

SHIRE OF SERPENTINE JARRAHDAL

BUDGET

FOR THE YEAR ENDED 30 JUNE 2017

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Comprehensive Income by Program	3
Statement of Cash Flows	5
Rate Setting Statement	6
Notes to and Forming Part of the Budget	7 to 40
Supplementary Information	41

SHIRE OF SERPENTINE JARRAHDALÉ
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	19,901,753	18,424,862	17,982,029
Operating grants, subsidies and contributions		4,158,336	2,533,695	3,956,880
Fees and charges	14	5,483,809	5,643,022	5,605,756
Interest earnings	2(a)	640,000	766,438	650,000
Other revenue	2(a)	0	156,367	456,367
		<u>30,183,898</u>	<u>27,524,384</u>	<u>28,651,032</u>
Expenses				
Employee costs		(13,678,632)	(11,247,276)	(12,582,994)
Materials and contracts		(12,805,437)	(11,331,087)	(12,019,218)
Utility charges		(1,083,456)	(1,091,639)	(930,100)
Depreciation on non-current assets	2(a)	(9,099,827)	(9,377,529)	(3,397,710)
Interest expenses	2(a)	(125,014)	(106,406)	(131,165)
Insurance expenses		(465,278)	(504,794)	(513,232)
Other expenditure		(91,239)	(91,700)	(247,145)
		<u>(37,348,883)</u>	<u>(33,750,431)</u>	<u>(29,821,564)</u>
		(7,164,985)	(6,226,047)	(1,170,532)
Non-operating grants, subsidies and contributions		3,271,241	6,469,464	6,145,878
Profit on asset disposals	6	24,330	14,961	46,492
Loss on asset disposals	6	(20,906)	(29,474)	(25,792)
NET RESULT		(3,890,320)	228,904	4,996,046
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>(3,890,320)</u>	<u>228,904</u>	<u>4,996,046</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 SERPENTINE JARRAHDALE
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		0	(18,163)	156,867
General purpose funding		23,504,857	20,972,634	21,453,117
Law, order, public safety		541,630	429,367	503,880
Health		127,050	97,771	162,750
Education and welfare		200	120,225	78,200
Community amenities		4,048,514	3,705,352	3,836,206
Recreation and culture		306,862	256,422	108,612
Transport		420,300	707,366	1,064,800
Economic services		844,485	863,805	955,500
Other property and services		390,000	389,605	331,100
		<u>30,183,898</u>	<u>27,524,384</u>	<u>28,651,032</u>
Expenses Excluding Finance Costs Refer Notes 1, 2 & 15)				
Governance		(2,833,243)	(3,879,198)	(4,750,451)
General purpose funding		(678,699)	(597,866)	(637,071)
Law, order, public safety		(2,330,854)	(1,932,450)	(2,007,619)
Health		(923,318)	(667,977)	(820,906)
Education and welfare		(25,126)	(1,148,280)	(1,199,414)
Community amenities		(8,655,340)	(6,387,071)	(6,467,630)
Recreation and culture		(6,627,809)	(4,633,523)	(4,599,261)
Transport		(12,120,093)	(13,208,348)	(7,730,409)
Economic services		(2,531,410)	(1,089,028)	(315,010)
Other property and services		(497,977)	(100,284)	(1,162,629)
		<u>(37,223,869)</u>	<u>(33,644,025)</u>	<u>(29,690,400)</u>
Finance Costs (Refer Notes 2 & 7(a))				
Community amenities		(1,706)	0	0
Recreation and culture		(85,791)	(106,406)	(108,815)
Transport		(37,517)	0	(22,350)
		<u>(125,014)</u>	<u>(106,406)</u>	<u>(131,165)</u>
Non-operating Grants, Subsidies and Contributions				
Community amenities		0	1,047,755	0
Recreation and culture		955,000	3,270,000	4,558,094
Transport		2,316,241	2,151,709	1,587,784
		<u>3,271,241</u>	<u>6,469,464</u>	<u>6,145,878</u>

SHIRE OF SERPENTINE JARRAHDALÉ
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)				
Governance		6,132	2,031	7,257
General purpose funding		0	0	0
Law, order, public safety		9,077	(3,097)	4,616
Health		0	(272)	(272)
Education and welfare		0	147	(1,000)
Community amenities		0	2,243	0
Recreation and culture		0	530	(1,333)
Transport		(1,023)	(7,051)	12,590
Economic services		0	(2,740)	(1,157)
Other property and services		(10,762)	(6,304)	0
		<u>3,424</u>	<u>(14,513)</u>	<u>20,701</u>
NET RESULT		(3,890,320)	228,904	4,996,046
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>(3,890,320)</u>	<u>228,904</u>	<u>4,996,046</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 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 SERPENTINE JARRAHDALE
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		20,201,753	18,224,346	18,282,029
Operating grants, subsidies and contributions		4,638,336	2,102,130	5,156,880
Fees and charges		5,483,809	5,643,022	5,605,756
Interest earnings		640,000	766,438	650,000
Goods and services tax		12,970	23,233	0
Other revenue		0	156,367	456,367
		<u>30,976,868</u>	<u>26,915,536</u>	<u>30,151,032</u>
Payments				
Employee costs		(13,678,632)	(11,363,381)	(12,582,994)
Materials and contracts		(12,802,737)	(11,719,426)	(12,696,971)
Utility charges		(1,083,456)	(1,091,639)	(930,100)
Interest expenses		(125,014)	(106,684)	(131,166)
Insurance expenses		(465,278)	(504,794)	(513,232)
Goods and services tax		0	0	(30,000)
Other expenditure		(91,239)	(91,700)	(247,145)
		<u>(28,246,356)</u>	<u>(24,877,624)</u>	<u>(27,131,608)</u>
Net cash provided by (used in) operating activities	3(b)	<u>2,730,512</u>	<u>2,037,912</u>	<u>3,019,424</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5	(1,325,406)	(7,233,909)	(7,765,144)
Payments for construction of infrastructure	5	(11,152,027)	(4,314,171)	(10,319,294)
Non-operating grants, subsidies and contributions used for the development of assets		3,271,241	6,469,464	6,145,878
Proceeds from sale of plant & equipment	6	493,000	514,058	732,000
Net cash provided by (used in) investing activities		<u>(8,713,192)</u>	<u>(4,564,558)</u>	<u>(11,206,560)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures	7	(506,744)	(366,109)	(431,653)
Proceeds from new debentures	7	1,986,057	0	1,966,311
Net cash provided by (used in) financing activities		<u>1,479,313</u>	<u>(366,109)</u>	<u>1,534,658</u>
Net increase (decrease) in cash held		(4,503,366)	(2,892,755)	(6,652,478)
Cash at beginning of year		<u>15,834,163</u>	<u>18,726,918</u>	<u>17,365,932</u>
Cash and cash equivalents at the end of the year	3(a)	<u>11,330,797</u>	<u>15,834,163</u>	<u>10,713,454</u>

