

BUDGET RESOLUTIONS& INFORMATION
For the adoption of the Budget for the year ending 30 June 2017

Vision for the Future

The community placed a high value on health and essential services; communications and technology infrastructure; improved social connectedness; community involvement and participation; a need to retain and grow the population; and to strengthen economic prosperity through the diversification of the local economy.

The Shire in the future is described as:

- A place with a sense of community, one that is thriving, vibrant, engaging and connected.
- A place that nurtures its youth and aging population;
- A place that has a range of services and facilities meeting our needs.
- A place that is growing and has employment opportunities, through local industry, which is based on the Shires local comparative advantages.

Community Aspirations were defined by key emerging goals-

SOCIAL

- Strengthen and enhance essential community services.
- Strengthen community participation, interactions and connections.
- Build and strengthen an active, thriving and vibrant community.
- Actively supports aging in place

ENVIRONMENTAL

- Inspires sustainable living.
- Actively supports recycling and resource recovery.
- Maintains and strengthens Shire infrastructure.
- Explore a range of housing options.

ECONOMIC

- Maximises local business growth.
- Facilitate improved access to communications and technology.

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COMMUNITY'S KEY PRIORITIES

- (1) Retain and grow the population.
- (2) Strengthen and enhance essential community services.
- (3) Improve access to telecommunications and technology.
- (4) Build the economic base through local industry diversification and actively supporting local businesses, which will create job opportunities.

COMMUNITY PRIORITIES AGAINST KEY AREAS

Social – Building a sense of community

PRIORITIES	OPPORTUNITIES
(1) Build community services, in particular health services and telecommunication services.	(a) Community health services for all ages (doctor/nursing post). (b) Enhance youth activities. (c) Improve telecommunications and technology access. (d) Support continuation of education service.
(2) Build and strengthen community participation, interactions and connections.	(a) Increased social events. (b) Strengthen sporting organisations. (c) Support community groups. (d) Facilitate Women's and men's groups to share skills.
(3) Actively support aging in place.	(a) Planning for retention elderly residents. (b) Support well aged housing options.

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Natural Environment – Preserving and Sustaining our Natural Environment

PRIORITIES	OPPORTUNITIES
(1) Inspire sustainable living.	(a) Promote water harvesting. (b) Increased use of water tanks for houses. (c) Promote grey water reuse systems. (d) Use of solar panels. (e) Lobby for water security for towns.
(2) Enhance the local environment.	(a) Explore a new policy on carbon planting schemes. (b) Investigate use of a landcare facilitator. (c) Improve weed control in road and nature reserves.
(3) Actively support recycling and resource recovery.	(a) Improved recycling opportunities. (b) Build waste transfer stations.
(4) Support renewable energy use.	(a) Solar and wind electricity generation potential.

Built Environment - Enhanced Lifestyle Choices

PRIORITIES	OPPORTUNITIES
(1) Maintain and strengthen Shire infrastructure	(a) Lobby for additional passing lanes on, and widening of, Chesterpass Road. (b) Improve footpath network in Nyabing and Pingrup. (c) Improve road safety including verge clearing and safety signage. (d) Maintain and improve facilities and assets. (e) Explore provision allied health facility.
(2) Create land use capacity	(a) Provide for residential and rural lifestyle subdivisions. (b) Plan for industrial subdivisions.
(3) Increase diversity of housing options	(a) Explore housing options.

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Economic Development - Maximise Business and Employment Opportunities

PRIORITIES	OPPORTUNITIES
(1) Maximise local business growth.	(a) Facilitate support for local businesses.
(2) Improve Communications and Technology Infrastructure	(a) Facilitate Improvement of mobile telephony coverage to support businesses. (b) Access to ASDL infrastructure to facilitate new business opportunities.
(3) Promote our district as a place to visit	(a) Tourism attractions diversification with promotion via Hidden Treasures (walk trails, farm tours, Lake Bryde, go-kart events). (b) Develop tourism 'theme(s)' or 'icon(s)' to promote district. (c) Build caravan park in Nyabing.

Governance - Strengthen Shire Leadership

PRIORITIES	OPPORTUNITIES
(1) Maintain and strengthen leadership	(a) Accountable and transparent decisions (b) Maintain high level of services and facilities. (c) Continue consultation with the community
(2) Ensure a sustainable Council	(a) Financial sustainability. (b) Asset Management. (c) Friendly customer service. (d) Workforce capability.
(3) Community participation	(a) Support volunteers and celebrate their contribution. (b) Continued communication and cooperation with the community.

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Members of Council



Shire President
Cr M J (Megan) Tuffley

Council Committees
Audit & Finance Committee, Delegate, Great Southern Zone of WALGA,

Delegate – Committees
Pingrup Ground Improvement Committee, Nyabing Sports Club Committee, Pingrup Community Resource Centre Committee, Hidden Treasures, Great Southern Development Assessment Panel.



Deputy Shire President
Cr R A (Renaë) Jury

Council Committees
Audit & Finance Committee, Delegate Great Southern Zone of WALGA

Delegate – Committees
Lakes VROC, Great Southern Development Assessment Panel



Cr Grant Collins

Council Committees
Audit & Finance Committee.

Delegate – Committees
Bushfire Advisory Committee/Nyabing Pingrup Land Conservation Committee and Lake Magenta Nature Reserve Advisory Committee , Gt Southern Regional Road Group, Local Emergency Management Committee



Cr M (Mark) Stephens

Council Committees
Great Southern Zone of WALGA (PROXY)

Delegate – Committees

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Members of Council



Cr Alan Smith

Council Committees

Audit & Finance Committee

Delegate – Committees

Great Southern Regional Recreation Committee, Lakes VROC (PROXY), Pingrup Ground Improvement Committee, Nyabing Sports Club Committee, Great Southern Development Assessment Panel.



Cr T (Tim) Borgward

Council Committees

Audit, Finance and Administration Committee,

Delegate – Committees

Great Southern Regional Road Group (PROXY), Pingrup Ground Improvement Committee (PROXY), Nyabing Sports Club Committee (PROXY), Great Southern Regional Recreation Committee



Cr GD (Gordon) Browne

Council Committees

Delegate – Committees

Great Southern Regional Road Group, Bushfire Advisory Committee/Nyabing Pingrup Land Conservation Committee and Lake Magenta Nature Reserve Advisory Committee (PROXY), Local Emergency Management Committee (PROXY)



Cr S (Scott) Crosby

Council Committees

Audit & Finance Committee (PROXY)

Delegate – Committees

Great Southern Regional Recreation Committee (PROXY), Bushfire Advisory Committee/Nyabing Pingrup Land Conservation Committee and Lake Magenta Nature Reserve Advisory Committee, Local Emergency Management Committee (PROXY)

SHIRE PRESIDENT'S MESSAGE



Megan Tuffley – Shire President

The Council has constructed this budget according to the changing imperatives of the State Government. For many years we have been asked to rate in accordance with as close to full cost recovery as possible however the most recent thrusts from the state is about rates being kept within the Perth CPI.

Unfortunately the local government CPI is higher than the Perth CPI that the State wishes us to operate under but local governments have again sought to comply with the State's request and put together a financially responsible budget which will meet the needs of our ratepayers while keeping service, program and project costs as low as possible.

The Premier and his Minister for Local Government have both commented widely over the last 12 months that Local government is inefficient because it raises rates above the CPI when of course it too raises its own charges for power, water and the like well above the CPI and is a primary driver in Councils raising rates in excess of the CPI as well.

The 2016/17 Budget has been constructed with a 2% yield rate increase across the Shire. This means that some rates will go up by more or less that this amount depending on any changes in property valuations for the year. The increase in rates is a gross increase of \$41,000 over the total rates raised in the 2015/16 budget.

Once again Council will spend about \$3.7M on capital works with around \$2.1M on plant replacement and roadworks and the balance on other infrastructure such as housing, sub-divisional works and the like.

Some grant funding has been forthcoming for the Pingrup Pavilion project with other applications still to be assessed. At this stage Council will not be required to borrow money for this project. In fact Council is not proposing to take any new loans this year.

Council will construct a 4 x 2 bedroom housing unit this year for staff housing and a further 2 independent living units should the grant funding sought from the State Government by the Great Southern Development Commission for the project be successful. There is also a review of the Town Planning Scheme underway and this year will see a review of the Community Strategic Plan as well. Council will also seek to share an Environmental Health Officer.

MEGAN TUFFLEY
Shire President

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CHIEF EXECUTIVE OFFICERS REPORT



Once again the Focus of the Annual Budget has been around the fundamental objectives followed over the past six years:

- Provide value for money services to the community,
- Maximise investment returns within risk management parameters
- Maximise grant funding for community infrastructure needs
- Maintain assets, roads and infrastructure, to contemporary standards
- Base all fees and charges on sustainable service delivery principles.

With these principles in mind the Council has adopted a balanced budget for the 2016/17 financial year incorporating a 2.0% yield increase.

The budget will continue to focus on delivering the best possible road network with capital expenditure on roads for the year expected to be \$1,467,157 and road maintenance forecast to be a further \$456,000 for a total of over \$2.0M to be expended on roads alone. A further \$601,000 will be spent on plant upgrades to round out transport expenditure.

Other highlights within this budget are:

- Construction of another house, \$400,000.
- Upgrade of the Pingrup Pavilion, \$550,000
- Completion of Memorial Park, \$450,000
- Completion of Burston Park, \$45,000
- Upgrade of the Pingrup Pavilion, \$260,000
- Construction of 2 independent living units, \$620,000

- Subdivision and land acquisition costs \$105,000.

While the Federal Government has increased Roads to Recovery funding this year, it did freeze the indexation of Grants Commission funding to Councils and this has had the effect of funding those roads grants through a reduction in the untied grant funding to councils, in effect robbing Peter to pay Paul.

Council is proposing to take out no new loans for the coming year.

Councils Reserve funds are to increase by \$300,000 to \$2.081M reflecting the need to provide for longer term asset replacement funding for sewerage in particular as well as plant, road assets and fully cash backing Councils Leave liabilities for staff.

The ablution Block at the Pingrup Caravan Park will be upgraded at a cost of \$28,000 which will complete the planned upgrade of the facility.

Housing and public building maintenance will continue with although is now reducing as our 10 year building maintenance program from recent years starts to have a significant effect.

Staffing levels remain at the levels of the previous year.

As the State and Federal Governments move to shore up their own budget bottom lines the job for Local Government becomes more difficult with shrinking tied and untied grant funding, increased costs and a greater focus by the State Government on long term planning, risk management and financial sustainability.

The Shire of Kent rates highly in the sustainability measures as is shown by the Governments own comparison website. This is largely due to the hard work and commitment of your Councillors and staff in maintaining appropriate services and in looking to minimise costs wherever possible.

PETER BENTLEY
Chief Executive Officer

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Resolutions were adopted by ABSOLUTE MAJORITY at the Ordinary Meeting of Council held on the 1st August 2016 to adopt the Annual Budget including the following matters for the year ended 30 June 2017.

1. GENERAL RATES

That the following Rate in the Dollar be adopted for the Shire of Kent for the year ending 30 June 2017”:-

Unimproved Values	1.1183 cents in the dollar
Gross Rental Values	11.3991 cents in the dollar

2. MINIMUM RATES

That the minimum rate for Gross Rental Values is set at \$465 per assessment and the minimum rates for Unimproved Values is set at \$465 per assessment.

