

**SHIRE OF GOOMALLING**  
**BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>Revenue</b>				
Rates	8	1,954,890	1,865,543	1,862,534
Operating Grants, Subsidies and Contributions		839,781	949,925	487,735
Fees and Charges	11	1,957,192	1,359,033	1,244,660
Interest Earnings	2(a)	77,878	70,703	52,000
Other Revenue	2(a)	244,237	427,257	289,620
		<u>5,073,978</u>	<u>4,672,461</u>	<u>3,936,549</u>
<b>Expenses</b>				
Employee Costs		(1,934,871)	(1,748,243)	(1,513,747)
Materials and Contracts		(992,731)	(853,731)	(667,931)
Utility Charges		(261,264)	(244,041)	(330,735)
Depreciation on Non-Current Assets	2(a)	(1,400,450)	(1,517,983)	(1,057,350)
Interest Expenses	2(a)	(310,463)	(207,205)	(301,022)
Insurance Expenses		(210,480)	(189,729)	(255,500)
Other Expenditure		(185,068)	(407,378)	(589,635)
		<u>(5,295,327)</u>	<u>(5,168,310)</u>	<u>(4,715,920)</u>
		(221,349)	(495,849)	(779,371)
Non-Operating Grants, Subsidies and Contributions		1,797,703	1,613,523	2,262,423
Profit on Asset Disposals	3	128,394	0	136,828
Loss on Asset Disposals	3	(23,500)	(737,256)	(83,740)
		<u>(23,500)</u>	<u>(737,256)</u>	<u>(83,740)</u>
<b>NET RESULT</b>		<b>1,681,248</b>	<b>380,418</b>	<b>1,536,140</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-Current Assets		0	0	0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>1,681,248</u></b>	<b><u>380,418</u></b>	<b><u>1,536,140</u></b>

**Notes:**

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

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

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

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

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

	NOTE	2016/17 Budget	2015/16 Actual	2015/16 Budget
		\$	\$	\$
<b>Revenue (Refer Notes 1,2,8 to 13)</b>				
Governance		67,000	76,696	52,780
General Purpose Funding		2,525,808	2,076,269	2,092,819
Law, Order, Public Safety		73,500	437,744	55,230
Health		677,151	661,324	542,250
Education and Welfare		4,040	9,356	2,500
Housing		263,700	256,525	291,760
Community Amenities		326,968	331,399	299,940
Recreation and Culture		165,673	248,595	169,700
Transport		4,000	3,508	2,750
Economic Services		334,780	455,952	169,431
Other Property and Services		631,358	115,094	62,420
		<u>5,073,978</u>	<u>4,672,462</u>	<u>3,741,580</u>
<b>Expenses Excluding Finance Costs (Refer Notes 1,2 &amp; 14)</b>				
Governance		(375,790)	(387,931)	(367,925)
General Purpose Funding		(34,738)	(25,740)	(22,000)
Law, Order, Public Safety		(127,650)	(106,269)	(104,950)
Health		(750,200)	(794,327)	(625,800)
Education and Welfare		(11,500)	(24,605)	(19,200)
Housing		(207,700)	(235,484)	(233,700)
Community Amenities		(408,707)	(396,203)	(422,760)
Recreation and Culture		(578,320)	(654,541)	(719,800)
Transport		(1,619,712)	(1,712,589)	(1,157,880)
Economic Services		(711,509)	(667,985)	(729,990)
Other Property and Services		(159,038)	44,568	(10,893)
		<u>(4,984,864)</u>	<u>(4,961,106)</u>	<u>(4,414,898)</u>
<b>Finance Costs (Refer Notes 2 &amp; 5)</b>				
Governance		0	0	0
General Purpose Funding		(5,000)	(25,386)	(20,000)
Economic Services		(295,801)	(165,326)	(256,734)
Other Property and Services		(9,662)	(16,493)	(24,288)
		<u>(310,463)</u>	<u>(207,205)</u>	<u>(301,022)</u>
<b>Non-operating Grants, Subsidies and Contributions</b>				
Housing		900,000	0	900,000
Recreation and Culture		0	487,500	162,500
Transport		862,703	1,069,923	1,069,923
Economic Services		35,000	56,100	130,000
Other Property and Services		0	0	0
		<u>1,797,703</u>	<u>1,613,523</u>	<u>2,262,423</u>

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>Profit/(Loss) On</b>				
<b>Disposal Of Assets (Refer Note 3)</b>				
Housing		122,394	0	0
Transport		(17,500)	0	(24,500)
Economic Services		0	(737,256)	272,557
Other Property and Services		0	0	0
		<u>104,894</u>	<u>(737,256)</u>	<u>248,057</u>
<b>NET RESULT</b>		<b>1,681,248</b>	<b>380,418</b>	<b>1,536,140</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-Current Assets		0	0	0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>1,681,248</u></b>	<b><u>380,418</u></b>	<b><u>1,536,140</u></b>