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

SHIRE OF SERPENTINE JARRAHDALÉ
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	1,064,265	2,456,991	903,435
Revenue from operating activities (excluding rates and non-operating grants, subsidies and contributions)	1,2			
Governance		6,132	(6,122)	166,790
General purpose funding		3,603,104	2,547,772	3,471,088
Law, order, public safety		553,826	429,367	514,796
Health		127,050	97,771	162,750
Education and welfare		200	120,372	78,200
Community amenities		4,048,514	3,707,595	3,836,206
Recreation and culture		306,862	256,952	110,212
Transport		421,125	707,366	1,088,853
Economic services		844,485	863,805	955,500
Other property and services		395,177	389,605	331,100
		<u>10,306,475</u>	<u>9,114,483</u>	<u>10,715,495</u>
Expenditure from operating activities	1,2			
Governance		(2,833,243)	(3,889,208)	(4,753,117)
General purpose funding		(678,699)	(597,866)	(637,071)
Law, order, public safety		(2,333,973)	(1,935,547)	(2,013,919)
Health		(923,318)	(668,249)	(821,178)
Education and welfare		(25,126)	(1,148,280)	(1,200,414)
Community amenities		(8,657,046)	(6,387,071)	(6,467,630)
Recreation and culture		(6,713,600)	(4,739,929)	(4,711,009)
Transport		(12,159,458)	(13,215,400)	(7,764,218)
Economic services		(2,531,410)	(1,091,768)	(316,167)
Other property and services		(513,916)	(106,588)	(1,162,629)
		<u>(37,369,789)</u>	<u>(33,779,906)</u>	<u>(29,847,352)</u>
Operating activities excluded from budget				
(Profit)/Loss on asset disposals	6	(3,424)	14,513	(20,700)
Depreciation on assets	2(a)	9,099,827	9,377,529	3,397,710
Amount attributable to operating activities		<u>(16,902,646)</u>	<u>(12,816,390)</u>	<u>(14,851,412)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		3,271,241	6,469,464	6,145,878
Purchase property, plant and equipment	5	(1,325,406)	(7,233,909)	(7,765,144)
Purchase and construction of infrastructure	5	(11,152,027)	(4,314,171)	(10,319,294)
Proceeds from disposal of assets	6	493,000	514,058	732,000
Amount attributable to investing activities		<u>(8,713,192)</u>	<u>(4,564,558)</u>	<u>(11,206,560)</u>
FINANCING ACTIVITIES				
Repayment of debentures	7	(506,744)	(366,109)	(431,653)
Proceeds from new debentures	7	1,986,057	0	1,966,311
Transfers to cash backed reserves (Restricted assets)	9	(3,295,932)	(1,742,662)	(1,214,649)
Transfers from cash backed reserves (Restricted assets)	9	1,932,589	1,635,171	1,816,867
Transfers to restricted cash (Municipal)		(93,900)	(1,508,449)	(191,000)
Transfers from restricted cash (Municipal)		5,732,884	2,002,400	6,204,630
Amount attributable to financing activities		<u>5,754,954</u>	<u>20,351</u>	<u>8,150,506</u>
Budgeted deficiency before general rates		<u>(19,860,883)</u>	<u>(17,360,597)</u>	<u>(17,907,466)</u>
Estimated amount to be raised from general rates	8	19,901,753	18,424,862	17,982,029
Net current assets at end of financial year - surplus/(deficit)	4	<u>40,870</u>	<u>1,064,265</u>	<u>74,563</u>

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

SHIRE OF SERPENTINE JARRAHDALE
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 SERPENTINE JARRAHDALÉ
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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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

**SHIRE OF SERPENTINE JARRAHDALE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 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:

Land	Not depreciated
Buildings	
Structural	50 years
Internal Fit-Out	15 - 25 years
Mechanical Services	25 – 35 years
Security	15 years
Fire systems	15 years
Other Building Structures	15 – 25 years
Plant and Equipment	5 – 15 years
Motor Vehicles	2 – 5 years
Furniture and Equipment	4 – 10 years
Computer Equipment	2 – 5 years
Roads	
Subgrade	Not depreciated
Pavement	
Unsealed	10 years
Urban and Regional	60 - 100 years
Surface	5 – 20 years
Surface Water Channel	
Kerbing	40 years
Drains	8 - 15 years
Drainage	
Culvert	80 years
Stormwater Drainage	100 years
Footpaths	40 – 80 years
Parks and Reserves	
Land	Not depreciated
Softscapes	50 years
Hardscapes	40 – 80 years
Reticulation	20 years
Parks Furniture	10 – 20 years
Lighting	15 – 25 years
Other Structures	10 – 40 years

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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

Land	\$1
Artworks	\$5,000
Buildings	\$10,000
Computer Equipment	\$10,000
Furniture	\$10,000
Plant & Equipment	\$10,000
Motor Vehicles	\$10,000
Roads	\$1
Drainage	\$1
Footpaths	\$1
Parks and Reserves	\$10,000

(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 SERPENTINE JARRAHDALE
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 SERPENTINE JARRAHDALE
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 SERPENTINE JARRAHDALE
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 SERPENTINE JARRAHDALE
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 SERPENTINE JARRAHDALE
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 SERPENTINE JARRAHDALÉ
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 SERPENTINE JARRAHDALÉ
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 SERPENTINE JARRAHDALE
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	44,000	42,908	44,000
Other services	10,000	0	10,000
Depreciation By Program			
Governance	72,076	74,276	304,557
General purpose funding	0	0	0
Law, order, public safety	262,591	270,604	252,010
Health	0	0	5,981
Education and welfare	5,989	6,172	9,062
Community amenities	16,179	16,672	33,255
Recreation and culture	577,210	594,825	281,154
Transport	7,904,403	8,145,625	2,165,840
Economic services	3,192	3,289	333,063
Other property and services	258,187	266,066	12,788
	<u>9,099,827</u>	<u>9,377,529</u>	<u>3,397,710</u>
Depreciation By Asset Class			
Land and buildings	384,063	395,784	408,490
Furniture and equipment	3,462	3,567	24,393
Computers	5,608	5,779	5,700
Plant and equipment	297,450	306,527	345,049
Motor Vehicles	227,561	234,506	230,000
Roads	7,458,205	7,685,809	2,234,240
Footpaths	175,857	181,224	63,529
Parks & Reserves	277,279	285,741	29,061
Drainage	270,342	278,592	57,248
	<u>9,099,827</u>	<u>9,377,529</u>	<u>3,397,710</u>
Interest Expenses (Finance Costs)			
- Debentures (<i>refer note 7(a)</i>)	125,014	106,406	131,165
	<u>125,014</u>	<u>106,406</u>	<u>131,165</u>
(ii) Crediting as revenues:			
Interest Earnings			
Investments			
- Reserve funds	125,000	110,001	125,000
- Restricted funds	1,000	1,896	6,000
- Other funds	264,000	399,836	300,000
Other interest revenue (<i>refer note 12</i>)	250,000	254,705	219,000
	<u>640,000</u>	<u>766,438</u>	<u>650,000</u>
(iii) Other Revenue			
Reimbursements and recoveries	0	156,367	456,367
	<u>0</u>	<u>156,367</u>	<u>456,367</u>