3. REFUSE AND RECYCLING CHARGES

That in accordance with the provisions of the Waste Avoidance and Resource Recovery Act 2007 that Council imposes the following refuse and recycling charges (exclusive of GST) for 2015/2016:-

Residential Refuse	\$217.00
Residential Refuse –additional bin	\$217.00
Residential - recycling bin	\$114.00
Commercial Refuse	\$217.00
Commercial Refuse - additional bin	\$217.00
Commercial - additional recycling bin	\$114.00
Pensioner Rubbish	\$109.00
240 Litre Wheelie Bin	at cost
Tipping Fee - cubic metre – Non Residents	\$20.00

4. SERVICE CHARGES

Sewerage

Nyabing Residential	-	\$0.0745 cents in the dollar Minimum Charge \$340.00
Nyabing Commercial	-	\$0.0745 cents in the dollar Minimum charge \$762.00
Nyabing Vacant Lot	-	\$234.00 per property
Pingrup Residential	-	\$0.0837 Cents in the dollar Minimum charge \$340.00
Pingrup Commercial	-	0.0837 cents in the dollar Minimum charge \$762.00
Pingrup Vacant Lot	-	\$234.00 per property
Minor Fixture Charge	-	\$232.00
Major Fixture Charge	-	\$762.00
Additional Fixtures	-	\$95.00

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5. DISCOUNT

General Rates

That Council does not offer early settlement discount for the 2016/17 financial year.

6. PAYMENT OPTIONS

That Council, in accordance with the provisions of section 6.45 and 6.50 of the Local Government Act 1995, offers the following payment options for the payment of rates:-

(a) Single Instalment

- Payment in full within 35 days of the date of issue of the rate notice.

(b) Two Instalments

- The first instalment of 50% of the total current rates, ESL, refuse charges, instalment charges plus the total outstanding arrears payable, within 35 days from the date of issue of the rate notice.
- The second instalment of 50% of the total current rates, ESL, refuse charges and instalment charges, payable 4 months from the due date of the first instalment.

(c) Four Instalments

- The first instalment of 25% of the total current rates, ESL, refuse charges and instalment charges plus the total outstanding arrears payable, within 35 days from the date of issue of the rate notice.
- The second, third and fourth instalments, each of 25% of the current rates, ESL, refuse charges and instalment charges, payable at two monthly intervals after the due date of the first instalment.

7. INTEREST AND ADMINISTRATION CHARGES FOR INSTALMENT OPTIONS

That Council, in accordance with the provisions of section 6.45 of the Local Government Act 1995 imposes an Administration Fee of \$10 per instalment notice together with an interest charge of 5.5%, both of which applies to the second instalment of the Two Instalment option, and the second, third and fourth instalments of the Four Instalment option.

8. LATE PAYMENT PENALTY INTEREST

That Council, in accordance with the provisions of section 6.13 and 6.51 of the Local Government Act, and Regulations 19A and 70 of the Local Government (Financial Management) Regulations 1996, adopts an interest rate of 11% per annum. Penalty interest will apply to all charges which remain unpaid after 35 days from the date of issue of the rate notice.

Excluded are eligible pensioners, deferred pensioner rates and current instalment amounts not yet due.

9. FEES AND CHARGES

That Council, in accordance with section 6.16 of the Local Government Act 1995, adopts the Schedule of Fees and Charges as set out at Note 16 in the Budget document for the year ending 30 June 2017.

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10. DETERMINING MATERIAL VARIANCES

That, in accordance with the provisions of the Local Government (Financial Management) Regulations 1996 section 34(5), the material variance as reported in the Statement of Financial Activity in the financial year ending 30 June 2017 will be 10% or \$10,000.

11. MEMBERS MEETING ATTENDANCE FEES

That Council, in accordance with section 5.99 of the Local Government Act 1995 and Regulation 34 of the Local Government (Administration) Regulations 1996, adopts an annual allowance for meeting attendance fees for 2016/2017 of \$7,000 per annum for the President (maximum \$18,500) and \$7,000 per annum for Councillors. (Maximum \$9,270)

12. PRESIDENT AND DEPUTY PRESIDENT ALLOWANCE

That Council, in accordance with section 5.98(5) and 5.98A of the Local Government Act 1995 and Regulation 33 and 33A of the Local Government (Administration) Regulations 1996, adopts an annual allowance of \$7,000 for the President. (Maximum \$19,570)

13. MEMBERS TRAVELLING EXPENSES

That Council, in accordance with the provisions of section 5.99A of the Local Government Act 1995 and Regulation 34AB of the Local Government (Administration) Regulations 1996, adopts that travelling expenses are reimbursed to elected members at the rate of 80 cents per kilometre.

14. TELECOMMUNICATIONS ALLOWANCE

That Council, in accordance with the provisions of section 5.99A of the Local Government Act 1995, and Regulation 34A of the Local Government (Administration) Regulations 1996, adopts a Telecommunications Allowance of \$1,000 per Councillor per year. (Maximum \$3,500) .

15. ADOPTION OF THE ANNUAL BUDGET

That the Annual Budget for the Shire of Kent for the year ending 30 June 2017 comprising the Income Statements, Cash Flow Statement, Rate Setting Statement and associated notes be adopted.

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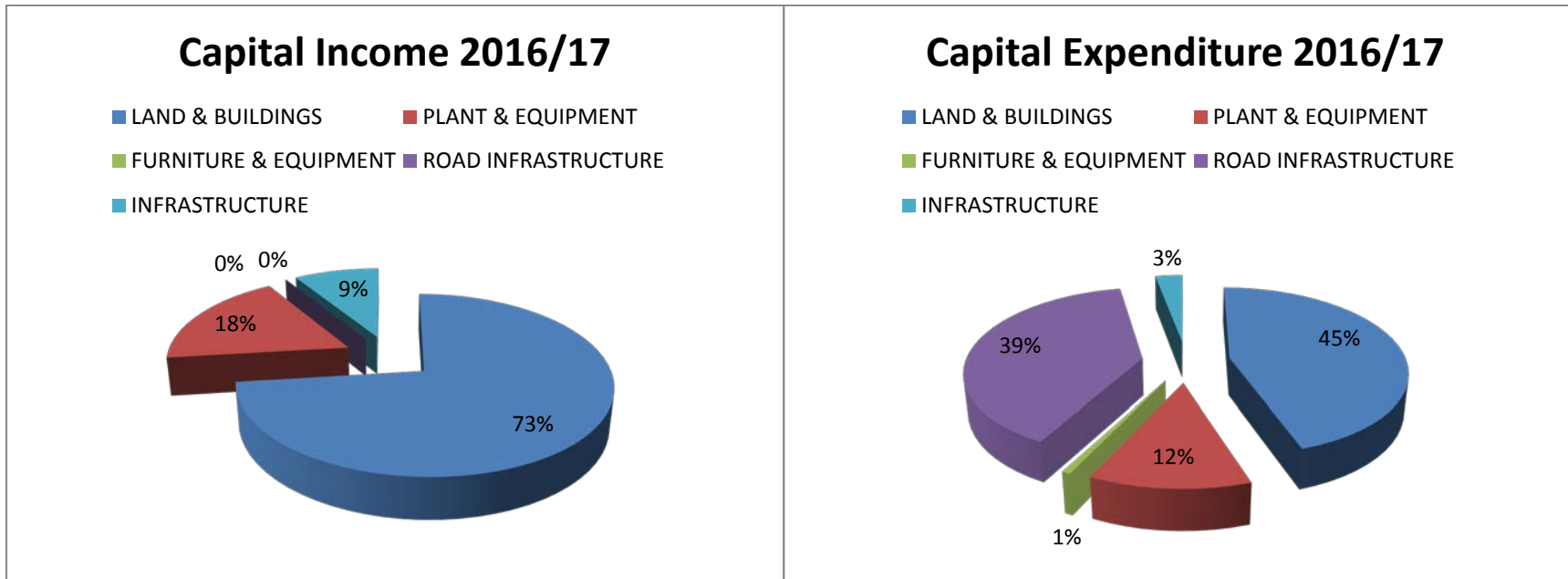
CAPITAL

The 2016/17 budget provides for \$3,733,061 in Capital Expenditure. Projects within the budget include:-

- Plant Replacement of \$456,000
- Road Infrastructure of \$1,467,157
- Furniture and Equipment \$25,000
- Other Infrastructure of \$109,904
- Land & Buildings of \$1,675,000

Capital Income will come from vehicle trade-ins and grant funding for infrastructure and Road Infrastructure projects. Total Capital Income net of Government grants is budgeted to be \$804,500.

The following graphs show total Capital expense and Capital Income net of Road Grants.



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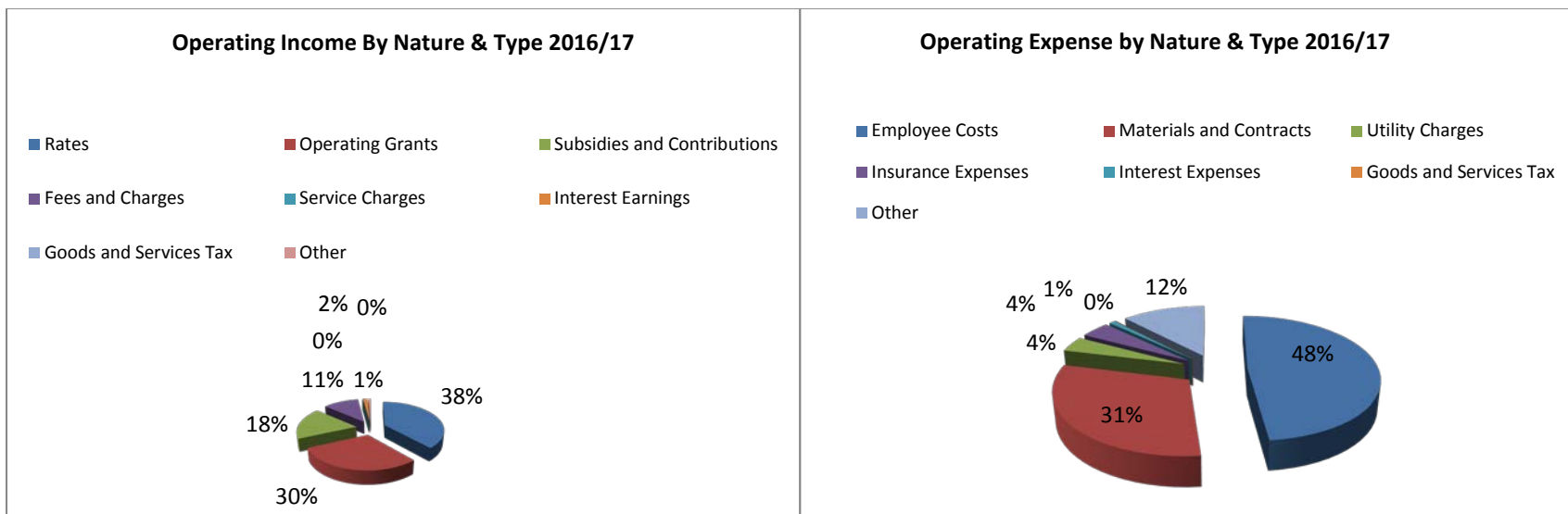
CAPITAL (Continued)

Projects within the Capital Budget include:-

- Construction of 2 housing units
- Construction of a single 4 x 2 house.
- Renovation of the Pingrup Pavilion
- Pingrup Standpipe power upgrade.
- Completion of works at Memorial Park and Burston Street Park.
- Works on the completion and purchase of the Coates Close subdivision and land acquisition.

OPERATING

The Council will continue to provide a range of services as appropriate for the residents of the Shire of Kent and continue to manage and maintain the assets in a similar vain.The following graphs show the breakup by type of operating expense and income.