**Notes:**

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

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

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

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

**SHIRE OF GOOMALLING  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,954,890	2,001,852	1,847,534
Operating Grants, Subsidies and Contributions		839,781	949,925	487,735
Fees and Charges		1,957,192	1,359,033	1,244,660
Interest Earnings		77,878	70,703	52,000
Goods and Services Tax		450,000	556,566	590,000
Other Revenue		244,237	556,020	289,620
		<u>5,523,978</u>	<u>5,494,099</u>	<u>4,511,549</u>
<b>Payments</b>				
Employee Costs		(2,101,259)	(1,680,936)	(1,517,288)
Materials and Contracts		(1,142,731)	(1,336,283)	(967,931)
Utility Charges		(261,264)	(244,041)	(330,735)
Interest Expenses		(310,463)	(207,205)	(301,022)
Insurance Expenses		(210,480)	(189,729)	(255,500)
Goods and Services Tax		(450,000)	(577,934)	(590,000)
Other Expenditure		(185,068)	(333,960)	(589,635)
		<u>(4,661,265)</u>	<u>(4,570,088)</u>	<u>(4,552,111)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>862,713</u>	<u>924,011</u>	<u>(40,562)</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment	4	(1,528,954)	(2,825,137)	(3,941,000)
Payments for Construction of Infrastructure	4	(1,169,384)	(1,406,424)	(1,433,753)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,797,703	1,613,523	2,262,423
Proceeds from Sale of Plant & Equipment	3	316,000	339,955	539,000
<b>Net Cash Used in Investing Activities</b>		<u>(584,635)</u>	<u>(2,278,083)</u>	<u>(2,573,330)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	(575,445)	(259,037)	(336,941)
Repayment of Finance Leases		(217,161)	(113,316)	(115,234)
Advances to Community Groups		0	(375,000)	0
Proceeds from Self Supporting Loans		28,661	13,803	10,339
Proceeds from New Debentures	5	0	2,835,000	3,375,000
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(763,945)</u>	<u>2,101,450</u>	<u>2,933,164</u>
<b>Net Increase (Decrease) in Cash Held</b>		(485,867)	747,379	319,272
Cash at Beginning of Year		<u>1,611,827</u>	<u>864,448</u>	<u>864,448</u>
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u>1,125,960</u>	<u>1,611,827</u>	<u>1,183,720</u>

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

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>Revenue</b>	1,2			
Governance		67,000	76,696	52,780
General Purpose Funding		787,942	419,233	421,735
Law, Order, Public Safety		73,500	437,744	55,230
Health		677,151	661,324	542,250
Education and Welfare		4,040	9,356	2,500
Housing		1,286,094	256,525	1,191,760
Community Amenities		326,968	331,399	299,940
Recreation and Culture		165,673	736,095	332,200
Transport		872,703	1,073,431	1,072,673
Economic Services		369,780	512,052	631,228
Other Property and Services		631,358	115,094	62,420
		<u>5,262,209</u>	<u>4,628,949</u>	<u>4,664,716</u>
<b>Expenses</b>	1,2			
Governance		(375,790)	(387,931)	(367,925)
General Purpose Funding		(39,738)	(51,126)	(42,000)
Law, Order, Public Safety		(127,650)	(106,269)	(104,950)
Health		(750,200)	(794,327)	(625,800)
Education and Welfare		(11,500)	(24,605)	(19,200)
Housing		(207,700)	(235,484)	(233,700)
Community Amenities		(408,707)	(396,203)	(422,760)
Recreation and Culture		(578,320)	(654,541)	(719,800)
Transport		(1,643,212)	(1,712,589)	(1,182,380)
Economic Services		(1,007,310)	(1,570,567)	(1,045,964)
Other Property and Services		(168,700)	28,075	(35,181)
		<u>(5,318,827)</u>	<u>(5,905,567)</u>	<u>(4,799,660)</u>
<b>Net Result Excluding General Rates</b>		(56,618)	(1,276,618)	(134,944)
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	3	(104,894)	737,256	(53,088)
Depreciation on Assets	2(a)	1,400,450	1,517,983	1,057,350
Movement in Non-Current Staff Leave Provisions		0	34,513	0
<b>Capital Expenditure and Revenue</b>				
Purchase Property, Plant and Equipment	4	(1,528,954)	(2,825,137)	(3,941,000)
Purchase Infrastructure	4	(1,169,384)	(1,406,424)	(1,433,753)
Proceeds from Disposal of Assets	3	316,000	339,955	539,000
Repayment of Debentures	5	(575,445)	(259,037)	(336,941)
Repayment of Finance Leases	5	(217,161)	(113,316)	(115,234)
Proceeds from New Debentures	5	0	2,835,000	3,375,000
Self-Supporting Loan Principal Income	5	28,661	13,803	10,339
Advances to Community Groups		0	(375,000)	0
Transfers to Reserves (Restricted Assets)	6	(66,348)	(75,796)	(27,000)
Transfers from Reserves (Restricted Assets)	6	0	27,665	0
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	235,827	(596,057)	(610,813)
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	(0)	235,827	0
<b>Amount Required to be Raised from General Rate</b>	8	<u>(1,737,865)</u>	<u>(1,657,037)</u>	<u>(1,671,084)</u>

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

**SHIRE OF GOOMALLING**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH 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 Council controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

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

**(b) 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 local government obtains control over the assets comprising the contributions.

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

**(e) Goods and Services Tax (GST)**

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

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

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

**(f) Superannuation**

The Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

**SHIRE OF GOOMALLING**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH 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 7 - Net Current Assets.