**SHIRE OF SERPENTINE JARRAHDALE
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.

COMMUNITY VISION

The Shires six vision categories, Governance and Leadership, Built Environment, Natural Environment, Financial Sustainability, Local Economy, and Community Wellbeing, will come together to unite, creating a community which is sustainable, connected and thriving.

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

GOVERNANCE

Objective:

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

Activities:

Members of Council, Chief Executive Office, and Public relations

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rate revenue, late payment penalty, general purpose grants, untied road grants, commissions, interest on investments, reimbursements and banking costs.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

Volunteer bushfire brigades, fire prevention, animal control, emergency management and public safety.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Health services including infant health, inspection of premises, pest control, and preventative maintenance.

EDUCATION AND WELFARE

Objective:

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

Activities:

Pre-schools, community services and family centres.

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Waste management including household refuse and recycling, bulk verge green and hard waste collections, environmental and sustainability, town planning, public conveniences and cemeteries.

RECREATION AND CULTURE

Objective:

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

Activities:

Provision of facilities and support of organisations with leisure activities and sport including halls, sports grounds, parks and gardens, and the Mundijong Library.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, bridges, footpaths, Council depot, purchases of plant and equipment and engineering design.

ECONOMIC SERVICES

Objective:

To help promote the Shire and its economic wellbeing.

Activities:

Rural services such as weed control of reserves, tourism and area promotion, management of building applications and economic development.

OTHER PROPERTY & SERVICES

Objective:

To monitor and control Council's overhead operating accounts.

Activities:

Private works, public works overheads, plant operation, Jarrahdale Heritage Park development and administration costs

**SHIRE OF SERPENTINE JARRAHDALE
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	1,063,840	1,291,565	2,391,446
Cash - restricted reserves	7,331,697	5,968,354	4,327,590
Cash - restricted	2,935,260	8,574,244	3,994,418
	<u>11,330,797</u>	<u>15,834,163</u>	<u>10,713,454</u>

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

Leave Reserve	514,788	553,587	555,225
Administration Building	101,840	1,802	1,807
Asset Management	738,561	658,297	182,137
Byford Locality Funding Program	30,115	3,403	2,589
Community Facilities	211,818	207,473	18,123
Natural Disaster Recovery Management	233,237	131,954	260,434
Investment Reserve	653,806	640,393	642,031
Jarrahdale Communications Tower	148,151	135,415	147,725
Jarrahdale Locality Funding Program	105,712	81,098	1,336
Keysbrook Locality Funding Program	63,262	32,580	2,586
Light Fleet & Plant Acquisition	759,510	735,488	301,118
Millbrace Bridge Preservation	0	0	171
Multi Use Trails	17,278	16,924	16,967
Mundijong Locality Funding Program	77,943	62,180	1,957
Oakford Locality Funding Program	127,699	95,695	65,862
Renewable Energy	32,243	31,582	31,662
Serpentine Locality Funding Program	26,528	25,984	11,659
Serpentine Jarrahdale Locality Funding Program	207,815	301,500	26,051
Serpentine Jarrahdale Sporting Precinct	91,650	77,037	302,272
Tourism Reserve	19,156	18,763	0
Workers Compensation	59,494	58,274	0
Waste Reserve	2,106,137	1,768,138	1,755,878
Byford BMX	337,715	330,787	0
Mundijong Whitby - Shire Contribution to future infra:	100,000	0	0
Briggs Park Reserve	100,000	0	0
Roads Asset Management Reserve	417,239	0	0
Footpaths Asset Management Reserve	25,000	0	0
Parks & Gardens Asset Management Reserve	25,000	0	0
	<u>7,331,697</u>	<u>5,968,354</u>	<u>4,327,590</u>

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

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

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

Net result	(3,890,320)	228,904	4,996,046
Depreciation	9,099,827	9,377,529	3,397,710
(Profit)/loss on sale of asset	(3,424)	14,513	(20,700)
(Increase)/decrease in receivables	792,970	(615,471)	1,500,000
(Increase)/decrease in inventories	2,700	(1,124)	(2,000)
Increase/(decrease) in payables	0	(400,518)	(705,754)
Increase/(decrease) in employee provisions	0	(96,457)	0
Grants/contributions for the development of assets	<u>(3,271,241)</u>	<u>(6,469,464)</u>	<u>(6,145,878)</u>
Net Cash from Operating Activities	<u><u>2,730,512</u></u>	<u><u>2,037,912</u></u>	<u><u>3,019,424</u></u>

**SHIRE OF SERPENTINE JARRAHDALE
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
Purchasing card limit	29,000	29,000	25,000
Purchasing card balance at balance date	(8,500)	(8,500)	(7,000)
Total Amount of Credit Unused	<u>120,500</u>	<u>120,500</u>	<u>118,000</u>
Loan Facilities			
Loan facilities in use at balance date	<u>3,229,993</u>	<u>1,750,680</u>	<u>3,651,449</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)	1,063,840	1,291,565
Cash - reserves	3(a)	7,331,697	5,968,354
Cash - restricted	3(a)	2,935,260	8,574,244
Receivables		1,897,030	2,690,000
Inventories		18,500	21,200
		<u>13,246,327</u>	<u>18,545,363</u>
LESS: CURRENT LIABILITIES			
Trade and other payables		(1,510,500)	(1,510,500)
Long term borrowings		(506,743)	(386,723)
Provisions		(1,428,000)	(1,428,000)
		<u>(3,445,243)</u>	<u>(3,325,223)</u>
Unadjusted net current assets		9,801,084	15,220,140
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 - reserves	3(a)	(7,331,697)	(5,968,354)
Less: Cash - restricted	3(a)	(2,935,260)	(8,574,244)
Add: Current portion of debentures		506,743	386,723
Adjusted net current assets - surplus/(deficit)		<u>40,870</u>	<u>1,064,265</u>

