$	Other Property and Services \$	
<i>Property, Plant and Equipment</i>												
Land and Buildings						350,000	60,000	260,000		105,000		775,000
Furniture and Equipment	50,000											50,000
Plant and Equipment									825,000			825,000
<i>Infrastructure</i>												
Roads									1,769,692			1,769,692
Parks and Reserves												
#REF!												
#REF!								191,975				191,975
<i>Land Held for Resale</i>												
	50,000	0	0	0	0	350,000	60,000	451,975	2,594,692	105,000	0	3,611,667

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
- other assets
- road replacement programme
- other infrastructure

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

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

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

Particulars	Principal 1-Jul-15	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$
Community Amenities								
Loan 54, Nyabing Effluent	26,418		2,020	1,894	24,398	26,376	2,308	1,696
Housing								
Loan 91, Various Duplexes	453,103		38,618	36,260	414,485	453,103	28,390	18,804
Recreation & Culture								
Pingrup Pavilion Upgrade		160,000			160,000	0		
Economic Services								
Loan 92 - ADSL Conversion, Nyabing & Pingrup	140,000		28,774	0	111,226	140,000	3,541	0
Other Property and Services								
Loan 88, Nyabing General Store	34,205		4,814	4,511	29,391	34,205	2,186	2,083
	653,726	160,000	74,226	42,665	739,500	653,684	36,425	22,583

All debenture repayments will be financed by general purpose revenue.

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

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2015/16

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
Economic Services								0
Loan 92 - ADSL Conversion, Nyabing & Pingrup	140,000	WATC	Debenture	6	9,512	2.72	140,000	140,000
								0
								0
								0
					9,512		140,000	140,000

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2015 nor is it expected to have unspent debenture funds as at 30th June 2016.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$100,000 with the Commonwealth Bank of Australia does exist. It is not anticipated that this facility will be required to be utilised during 2015/16.

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

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
6. RESERVES			
(a) Employee Entitlement Reserve			
Opening Balance	178,095	153,359	153,359
Amount Set Aside / Transfer to Reserve	20,000	20,000	20,000
Transfer of Interest to Reserve	5,943	5,020	5,500
Amount Used / Transfer from Reserve	0	0	0
	<u>204,038</u>	<u>178,379</u>	<u>178,859</u>
(b) Plant Reserve			
Opening Balance	386,476	288,566	288,566
Amount Set Aside / Transfer to Reserve	180,000	89,000	89,000
Transfer of Interest to Reserve	16,994	9,446	11,000
Amount Used / Transfer from Reserve	(150,000)	0	0
	<u>433,470</u>	<u>387,012</u>	<u>388,566</u>
(c) Land and Buildings Reserve			
Opening Balance	245,876	141,507	141,507
Amount Set Aside / Transfer to Reserve	0	105,000	100,000
Transfer of Interest to Reserve	7,376	4,632	11,000
Amount Used / Transfer from Reserve	0	0	0
	<u>253,252</u>	<u>251,139</u>	<u>252,507</u>
(d) Nyabing Recreation Reserve			
Opening Balance	15,852	34,778	34,778
Amount Set Aside / Transfer to Reserve	6,000	6,000	6,000
Transfer of Interest to Reserve	656	1,138	1,000
Amount Used / Transfer from Reserve	0	(24,320)	(6,000)
	<u>22,508</u>	<u>17,596</u>	<u>35,778</u>
(e) Pingrup Recreation Reserve			
Opening Balance	31,585	24,819	24,818
Amount Set Aside / Transfer to Reserve	6,000	6,000	6,000
Transfer of Interest to Reserve	1,128	812	700
Amount Used / Transfer from Reserve	0	0	0
	<u>38,713</u>	<u>31,631</u>	<u>31,518</u>
(f) Cemetery Reserve			
Opening Balance	17,312	16,794	16,794
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	519	550	0
Amount Used / Transfer from Reserve	0	0	0
	<u>17,831</u>	<u>17,344</u>	<u>16,794</u>
(g) Water Supply Reserve			
Opening Balance	27,987	27,148	27,148
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	840	889	1,000
Amount Used / Transfer from Reserve	0	0	0
	<u>28,827</u>	<u>28,037</u>	<u>28,148</u>