**(h) Trade and Other Receivables**

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

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

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

**(i) Inventories**

***General***

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

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

***Land Held for Resale***

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

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

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

**(j) Fixed Assets**

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

***Mandatory Requirement to Revalue Non-Current Assets***

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

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

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

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

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

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

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

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

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

***Land Under Control***

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

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

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they were revalued along with other items of Land and Buildings at 30 June 2012 and now form part of Land and Buildings to be subject to regular revaluation as detailed above.

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

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

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

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

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

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.

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

***Revaluation***

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

***Transitional Arrangement***

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

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

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

***Land Under Roads***

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

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

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

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

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

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

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

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

**Depreciation**

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

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

Buildings	0 to 50 years
Furniture and Equipment	0 to 10 years
Plant and Equipment	0 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	60 years
seal	
- bituminous seals	20 years
- asphalt surfaces	30 years
Gravel roads	
formation	not depreciated
pavement	60 years
gravel sheet	15 years
Formed roads	
formation	not depreciated
pavement	60 years
Footpaths - slab	60 years

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

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

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

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

**Capitalisation Threshold**

Expenditure on items of equipment under \$ 5,000 is not capitalised.

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

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

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

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

Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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.

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

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

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

***Valuation techniques***

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

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

**(l) Financial Instruments**

**Initial Recognition and Measurement**

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

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

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

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

**(I) Financial Instruments (Continued)**

**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.

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

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

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

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

**(I) Financial Instruments (Continued)**

*(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.

***Impairment***

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

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

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

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

***Derecognition***

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

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

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

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

**(m) Impairment of Assets**

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

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

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

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

**(o) Employee Benefits**

**Short-Term Employee Benefits**

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

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

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

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

**(o) Employee Benefits (Continued)**

**Other Long-Term Employee Benefits**

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

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

**(p) Borrowing Costs**

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

**(q) Provisions**

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

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

**(r) Leases**

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

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

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

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

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

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

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

**(s) Interests in Joint Arrangements**

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

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

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

**(t) Current and Non-Current Classification**

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

**(u) Comparative Figures**

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

**(v) Budget Comparative Figures**

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

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

	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>	<b>2015/16 Budget \$</b>
<b>2. REVENUES AND EXPENSES</b>			
(a) <b>Net Result</b>			
The Net Result includes:			
(i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	10,000	11,013	12,000
<b>Depreciation</b>			
<b><u>By Program</u></b>			
Governance	54,500	46,279	51,500
Law, Order, Public Safety	16,050	19,439	15,000
Health	15,000	13,738	16,000
Education and Welfare	6,000	5,074	6,200
Housing	66,000	62,939	66,000
Community Amenities	80,600	69,200	81,000
Recreation and Culture	179,800	163,015	159,650
Transport	800,000	971,418	420,000
Economic Services	112,500	99,978	117,000
Other Property and Services	70,000	66,903	125,000
	<u>1,400,450</u>	<u>1,517,983</u>	<u>1,057,350</u>
<b><u>By Class</u></b>			
Buildings	238,076	258,287	253,350
Furniture And Equipment	84,027	92,542	
Plant & Equipment	140,045	150,419	192,000
Infrastructure -Roads	840,270	915,073	407,000
Infrastructure - Footpaths	14,005	17,935	35,000
Infrastructure - Other	84,027	83,727	80,000
	<u>1,400,450</u>	<u>1,517,983</u>	<u>967,350</u>
<b>Interest Expenses (Finance Costs)</b>			
- Debentures ( <i>refer note 5</i> )	295,801	165,326	256,734
Other	14,662	41,879	44,288
	<u>310,463</u>	<u>207,205</u>	<u>301,022</u>
(ii) Crediting as Revenues:			
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	29,500	27,870	27,000
- Other Funds	5,125	13,785	5,000
Other Interest Revenue ( <i>refer note 13</i> )	20,500	17,144	20,000
SSL Interest Reimbursement	22,753	11,904	0
	<u>77,878</u>	<u>70,703</u>	<u>52,000</u>
(iii) <b>Other Revenue</b>			
Reimbursements and Recoveries	122,297	106,143	75,420
Other	121,940	321,114	214,200
	<u>244,237</u>	<u>427,257</u>	<u>289,620</u>

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

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

**(b) Statement of Objective**

The Shire of Goomalling is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

**REPORTING PROGRAM DESCRIPTIONS**

Council operations as disclosed in these financial statements encompass the following service orientated activities/programs.

**GOVERNANCE**

**Objective:**

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

**Activities:**

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

To provide services to help ensure a safer and environmentally conscious community.

**Activities:**

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

**EDUCATION AND WELFARE**

**Objective:**

To provide services to disadvantaged persons, the elderly, children and youth

**Activities:**

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

**HOUSING**

**Objective:**

To provide and maintain elderly residents housing.

**Activities:**

Provision and maintenance of elderly residents housing.

**SHIRE OF GOOMALLING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

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

**COMMUNITY AMENITIES**

**Objective:**

To provide services required by the community.

**Activities:**

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

**RECREATION AND CULTURE**

**Objective:**

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

**Activities:**

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**TRANSPORT**

**Objective:**

To provide safe, effective and efficient transport services to the community

**Activities:**

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

**ECONOMIC SERVICES**

**Objective:**

To help promote the shire and its economic wellbeing.