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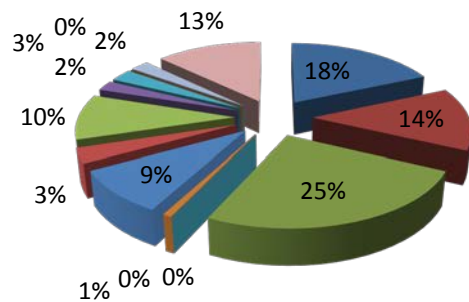
OPERATING (Continued)

Within the operating expense the Council will provide for maintenance of the Building and Housing assets of the Shire. These assets are maintained under a ten year building Maintenance schedule which allocates funds on a needs and priority basis rather than cost alone. This ensures that all assets are maintained to a standard which is sustainable and provides a best value for money management approach.

This also applies to the management of our Parks and Gardens and public buildings where work that needs to occur does so at the time that it is required. The results of this management philosophy can be seen in the standard of our facilities and parks and gardens. The graphs below show the expense breakup over both Building Maintenance and Parks and Gardens. Total expense for Building Maintenance on housing is budgeted at \$159,412, Public Buildings will be \$488,848 and for Parks & Gardens is \$225,488.

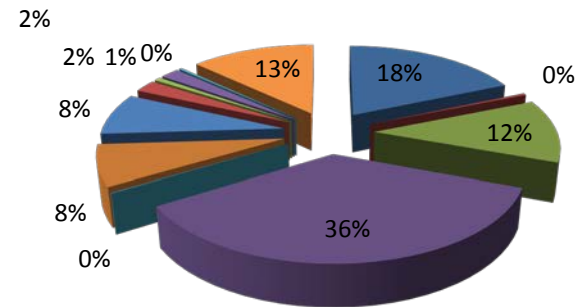
Building Maintenance by Expense Type 2016/17

- | | |
|-------------------------|----------------------------|
| ■ Salaries & Wages | ■ Repairs & Maintenance |
| ■ Contract Services | ■ Chemicals |
| ■ Road Materials | ■ Computer & Internet |
| ■ Insurances | ■ Electricity & Gas |
| ■ Water Charges | ■ Telephone Expenses |
| ■ Other Sundry Expense | ■ Plant Depreciation Costs |
| ■ Plant Operation Costs | ■ Public Works Overhead |



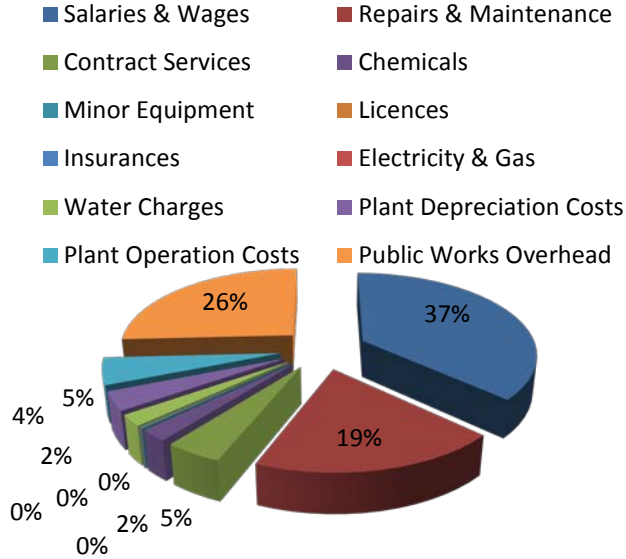
Public Buildings Expense by Expense Type 2016/17

- | | |
|-------------------------|-------------------------|
| ■ Salaries & Wages | ■ Interest on Loans |
| ■ Repairs & Maintenance | ■ Contract Services |
| ■ Postage & Freight | ■ Insurances |
| ■ Electricity & Gas | ■ Water Charges |
| ■ Telephone Expenses | ■ Other Sundry Expense |
| ■ Plant Operation Costs | ■ Public Works Overhead |



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**Parks & Gardens Expense by Expense Type
2016/17**



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INTEGRATED PLANNING FRAMEWORK

Council is continuing the of reviewing its Community Strategic Plan and has progressed to having an Asset Management Plan in place, a Long Term Financial Plan, a Workforce Plan and this year will complete a meaningful Corporate Business Plan. These plans have been time consuming and costly to put in place and while it is right that in councils with significant ongoing development and growth they are necessary it could be argued that they are of only limited benefit to the more stable rural councils such as Kent.

The change to Fair Value accounting for our assets has also complicated the recognition of assets and has also added tens of thousands of dollars in costs per year to our bottom line in valuation fees. Each asset class needs to be re-valued every three years to comply with the legislation and once again the processes have proven to be costly and time consuming. Council is continuing to seek cost efficient methods of delivering these compliance items. The Council has now revised valuations in place for all asset classes during the last three financial years.

RATES

The 2016/17 Annual Budget provides for an increase of 2.0% in the general rate. It should be noted that this is a 2.0% yield over the previous year's rates and that some properties will experience higher and lower increases based upon the valuations of property. The Council is always mindful of keeping rates at a sustainable level for both the operation and the ratepayers.

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RATES AND CHARGES AT A GLANCE

<u>Rates & Charges</u>	
Gross Rental Values	(Towns)
11.3991 cents in the dollar	
Unimproved Values	(Rural)
1.1183 cents in the dollar	
Minimum Rates	
\$465.00 per assessment	
<u>Television Re-Transmission</u>	
This service charge is no longer provided due to the introduction of Digital Satellite Television.	
<u>Recycling</u>	
<i>Normal</i>	
\$114.00 per bin pa	
<u>Refuse Charges</u>	
<i>Normal</i> - \$217.00 per bin pa	
<i>Pensioner</i> - \$109.00 per bin pa	
<u>Sewage</u>	
<i>Nyabing (Residential and Commercial)</i>	
7.45cents in the dollar	
<i>Pingrup (Residential)</i>	
8.37 cents in the dollar	
<i>Pingrup (Commercial)</i>	
8.37 cents in the dollar	
<u>Minimum Sewage</u>	
<i>Domestic</i> - \$340.00 per assessment pa	
<i>Commercial</i> - \$762.00 per assessment pa	
<i>Vacant</i> - \$234.00 per assessment pa	
<u>Prompt Payment Discount</u>	
Council has resolved that discount would not be allowed for prompt payment of rates for the 2011/12 budget year. The Council reviewed this decision and again will not be offering settlement discount for prompt payment of Rates.	
Council has resolved to offer ratepayers the opportunity to pay by one of the following methods:	
<u>Option 1</u>	
Payment in full by ONE installment only, payment is to be received by 4.30pm Friday 16September 2016.	

<u>Option 2</u>
Payment by TWO Installments only
1st Installment date
4:30pm Friday 16September 2016
2nd Installment date
4:30pm Friday 20January 2017
A \$15.00 administration fee is applicable.
<u>Option 3</u>
Payment by FOUR Installments only
1st Installment date
4:30pm Friday 16 September 2016
2nd Installment date
4:30pm Friday 18 November 2016
3rd Installment date
4.30pm Friday 20January 2017
4th Installment date
4.30pm Friday 24 March 2017
A \$30.00 administration fee is applicable.
Interest on Installments
A charge of 5.5% per annum, calculated daily at 0.01507% will apply to assessments where the owner has elected to pay rates and service charges by installment.
Late Payment Penalty – Rates and Rubbish Charges
A charge of 11.0% per annum, calculated daily at 0.03014% by simple interest will apply as follows:
If NO installment option taken
Interest shall begin to accrue on rates and/or rubbish charges that remain unpaid after 22 September 2015. Eligible pensioners are exempt.
Option 2 or 3 installment options taken
Interest shall begin to accrue daily on any rates/rubbish installments payments that remain unpaid after 22 September 2016, and continue to accrue until such time as the installment is paid. Eligible pensioners are exempt.
Interest on Rates and/or Rubbish Charges Arrears will accrue on a daily basis until the arrears are paid.

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Payment Options

Payment Methods

All cheques should be made payable to the "Shire of Kent" and payments may be posted to

Shire of Kent, PO Box 15, NYABING WA 6341

Personal payments to the Council may be made at the Council Offices:

Richmond Street, Nyabing - Monday to Friday 8.30am to 4.30pm

The Shire has its BPOINT service operational. To make payments you have the option of telephone payment or internet payment. The bill payment details are:

By Telephone:	1300 276 468
Payment Code:	000223
Pay Online:	www.kent.wa.gov.au
Payment Code:	000223

Please note: When you are paying your rates, the account number needed to make the payment is also your assessment number.

EFT	
Account Name:	Shire of Kent Municipal Account
BSB:	066-515
Account #:	00000111

Please quote assessment number as a reference

Alternative Arrangements

Ratepayers experiencing difficulty in payment of their rates and charges or those wishing to make a direct transfer to Council's bank account are invited to contact Peter Bentley or Michele Bamess at the Shire Office on (08) 9829 1051 to discuss alternative arrangements prior to the due date.

Emergency Contacts

Shire of Kent

Chief Executive Officer

Peter Bentley	A/H	9829 1022	0429 993 986
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Deputy Chief Executive Officer

Michelle Bamess	A/H	9829 1126	0429 993 985
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Works Supervisor

David Long	A/H	9829 1088	0429 993 987
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Harvest Ban Hotline

For updated information regarding Harvest Bans please call **9829 1247**

PLEASE REMEMBER IN AN EMERGENCY

DIAL '000'

Council – The Shire of Kent



Statement of Comprehensive Income Input Sheet for year ended 30 June 2017

Enter data in blue cells only.

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$	Rounded 2016/17 Budget \$	Rounded 2015/16 Actual \$	Rounded 2015/16 Budget \$
Revenue							
Rates	8	2,148,433	2,106,333	2,106,850	2,148,433	2,106,333	2,106,850
Specified area rates	10	0	0	0	0	0	0
Operating grants, subsidies and contributions		1,670,525	1,449,898	1,006,564	1,670,525	1,449,898	1,006,564
Fees and charges	14	639,372	557,857	657,050	639,372	557,857	657,050
Service charges	11	0	0	0	0	0	0
Interest earnings	2(a)	85,500	103,232	91,731	85,500	103,232	91,731
Other revenue	2(a)	40,950	37,365	39,950	40,950	37,365	39,950
		<u>4,584,780</u>	<u>4,254,685</u>	<u>3,902,145</u>	<u>4,584,780</u>	<u>4,254,685</u>	<u>3,902,145</u>
Expenses							
Employee costs		(1,734,770)	(1,662,237)	(1,747,614)	(1,734,770)	(1,662,237)	(1,747,614)
Materials and contracts		(1,092,838)	(940,339)	(931,449)	(1,092,838)	(940,339)	(931,449)
Utility charges		(142,978)	(128,394)	(132,618)	(142,978)	(128,394)	(132,618)
Depreciation on non-current assets	2(a)	(1,398,464)	(521,300)	(1,444,550)	(1,398,464)	(521,300)	(1,444,550)
Interest expenses	2(a)	(32,520)	(36,025)	(36,425)	(32,520)	(36,025)	(36,425)
Insurance expenses		(151,126)	(139,955)	(136,212)	(151,126)	(139,955)	(136,212)
Other expenditure		(434,023)	(337,824)	(477,281)	(434,023)	(337,824)	(477,281)
		<u>(4,986,719)</u>	<u>(3,766,074)</u>	<u>(4,906,149)</u>	<u>(4,986,719)</u>	<u>(3,766,074)</u>	<u>(4,906,149)</u>
		(401,939)	488,611	(1,004,004)	(401,939)	488,611	(1,004,004)
Non-operating grants, subsidies and contributions		1,009,125	1,091,968	1,089,969	1,009,125	1,091,968	1,089,969
Profit on asset disposals	6	52,436	71,534	68,500	52,436	71,534	68,500
Loss on asset disposals	6	(37,591)	(4,562)	(29,440)	(37,591)	(4,562)	(29,440)
Loss on revaluation of assets		0	0	0	0	0	0
NET RESULT		622,031	1,647,551	125,025	622,031	1,647,551	125,025
Other Comprehensive Income							
Changes on Revaluation of non-current assets		508,605	0	0	508,605	0	0
Total Other Comprehensive Income		508,605	0	0	508,605	0	0
TOTAL COMPREHENSIVE INCOME		<u>1,130,636</u>	<u>1,647,551</u>	<u>125,025</u>	<u>1,130,636</u>	<u>1,647,551</u>	<u>125,025</u>