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

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
6. RESERVES (Continued)			
(h) Sewerage Reserve			
Opening Balance	142,412	128,446	128,446
Amount Set Aside / Transfer to Reserve	50,000	10,000	10,000
Transfer of Interest to Reserve	5,772	4,205	4,300
Amount Used / Transfer from Reserve	0	0	0
	<u>198,184</u>	<u>142,651</u>	<u>142,746</u>
(i) Computer Equipment Reserve			
Opening Balance	1,643	1,593	1,594
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	49	52	60
Amount Used / Transfer from Reserve	0	0	0
	<u>1,692</u>	<u>1,645</u>	<u>1,654</u>
(j) Admin Vehicle Reserve			
Opening Balance	86,882	31,897	31,896
Amount Set Aside / Transfer to Reserve	20,000	75,310	30,000
Transfer of Interest to Reserve	3,206	2,130	1,050
Amount Used / Transfer from Reserve	(45,000)	(20,000)	(20,000)
	<u>65,088</u>	<u>89,337</u>	<u>42,946</u>
(k) Refuse Disposal Facility Reserve			
Opening Balance	93,589	90,786	90,786
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	2,808	2,972	3,500
Amount Used / Transfer from Reserve	0	0	0
	<u>96,397</u>	<u>93,758</u>	<u>94,286</u>
(l) Road Reserve			
Opening Balance	391,653	355,670	355,672
Amount Set Aside / Transfer to Reserve	0	25,000	25,000
Transfer of Interest to Reserve	11,750	11,643	18,000
Amount Used / Transfer from Reserve	(50,000)	0	0
	<u>353,403</u>	<u>392,313</u>	<u>398,672</u>
(m) Landcare Reserve			
Opening Balance	10,000	0	0
Amount Set Aside / Transfer to Reserve	60,000	60,000	60,000
Transfer of Interest to Reserve	2,042	0	1,050
Amount Used / Transfer from Reserve	(60,000)	(50,000)	(50,000)
	<u>12,042</u>	<u>10,000</u>	<u>11,050</u>
Total Reserves	<u>1,725,445</u>	<u>1,640,842</u>	<u>1,623,524</u>

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

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

6. RESERVES (Continued)	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
SUMMARY OF RESERVE TRANSFERS			
Transfers to Reserves			
Employee Entitlement Reserve	20,000	20,000	20,000
Plant Reserve	180,000	89,000	89,000
Land and Buildings Reserve	0	105,000	100,000
Nyabing Recreation Reserve	6,000	6,000	6,000
Pingrup Recreation Reserve	6,000	6,000	6,000
Cemetery Reserve	0	0	0
Water Supply Reserve	0	0	0
Sewerage Reserve	50,000	10,000	10,000
Computer Equipment Reserve	0	0	0
Admin Vehicle Reserve	20,000	75,310	30,000
Refuse Disposal Facility Reserve	0	0	0
Road Reserve	0	25,000	25,000
Landcare Reserve	60,000	60,000	60,000
	<u>342,000</u>	<u>396,310</u>	<u>346,000</u>
Transfers from Reserves			
Employee Entitlement Reserve	0	0	0
Plant Reserve	(150,000)	0	0
Land and Buildings Reserve	0	0	0
Nyabing Recreation Reserve	0	(24,320)	(6,000)
Pingrup Recreation Reserve	0	0	0
Cemetery Reserve	0	0	0
Water Supply Reserve	0	0	0
Sewerage Reserve	0	0	0
Computer Equipment Reserve	0	0	0
Admin Vehicle Reserve	(45,000)	(20,000)	(20,000)
Refuse Disposal Facility Reserve	0	0	0
Road Reserve	(50,000)	0	0
Landcare Reserve	(60,000)	(50,000)	(50,000)
	<u>(305,000)</u>	<u>(94,320)</u>	<u>(76,000)</u>
Total Transfer to/(from) Reserves	<u>37,000</u>	<u>301,990</u>	<u>270,000</u>

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

6. RESERVES (Continued)

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Employee Entitlements Reserve

- funds to be used to fund employee leave requirements.

Plant Reserve

- funds to be used for the purchase of major plant and equipment.

Land and Buildings Reserve

- funds to be set aside for the construction and/or Capital Maintenance of Building Infrastructure and for land acquisition and development.

Nyabing Recreation Reserve

- funds to be used for the upgrading of Sporting facilities in Nyabing.

Pingrup Recreation Reserve

- funds to be used for the upgrading of Sporting facilities in Pingrup.