**SHIRE OF SERPENTINE JARRAHDALE
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 \$		
<i>Property, Plant and Equipment</i>													
Land and buildings	0	0	73,400	0	0	0	0	248,523	0	0	0	321,923	6,023,446
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	0	0	0	0	0	0	0	0	193,000	0	0	193,000	485,316
Motor Vehicles	110,811	0	128,057	0	0	0	0	0	106,398	15,000	450,217	810,483	725,147
Computer Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
	110,811	0	201,457	0	0	0	0	248,523	299,398	15,000	450,217	1,325,406	7,233,909
<i>Infrastructure</i>													
Roads	0	0	0	0	0	0	0	0	10,862,370	0	0	10,862,370	4,314,171
Footpaths	0	0	0	0	0	0	0	0	130,000	0	0	130,000	0
Drainage	0	0	0	0	0	0	0	0	0	0	0	0	0
Parks and ovals	0	0	0	0	0	0	0	110,000	0	49,657	0	159,657	0
	0	0	0	0	0	0	0	110,000	10,992,370	49,657	0	11,152,027	4,314,171
Total Acquisitions	110,811	0	201,457	0	0	0	0	358,523	11,291,768	64,657	450,217	12,477,433	11,548,080

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:
- Capital Summary 2016/17

**SHIRE OF SERPENTINE JARRAHDALE
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.

By Program	2016/17 Budget			
	Net Book Value	Sale Proceeds	Profit	Loss
	\$	\$	\$	\$
Governance				
Vehicle Replacement - CEO	62,456	65,000	2,544	0
Vehicle Replacement - Manager Communication	20,412	24,000	3,588	0
Law & Order				
Vehicle Replacement - Coordinator Emergency Services	27,119	24,000	0	(3,119)
Vehicle Replacement - Ranger	10,105	22,000	11,895	0
Vehicle Replacement - Coordinator Compliance	15,699	16,000	301	0
Transport				
Vehicle Replacement - Manager Subdivisions	25,448	24,000	0	(1,448)
Vehicle Replacement - Design Engineer	23,175	24,000	825	0
Vehicle Replacement - Infrastructure Coordinator	16,400	16,000	0	(400)
Other				
Vehicle Replacement - Director Corporate & Community Services	39,449	40,000	551	0
Vehicle Replacement - Director Engineering	46,974	42,000	0	(4,974)
Vehicle Replacement - Manager Corporate Services	31,637	28,000	0	(3,637)
Vehicle Replacement - Manager Human Resources	20,762	24,000	3,238	0
Vehicle Replacement - Supervisor Construction	27,498	24,000	0	(3,498)
Vehicle Replacement - Supervisor Parks & Gardens	26,958	24,000	0	(2,958)
Vehicle Replacement - Building Maintenance Officer	23,302	24,000	698	0
Vehicle Replacement - Reticulation Officer	24,437	24,000	0	(437)
Vehicle Replacement - Mechanic	24,435	24,000	0	(435)
Vehicle Replacement - Manager Operations	23,310	24,000	690	0
	489,576	493,000	24,330	(20,906)

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

6. DISPOSALS OF ASSETS (Continued)

<u>By Class</u>	2016/17 Budget			
	Net Book Value \$	Sale Proceeds \$	Profit \$	Loss \$
Motor Vehicles	489,576	493,000	24,330	(20,906)
	489,576	493,000	24,330	(20,906)
	489,576	493,000	24,330	(20,906)

**SHIRE OF SERPENTINE JARRAHDALE
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 \$
Recreation and culture								
Loan 91 - Recreation Centre	889,141	0	278,986	262,920	610,155	889,141	49,390	65,456
Loan 117 - Council Chambers Refurbishment	861,539	0	107,738	103,189	753,801	861,539	36,401	40,950
Transport								
Loan 121 - Abernethy Road Construction	0	1,886,057	110,020	0	1,776,037	0	37,517	0
Community Ammenities								
Loan 122 - Serpentine Developer Contribution Plan	0	20,000	2,000	0	18,000	0	341	0
Loan 123 - Cardup Business Plan Developer Contribution Plan	0	30,000	3,000	0	27,000	0	512	0
Loan 124 - West Mundijong Industrial Area Developer Contribution Plan	0	50,000	5,000	0	45,000	0	853	0
	1,750,680	1,986,057	506,744	366,109	3,229,993	1,750,680	125,014	106,406

All debenture repayments will be financed by general purpose revenue.

**SHIRE OF SERPENTINE JARRAHDALÉ
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 \$
Abernethy Road Construction	1,886,057	WATC	Debenture	10	37,517	3.41%	1,886,057	0
Serpentine Developer Contribution Plan	20,000	WATC	Debenture	5	341	3.41%	20,000	0
Cardup Business Plan Developer Contribution Plan	30,000	WATC	Debenture	5	512	3.41%	30,000	0
West Mundijong Industrial Area Developer Contribution Plan	50,000	WATC	Debenture	5	853	3.41%	50,000	0
					39,223		1,986,057	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 2016.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$100,000 with the ANZ Bank does exist. It is not anticipated that this facility will be required to be utilised during 2016/17.

**SHIRE OF SERPENTINE JARRAHDALE
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 \$
Differential general rate or general rate								
GRV Residential Improved	9.141300	5,770	103,932,208	9,500,754	140,000	0	9,640,754	8,278,875
GRV Residential Vacant	15.061500	165	4,145,530	624,379	50,000	0	674,379	904,664
GRV Commercial/Industrial	8.690600	86	7,082,503	615,512	10,000	0	625,512	564,360
UV Rural	0.348000	1,297	1,207,945,000	4,203,648	0	0	4,203,648	3,756,233
UV Rural Living	0.348000	1,416	667,095,000	2,321,491	0	0	2,321,491	2,461,305
UV Intensive Farming	1.111700	18	15,590,000	173,314	0	0	173,314	165,061
Sub-Totals		8,752	2,005,790,241	17,439,098	200,000	0	17,639,098	16,130,498
Minimum payment	Minimum \$							
GRV Residential Improved	1102	145	1,650,808	159,790	0	0	159,790	156,450
GRV Residential Vacant	1160	1136	5,364,601	1,317,760	0	0	1,317,760	1,500,590
GRV Commercial/Industrial	1301	28	316,616	36,428	0	0	36,428	35,931
UV Rural	1301	295	77,173,721	383,795	0	0	383,795	375,417
UV Rural Living	1301	282	94,087,000	366,882	0	0	366,882	227,976
UV Intensive Farming	1301	0	0	0	0	0	0	0
Sub-Totals		1,886	178,592,746	2,264,655	0	0	2,264,655	2,296,364
Discounts (Note 13)							(2,000)	(2,000)
Total amount raised from general rates							19,901,753	18,424,862
Specified Area Rates (Note 10)							0	0
Total Rates							19,901,753	18,424,862

SHIRE OF SERPENTINE JARRAHDAL
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 Serpentine Jarrahdale is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Serpentine Jarrahdale.