Shire of Kent
Statement of Comprehensive Income Input Sheet for year ended 30 June 2017
BY PROGRAM

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$	Rounded 2016/17 Budget \$	Rounded 2015/16 Actual \$	Rounded 2015/16 Budget \$
Revenue (Refer Notes 1,2,8 to 13)							
Governance		16,500	12,690	15,000	16,500	12,690	15,000
General purpose funding		3,504,983	2,834,329	2,843,245	3,504,983	2,834,329	2,843,245
Law, order, public safety		188,728	157,813	185,400	188,728	157,813	185,400
Health		250	0	250	250	0	250
Education and welfare		500	0	500	500	0	500
Housing		96,500	243,179	92,000	96,500	243,179	92,000
Community amenities		158,069	244,024	121,000	158,069	244,024	121,000
Recreation and culture		2,450	48,967	2,450	2,450	48,967	2,450
Transport		458,400	518,794	490,400	458,400	518,794	490,400
Economic services		36,900	49,878	30,400	36,900	49,878	30,400
Other property and services		121,500	145,011	121,500	121,500	145,011	121,500
		<u>4,584,780</u>	<u>4,254,685</u>	<u>3,902,145</u>	<u>4,584,780</u>	<u>4,254,685</u>	<u>3,902,145</u>
Expenses Excluding Finance Costs (Refer Notes 1,2 & 14)							
Governance		(567,328)	(346,469)	(532,357)	(567,328)	(346,469)	(532,357)
General purpose funding		(147,359)	(78,099)	(161,697)	(147,359)	(78,099)	(161,697)
Law, order, public safety		(241,671)	(178,104)	(210,663)	(241,671)	(178,104)	(210,663)
Health		(29,418)	(6,791)	(19,197)	(29,418)	(6,791)	(19,197)
Education and welfare		(16,524)	(13,803)	(15,339)	(16,524)	(13,803)	(15,339)
Housing		(153,701)	(331,994)	(415,264)	(153,701)	(331,994)	(415,264)
Community amenities		(409,890)	(308,879)	(251,994)	(409,890)	(308,879)	(251,994)
Recreation and culture		(685,809)	(558,274)	(694,880)	(685,809)	(558,274)	(694,880)
Transport		(2,312,717)	(1,322,885)	(2,170,601)	(2,312,717)	(1,322,885)	(2,170,601)
Economic services		(223,243)	(203,564)	(237,645)	(223,243)	(203,564)	(237,645)
Other property and services		(166,539)	(381,188)	(164,177)	(166,539)	(381,188)	(164,177)
		<u>(4,954,199)</u>	<u>(3,730,050)</u>	<u>(4,873,814)</u>	<u>(4,954,199)</u>	<u>(3,730,050)</u>	<u>(4,873,814)</u>
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		(25,475)	(27,947)	(25,475)	(25,475)	(27,947)	(25,475)
Community amenities		(2,308)	(2,307)	(2,123)	(2,308)	(2,307)	(2,123)
Recreation and culture					0	0	0
Transport					0	0	0
Economic services		(2,903)	(3,618)	(2,903)	(2,903)	(3,618)	(2,903)
Other property and services		(1,834)	(2,153)	(1,834)	(1,834)	(2,153)	(1,834)
		<u>(32,520)</u>	<u>(36,025)</u>	<u>(32,335)</u>	<u>(32,520)</u>	<u>(36,025)</u>	<u>(32,335)</u>
Non-operating Grants, Subsidies and Contributions							
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	0	0
Community amenities					0	0	0
Recreation and culture					0	0	0
Transport		1,009,125	1,091,968	1,089,969	1,009,125	1,091,968	1,089,969
Economic services					0	0	0
Other property and services					0	0	0
		<u>1,009,125</u>	<u>1,091,968</u>	<u>1,089,969</u>	<u>1,009,125</u>	<u>1,091,968</u>	<u>1,089,969</u>
Profit On Disposal Of Assets (Refer Note 4)							
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	0	0
Community amenities					0	0	0
Recreation and culture					0	0	0
Transport		52,436	71,534	68,500	52,436	71,534	68,500
Economic services					0	0	0
Other property and services					0	0	0
		<u>52,436</u>	<u>71,534</u>	<u>68,500</u>	<u>52,436</u>	<u>71,534</u>	<u>68,500</u>

**(Loss) On
Disposal Of Assets (Refer Note 4)**

Governance		(1,487)		0	(1,487)	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	0	0
Community amenities				0	0	0
Recreation and culture				0	0	0
Transport	(37,591)	(3,074)	(29,440)	(37,591)	(3,074)	(29,440)
Economic services				0	0	0
Other property and services				0	0	0
	<u>(37,591)</u>	<u>(4,561)</u>	<u>(29,440)</u>	<u>(37,591)</u>	<u>(4,561)</u>	<u>(29,440)</u>
NET RESULT	622,031	1,647,551	125,025	622,031	1,647,551	125,025
Other Comprehensive Income						
Changes on Revaluation of non-current assets	508,605			508,605	0	0
Total Other Comprehensive Income	<u>508,605</u>	<u>0</u>	<u>0</u>	<u>508,605</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME	<u>1,130,636</u>	<u>1,647,551</u>	<u>125,025</u>	<u>1,130,636</u>	<u>1,647,551</u>	<u>125,025</u>

SHIRE OF KENT

Estimated Financial Position as at

30 June 2017	Balances As at 30-Jun-15 \$	Rounded Balances As at 30-Jun-15 \$	Balances As at 30-Jun-16 \$	Adjustments to 30 June 16 Balance \$	Rounded Balances As at 30-Jun-16 \$	Budgeted Movements \$	Projected Balance As at 30-Jun-17 \$
3. CASH AND CASH EQUIVALENTS							
Unrestricted	929,336	929,336	847,656	337,533	1,185,189	(866,662)	318,527
Restricted	1,640,841	1,640,841	1,811,834	0	1,811,834	295,255	2,107,089
	<u>2,570,177</u>	<u>2,570,177</u>	<u>2,659,490</u>	<u>337,533</u>	<u>2,997,023</u>	<u>(571,407)</u>	<u>2,425,616</u>
4. TRADE AND OTHER RECEIVABLES							
Current							
Rates outstanding	80,588	80,588	56,990	(1,446)	55,544	10,000	65,544
Sundry debtors	46,672	46,672	123,350	436,120	559,470	(500,000)	59,470
GST receivable	39,997	39,997	44,587	(20,087)	24,500	(4,500)	20,000
Non-Current							
Rates outstanding - pensioners	6,851	6,851	7,844	0	7,844	2,000	9,844
Loans - clubs/institutions	0	0	0	0	0	0	0
	<u>6,851</u>	<u>6,851</u>	<u>7,844</u>	<u>0</u>	<u>7,844</u>	<u>2,000</u>	<u>9,844</u>
5. INVENTORIES							
Current							
Fuel and materials	56,986	56,986	79,976	(24,976)	55,000	15,000	70,000
	<u>56,986</u>	<u>56,986</u>	<u>79,976</u>	<u>(24,976)</u>	<u>55,000</u>	<u>15,000</u>	<u>70,000</u>
Non-Current							
Land held for resale - cost		0		0	0	0	0
Cost of acquisition		0		0	0	0	0
Development costs		0		0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

6. PROPERTY, PLANT AND EQUIPMENT

Land and buildings	9,232,671	9,232,671	9,233,596	0	9,233,596	1,675,000	10,908,596
Less: accumulated depreciation	(168,216)	(168,216)	(292,185)	0	(292,185)	(135,934)	(428,119)
	9,064,455	9,064,455	8,941,411	0	8,941,411	1,539,066	10,480,477
Furniture and equipment	21,262	21,262	19,949	0	19,949	25,000	44,949
Less: accumulated depreciation	(14,387)	(14,387)	(17,194)	0	(17,194)	(1,784)	(18,978)
	6,875	6,875	2,755	0	2,755	23,216	25,971
Plant and equipment	2,750,802	2,750,802	2,721,054	0	2,721,054	264,845	2,985,899
Less: accumulated depreciation	(406,917)	(406,917)	(4,754)	0	(4,754)	(211,636)	(216,390)
	2,343,885	2,343,885	2,716,300	0	2,716,300	53,209	2,769,509
	0	0	0	0	0	0	0
	11,415,215	11,415,215	11,660,466	0	11,660,466	1,615,491	13,275,957

7. INFRASTRUCTURE

Roads	232,149,490	232,149,490	233,285,112	0	233,285,112	1,467,157	234,752,269
Less: accumulated depreciation	0	0	(1,283)	0	(1,283)	(951,247)	(952,530)
	232,149,490	232,149,490	233,283,829	0	233,283,829	515,910	233,799,739
Parks and ovals	3,264,315	3,264,315	3,396,735	0	3,396,735	109,904	3,506,639
Less: accumulated depreciation	(139,619)	(139,619)	(250,382)	0	(250,382)	(97,862)	(348,244)
	3,124,696	3,124,696	3,146,353	0	3,146,353	12,042	3,158,395
	235,274,186	235,274,186	236,430,182	0	236,430,182	527,952	236,958,134

8. TRADE AND OTHER PAYABLES

Current

Sundry creditors	16,108	16,108	7,080	652,370	659,450	(500,000)	159,450
Accrued interest on debentures	12,144	12,144	12,233	(233)	12,000	0	12,000
Accrued salaries and wages	45,100	45,100	(1,447)	0	(1,447)	8,000	6,553
ATO liabilities	22,643	22,643	52,553	(3,053)	49,500	(20,000)	29,500
Excess Rates	10,854	10,854	0	0	0	8,000	8,000
GST	(2,542)	(2,542)	0	0	0	0	0
	<u>104,307</u>	<u>104,307</u>	<u>70,419</u>	<u>649,084</u>	<u>719,503</u>	<u>(504,000)</u>	<u>215,503</u>

9. SHORT-TERM BORROWINGS

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

10. LONG-TERM BORROWINGS

Current

Secured by floating charge							
Debentures	71,970	71,970	0	0	0	(75,705)	(75,705)
	<u>71,970</u>	<u>71,970</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(75,705)</u>	<u>(75,705)</u>

Non-Current

Secured by floating charge							
Debentures	581,755	581,755	581,755	0	581,755	0	581,755
	<u>581,755</u>	<u>581,755</u>	<u>581,755</u>	<u>0</u>	<u>581,755</u>	<u>0</u>	<u>581,755</u>

11. PROVISIONS

Current

Provision for annual leave	153,923	153,923	153,923	13,122	167,045	15,000	182,045
Provision for long service leave	128,993	128,993	128,993	0	128,993	15,000	143,993
	<u>282,916</u>	<u>282,916</u>	<u>282,916</u>	<u>13,122</u>	<u>296,038</u>	<u>30,000</u>	<u>326,038</u>