**Activities:**

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

**OTHER PROPERTY AND SERVICES**

**Objective:**

To monitor and control council's overheads operating accounts.

**Activities:**

Private works operation, plant repair and operation costs and engineering operation costs.

**SHIRE OF GOOMALLING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**3. DISPOSAL OF ASSETS**

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

<b><u>By Program</u></b>	<b>Net Book Value</b>	<b>Sale Proceeds</b>	<b>Profit(Loss)</b>
	<b>2016/17 BUDGET</b>	<b>2016/17 BUDGET</b>	<b>2016/17 BUDGET</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Economic Services</b>			
Proceeds Sale of 14 High Street	138,840	210,000	71,160
Proceeds Sale of 30 Forward St			
Proceeds Sale of 73a James St	38,766	90,000	51,234
<b>Transport</b>			
Proceeds on Sale of 1983 Merc Truck (Asset 3414)	33,500	10,000	(23,500)
Proceeds on Sale of Tip Body from Truck GO 017	0	6,000	6,000
	<b>211,106</b>	<b>316,000</b>	<b>104,894</b>

<b><u>By Class</u></b>	<b>Net Book Value</b>	<b>Sale Proceeds</b>	<b>Profit(Loss)</b>
	<b>2016/17 BUDGET</b>	<b>2016/17 BUDGET</b>	<b>2016/17 BUDGET</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land and Buildings	177,606	300,000	122,394
Plant & Equipment	33,500	16,000	(17,500)
	<b>211,106</b>	<b>316,000</b>	<b>104,894</b>

**Summary**

	<b>2016/17 BUDGET</b>
	<b>\$</b>
Profit on Asset Disposals	128,394
Loss on Asset Disposals	(23,500)
	<u>104,894</u>

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

**4. ACQUISITION OF ASSETS**

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

Asset Class	Reporting Program											Total \$
	Governance \$	General Purpose Funding \$	Law, Order, Public Safety \$	Health \$	Education And Welfare \$	Housing \$	Community Amenities \$	Recreation And Culture \$	Transport \$	Economic Services \$	Other Property & Services \$	
<i>Property, Plant and Equipment</i>												
Land	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	0	0	0	0	17,000	1,100,000	35,500	157,000	0	67,454	0	1,376,954
Furniture & Equipment	35,000	0	0	2,000	0	0	0	25,000	0	0	0	62,000
Plant & Equipment	0	0	0	0	0	0	0	0	0	90,000	0	90,000
Swimming Pool	0	0	0	0	0	0	0	0	0	0	0	0
<i>Infrastructure</i>												
Roads	0	0	0	0	0	0	0	0	1,094,384	0	0	1,094,384
Footpaths	0	0	0	0	0	0	0	0	75,000	0	0	75,000
Sewerage	0	0	0	0	0	0	0	0	0	0	0	0
<i>Land Held for Resale</i>												
	<b>35,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>17,000</b>	<b>1,100,000</b>	<b>35,500</b>	<b>182,000</b>	<b>1,169,384</b>	<b>157,454</b>	<b>0</b>	<b>2,698,338</b>

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

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

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Maturity Date	Principal 1-Jul-16	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
				15-16 Actual \$	16-17 Budget \$	15-16 Actual \$	16-17 Budget \$	15-16 Actual \$	16-17 Budget \$
<b>Housing</b>									
Loan 101 - Tradesmans Residence	2016	0		19,561	0	0	0	995	0
<b>Economic Services</b>									
Loan 104 - Goomalling Community Centre	2032	272,610		45,478	45,478	272,610	204,393	22,737	18,245
Loan 105 - Slater Homestead	2032	74,958		13,644	13,644	74,958	61,314	6,821	5,473
Loan 106 - Rural Transaction Centre	2033	433,999		10,833	11,857	433,999	422,142	38,745	37,721
Loan 108-Grange & Salmon Gums Subdivisions	2021	928,591		133,630	141,620	928,591	786,971	80,039	68,380
Loan 109 Caravan Park - Ablution Block Portable	2020	53,362		11,638	12,280	53,362	41,082	3,396	2,753
Loan 110 Mortlock SPORTS COUNCIL *SSL	2024	361,197		13,803	28,661	361,197	332,536	11,754	22,453
Loan 111 New Sports Pavilion	2039	1,199,550		10,450	21,905	1,199,550	1,177,645	37,925	74,846
Loan 112 Bendigo Bank - Cash Flow	2020	1,250,000		0	300,000	1,250,000	950,000	0	65,930
		<b>4,574,267</b>	<b>-</b>	<b>259,037</b>	<b>575,445</b>	<b>4,574,267</b>	<b>3,976,083</b>	<b>202,412</b>	<b>295,801</b>

All debenture repayments are to be financed by general purpose revenue.