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.

Differential General Rate

Description	Characteristics	Objects	Reasons
GRV Residential	Properties within the shire boundaries with a predominant residential use with a dwelling located on the land.	This rate contributes to the service desired by the community.	This is considered to be the base rate above which all other GRV rated properties are assessed.
GRV Residential	Vacant land located within the shire boundaries excepting land with a Commercial/Industrial land use, or land with residential buildings.	This rate is to raise additional revenue to contribute to the service desired by the community.	The rate is set higher than residential to promote and encourage land owners to develop vacant land to its full potential.
GRV Commercial/Industrial	Properties used for a commercial and industrial purpose, and non residential properties.	This rate is to raise additional revenue to contribute toward higher costs associated with commercial/industrial activity.	Whilst recognising that these activities are one of the major employers in the community and are to be encouraged, these activities also place additional impact on the infrastructure of the shire. Rate levies paid by these property owners are generally tax deductible expenses.
UV Rural	Consists of properties used predominantly for rural purposes.	This rate contributes to the service desired by the community.	This is considered to be the base rate above which all other UV rated properties are assessed.

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

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

Differential General Rate

Description	Characteristics	Objects	Reasons
UV Intensive Farming	Properties used for intensive farming purposes for non offensive trades, poultry/broiler farms and cattle/livestock holding yards.	This rate is to raise additional revenue to contribute toward higher costs associated with intensive farming activity.	Intensive farming properties place additional demand on councils road infrastructure as a result of their activities.
UV Rural Living	Rural residential land that ranges between lot sizes of 4,000 square meters to four hectares in accordance with the Rural Strategy Plan.	To ensure a fair contribution is made to the rate base of the Shire.	Small lot holdings often require the same services as an urban area, but cause disparate service delivery costs due to the spread out nature of the land holdings.

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

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

Differential Minimum Payment

Description	Characteristics	Objects	Reasons
GRV Residential	Properties within the shire boundaries with a predominant residential use with a dwelling located on the land.	This rate contributes to the service desired by the community.	This is considered to be the base rate above which all other GRV rated properties are assessed.
GRV Residential	Vacant land located within the shire boundaries excepting land with a Commercial/Industrial land use, or land with residential buildings	This rate is to raise additional revenue to contribute to the service desired by the community.	The rate is set higher than residential to promote and encourage land owners to develop vacant land to its full potential.
GRV Commercial/Industrial	Properties used for a commercial and industrial purpose, and non residential properties.	This rate is to raise additional revenue to contribute toward higher costs associated with commercial/industrial activity.	Whilst recognising that these activities are one of the major employers in the community and are to be encouraged, these activities also place additional impact on the infrastructure of the shire. Rate levies paid by these property owners are generally tax deductible expenses.
UV Rural	Consists of properties used predominantly for rural purposes.	This rate contributes to the service desired by the community.	This is considered to be the base rate above which all other UV rated properties are assessed.
UV Intensive Farming	Properties used for intensive farming purposes for non offensive trades, poultry/broiler farms and cattle/livestock holding yards.	This rate is to raise additional revenue to contribute toward higher costs associated with intensive farming activity.	Intensive farming properties place additional demand on councils road infrastructure as a result of their activities.
UV Rural Living	Rural residential land that ranges between lot sizes of 4,000 square meters to four hectares in accordance with the Rural Strategy Plan.	To ensure a fair contribution is made to the rate base of the Shire.	Small lot holdings often require the same services as an urban area, but cause disparate service delivery costs due to the spread out nature of the land holdings.

**SHIRE OF SERPENTINE JARRAHDALE
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 \$
Leave Reserve	553,587	11,594	(50,393)	514,788	629,658	10,624	(86,695)	553,587	629,658	12,262	(86,695)	555,225
Administration Building	1,802	100,038	0	101,840	1,772	30	0	1,802	1,772	35	0	1,807
Byford Locality Funding Program	3,403	30,071	(3,359)	30,115	2,634	769	0	3,403	5,834	114	(3,359)	2,589
Community Facilities	207,473	4,345	0	211,818	656,398	11,075	(460,000)	207,473	468,990	9,133	(460,000)	18,123
Natural Disaster Recovery Management	131,954	101,283	0	233,237	220,564	91,390	(180,000)	131,954	197,207	91,509	(28,282)	260,434
Investment Reserve	640,393	13,413	0	653,806	629,767	10,626	0	640,393	629,767	12,264	0	642,031
Jarrahdale Communications Tower	135,415	57,836	(45,100)	148,151	123,618	57,089	(45,292)	135,415	110,858	36,867	0	147,725
Jarrahdale Locality Funding Program	81,098	31,699	(7,085)	105,712	33,215	47,883	0	81,098	33,116	645	(32,425)	1,336
Keysbrook Locality Funding Program	32,580	30,682	0	63,262	2,537	30,043	0	32,580	2,537	49	0	2,586
Light Fleet & Plant Acquisition	735,488	534,505	(510,483)	759,510	897,647	534,246	(696,405)	735,488	751,701	559,467	(1,010,050)	301,118
Millbrace Bridge Preservation	0	0	0	0	11,686	197	(11,883)	0	168	3	0	171
Multi Use Trails	16,924	354	0	17,278	16,643	281	0	16,924	16,643	324	0	16,967
Mundijong Locality Funding Program	62,180	31,302	(15,539)	77,943	17,162	45,018	0	62,180	17,162	334	(15,539)	1,957
Oakford Locality Funding Program	95,695	32,004	0	127,699	64,605	31,090	0	95,695	64,604	1,258	0	65,862
Renewable Energy	31,582	661	0	32,243	31,058	524	0	31,582	31,057	605	0	31,662
Serpentine Locality Funding Program	25,984	544	0	26,528	25,553	431	0	25,984	28,112	547	(17,000)	11,659
Serpentine Jarrahdale Locality Funding Program	301,500	6,315	(100,000)	207,815	296,497	5,003	0	301,500	25,553	498	0	26,051
Serpentine Jarrahdale Sporting Precinct	77,037	31,613	(17,000)	91,650	29,539	47,498	0	77,037	296,498	5,774	0	302,272
Tourism Reserve	18,763	393	0	19,156	20,316	3,343	(4,896)	18,763	10,316	3,201	(13,517)	0
Workers Compensation	58,274	1,220	0	59,494	57,307	967	0	58,274	0	0	0	0
Waste Reserve	1,768,138	337,999	0	2,106,137	1,470,229	297,909	0	1,768,138	1,454,451	301,427	0	1,755,878
Byford BMX	330,787	6,928	0	337,715	0	330,787	0	330,787	0	0	0	0
Mundijong Whitby - Shire Contribution to future infrastructure projects	0	100,000	0	100,000	0	0	0	0	0	0	0	0
Briggs Park Reserve	0	100,000	0	100,000	0	0	0	0	0	0	0	0
Buildings Asset Management Reserve	658,297	113,787	(33,523)	738,561	622,458	185,839	(150,000)	658,297	153,804	178,333	(150,000)	182,137
Roads Asset Management Reserve	0	1,387,346	(970,107)	417,239	0	0	0	0	0	0	0	0
Footpaths Asset Management Reserve	0	125,000	(100,000)	25,000	0	0	0	0	0	0	0	0
Parks & Gardens Asset Management Reserve	0	105,000	(80,000)	25,000	0	0	0	0	0	0	0	0
	5,968,354	3,295,932	(1,932,589)	7,331,697	5,860,863	1,742,662	(1,635,171)	5,968,354	4,929,808	1,214,649	(1,816,867)	4,327,590