Non-Current

Provision for long service leave	11,668	11,668	11,668	0	11,668	5,000	16,668
	<u>11,668</u>	<u>11,668</u>	<u>11,668</u>	<u>0</u>	<u>11,668</u>	<u>5,000</u>	<u>16,668</u>

12. EQUITY

Retained surplus	27,188,113	27,188,113	28,694,396	64,938	28,759,334	835,381	29,594,715
Reserves cash backed	1,640,842	1,640,842	1,811,834	0	1,811,834	295,255	2,107,089
Revaluation surplus	219,609,101	219,609,101	219,609,897	0	219,609,897	508,605	220,118,502
	<u>248,438,056</u>	<u>248,438,056</u>	<u>250,116,127</u>	<u>64,938</u>	<u>250,181,065</u>	<u>1,639,241</u>	<u>251,820,306</u>
Total assets	249,490,672	249,490,672	251,062,885	727,144	251,790,029	1,094,536	252,884,565
Total liabilities	(1,052,616)	(1,052,616)	(946,758)	(662,206)	(1,608,964)	544,705	(1,064,259)
Total equity	<u>(248,438,056)</u>	<u>(248,438,056)</u>	<u>(250,116,127)</u>	<u>(64,938)</u>	<u>(250,181,065)</u>	<u>(1,639,241)</u>	<u>(251,820,306)</u>
	0	0	0	0	0	0	0

SHIRE OF KENT

30 June 2017

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

	Actual Balance	Actual Balance	Est. Balance
	as at	as at	as at
	30 June 2015	30 June 2016	30 June 2017
Cash and Cash Equivalents			
Unrestricted	929,336	1,185,189	318,527
Restricted	1,640,841	1,811,834	2,107,089
	<u>2,570,177</u>	<u>2,997,023</u>	<u>2,425,616</u>
Receivables			
Rates outstanding	80,588	55,544	65,545
Sundry debtors	46,672	559,470	59,470
GST receivable	39,997	24,500	20,000
Loans - clubs/institutions	0	0	0
	<u>167,257</u>	<u>639,514</u>	<u>145,015</u>
Inventories			
Fuel and materials	56,986	55,000	70,000
History books	0	0	0
Land held for resale - cost	0	0	0
Cost of acquisition	0	0	0
Development costs	0	0	0
	<u>56,986</u>	<u>55,000</u>	<u>70,000</u>
	<u>2,794,420</u>	<u>3,691,537</u>	<u>2,640,631</u>
Trade and other Payables			
Sundry creditors	(16,108)	(659,450)	(159,450)
Accrued interest on debentures	(12,144)	(12,000)	(12,000)
Accrued salaries and wages	(45,100)	1,447	(6,553)
ATO liabilities	(22,643)	(49,500)	(29,500)
Excess Rates	(10,854)	0	0
GST	2,542	0	0
	<u>(104,307)</u>	<u>(719,503)</u>	<u>(207,503)</u>
SHORT-TERM BORROWINGS			
Overdraft	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
LONG-TERM BORROWINGS			
Debentures	(71,970)	0	75,705
	<u>(71,970)</u>	<u>0</u>	<u>75,705</u>
PROVISIONS			
Provision for annual leave	(153,923)	(167,045)	(182,045)
Provision for long service leave	(128,993)	(128,993)	(143,993)
	<u>(282,916)</u>	<u>(296,038)</u>	<u>(326,038)</u>
	<u>(459,193)</u>	<u>(1,015,541)</u>	<u>(457,836)</u>
Net Current Assets	2,335,227	2,675,996	2,182,795
Adjustments			
Less: Reserves - Restricted Cash	(1,640,842)	(1,811,835)	(2,107,090)
Less: Land Held for Resale			
Cost of acquisition	0	0	0
Development costs	0	0	0
Less: Loans - Clubs / Institutions	0	0	0
Add: Current portion of Debentures	71,970	0	(75,705)
Add: Current liabilities not expected to be cleared at end of year			
Add: Current liabilities not expected to be cleared at end of year			
	<u>766,355</u>	<u>864,161</u>	<u>0</u>

SHIRE OF KENT CASHFLOW WORKINGS APPENDIX I										
BALANCE SHEET 30 June 2017										
		Estimated								
	NOTE	Actual 30-Jun-16	Budget 30-Jun-17	MOVEMENT	DESCRIPTION	INVESTING	FINANCING	OPERATING	ELIMINATIONS	TOTAL
		\$	\$	\$						
ASSETS										
Cash and cash equivalents	3	2,997,023	2,425,616	571,407	Increase in Cash				571,407	
Trade and other receivables	5	639,514	145,014	492,500	Proceeds from self supporting loans		0			
Non current		7,844	9,844		Increase in GST receivable			4,500		
					Increase in rates			(12,000)		
					Decrease in debtors			500,000		
					User defined 1			0		
					User defined 2			0		
					User defined 3			0		492,500
Inventories										
- Materials etc.	6	55,000	70,000	(15,000)	Increase in Inventories			(15,000)		(15,000)
- Land held for resale	6	0	0	0	Payments for development of land held for resale	0				0
Property, plant and equipment	7	11,660,466	13,275,957	(1,615,491)	Payments for purchase of property, plant and equip	(2,156,000)				
					Proceeds from sale of plant and equip	206,000				
					Loss on revaluation of plant and equipment					
					Impairment of plant and equipment				0	
					Depreciation			349,354		
					(Profit) Loss on disposal			(14,845)		(1,615,491)
Infrastructure	8	236,430,182	236,958,134	(527,952)	Payments for construction of infrastructure	(1,068,456)				
					Impairment of infrastructure					
					Depreciation			1,049,109		
					Revaluation adjustment				(508,605)	(527,952)
TOTAL ASSETS		251,790,029	252,884,565							
	KEY:	Increase in asset/decrease in liability - outflow of funds (recorded in brackets)								
		Decrease in asset/increase in liability - inflow of funds								

BALANCE SHEET					APPENDIX I (Cont'd)				
30 June 2017									
	NOTE	30-Jun-16	30-Jun-17	MOVEMENT	DESCRIPTION				TOTAL
		\$	\$	\$					
LIABILITIES									
Trade and other payables	9	719,503	215,503	(504,000)	Increase in sundry creditors		(500,000)		
					Increase in accrued interest		0		
					Increase in ATO liabilities		8,000		
					Increase in accrued wages		(20,000)		
					Increase in Excess Rates		8,000		
					Increase in user defined		0		(504,000)
Long-term borrowings	10	0	(75,705)	(75,705)	Repayment of debentures	(75,705)			
Non current		581,755	581,755		Proceeds from new borrowings	0			
					Advances to community groups	0			(75,705)
Provisions	11	296,038	326,038	35,000	Decrease in employee provisions		35,000		35,000
Non current		11,668	16,668						
TOTAL LIABILITIES		1,608,964	1,064,259						
NET ASSETS		250,181,065	251,820,306						
EQUITY									
Accumulated surplus		28,759,334	29,594,715						
Reserves - cash backed	12	1,811,834	2,107,089						
Reserves - asset revaluation	13	219,609,897	220,118,502						
		250,181,065	251,820,306	1,639,241	Change in net assets from operations		1,130,636		
					Rounding adjustment		0		
					Revaluation adjustment		0	508,605	1,639,241
				0		(3,018,456)	(75,705)	2,522,754	571,407
					Government grants - non-operating	1,009,125	(1,009,125)		
						(2,009,331)	1,513,629		
KEY: Increase in asset/decrease in liability - outflow of funds (recorded in brackets)									
Decrease in asset/increase in liability - inflow of funds									

SHIRE OF KENT CASHFLOW WORKINGS APPENDIX I										
BALANCE SHEET - PRIOR YEAR										
30 June 2016										
	NOTE	Actual 30-Jun-15 \$	Estimated Actual 30-Jun-16 \$	MOVEMENT \$	DESCRIPTION	INVESTING	FINANCING	OPERATING	ELIMINATIONS	TOTAL
ASSETS										
Cash and cash equivalents	3	2,570,177	2,997,023	(426,846)	Increase in Cash					
Trade and other receivables	5	167,257	639,514	(473,250)	Proceeds from self supporting loans		0			
Non current		6,851	7,844		Decrease in GST receivable			15,497		
					Decrease in rates			24,051		
					Increase in debtors			(512,798)		
					User defined 1			0		
					User defined 2			0		
					User defined 3			0		
					Increase in Other			0		(473,250)
Inventories										
- Materials etc.	6	56,986	55,000	1,986	Increase in inventories			1,986		1,986
- Land held for resale	6	0	0	0	Payments for development of Land held for resale	0				0
Property, plant and equipment	7	11,415,215	11,660,466	(245,251)	Payments for purchase of property, plant and equip	(827,536)				
					Proceeds from sale of plant and equip	226,476				
					Depreciation			423,775		
					(Profit) Loss on disposal			(66,972)		(244,257)
Infrastructure	8	235,274,186	236,430,182	(1,155,996)	Payments for construction of infrastructure	(1,253,521)				
					Depreciation			97,525		
					Revaluation adjustment				0	(1,155,996)
TOTAL ASSETS		249,490,672	251,790,029							
	KEY:	Increase in asset/decrease in liability - outflow of funds (recorded in brackets)								
		Decrease in asset/increase in liability - inflow of funds								

BALANCE SHEET - PRIOR YEAR					APPENDIX I (Cont'd)				
30 June 2016									
	NOTE	30-Jun-15	30-Jun-16	MOVEMENT	DESCRIPTION				TOTAL
		\$	\$	\$					
LIABILITIES									
Trade and Other Payables	9	104,307	719,503	615,196	Increase in sundry creditors		643,342		
					Increase in accrued interest		(144)		
					Increase in ATO liabilities		26,857		
					Increase in accrued wages		(46,547)		
					Increase in user defined		(10,854)		
					Increase in user defined		2,542		615,196
Long-Term Borrowings	10	71,970	0	(71,970)	Repayment of debentures	(71,970)			
Non Current		581,755	581,755		Proceeds from new borrowings	0			
					Advances to community groups	0			(71,970)
Provisions	11	282,916	296,038	13,122	Decrease in employee provisions		13,122		13,122
Non Current		11,668	11,668						
TOTAL LIABILITIES		1,052,616	1,608,964						
NET ASSETS		248,438,056	250,181,065						
EQUITY									
Accumulated Surplus		27,188,113	28,759,334						
Reserves - Cash/Inv. Backed	12	1,640,842	1,811,834						
Reserves - Asset Revaluation	13	219,609,101	219,609,897						
		248,438,056	250,181,065	1,743,009	Change in net assets from operations		1,647,551		
					Rounding adjustment		0		
					Revaluation adjustment			0	1,647,551
				0		(1,854,581)	(71,970)	2,258,933	0
					Government grants - non-operating	1,091,968		(1,091,968)	
						(762,613)		1,166,965	
KEY: Increase in asset/decrease in liability - outflow of funds (recorded in brackets)									
Decrease in asset/increase in liability - inflow of funds									