New Debentures - 2016/2017

The Shire does not propose to raise any debt through the issue of debenture this financial year

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

**5. INFORMATION ON BORROWINGS (CONTINUED)**

(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

The Shire does not have an overdraft facility

(e) Finance Lease Liability

Particulars	Maturity Date	Principal 1-Jul-16	New Leases	Principal Repayments		Principal Outstanding		Interest Repayments	
				15-16 Actual \$	16-17 Budget \$	15-16 Actual \$	16-17 Budget \$	15-16 Actual \$	16-17 Budget \$
GO 018 Truck	8/07/2016	71,482		25,096	71,482	71,482	0	7,088	442
GO 019 Grader	20/09/2016	76,003		24,471	76,003	76,003	0	6,555	1,368
GO 017 Truck	2/02/2016	-9		23,385	0	0	0	440	0
GO 024 Loader	15/03/2017	49,177		11,739	50,499	49,177	0	3,652	3,652
GO 037 Utility (ranger)	2/10/2016	2,341		4,852	2,341	2,340	2,341	473	474
GO 035 Old Lease	21/09/2015	0		1,232	0	0	0	108	0
GO 035 Mondeo Stn Sdn (dr's vehicle)	21/09/2016	1,974		5,844	1,974	1,974	1,974	219	21
Photocopier	16/11/2015	0		2,743	0	0	0	127	0
GO 025 Roller	4/10/2017	85,614		13,953	14,861	85,614	85,614	5,791	4,883
		286,582	-	113,316	217,161	286,591	89,929	24,453	10,839

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

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>6. RESERVES</b>			
<b>(a) Long Service Leave</b>			
Opening Balance	134,763	131,135	131,135
Amount Set Aside / Transfer to Reserve	3,773	3,628	3,541
Amount Used / Transfer from Reserve	0	0	0
	<u>138,536</u>	<u>134,763</u>	<u>134,676</u>
<b>(b) Mortlock Lodge Reserve</b>			
Opening Balance	3,640	3,542	3,542
Amount Set Aside / Transfer to Reserve	102	98	96
Amount Used / Transfer from Reserve	0	0	0
	<u>3,742</u>	<u>3,640</u>	<u>3,638</u>
<b>(c) Plant Replacement Reserve</b>			
Opening Balance	190,262	202,169	202,169
Amount Set Aside / Transfer to Reserve	5,327	5,593	5,459
Amount Used / Transfer from Reserve	0	(17,500)	0
	<u>195,589</u>	<u>190,262</u>	<u>207,628</u>
<b>(d) Sport &amp; Recreation Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(e) Staff Housing Reserve</b>			
Opening Balance	56,577	55,054	55,054
Amount Set Aside / Transfer to Reserve	1,584	1,523	1,486
Amount Used / Transfer from Reserve	0	0	0
	<u>58,161</u>	<u>56,577</u>	<u>56,540</u>
<b>(f) Aged Care Reserve</b>			
Opening Balance	141,189	137,388	137,389
Amount Set Aside / Transfer to Reserve	3,953	3,801	3,709
Amount Used / Transfer from Reserve	0	0	0
	<u>145,142</u>	<u>141,189</u>	<u>141,098</u>
<b>(g) Vehicle Reserve</b>			
Opening Balance	110,001	115,050	115,049
Amount Set Aside / Transfer to Reserve	3,080	3,183	3,106
Amount Used / Transfer from Reserve	0	(8,232)	0
	<u>113,081</u>	<u>110,001</u>	<u>118,155</u>
<b>(h) Sewerage Reserve</b>			
Opening Balance	295,876	289,468	289,468
Amount Set Aside / Transfer to Reserve	8,285	8,008	7,816
Amount Used / Transfer from Reserve	0	(1,600)	0
	<u>304,161</u>	<u>295,876</u>	<u>297,284</u>

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

<b>(i) Community Bus Reserve</b>			
Opening Balance	56,673	55,147	55,147
Amount Set Aside / Transfer to Reserve	1,587	1,526	1,489
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>58,260</u>	<u>56,673</u>	<u>56,636</u>
<b>(j) Lcdc Reserve</b>			
Opening Balance	11,022	11,049	11,049
Amount Set Aside / Transfer to Reserve	309	306	298
Amount Used / Transfer from Reserve	<u>0</u>	<u>(333)</u>	<u>0</u>
	<u>11,331</u>	<u>11,022</u>	<u>11,347</u>
<b>(k) S/Pool Revitalisation</b>			
Opening Balance	32,205	0	0
Amount Set Aside / Transfer to Reserve	32,902	32,205	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>65,107</u>	<u>32,205</u>	<u>0</u>
<b>(l) S&amp;R CO-Ord AL and LSL Reserve</b>			
Opening Balance	15,926	0	0
Amount Set Aside / Transfer to Reserve	446	15,926	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>16,372</u>	<u>15,926</u>	<u>0</u>
<b>(m) Emergency Fund Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	5,000	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>5,000</u>	<u>0</u>	<u>0</u>
<b>Total Reserves</b>	<u>1,114,481</u>	<u>1,048,133</u>	<u>1,027,002</u>