**SHIRE OF SERPENTINE JARRAHDAL
 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

Leave Reserve	To be used to fund annual, sick (including depot EBA) and long service leave requirements.
Administration Building	To provide for the employee accommodation requirements.
Byford Locality Funding Program	To provide funds for community purposes as per the Locality Funding for Townscape Projects Policy.
Community Facilities	This reserve is for the establishment of additional facilities in the community.
Natural Disaster Recovery Management	To provide for unanticipated significant emergency services events or plant repairs.
Investment Reserve	These funds are to be used to leverage opportunities that may present themselves to Council from time to time.
Jarrahdale Communications Tower	To provide for the upgrades and maintenance of the tower when required.
Jarrahdale Locality Funding Program	To provide funds for community purposes as per the Locality Funding for Townscape Projects Policy.
Keysbrook Locality Funding Program	To provide funds for community purposes as per the Locality Funding for Townscape Projects Policy.
Light Fleet & Plant Acquisition	To provide for the replacement of Light Fleet, Plant and Equipment as required under the replacement and acquisition program.
Millbrace Bridge Preservation	To attract additional grant funding to restore Millbrace Bridge and reopen it as a public access way.
Multi Use Trails	To allow for the construction of Multi Use Trails.
Mundijong Locality Funding Program	To provide funds for community purposes as per the Locality Funding for Townscape Projects Policy.
Oakford Locality Funding Program	To provide funds for community purposes as per the Locality Funding for Townscape Projects Policy.
Renewable Energy	This reserve is to allow Council to undertake renewable energy projects.
Serpentine Locality Funding Program	To provide funds for community purposes as per the Locality Funding for Townscape Projects Policy.
Serpentine Jarrahdale Locality Funding Program	Council initiated townscape related projects in the Serpentine Jarrahdale Shire
Serpentine Jarrahdale Sporting Precinct	To provide funds for the Serpentine Jarrahdale Regional Sporting Precinct when grant applications require contribution funding.
Tourism Reserve	This reserve has been modified to include the implementation of the tourism strategy and development of tourism throughout the district and region.
Waste Reserve	To provide for wate management requirements.
Byford BMX	To provide for the future Byford BMX track.
Mundijong Whitby - Shire Contribution to future infrastructure projects	To provide for the Shire contribution required towards infrastructure projects to be developed by the Mundojong Whitby Developer Contribution Plan.
Briggs Park Reserve	To provide for the future Briggs park development as per the Briggs Park Master Plan.
Buildings Asset Management Reserve	To provide for the refurbishment of assets when they have reached their useful life and require extensive work to restore them back to original condition.
Roads Asset Management Reserve	To provide for asset renewal expenditure for assets that have reached the end of their useful life.
Footpaths Asset Management Reserve	To provide for asset renewal expenditure for assets that have reached the end of their useful life.
Parks & Gardens Asset Management Reserve	To provide for asset renewal expenditure for assets that have reached the end of their useful life.

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

10. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

The Shire of Serpentine Jarrahdale has not applied any specified area rates for the 2016/17 financial year.

11. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

The Shire of Serpentine Jarrahdale has not applied any service charges for the 2016/17 financial year.

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

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Admin Charge Revenue \$	Instalment Plan Interest Rate %	Instalment Plan Interest Earned \$	Unpaid Rates Interest Rate %	Unpaid Rates Interest Earned \$	2016/17 Budget Revenue \$	2015/16 Actual \$
Option One									
Payment in Full	7th September 2016	0	0		0	0%	0	0	0
Option Two									
Instalment 1	7th September 2016	10	20,000	0.00%	0	0%	0	20,000	12,500
Instalment 2	9th November 2016	0	0	5.50%	25,000	11%	25,000	50,000	65,000
Option Three									
Instalment 1	7th September 2016	30	80,000	0.00%	0	0%	0	80,000	65,000
Instalment 2	9th November 2016	0	0	5.50%	25,000	11%	25,000	50,000	65,000
Instalment 3	9th January 2017	0	0	5.50%	25,000	11%	25,000	50,000	65,000
Instalment 4	9th March 2017	0	0	5.50%	25,000	11%	75,000	100,000	95,087
			100,000		100,000		150,000	350,000	367,587

Pensioners are exempt from instalment charges and interest.