30 June 2017

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	2,148,433			(12,000)													2,136,433	
Operating grants, subsidies and conts.	1,670,525		500,000														2,170,525	
Non-operating grants, subsidies and conts.	1,009,125													(1,009,125)			0	
Profit on asset disposals	52,436						(52,436)										0	
Fees and charges	639,372																639,372	
Service charges	0																0	
Interest earnings	85,500																85,500	
Goods and services tax	0	4,500															4,500	
Other revenue	40,950																40,950	
	<u>5,646,341</u>																<u>5,077,280</u>	
Employee costs	(1,734,770)																(1,711,770)	
Materials and contracts	(1,092,838)				(15,000)				(492,000)			8,000	(20,000)	35,000			(1,599,838)	
Utility charges	(142,978)																(142,978)	
Insurance	(151,126)																(151,126)	
Loss on asset disposals	(37,591)						37,591										0	
Depn. on non-curr. assets	(1,398,464)					349,354		1,049,109									(1)	
Interest	(32,520)									0							(32,520)	
Goods and services tax	0																0	
Other	(434,023)																(434,023)	
	<u>(5,024,310)</u>																<u>(4,072,256)</u>	
TOTALS	622,031	4,500	500,000	(12,000)	(15,000)	349,354	(14,845)	1,049,109	(492,000)	0	8,000	(20,000)	35,000	(1,009,125)		0	1,005,024	
																	Checksum	1,005,024
																	Unallocated operating movements	(508,605)

30 June 2016
PRIOR YEAR

SHIRE OF KENT
CASHFLOW WORKINGS
APPENDIX II

Cash Flows from Operations by Nature or Type

	Totals per N & T	Decrease in GST	Increase in Debtors	Decrease in Rates	Decrease in Inventories	Depreciation Property, Plant & Equip	Profit (Loss) on Disposal	Depreciation on Infrastructure	Increase in Creditors	Decrease 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	2,106,333			13,197												2,119,530	
Operating grants, subsidies and conts.	1,449,898		(512,798)													937,100	
Non-operating grants, subsidies and conts.	1,091,968													(1,091,968)		0	
Profit on asset disposals	71,534						(71,534)									0	
Fees and charges	557,857															557,857	
Service charges	0															0	
Interest earnings	103,232															103,232	
Goods and services tax	0	15,497														15,497	
Other revenue	37,365															37,365	
	<u>5,418,187</u>															<u>3,770,581</u>	
Employee costs	(1,662,237)											(46,547)	13,122			(1,695,662)	
Materials and contracts	(940,339)				1,986				643,342							(295,011)	
Utility charges	(128,394)															(128,394)	
Insurance	(139,955)															(139,955)	
Loss on asset disposals	(4,562)						4,562									0	
Depn. on non-curr. assets	(521,300)					423,775		97,525								0	
Interest	(36,025)									(144)						(36,169)	
Goods and services tax	0											29,399				29,399	
Other	(337,824)															(337,824)	
	<u>(3,770,636)</u>															<u>(2,603,616)</u>	
TOTALS	1,647,551	15,497	(512,798)	13,197	1,986	423,775	(66,972)	97,525	643,342	(144)	29,399	(46,547)	13,122	(1,091,968)	0	1,166,965	
																Checksum	1,166,965
																Unallocated operating movements	1,166,965

NOTE: The Cross Check contained within the City/Town/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

		2016/17 Budget	2015/16 \$	2015/16 Budget
Table of Contents	Check page numbers are correct.			
Estimated Financial Position Input	Check Net Assets = Net Liabilities + Equity.	-	-	
	Check all note numbers are relevant (not changed/deleted) and adjacent totals tie up to totals contained in the relevant note.			
	Check income is positive.	-	-	-
	Check expenses are negative.	-	-	-
	Rates revenue agree to note 8.	0	-	
	Interest Earnings agree to Note 2(a)(ii).	-	-	-
	Fees and Charges agree to Note 14.	-	-	
	Service Charges agree to Note 11.	#REF!	#REF!	
	Depreciation agrees to total of Depreciation;			
	- Rate Setting Statement; and	-	-	-
	- Note 2(a)(i).	-	-	-
	Interest Expenses agree to:			
	- Borrowing costs in total of Statement of Comprehensive			
	Income - by Program;	-	-	- 4,090
	- Interest Expenses Note 2(a) (i); and	- 0	-	-
	- Interest Expenses Note 7(a).	-	-	
	Non-operating grants, subsidies and contributions:			
	- agree to non-operating grants, subsidies and contributions			
	by program; and	-	-	-
	- agree to Non-Operating Grants, Subsidies and			
	Contributions in Statement of Cash Flows.	-	-	-
Statement of Comprehensive Income by Nature or Type	Profit on Asset Disposals less Loss on Asset Disposals agrees to:			
	- Statement of Comprehensive Income by Program;	-	-	-
	- Rate setting statement; and	-	-	-
	- Note 6.	-		
	Net Result to agree to:			
	- Statement of Comprehensive Income by Program;	-	-	-
	- Rate setting statement revenue less expenses plus rates;			
	and	-	1	-
	- Note 3 (b) net result.	-	-	-
	Revenue Items agree with revenue items in Rate Setting			
	Statement.	-	-	-
	Revenue items in Statement of Comprehensive Income by			
	program.	-	-	-
	Expenditure Items agree with total expenses in Rate Setting			
	Statement.	-	-	-
	Expenditure items in Statement of Comprehensive Income by			
	Program.	-	-	-
	Other Comprehensive Income agrees with Other Comprehensive			
	Income by Program.	-	-	-
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.			
	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 3 (b).	-	-	-
	Proceeds from Sale of Plant and Equipment agrees with			
	Note 6.	-		
	Proceeds from Sale of Plant and Equipment agrees with Rate			
	Setting Statement.	-	-	-
	Payments for Purchases of Infrastructure agrees with Rate			
	Setting Statement.	-	-	-
	Payments for Purchases for Land Held for Resale agrees with			
	Rate Setting Statement.	-	-	-
	Payments for Purchases for Property, Plant and Equipment			
	agrees with Rate Setting Statement.	-	1	-
Statement of Cash Flows	Repayment of Debentures agrees to Note 7.	-	-	

NOTE: The Cross Check contained within the City/Town/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

		2016/17 Budget	2015/16 \$	2015/16 Budget
	Repayment of Debentures agrees to Rate Setting Statement.	-	-	-
	Proceeds from New Debentures agrees to Rate Setting Statement.	-	-	-
	Proceeds from New Debentures agrees to Note 7.	-	-	-
	Cash and Cash Equivalents agree to Note 3(a).	0	-	-
	Cash and Cash Equivalents opening balance agree to Note 3(a).	-	-	-
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); and			
	- Note 15(b).			
	Amount Required to be Raised from Rates agrees to note 8.	-	-	-
	Closing Surplus agrees to Note 4.	0	-	-
	Opening Surplus agrees to Prior Year Closing Surplus.	-	-	-
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 3(b).	-	-	-
	Check Interest Expenses agrees to Note 7(a) and note number cross reference is relevant/correct.	-	-	-
Note 2(a)(ii)	Check note number cross reference to Note 12 Interest revenue is relevant/correct and that totals agree.			
Note 2(b) Statement of Objectives	Check these are as per Council policy. Check vision is per Strategic Community Plan.			
Note 6 Disposal of Assets	Check proceeds match Rate Setting Statement.	-	-	-
	Check Profit less Loss equals same in Rate Setting Statement.	-	-	-
Note 5 Acquisition of Assets by Program	Check totals match Rate Setting Statement.	-	-	-
Note 7 Borrowings	Check new Debenture amounts agrees to Note 7(b).			
Note 9 Reserves	Check Closing Balance agrees to Surplus.	1	1	-
	Check movement in Reserves agrees to opening and closing balances.	-	-	-
Note 4 Surplus/Deficit	Check Opening Surplus/Deficit agrees to Opening Surplus/Deficit in Rate Setting Statement.	-	-	-
	Check Closing Surplus/Deficit agrees to Closing Surplus/Deficit in Rate Setting Statement.	-	-	-
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 10 Specified Area Rates	If these are levied, check amount agrees to note 10.	#REF!	#REF!	-
Note 13 Discounts and Waivers	If any discounts/concessions are granted, check amount agrees to Note 8.			
Note 12 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 3 (c) Bank overdraft and Credit Card	Check overdraft limit matches disclosure at Note 7(d).			
	Check Loan Facilities at Balance Date agree to Note 7(a).	-	-	-
	Check unused loan funds agrees to Note 7(c).			

SHIRE OF KENT
BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

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SHIRE OF KENT
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Revenue				
Rates	8	2,148,433	2,106,333	2,106,850
Operating grants, subsidies and contributions		1,670,525	1,449,898	1,006,564
Fees and charges	14	639,372	557,857	657,050
Service charges	11	0	0	0
Interest earnings	2(a)	85,500	103,232	91,731
Other revenue	2(a)	40,950	37,365	39,950
		<u>4,584,780</u>	<u>4,254,685</u>	<u>3,902,145</u>
Expenses				
Employee costs		(1,734,770)	(1,662,237)	(1,747,614)
Materials and contracts		(1,092,838)	(940,339)	(931,449)
Utility charges		(142,978)	(128,394)	(132,618)
Depreciation on non-current assets	2(a)	(1,398,464)	(521,300)	(1,444,550)
Interest expenses	2(a)	(32,520)	(36,025)	(36,425)
Insurance expenses		(151,126)	(139,955)	(136,212)
Other expenditure		(434,023)	(337,824)	(477,281)
		<u>(4,986,719)</u>	<u>(3,766,074)</u>	<u>(4,906,149)</u>
		(401,939)	488,611	(1,004,004)
Non-operating grants, subsidies and contributions		1,009,125	1,091,968	1,089,969
Profit on asset disposals	6	52,436	71,534	68,500
Loss on asset disposals	6	(37,591)	(4,562)	(29,440)
Loss on revaluation of non current assets		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
NET RESULT		622,031	1,647,551	125,025
Other comprehensive income				
Changes on revaluation of non-current assets		508,605	0	0
Total other comprehensive income		<u>508,605</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>1,130,636</u></u>	<u><u>1,647,551</u></u>	<u><u>125,025</u></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 are impacted upon by external forces and 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 30 JUNE 2017

	NOTE	2016/17 Budget	2015/16 Actual	2015/16 Budget
Revenue (Refer Notes 1,2,8,10 to 14)		\$	\$	\$
Governance		16,500	12,690	15,000
General purpose funding		3,504,983	2,834,329	2,843,245
Law, order, public safety		188,728	157,813	185,400
Education and welfare		500	0	500
Housing		96,500	243,179	92,000
Community amenities		158,069	244,024	121,000
Recreation and culture		2,450	48,967	2,450
Transport		458,400	518,794	490,400
Economic services		36,900	49,878	30,400
Other property and services		121,500	145,011	121,500
		<u>4,584,780</u>	<u>4,254,685</u>	<u>3,902,145</u>
Expenses Excluding Finance Costs Refer Notes 1, 2 & 15)				
Governance		(567,328)	(346,469)	(532,357)
General purpose funding		(147,359)	(78,099)	(161,697)
Law, order, public safety		(241,671)	(178,104)	(210,663)
Health		(29,418)	(6,791)	(19,197)
Education and welfare		(16,524)	(13,803)	(15,339)
Housing		(153,701)	(331,994)	(415,264)
Community amenities		(409,890)	(308,879)	(251,994)
Recreation and culture		(685,809)	(558,274)	(694,880)
Transport		(2,312,717)	(1,322,885)	(2,170,601)
Economic services		(223,243)	(203,564)	(237,645)
Other property and services		(166,539)	(381,188)	(164,177)
		<u>(4,954,199)</u>	<u>(3,730,050)</u>	<u>(4,873,814)</u>
Finance Costs (Refer Notes 2 & 9)				
Law, order, public safety		0	0	0
Housing		(25,475)	(27,947)	(25,475)
Community amenities		(2,308)	(2,307)	(2,123)
Recreation and culture		0	0	0
Transport		0	0	0
Economic services		(2,903)	(3,618)	(2,903)
		<u>(32,520)</u>	<u>(36,025)</u>	<u>(32,335)</u>
Non-operating Grants, Subsidies and Contributions				
Law, order, public safety		0	0	0
Health		0	0	0
Education and welfare		0	0	0
Recreation and culture		0	0	0
Transport		1,009,125	1,091,968	1,089,969
		<u>1,009,125</u>	<u>1,091,968</u>	<u>1,089,969</u>