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

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

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>SUMMARY OF RESERVE TRANSFERS</b>			
<b>Transfers to Reserves</b>			
Long Service Leave	3,773	3,628	3,541
Mortlock Lodge Reserve	102	98	96
Plant Replacement Reserve	5,327	5,593	5,459
Sport & Recreation Reserve	0	0	0
Staff Housing Reserve	1,584	1,523	1,486
Aged Care Reserve	3,953	3,801	3,709
Vehicle Reserve	3,080	3,183	3,106
Sewerage Reserve	8,285	8,008	7,816
Community Bus Reserve	1,587	1,526	1,489
Lcdc Reserve	309	306	298
S/Pool Revitalisation	32,902	32,205	0
S&R CO-Ord AL and LSL Reserve	446	15,926	0
Emergency Fund Reserve	5,000	0	0
	<u>66,348</u>	<u>75,796</u>	<u>27,000</u>
<b>Transfers from Reserves</b>			
Long Service Leave	0	0	0
Mortlock Lodge Reserve	0	0	0
Plant Replacement Reserve	0	(17,500)	0
Sport & Recreation Reserve	0	0	0
Staff Housing Reserve	0	0	0
Aged Care Reserve	0	0	0
Vehicle Reserve	0	(8,232)	0
Sewerage Reserve	0	(1,600)	0
Community Bus Reserve	0	0	0
Lcdc Reserve	0	(333)	0
S/Pool Revitalisation Reserve	0	0	0
S&R CO-Ordinator AL & LSL Reserve	0	0	0
Emergency Fund Reserve	0	0	0
	<u>0</u>	<u>(27,665)</u>	<u>0</u>
<b>Total Transfer to/(from) Reserves</b>	<u>66,348</u>	<u>48,131</u>	<u>27,000</u>
<b>Opening balance</b>	1,048,133	1,000,002	1,000,002
<b>Amount Set Aside / Transfer to Reserve</b>	66,348	75,796	27,000
<b>Amount Used / Transfer from Reserve</b>	0	(27,665)	0
<b>Total Reserves</b>	<u>1,114,481</u>	<u>1,048,133</u>	<u>1,027,002</u>

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

**6. RESERVES (Continued)**

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

Long Service Leave

- to be used to fund Long Service Leave requirements

Mortlock Lodge Reserve

- to be used for maintenance and improvements to the Mortlock Retirement Units

Plant Replacement Reserve

- to be used for the future replacement of plant.

Sport & Recreation Reserve

- to be used for the upgrading and improvements to sporting and recreational facilities within the Shire

Staff Housing Reserve

-to be used for the maintenance, upgrading and construction of new housing for Council employees or public rental housing.

Aged Care Reserve

- to be utilised to provide for the needs of the aged.

Vehicle Reserve

- to be used for the purchase of motor vehicles and utilities if at a future date Council ceases to lease the same.

Sewerage Reserve

- to be used to maintain and upgrade the sewerage scheme in the Goomalling Townsite.

Community Bus Reserve

-to be used to fund the purchase of a new Community Bus.

Lcdc Reserve

- to be used to fund Landcare Activities

S/Pool Revitalisation Reserve

- to be used to fund Revitalisation of the Swimming Pool

S&R CO-Ordinator AL & LSL Reserve

- to be used to fund the S&R Coordinators annual and long service leave

Emergency Fund Reserve

- to be used to fund any catastrophic emergency event within the Shire of Goomalling

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 GOOMALLING  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2017**

	Note	2016/17 Budget \$	2015/16 Actual \$
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	15(a)	24,267	576,482
Cash - Restricted Reserves	15(a)	1,101,693	1,035,345
Receivables		248,352	248,352
Inventories		39,958	39,958
		1,414,270	1,900,137
<b>LESS: CURRENT LIABILITIES</b>			
Trade and Other Payables		(172,770)	(318,997)
Long Term Borrowings		0	(577,363)
Provisions		(236,894)	(403,282)
		(409,664)	(1,299,642)
<b>NET CURRENT ASSET POSITION</b>		1,004,606	600,495
Less: Cash - Restricted Reserves	15(a)	(1,114,481)	(1,048,133)
Less: Current Loans - Clubs / Institutions		(28,661)	(28,661)
Add: Current Portion of Debentures		0	577,363
Add: Long Service Leave Reserve		138,536	134,763
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>		(0)	235,827

The estimated surplus/(deficiency) c/fwd in the 2015/16 actual column represents the surplus (deficit) brought forward as at 1 July 2016.

The estimated surplus/(deficiency) c/fwd in the 2016/17 budget column represents the surplus (deficit) carried forward as at 30 June 2017.

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

**8. RATING INFORMATION - 2016/17 FINANCIAL YEAR**

<u>RATE TYPE</u>	Rate in \$  cents	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 \$
<b>General Rate</b>								
GRV - District	12.23	221	1,528,203	186,899	0	0	186,899	174,951
UV - Rural Zone 2	0.620000	36	15,737,000	97,569	0	0	97,569	104,129
UV - Special Rural	1.23	16	1,696,000	20,861	0	0	20,861	21,094
UV - General Zone 3	0.737	223	152,188,000	1,121,626	0	0	1,121,626	1,081,466
<b>Sub-Totals</b>		496	171,149,203	1,426,955	0	0	1,426,955	1,381,640
<b>Minimum Payment</b>	<b>Minimum \$</b>							
GRV - District	940	209	904,756	196,460	0	0	196,460	191,700
UV - Rural Zone 2	1090	33	4,909,500	35,970	0	0	35,970	83,697
UV - Special Rural	1090	2	155,500	2,180	0	0	2,180	0
UV - General Zone 3	1090	70	5,633,094	76,300	0	0	76,300	0
<b>Sub-Totals</b>		314	11,602,850	310,910	0	0	310,910	275,397
Discounts (Note 12)							0	0
<b>Total Amount Raised from General Rate Ex-Gratia</b>							1,737,865	1,657,037
<b>Total</b>							16,272	15,503
<b>Specified Area Rates (Note 9)</b>							<b>1,754,137</b>	<b>1,672,540</b>
<b>Total Rates</b>							200,753	193,003
							<b>1,954,890</b>	<b>1,865,543</b>

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

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

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

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

To Provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating .

**Description-UV Rural Zone 2**

Characteristics - Properties within the Shire that are mainly closed development (small hobby farms)

Objects - The rate in the \$ is a 16% reduction for Zone 2 compared to Zone 3 (General Farming)

Reason - UV Rate is kept low to bring some parity in the rates paid per hectare. Due to there high valuation per hectare

**Description - UV Rural Zone 3**

Characteristics - Properties within the Shire that is predominately for rural use.

Objects - The 4% increase in the UV Rural Zone 3 rate in the \$ will result in revenue yield being almost 4% higher than the previous year for this rating category.

Reason - UV rate is kept low to bring some parity in the rates paid per hectare.

**Description - UV Special Rural Residential Zone**

Characteristics - Properties within the shire that are rural residential situated adjacent to the Goomalling Townsite

Objects - In Special Rural Residential zone, the rate in the \$ levied, is resultant of the area adjacent to the Goomalling townsite.

Reason - The UV rate in the \$ is levied as an intention to bring some parity in rate levied with these properties affected by GRV's in the Goomalling Town site as the properties have the beneficial affects been close to the Goomalling Townsite

**UV Rural Minimum \$1090**

Characteristics - Properties within the Shire that are predominately for rural use.

Objects - The object of the minimums is to raise a reasonable contribution from all ratepayers towards the cost of providing municipal services.

Reasons - The minimum is a realistic contribution that any property should make towards the cost of services provided.

**9. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR**

	Rate in \$	Rateable Value	2016/17 Budgeted Revenue \$	Budget Applied to Costs \$	2015/16 Actual \$
<b>Sewerage Scheme</b>					
SEWERAGE - RESIDENTIAL	8.4430		200,753	200,753	193,003
			200,753	200,753	193,003

The sewerage rate for the Goomalling Town Sewerage Scheme is levied on property assessments within the town site which are connected to the sewerage scheme. It is used to contribute towards the scheme operating expenses and any required maintenance upgrades or capital expenditure.

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

**10. SERVICE CHARGES - 2016/17 FINANCIAL YEAR**

The Shire of Goomalling does not impose a service charge as prescribed under the Local Government Act WA.

	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>
<b>11. FEES &amp; CHARGES REVENUE</b>		
Governance	5,600	8,038
General Purpose Funding	2,050	1,775
Law, Order, Public Safety	62,000	59,131
Health	652,151	638,764
Education and Welfare	500	1,220
Housing	253,200	248,070
Community Amenities	120,615	113,662
Recreation and Culture	34,420	27,819
Transport	500	460
Economic Services	218,850	217,389
Other Property and Services	607,306	42,706
	<u>1,957,192</u>	<u>1,359,033</u>

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

No discounts are offered for early payment of rates however ratepayers making their rates payment in full within 35 days of the date of issue of the notice are eligible to enter the early payment prize drawer consisting of the following:

- (a) - A \$600 Voucher to be spent at any of the Businesses in the Shire of Goomalling.
- (b) - A \$300 Voucher to be spent at any of the Businesses in the Shire of Goomalling.
- (c) - A \$100 Voucher to be spent at any of the Businesses in the Shire of Goomalling.

**13. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	2016/17 Budget \$	2015/16 Actual \$
Interest on Unpaid Rates	11.00%	N/A	15,375	12,471
Interest on Instalments Plan	5.50%	N/A	5,125	4,674
Charges on Instalment Plan	N/A	5	2,050	1,775
			<u>22,550</u>	<u>18,919</u>

Ratepayers have the option of paying rates in four equal instalments, due on 5th September 2016, 5th November 2016, 5th January 2017 and 5th March 2017. Administration charges and interest applied for the final three instalments.

	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>
<b>14. ELECTED MEMBERS REMUNERATION</b>		
The following fees, expenses and allowances were paid to council members and/or the president.		
Meeting Fees	24,800	24,300
President's Allowance	2,500	2,500
Deputy President's Allowance	625	625
Travelling Expenses	6,000	4,697
Telecommunications Allowance	0	0
	<u>33,925</u>	<u>32,122</u>

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

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

**(a) Reconciliation of Cash**

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

	<b>2016/17 Budget \$</b>	<b>2015/16 Actual \$</b>	<b>2015/16 Budget \$</b>
Cash - Unrestricted	24,267	576,482	142,895
Cash - Restricted	1,101,693	1,035,345	1,040,825
	<u>1,125,960</u>	<u>1,611,827</u>	<u>1,183,720</u>