13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS - 2016/17 FINANCIAL YEAR

Rates Discounts

Rate or Fee and Charge to which Discount is Granted	Type	Disc % or Amount (\$)	2016/17 Budget \$	2015/16 Actual \$	Circumstances in which Discount is Granted
General Rates	Discount	\$2,000	2,000	2,000	Two prizes of \$1000 each, for payment of rates in full by 4.30 on 7th September 2016. By paying on time rate payers automatically go in the draw to win.
			2,000	2,000	

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

13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS (Continued)
- 2016/17 FINANCIAL YEAR

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Disc % or Amount (\$)	2016/17 Budget \$	2015/16 Actual \$	Circumstances in which the Waiver or Concession is Granted	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Rural rates	Farmland Concession	31%	257,693	258,998	Where properties meet the Council SEG1 farmland Concession Policy criteria.	Council considers ratepayers eligible for the concession and maintain the rural character of the area in line with the strategic goals of Council.	This concession is in line with the vision category Financial Sustainability, Council provides a rate concession to properties maintaining genuine farming interests. It ensures that Council is protecting and developing appropriate agricultural and horticultural industries and pursuits within the Shire.
Rural rates	Conservation Concession	50%	4,137	3,700	Where properties meet the conservation eligibility criteria.	Conservation zoning allows landowners with areas of high conservation value to receive reductions in council rates. The initiative has been established by Council to reward landowners who have retained and maintained bushland and wetland.	Council recognises that nature conservation on private land is essential to maintaining the quality of life that all residents of the Shire and Serpentine River Catchment area enjoy. Landowners must demonstrate to Council that their bush land and/or wetland area is of high conservation value by meeting the criteria.
			261,830	262,698			

SHIRE OF SERPENTINE JARRAHDALÉ
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	0	0
General purpose funding	237,000	232,520
Law, order, public safety	118,260	156,606
Health	40,050	44,805
Education and welfare	200	487
Community amenities	3,948,514	3,998,702
Recreation and culture	61,700	54,430
Transport	265,600	294,135
Economic services	807,485	851,833
Other property and services	5,000	9,504
	<u>5,483,809</u>	<u>5,643,022</u>

15. ELECTED MEMBERS REMUNERATION	2016/17 Budget \$	2015/16 Actual \$
The following fees, expenses and allowances were paid to council members and/or the Mayor/President.		
Meeting fees	154,731	152,440
Mayor/President's allowance	36,591	36,050
Deputy Mayor/President's allowance	9,148	9,013
Travelling expenses	35,000	33,959
Telecommunications allowance	31,500	31,500
	<u>266,970</u>	<u>262,962</u>

SHIRE OF SERPENTINE JARRAHDAL
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 \$
Maintenance Bonds	37,224	0	0	37,224
Builders Registration Board Levy	21,265	325,000	(308,000)	38,265
BCITF Collections	22,219	406,000	(373,000)	55,219
Footpaths	115,385	250,000	(110,000)	255,385
Halls & Ovals	23,135	18,000	(20,000)	21,135
Sundry	20,597	12,000	(15,000)	17,597
Excavations	27,917	0	0	27,917
Cash in Leiu of Public Open Space	296,135	0	0	296,135
Serpentine Jarrahdale Tourism Association Trust	4,514	0	0	4,514
Temporary Accomodation (Health)	2,000	0	0	2,000
Development Assessment Panels (Planning)	12,610	0	0	12,610
Projects - Contractor Retention Funds	76,911	0	(76,911)	0
	<u>659,912</u>	<u>1,011,000</u>	<u>(902,911)</u>	<u>768,001</u>

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

17. MAJOR LAND TRANSACTIONS

It is not anticipated that any major land transactions will occur in 2016/17.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

19. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated that the Shire will have any interests in joint arrangements in 2016/17.

SUPPLEMENTARY INFORMATION
2016-17 BUDGET CAPITAL EXPENDITURE

CAPITAL ACQUISITIONS		FULL YEAR BUDGET					BUDGET FUNDING SOURCES							
Account #	DESCRIPTION	Land & Buildings	Furniture Equipment	MV's and Plant & Equipment	Infrast. Assets	Total Acquisition	Grant Revenue	Trade In Revenue	Loan Funding	Restricted Funding	Reserve Funding	Funds Brought forward from Prior Year	Muni Funding	Total Budget Funding
CEO901	Vehicle Replacement - CEO - 3677			75,000		75,000		65,000			10,000		-	75,000
EXE900	Vehicle Replacement - Manager Communication - 3674			35,811		35,811		24,000			11,811		-	35,811
TOTAL FOR GOVERNANCE		-	-	110,811	-	110,811	-	89,000	-	-	21,811	-	-	110,811
ESD901	Vehicle Replacement - Coordinator Emergency Services - 3670			43,470		43,470		24,000			19,470		-	43,470
RAN900	Vehicle Replacement - Ranger 3635			33,470		33,470		22,000			11,470		-	33,470
DCO900	Vehicle Replacement - Coordinator Compliance - 3695			27,117		27,117		16,000			11,117		-	27,117
ANI900	Upgrade Animal Pound Facility	18,400				18,400							18,400	18,400
DCO900	New Vehicle - New Compliance Officer			24,000		24,000				24,000			-	24,000
HOP902	Water Storage Tank - Hopeland Community Hall				55,000	55,000							55,000	55,000
TOTAL FOR LAW, ORDER & PUBLIC SAFETY		18,400	-	128,057	55,000	201,457	-	62,000	-	-	66,057	-	73,400	201,457
TOTAL FOR HEALTH		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FOR EDUCATION		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FOR COMMUNITY AMENITIES		-	-	-	-	-	-	-	-	-	-	-	-	-
BYP900	Briggs Park Youth Precinct Facilities - Skate Park				200,000	200,000							200,000	200,000
BTC900	Byford Tennis Courts Resurfacing				15,000	15,000						15,000		15,000
RSS900	Serpentine Polocrosse - Inground reticulation				75,000	75,000							75,000	75,000
BDP900	Byford Dog Park				35,000	35,000							35,000	35,000
SRC900	Recreation Centre - New flooring for Kingia Function Centre & Extreme Sports Arena (Renewal)	33,523				33,523							33,523	33,523
TOTAL FOR RECREATION & CULTURE		33,523	-	-	325,000	358,523	-	-	-	-	-	15,000	343,523	343,523
COR900	Council Funded Infrastructure Construction and Renewal Expenditure													
RC121	Serpentine Primary School Road Safety Improvements				12,300	12,300							12,300	12,300
RC117	Richardson Street, Tonkin Street, Hardey Road Intersection - Improvement to works				18,500	18,500							18,500	18,500
RC132	Soldiers Road Bicycle Path				30,000	30,000	15,000						15,000	30,000
RC448	Benalla Crescent Road Works - Byford by the Scarp				195,998	195,998				195,998			-	195,998
	<u>Roads Asset Management Plan - Renewal Expenditure</u>					-							-	-
RAM802	Gravel Road Resheeting				345,208	345,208					345,208		-	345,208
RAM795	Road Shoulders				139,050	139,050					139,050		-	139,050
RAM805	Sealed Roads Resurfacing				112,386	112,386					112,386		-	112,386
	<u>Footpath Asset Management Plan - Renewal Expenditure</u>					-							-	-
FAM793	Footpaths				100,000	100,000					100,000		-	100,000
R2R900	Roads to Recovery Road Construction													
R2R072	Lowlands Rd, Kargotich Rd to end of Lowlands Rd (2,500m) - Resurfacing Project				109,000	109,000	109,000						-	109,000
R2R250	Medulla Rd, entire length (1800m) - Resurfacing Project				72,000	72,000	72,000						-	72,000
R2R130	Kiln Rd, slk 0.94 to 3.55 (2,610m) - Resurfacing Project				73,000	73,000	73,000						-	73,000
R2R153	Linton St, entire street (460m) - Resurfacing Project				85,000	85,000	85,000						-	85,000
R2R018	Summerfield Rd, Wright Rd to Parry Rd (550m) - Rehabilitation Project				150,000	150,000	150,000						-	150,000
R2R010	Gossage Rd, Kargotich Rd to Boomerang Rd (2,700m) - Rehabilitation, Shoulder Improvement and Resurfacing				251,000	251,000	251,000						-	251,000
R2R016	Elliot Rd, Waltons St to Wescott Rd (2,700m) - Rehabilitation, Shoulder Improvement and Resurfacing				366,000	366,000	366,000						-	366,000
DSC900	Developer Contribution Road Construction													
DES200	Thomas Road Design				134,011	134,011				134,011			-	134,011
DCP133	Abernethy Road upgrade to Warrington Road (100% DCP Funded)				2,978,003	2,978,003				2,978,003			-	2,978,003
COR133	Abernethy Road upgrade to Warrington Road (50% DCP Funded, 50% Council Funded)- full length utility relocation, plus full civil to Warrington only				3,772,115	3,772,115			1,886,057	1,886,057			-	3,772,115
RRG900	Regional Road Group Road Construction													
RRG302	Rowley Road - East of Blair Road SLK 1.83 to 2.44				386,435	386,435	122,125			81,416		182,894	-	386,435
RRG133	Abernethy Road - Soldiers Road to South West Hwy				366,742	366,742				366,742			-	366,742
RRG005	Wright Road SLK 1.24 to 1.97 - Length 730m				331,965	331,965	244,643				87,322		-	331,965
RRG278	Rowley Road - West of Blair SLK 1.0 to 1.8 - Length 800m				462,349	462,349	331,398				130,951		-	462,349
RRG154	Masters Road - South of Rowley Road SLK 0.0 to 0.39 - Length 390m				120,490	120,490	83,660				36,830		-	120,490
RRB009	Kargotich Road - North of Lowlands Road - SLK 15.76 to 16.56 - Length 800m				365,079	365,079	246,719				118,360		-	365,079