**SHIRE OF KENT
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Profit/(Loss) On				
Disposal Of Assets (Refer Note 6)				
Housing		0	0	0
Transport		14,845	68,460	39,060
Other property and services		0	0	0
		14,845	66,973	39,060
Loss on				
Revaluation Of Non Current Assets				
Transport		0	0	0
		0	0	0
NET RESULT		622,031	1,647,551	125,025
Other comprehensive income				
Changes on revaluation of non-current assets		508,605	0	0
Total other comprehensive income		508,605	0	0
TOTAL COMPREHENSIVE INCOME		1,130,636	1,647,551	125,025

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 are impacted upon by external forces and 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 30 JUNE 2017**

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,136,433	2,119,530	2,128,560
Operating grants, subsidies and contributions		2,170,525	937,100	1,020,089
Fees and charges		639,372	557,857	657,050
Service charges		0	0	0
Interest earnings		85,500	103,232	91,731
Goods and services tax		4,500	15,497	40,138
Other revenue		40,950	37,365	39,950
		<u>5,077,280</u>	<u>3,770,581</u>	<u>3,977,518</u>
Payments				
Employee costs		(1,711,770)	(1,695,662)	(1,704,667)
Materials and contracts		(1,517,396)	(295,011)	(743,448)
Utility charges		(142,978)	(128,394)	(132,618)
Interest expenses		(32,520)	(36,169)	(36,425)
Insurance expenses		(151,126)	(139,955)	(136,212)
Goods and services tax		0	29,399	0
Other expenditure		(434,023)	(337,824)	(477,281)
		<u>(3,989,813)</u>	<u>(2,603,616)</u>	<u>(3,230,651)</u>
Net cash provided by (used in) operating activities	3(b)	<u>1,087,467</u>	<u>1,166,965</u>	<u>746,867</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale	5	0	0	0
Payments for purchase of property, plant & equipment	5	(2,156,000)	(814,526)	(1,650,000)
Payments for construction of infrastructure	5	(1,577,061)	(1,172,067)	(1,961,667)
Non-operating grants, subsidies and contributions used for the development of assets		1,009,125	1,091,968	1,089,969
Proceeds from sale of plant & equipment	6	206,000	226,476	189,500
Net cash provided by (used in) investing activities		<u>(2,517,936)</u>	<u>(668,149)</u>	<u>(2,332,198)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures	7	(75,705)	(71,970)	(74,226)
Advances to community groups		0	0	0
Grants for the Development of Assets		934,767	0	628,000
Proceeds from new debentures	7	0	0	160,000
Net cash provided by (used in) financing activities		<u>859,062</u>	<u>(71,970)</u>	<u>713,774</u>
Net increase (decrease) in cash held		(571,407)	426,846	(871,557)
Cash at beginning of year		<u>2,997,023</u>	<u>2,570,177</u>	<u>2,661,746</u>
Cash and cash equivalents at the end of the year	3(a)	<u><u>2,425,616</u></u>	<u><u>2,997,023</u></u>	<u><u>1,790,189</u></u>

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

**SHIRE OF KENT
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Net current assets at start of financial year - surplus/(deficit)	4	864,161	766,355	1,136,758
Revenue from operating activities (excluding rates and non-operating grants, subsidies and contributions)	1,2			
Governance		16,500	12,690	15,000
General purpose funding		1,356,550	727,996	764,685
Law, order, public safety		188,728	157,813	185,400
Health		250	0	250
Education and welfare		500	0	500
Housing		96,500	243,179	92,000
Community amenities		158,069	244,024	121,000
Recreation and culture		2,450	48,967	2,450
Transport		510,836	590,328	558,900
Economic services		36,900	49,878	30,400
Other property and services		121,500	145,011	121,500
		<u>2,488,783</u>	<u>2,219,886</u>	<u>1,892,085</u>
Expenditure from operating activities	1,2			
Governance		(567,328)	(347,955)	(532,357)
General purpose funding		(147,359)	(78,099)	(161,697)
Law, order, public safety		(241,671)	(178,104)	(210,663)
Health		(29,418)	(6,791)	(19,197)
Education and welfare		(16,524)	(13,803)	(15,339)
Housing		(179,176)	(359,941)	(440,739)
Community amenities		(412,198)	(311,186)	(254,117)
Recreation and culture		(685,809)	(558,274)	(694,880)
Transport		(2,350,308)	(1,325,959)	(2,200,041)
Economic services		(226,146)	(207,182)	(240,548)
Other property and services		(168,373)	(383,341)	(166,011)
		<u>(5,024,310)</u>	<u>(3,770,635)</u>	<u>(4,935,589)</u>
Operating activities excluded from budget				
Profit/(Loss) on asset disposals	6	14,845	(66,972)	39,060
Loss on revaluation of non current assets		0	0	0
Depreciation on assets	2(a)	1,398,464	521,300	1,444,550
Movement in employee benefit provisions (non-current)		0	(993)	0
Amount attributable to operating activities		<u>(258,057)</u>	<u>(331,059)</u>	<u>(423,136)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,009,125	1,091,968	1,089,969
Purchase land held for resale	5	0	0	0
Purchase property, plant and equipment	5	(2,156,000)	(814,527)	(1,650,000)
Purchase and construction of infrastructure	5	(1,577,061)	(1,172,067)	(1,961,667)
Proceeds from disposal of assets	6	206,000	226,476	189,500
Amount attributable to investing activities		<u>(2,517,936)</u>	<u>(668,150)</u>	<u>(2,332,198)</u>
FINANCING ACTIVITIES				
Repayment of debentures	7	(75,705)	(71,970)	(74,226)
Proceeds from new debentures	7	0	0	160,000
Grants for the Development of Assets		934,767	0	628,000
Transfers to cash backed reserves (restricted assets)	9	(399,672)	(370,993)	(342,000)
Transfers from cash backed reserves (restricted assets)	9	168,170	200,000	305,000
Amount attributable to financing activities		<u>627,560</u>	<u>(242,963)</u>	<u>676,774</u>
Budgeted deficiency before general rates		<u>(2,148,433)</u>	<u>(1,242,172)</u>	<u>(2,078,560)</u>
Estimated amount to be raised from general rates	8	<u>2,148,433</u>	<u>2,106,333</u>	<u>2,078,560</u>
Net current assets at end of financial year - surplus/(deficit)	4	<u>(0)</u>	<u>864,161</u>	<u>0</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 30 JUNE 2017

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 Shire 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) 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.

(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 Shire 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 Shire contributes to a number of superannuation funds on behalf of employees.

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

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

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 4 - 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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Initial Recognition and Measurement between Mandatory Revaluation Dates

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

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

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

Revaluation

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

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 Shire

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 30 JUNE 2017

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.

Capitalisation Threshold

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

(k) Fair Value of Assets and Liabilities

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that the Shire 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 30 JUNE 2017

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 Shire 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 Shire 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 30 JUNE 2017

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 Shire 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.

The mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets to be revalued at least every 3 years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

(l) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire 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 30 JUNE 2017

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 Shire 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 30 JUNE 2017

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 Shire 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 Shire 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 30 JUNE 2017

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 2017.

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 Shire prior to the end of the financial year that are unpaid and arise when the Shire 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 Shire'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 Shire'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 Shire'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 Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire 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 30 JUNE 2017

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 Shire 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 Shire, 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 Shire'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 19.

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

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 Shire's operational cycle. In the case of liabilities where the Shire 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 Shire'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 30 JUNE 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result			
The net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
Audit services	20,000	13,632	20,000
Other services	0	0	0
Depreciation By Program			
Governance	17,202	18,397	18,700
General purpose funding	0	0	
Law, order, public safety	5,385	7,357	7,500
Health	0	0	
Education and welfare	0	0	
Housing	71,167	74,805	58,000
Community amenities	37,561	39,217	18,700
Recreation and culture	79,211	92,197	108,200
Transport	955,718	6,057	976,000
Economic services	10,956	13,326	4,700
Other property and services	221,264	269,944	252,750
	<u>1,398,464</u>	<u>521,300</u>	<u>1,444,550</u>
Depreciation By Asset Class			
Land and buildings	135,934	158,780	136,900
Furniture and equipment	1,784	3,420	7,450
Plant and equipment	211,636	261,575	264,700
Infrastructure Roads		214	970,000
Infrastructure Other	1,049,109	97,311	65,500
	<u>1,398,463</u>	<u>521,300</u>	<u>1,444,550</u>
Interest Expenses (Finance Costs)			
- Debentures (<i>refer note 7(a)</i>)	32,520	36,025	36,425
Other	0	0	0
	<u>32,520</u>	<u>36,025</u>	<u>36,425</u>
(ii) Crediting as revenues:			
Interest Earnings			
Investments			
- Reserve funds	43,000	46,992	59,081
- Other funds	25,500	38,964	25,000
Other interest revenue (<i>refer note 12</i>)	17,000	17,276	7,650
	<u>85,500</u>	<u>103,232</u>	<u>91,731</u>
(iii) Other Revenue			
Reimbursements and recoveries	40,950	37,365	39,950
Other	0	0	0
	<u>40,950</u>	<u>37,365</u>	<u>39,950</u>

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

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 30 JUNE 2017

3. 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:

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Cash - unrestricted	318,527	1,185,189	53,153
Cash - restricted	<u>2,107,089</u>	<u>1,811,834</u>	<u>1,737,036</u>
	<u><u>2,425,616</u></u>	<u><u>2,997,023</u></u>	<u><u>1,790,189</u></u>

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

Employee Entitlement Reserve	288,296	203,456	178,095
Plant Reserve	596,730	428,026	386,476
Land & Building Reserve	317,384	258,286	245,876
Nyabing Recreation Reserve	30,953	24,098	15,852
Pingrup Recreation Reserve	38,165	80,824	31,585
Cemetery Reserve	18,372	17,837	17,312
Water Supply Reserve	29,700	28,835	27,987
Sewerage Reserve	243,857	196,711	142,412
Computer Equipment Reserve	(1)	1,692	1,643
Administration Vehicles Reserve	36,115	64,162	40,487
Refuse Disposal Facilities Reserve	85,075	96,427	93,589
Roads Reserve	364,083	353,481	391,653
Landcare Reserve	<u>10,646</u>	<u>10,285</u>	<u>10,000</u>
	<u><u>2,059,375</u></u>	<u><u>1,764,120</u></u>	<u><u>1,582,967</u></u>

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

Net result	622,031	1,647,551	125,025
Depreciation	1,398,464	521,300	1,444,550
(Profit)/loss on sale of asset	(14,845)	(66,972)	(39,060)
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	492,500	(473,250)	75,373
(Increase)/decrease in inventories	(15,000)	1,986	(20,000)
Increase/(decrease) in payables	(421,558)	615,196	209,357
Increase/(decrease) in employee provisions	35,000	13,122	41,591
Grants/contributions for the development of assets	<u>(1,009,125)</u>	<u>(1,091,968)</u>	<u>(1,089,969)</u>
Net Cash from Operating Activities	<u><u>1,087,467</u></u>	<u><u>1,166,965</u></u>	<u><u>746,867</u></u>

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

3. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank overdraft limit	100,000	100,000	100,000
Bank overdraft at balance date	0	0	
Credit card limit	16,000	16,000	16,000
Credit card balance at balance date	0	0	0
Total Amount of Credit Unused	<u>116,000</u>	<u>116,000</u>	<u>116,000</u>
 Loan Facilities			
Loan facilities in use at balance date	<u>470,024</u>	<u>545,730</u>	<u>739,500</u>
Unused loan facilities at balance date	<u>0</u>	<u>0</u>	<u>0</u>

	Note	2016/17 Budget \$	2015/16 Actual \$
4. NET CURRENT ASSETS			

Composition of estimated net current assets

CURRENT ASSETS

Cash - unrestricted	3(a)	318,527	1,185,189
Cash - restricted reserves	3(a)	2,107,089	1,811,834
Receivables		145,015	639,514
Inventories		70,000	55,000
		<u>2,640,631</u>	<u>3,691,537</u>

LESS: CURRENT LIABILITIES

Trade and other payables		(207,503)	(719,503)
Short term borrowings		0	0
Long term borrowings		75,705	0
Provisions		(326,038)	(296,038)
		<u>(457,836)</u>	<u>(1,015,541)</u>

Unadjusted net current assets

2,182,795 **2,675,996**

Differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with FM Reg 32 as movements for these items have been funded within the budget estimates.