Cemetery Reserve

- funds to be used for the upgrading of Nyabing and Pingrup Cemeteries.

Water Supply Reserve

- funds to be used for the provision of water services to rural areas of the Shire.

Sewerage Reserve

- funds to be used for the upgrading and/or major maintenance of townsite sewerage schemes.

Computer Equipment Reserve

- funds to be used for the upgrading of the main administration computer system and software as well as computer upgrades.

Administration Vehicles Reserve

- funds to be used for future vehicle changeovers for the CEO, DCEO and Works Supervisors.

Refuse Disposal Facilities Reserve

- funds to be used for the provision of a transfer disposal station to be placed at the Pingrup Rubbish site.

Road Reserve

- funds to be used for capital works on roads within the Shire of Kent for future years.

Landcare Reserve

- funds to be used for Landcare requirements.

The Employee Entitlements, Plant, Land and Buildings, Nyabing Recreation, Pingrup Recreation, Cemetery, Water Supply, Sewerage, Administration Vehicles, Refuse Disposal Facilities, Roads and Landcare Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

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

	Note	2015/16 Budget \$	2014/15 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)	53,153	1,020,905
Cash - Restricted Reserves	15(a)	1,737,036	1,640,841
Receivables		430,198	506,245
Inventories		100,614	80,614
		2,321,001	3,248,605
LESS: CURRENT LIABILITIES			
Trade and Other Payables		(421,148)	(316,597)
Short Term Borrowings		0	0
Long Term Borrowings		(74,183)	(42,623)
Provisions		(174,408)	(154,408)
		(669,739)	(513,628)
NET CURRENT ASSET POSITION		1,651,262	2,734,977
Less: Cash - Restricted Reserves	15(a)	(1,725,445)	(1,640,842)
Less: Land Held for Resale		0	0
Less: Current Loans - Clubs / Institutions		0	0
Add: Current Portion of Debentures		74,183	42,623
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		0	1,136,758

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

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

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

8. RATING INFORMATION - 2015/16 FINANCIAL YEAR

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2015/16 Budgeted Rate Revenue \$	2015/16 Budgeted Interim Rates \$	2015/16 Budgeted Back Rates \$	2015/16 Budgeted Total Revenue \$	2014/15 Actual \$
General Rates								
GRV - Residential / Commercial	0.131132	77	435,604	56,903	0	0	56,903	54,611
UV - Rural	0.011097	355	180,599,000	2,004,107	0	0	2,004,107	1,918,837
UV - Mining	0.011097	0	0	0	0	0	0	0
Sub-Totals		432	181,034,604	2,061,010	0	0	2,061,010	1,973,448
Minimum Payment	Minimum \$							
GRV - Residential / Commercial	450	23	24,686	10,350	0	0	10,350	9,020
UV - Rural	450	8	169,400	3,600	0	0	3,600	3,690
UV - Mining	450	8	79,297	3,600	0	0	3,600	5,330
Sub-Totals		39	273,383	17,550	0	0	17,550	18,040
Discounts (Note 12)							0	0
Total Amount Raised from General Rate							2,078,560	1,991,488
EX Gratia Rates (CBH)							28,290	27,340
Total Rates							2,106,850	2,018,828

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

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

All land except exempt land in the Shire of Somewhere 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 2015/16 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum 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.

OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of Differential Rating.

Differential General Rate

Description	Characteristics	Objects	Reasons

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

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

Differential Minimum Payment

Description	Characteristics	Objects	Reasons

ATTENTION: Do you have differential general rates? If yes, and the differential general rates or minimum payments differ from those advertised in the local public notice you need to make disclosures in accordance with FM Reg 23(b) which set out:

- (a) Details of the rate or payment set forth in the public notice: and**
- (b) Reasons for the difference.**

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

9. HEALTH RATE - 2015/16 FINANCIAL YEAR

	Rate in \$	2015/16 Budgeted Revenue \$	Budget Applied to Costs \$	2014/15 Actual \$
Sewerage Rate				
Nyabing Residential	0.0464	13,612	13612	12,207
Nyabing Commercial	0.0464	5,201	5201	3,570
Nyabing Vacant	228	684	684	657
Pingrup Residential	0.0537	7,968	7968	7,246
Pingrup Commercial	0.0537	8,173	8173	6,782
Pingrup Vacant	228	228	228	219
		35,866	35,866	30,681

The Health Rate is for the provision of sewerage. The charge is applicable to all owners within a designated area surrounding the townsite.

10. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

	Amount of Charge \$	2015/16 Budgeted Revenue \$	Budget Applied to Costs \$	2014/15 Actual \$
N/A				
		0	0	0

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

11. FEES & CHARGES REVENUE	2015/16 Budget \$	2014/15 Actual \$
Governance	3,500	2,222
General Purpose Funding	2,850	1,841
Law, Order, Public Safety	38,250	36,768
Health	250	215
Education and Welfare	0	0
Housing	92,000	86,516
Community Amenities	61,000	56,904
Recreation and Culture	2,450	3,160
Transport	330,500	281,272
Economic Services	30,250	31,572
Other Property and Services	96,000	93,020
	<u>657,050</u>	<u>593,490</u>

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

Photocopy charges are waived for certain community groups, such as local newsletter, sporting groups and community organisations. Council considers its support of these groups necessary for the overall benefit of the community.

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

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

	Interest Rate %	Admin. Charge \$	2015/16 Budget \$	2014/15 Actual \$
Interest on Unpaid Rates			7,400	8,490
Interest on Instalments Plan			250	0
Charges on Instalment Plan			5,000	
			12,650	8,490

14. ELECTED MEMBERS REMUNERATION

**2015/16
Budget
\$**

**2014/15
Actual
\$**

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

Meeting Fees	56,000	56,000
President's Allowance	7,000	7,000
Deputy President's Allowance	0	0
Travelling and Accommodation Expenses	19,000	5,571
Childcare Expenses	6,500	0
Telecommunications Allowance	0	8,000
	<u>88,500</u>	<u>76,571</u>

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

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
Cash - Unrestricted	53,153	1,020,905	71,401
Cash - Restricted	1,737,036	1,640,841	1,623,524
	<u>1,790,189</u>	<u>2,661,746</u>	<u>1,694,925</u>

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

Employee Entitlement Reserve	204,038	178,379	178,859
Plant Reserve	433,470	387,012	388,566
Land & Building Reserve	253,252	251,139	252,507
Nyabing Recreation Reserve	22,508	17,596	35,778
Pingrup Recreation Reserve	38,713	31,631	31,518
Cemetery Reserve	17,831	17,344	16,794
Water Supply Reserve	28,827	28,037	28,148
Sewerage Reserve	198,184	142,651	142,746
Computer Equipment Reserve	1,692	1,645	1,654
Administration Vehicles Reserve	65,088	89,337	42,946
Refuse Disposal Facilities Reserve	96,397	93,758	94,286
Road Reserve	353,403	392,313	398,672
Landcare Reserve	12,042	10,000	11,050
	<u>1,725,445</u>	<u>1,640,842</u>	<u>1,623,524</u>

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

Net Result	125,025	2,829,082	1,763,425
Depreciation	1,444,550	470,659	1,448,849
(Profit)/Loss on Sale of Asset	(39,060)	(58,309)	(53,351)
(Increase)/Decrease in Receivables	75,373		(79,500)
(Increase)/Decrease in Inventories	(20,000)		(17,805)
Increase/(Decrease) in Payables	209,357		13,641
Increase/(Decrease) in Employee Provisions	41,591		20,641
Grants/Contributions for the Development of Assets	(1,089,969)	(606,172)	(1,853,395)
Net Cash from Operating Activities	<u>746,867</u>	<u>2,635,260</u>	<u>1,242,505</u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

Bank Overdraft Limit	100,000	100,000	100,000
Bank Overdraft at Balance Date			0
Credit Card Limit	16,000	8,000	8,000
Credit Card Balance at Balance Date			0
Total Amount of Credit Unused	<u>116,000</u>	<u>108,000</u>	<u>108,000</u>

Loan Facilities

Loan Facilities in use at Balance Date	<u>739,500</u>	<u>653,684</u>	<u>516,426</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

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

16. TRUST FUNDS

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

Detail	Balance 1-Jul-15 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-16 \$
Nomination Deposits	0	0	0	0
Housing Bonds	3,492	3,728	(3,112)	4,108
Trust Other	178	105,000	(105,000)	178
BCITF & BRB Levy	0	2,416	(2,416)	0
	3,670	111,144	(110,528)	4,286

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

17. MAJOR LAND TRANSACTIONS

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

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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