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

Long Service Leave	138,536	134,763	134,676
Mortlock Lodge Reserve	3,742	3,640	3,638
Plant Replacement Reserve	195,589	190,262	207,628
Staff Housing Reserve	58,161	56,577	56,540
Aged Care Reserve	145,142	141,189	141,098
Vehicle Reserve	113,081	110,001	118,155
Sewerage Reserve	304,161	295,876	297,284
Community Bus Reserve	58,260	56,673	56,636
Lcdc Reserve	11,331	11,022	11,347
S/Pool Revitalisation	65,107	32,205	0
S&R CO-Ord AL and LSL Reserve	16,372	15,926	0
Emergency Fund Reserve	5,000	0	0
	<u>1,114,481</u>	<u>1,048,133</u>	<u>1,027,002</u>

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

Net Result	1,681,248	380,418	1,536,140
Depreciation	1,400,450	1,517,983	1,057,350
(Profit)/Loss on Sale of Asset	(104,894)	737,256	(53,088)
(Increase)/Decrease in Receivables	0	243,704	(15,000)
(Increase)/Decrease in Inventories	0	6,139	0
Increase/(Decrease) in Payables	(150,000)	(415,273)	(300,000)
Increase/(Decrease) in Employee Provisions	(166,388)	67,307	(3,541)
Grants/Contributions for the Development of Assets	(1,797,703)	(1,613,523)	(2,262,423)
<b>Net Cash from Operating Activities</b>	<u>862,713</u>	<u>924,011</u>	<u>(40,562)</u>

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

Bank Overdraft Limit	0	1,250,000	0
Bank Overdraft at Balance Date	0	0	0
Credit Card Limit	10,000	10,000	10,000
Credit Card Balance at Balance Date	0	0	0
<b>Total Amount of Credit Unused</b>	<u>10,000</u>	<u>1,260,000</u>	<u>10,000</u>

**Loan Facilities**

Loan Facilities in use at Balance Date	<u>3,976,083</u>	<u>4,574,267</u>	<u>5,215,957</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

**SHIRE OF GOOMALLING**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH 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 \$
Police Licencing	0	800,000	(800,000)	0
Slater Homestead Donation	2,343	0	0	2,343
Konno Special Plate	0	0	0	0
Mortlock Farm	1,542	0	0	1,542
Accrued AL & LSL Beactive	0	0	0	0
Pioneers Pathway Sign	43,189	0	0	43,189
Skeleton Weed	0	0	0	0
General Deposits	205	2,000	(2,000)	205
	<u>47,279</u>	<u>802,000</u>	<u>(802,000)</u>	<u>47,279</u>

**17. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

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

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

**18. MAJOR LAND TRANSACTIONS**

**(a) Details**

The council will continue to developing major land transactions during the year. The Shire of Goomalling has undertaken rural residential subdivisions in Salmon Gum Way and Grange Street Goomalling. The Shire will conduct either auction or tender process for the sale of lots for Salmon Gum Way. In relation to lots in Grange Street, the sale will be by tender process at market valuations. The proceeds from the sale of the two rural subdivisions will be applied towards the repayment of loans raised to finance the development and thereafter any surplus funds remaining will be held in the Municipal Fund Account. A Business Plan was prepared for the two rural residential subdivisions in accordance with section 3.59 of the Local Government Act 1995.

**(b) Transactions to date**

<b>Salmon Gums Subdivision</b>		<b>\$</b>	<b>\$</b>
Development Expenses	2007-2008	361,983	
	2008-2009	64,794	
	2009-2010	131,128	
	2010-2011	76,162	
	2011-2012	<u>1,276</u>	<u>635,343</u>
<b>Grange Subdivision</b>			
Development Expenses	2007-2008	46,957	
	2008-2009	340,678	
	2009-2010	329,693	
	2010-2011	61,415	
	2011-2012	<u>7,660</u>	<u>786,403</u>
Development Expenses		<u>(282,284)</u>	<u>(282,284)</u>
Impairment Loss	2013-2014	<u>(142,465)</u>	<u>(142,465)</u>
Book Value of Development			<u>996,997</u>
Plus Interest on Borrowings	2007-2008	46,381	
	2008-2009	63,483	
	2009-2010	44,399	
	2010-2011	14,026	
	2011-2012	57,376	
	2012-2013	104,820	
	2013-2014	95,867	
	2014-2015	91,204	
	2015-2016	80,039	
<b>Budget</b>	2016-2017	<u>68,380</u>	<u>665,975</u>
Total Costs of Development to Date			<u><u>1,662,972</u></u>

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

**18. MAJOR LAND TRANSACTIONS (Continued)**

The council has 14 blocks still for sale. Based on the development cost to date plus interest on borrowings, the unit cost of remaining blocks are on average \$118,784 each.

The cause for the above impairment loss was the effects of the global financial crisis which commenced in September 2007. Prior to the initial commencement of the GFC, Council had buyers for all eight lots in the Grange Street subdivision with a waiting list of a further two buyers. However, the sale of all lots subsequently fell through and eight of the ten interested buyers cancelled their purchases. The lots are now impaired as the recoverable amount is less than the development expenses recorded.

(c) The council raised loans of \$1.5 Million to finance the above sub division costs.

**(b) Current year transactions**

Loan Interest will be applied to the cost of the development as indicated above .This budget does not anticipate the sale of any land during the year.