These differences are disclosed as adjustments below.

Adjustments

Less: Cash - restricted reserves	3(a)	(2,107,090)	(1,811,835)
Less: Land held for resale		0	0
Less: Current loans - clubs / institutions		0	0
Add: Current portion of debentures		(75,705)	0
Add: Current liabilities not expected to be cleared at end of year		0	0
		<u>0</u>	<u>0</u>
Adjusted net current assets - surplus/(deficit)		<u><u>0</u></u>	<u><u>864,161</u></u>

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

5. ACQUISITION OF ASSETS

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

Asset Class	Reporting Program											2016/17 Budget Total \$	2015/16 Actual 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 \$		
<u>Property, Plant and Equipment</u>													
Land and buildings						1,020,000		550,000		105,000		1,675,000	29,397
Furniture and equipment	25,000											25,000	14,308
Plant and equipment	46,000								410,000			456,000	770,822
	71,000	0	0	0	0	1,020,000	0	550,000	410,000	105,000	0	2,156,000	814,527
<u>Infrastructure</u>													
Roads									1,467,157			1,467,157	1,061,661
Footpaths													
Drainage													
Parks and ovals								83,704				83,704	110,406
Other										26,200		26,200	
	0	0	0	0	0	0	0	83,704	1,467,157	26,200	0	1,577,061	1,172,067
<u>Land Held for Resale</u>													
Land Held for Resale													
Total Acquisitions	71,000	0	0	0	0	1,020,000	0	633,704	1,877,157	131,200	0	3,733,061	1,986,594

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 30 JUNE 2017

6. DISPOSALS OF ASSETS

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

<u>By Program</u>	2016/17 Budget			
	Net Book Value	Sale Proceeds	Profit	Loss
	\$	\$	\$	\$
Governance				
Toyota RAV4 (40KT)	36,564	44,000	7,436	0
Transport				
2013 Mini Loader	26,596	5,000	0	(21,596)
John Deere 544K Loader (KT035)	85,000	130,000	45,000	0
Nissan Navara Utility (50KT)	42,995	27,000	0	(15,995)
	191,155	206,000	52,436	(37,591)

<u>By Class</u>	2016/17 Budget			
	Net Book Value	Sale Proceeds	Profit	Loss
	\$	\$	\$	\$
Plant and Equipment				
Toyota RAV4 (40KT)	36,564	44,000	7,436	0
2013 Mini Loader	26,596	5,000		(21,596)
John Deere 544K Loader (KT035)	85,000	130,000	45,000	0
Nissan Navara Utility (50KT)	42,995	27,000	0	(15,995)
	0	0	0	0
	191,155	206,000	52,436	(37,591)

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

7. 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-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 \$
Housing								
Loan 91, Various Duplexes	386,538		41,129	38,618	345,410	386,538	25,475	27,947
Community amenities								
Loan 54, Nyabing Effluent	22,090		2,204	2,020	19,886	22,090	2,308	2,307
Recreation and culture								
Pingrup Pavilion Upgrade		0						
Economic services								
Loan 92, ADSL Conversion	109,863		27,234	26,518	82,629	109,863	2,903	3,618
Other property and services								
Loan 88, Nyabing General Store	27,238		5,138	4,814	22,099	27,238	1,834	2,153
	545,730	0	75,705	71,970	470,024	545,730	32,520	36,025

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 30 JUNE 2017**

7. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
	0	0	0					
								0
								0
					0		0	0

(c) Unspent Debentures

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

(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 expected that this facility will be required to be utilised during 2016/17.

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

8. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2016/17 Budgeted Rate Revenue \$	2016/17 Budgeted Interim Rates \$	2016/17 Budgeted Back Rates \$	2016/17 Budgeted Total Revenue \$	2015/16 Actual \$
General Rates								
GRV - Residential / Commercial	0.113991	61	375,544	42,809			42,809	56,541
UV - Rural	0.011183	354	183,362,000	2,050,537			2,050,537	2,004,221
UV - Mining								
Sub-Totals		415	183,737,544	2,093,346	0	0	2,093,346	2,060,762
Minimum payment	Minimum \$							
GRV - Residential / Commercial	465	39	84,746	18,135			18,135	10,350
UV - Rural	465	11	284,800	5,115			5,115	3,600
UV - Mining	465	7	70,478	3,255			3,255	3,600
Sub-Totals		57	440,024	26,505	0	0	26,505	17,550
Discounts (Note 13)							0	0
Ex Gratia Rates (CBH)							28,582	28,021
Total amount raised from general rates							2,148,433	2,106,333
Total Rates							2,148,433	2,106,333

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

8(a). RATING INFORMATION - 2016/17 FINANCIAL YEAR (CONTINUED)

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

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.

OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING

The Shire of Kent does not apply differential rating.

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

9. CASH BACKED RESERVES

	2016/17 Budget				2015/16 Actual				2015/16 Budget			
	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$
Employee Entitlement Reserve	203,456	84,840	0	288,296	178,379	25,077		203,456	178,095	25,943		204,038
Plant Reserve	428,026	208,704	(40,000)	596,730	387,012	191,014	(150,000)	428,026	386,476	196,994	(150,000)	433,470
Land & Building Reserve	258,286	59,098	0	317,384	251,139	7,147		258,286	245,876	7,376		253,252
Nyabing Recreation Reserve	24,098	6,855	0	30,953	17,596	6,502		24,098	15,852	6,656		22,508
Pingrup Recreation Reserve	80,824	7,341	(50,000)	38,165	31,631	49,193		80,824	31,585	7,128		38,713
Cemetery Reserve	17,837	535	0	18,372	17,344	493		17,837	17,312	519		17,831
Water Supply Reserve	28,835	865	0	29,700	28,037	798		28,835	27,987	840		28,827
Sewerage Reserve	196,711	47,146	0	243,857	142,651	54,060		196,711	142,412	55,772		198,184
Computer Equipment Reserve	1,692	51	(1,744)	(1)	1,645	47		1,692	1,643	49		1,692
Administration Vehicles Reserve	64,162	1,953	(30,000)	36,115	42,940	21,222		64,162	40,487	23,206	(45,000)	18,693
Refuse Disposal Facilities Reserve	96,427	35,074	(46,426)	85,075	93,758	2,669		96,427	93,589	2,808		96,397
Roads Reserve	353,481	10,602	0	364,083	392,315	11,166	(50,000)	353,481	391,653	11,750	(50,000)	353,403
Landcare Reserve	10,285	361	0	10,646	10,000	285		10,285	10,000	62,042	(60,000)	12,042
CEO Vehicle Reserve	47,715	0	0	47,715	46,395	1,320		47,715	46,395	0	0	46,395
	1,811,835	463,425	(168,170)	2,107,090	1,640,842	370,993	(200,000)	1,811,835	1,629,362	401,083	(305,000)	1,725,445

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

9. CASH BACKED 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:

Purpose of the reserve

Employee Entitlement 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 & Building Reserve	Funds to be set aside for the construction and/or Capital Maintenance of Building Infrastructure and for land acquisitions 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 the 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.
Administration Vehicles Reserve	Funds to be used for the provision of vehicle changeovers for the CEO, DCEO and Works Manager.
Refuse Disposal Facilities Reserve	Funds to be used for the rehabilitation of the Nyabing and Pingrup Rubbish sites.
Roads Reserve	Funds to be used for capital works on roads within the Shire of Kent for future years.
CEO Vehicle 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 30 JUNE 2017**

10. HEALTH RATE - 2016/17 FINANCIAL YEAR

	Basis of Valuation	Rate in \$	Rateable Value \$	2016/17 Budgeted Sewerage Rate Revenue \$	2016/17 Total Sewerage Rate Revenue \$	2015/16 Actual Revenue \$
Sewerage Rate						
Nyabing Residential		0.7450		13,574	13,574	13,299
Nyabing Commercial		0.7450		4,578	4,578	5,201
Nyabing Vacant		234		638	638	684
Pingrup Residential		0.8370		8,540	8,540	7,968
Pingrup Commercial		0.8370		8,639	8,639	7,173
Pingrup Vacant		234		234	234	228
			0	36,203	36,203	34,553

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

11. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

The Shire of Kent does not intend to impose a service charge under section 6.32(c) of the Local Government Act 1995 during the budget period.

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

12. INTEREST CHARGES AND INSTALMENTS - RATES AND SERVICE CHARGES - 2016/17 FINANCIAL YEAR

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	9/16/2016	0	0.00%	11%
Option Two				
First Instalment	9/16/2016	10	5.50%	11%
Second Instalment	1/20/2017	10	5.50%	11%
Option Three				
First Instalment	9/16/2016	10	5.50%	11%
Second Instalment	11/18/2016	10	5.50%	11%
Third Instalment	1/20/2017	10	5.50%	11%
Fourth Instalment	3/24/2017	10	5.50%	11%

	2016/17 Budget Revenue \$	2015/16 Actual \$
Instalment Plan Admin Charge Revenue	2,500	2,380
Instalment Plan Interest Earned	7,000	6,536
Unpaid Rates Interest Earned	10,000	10,740
	19,500	19,656

**13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS
- 2016/17 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 30 JUNE 2017**

14. FEES & CHARGES REVENUE	2016/17 Budget \$	2015/16 Actual \$
Governance	3,000	1,285
General purpose funding	3,000	2,965
Law, order, public safety	39,478	37,093
Health	250	0
Education and welfare	0	0
Housing	95,000	72,986
Community amenities	65,444	64,662
Recreation and culture	2,450	2,512
Transport	300,500	266,401
Economic services	34,250	38,701
Other property and services	96,000	71,252
	<u>639,372</u>	<u>557,857</u>

15. ELECTED MEMBERS REMUNERATION	2016/17 Budget \$	2015/16 Actual \$
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The following fees, expenses and allowances were paid to council members and/or the Mayor/President.

Meeting fees	56,000	54,250
Mayor/President's allowance	7,000	7,000
Deputy Mayor/President's allowance	0	0
Travelling and Accommodation expenses	24,000	11,084
Childcare Expenses	6,500	310
Telecommunications allowance	0	200
	<u>93,500</u>	<u>72,844</u>

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

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-16 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-17 \$
Nomination Deposits	0	0	0	0
Housing Bonds	4,604	0	0	4,604
Trust - Other	178	0	0	178
Building Commission Levy	0	0	0	0
	<u>4,782</u>	<u>0</u>	<u>0</u>	<u>4,782</u>

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

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.

19. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire of Kent will be party to any joint venture arrangements during 2016/17.