SUPPLEMENTARY INFORMATION
2016-17 BUDGET CAPITAL EXPENDITURE (CONTINUED)

CAPITAL ACQUISITIONS		FULL YEAR BUDGET					BUDGET FUNDING SOURCES							
Account #	DESCRIPTION	Land & Buildings	Furniture Equipment	MV's and Plant & Equipment	Infrast. Assets	Total Acquisition	Grant Revenue	Trade In Revenue	Loan Funding	Restricted Funding	Reserve Funding	Funds Brought forward from Prior Year	Muni Funding	Total Budget Funding
SBS900	State Black Spot Road Construction													
SBS133	Abernethy Road - Soldiers Road - install median island				15,739	15,739	7,200			4,800		3,739		15,739
	Plant													
RPP925	New - 4 ton Skid Steer			66,000		66,000					66,000			66,000
RPP925	New - 4500 GVM Truck plus water tank P & G			55,000		55,000					55,000			55,000
RPP925	New - AD320 variable message board			44,000		44,000					44,000			44,000
RPP925	New - RTV utility vehicle (Quad bike with ute body)			28,000		28,000					28,000			28,000
EST900	Vehicle Replacement - Manager Subdivisions - 3694			35,811		35,811		24,000			11,811			35,811
EDT900	Vehicle Replacement - Design Engineer - 3681			43,470		43,470		24,000			19,470			43,470
EDT900	Vehicle Replacement - Infrastructure Coordinator - 3689			27,117		27,117		16,000			11,117			27,117
	TOTAL FOR TRANSPORT	-	-	299,398	10,992,370	11,291,768	2,156,745	64,000	1,886,057	5,647,027	1,305,505	186,633	45,800	11,291,768
JRV900	Jarrahdale Recreational Vehicle Site				49,657	49,657				49,657				49,657
BUI900	New Pooled Vehicle - Swimming Pool inspections			15,000		15,000					15,000			15,000
	TOTAL FOR ECONOMIC SERVICES	-	-	15,000	49,657	64,657	-	-	-	49,657	15,000	-	-	64,657
DCS901	Vehicle Replacement - Director Corporate & Community Services - 3701			60,000		60,000		40,000			20,000			60,000
DAS901	Vehicle Replacement - Director Engineering - 3729			60,000		60,000		42,000			18,000			60,000
CCS900	Vehicle Replacement - Manager Corporate Services - 3679			41,245		41,245		28,000			13,245			41,245
OGC900	Vehicle Replacement - Manager Human Resources - 3683			35,811		35,811		24,000			11,811			35,811
WOH900	Vehicle Replacement - Supervisor Construction - 3672			43,470		43,470		24,000			19,470			43,470
WOH900	Vehicle Replacement - Supervisor Parks & Gardens - 3675			43,470		43,470		24,000			19,470			43,470
WOH900	Vehicle Replacement - Building Maintenance Officer - 3649			43,470		43,470		24,000			19,470			43,470
WOH900	Vehicle Replacement - Reticulation Officer - 3673			43,470		43,470		24,000			19,470			43,470
WOH900	Vehicle Replacement - Mechanic - 3671			43,470		43,470		24,000			19,470			43,470
WOH900	Vehicle Replacement - Manager Operations - 3697			35,811		35,811		24,000			11,811			35,811
	TOTAL FOR OTHER	-	-	450,217	-	450,217	-	278,000	-	-	172,217	-	-	450,217
	TOTAL CAPITAL EXPENDITURE	51,923	-	1,003,483	11,422,027	12,477,433	2,156,745	493,000	1,886,057	5,696,684	1,580,590	201,633	462,723	12,462,433