

SHIRE OF MURRAY

BUDGET

FOR THE YEAR ENDED 30 JUNE 2018

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SHIRE OF MURRAY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
Revenue				
Rates	8	16,435,327	15,602,725	15,419,896
Operating grants, subsidies and contributions	15	2,229,896	4,300,376	2,680,643
Fees and charges	14	5,419,496	5,261,494	5,159,669
Interest earnings	2(a)	491,900	535,638	493,052
Other revenue	2(a)	221,836	591,443	222,911
		<u>24,798,455</u>	<u>26,291,676</u>	<u>23,976,171</u>
Expenses				
Employee costs		(11,776,693)	(11,443,894)	(11,617,571)
Materials and contracts		(10,185,662)	(7,201,254)	(8,860,339)
Utility charges		(859,430)	(773,353)	(859,170)
Depreciation on non-current assets	2(a)	(5,305,978)	(5,308,482)	(4,832,431)
Interest expenses	2(a)	(223,883)	(188,101)	(215,436)
Insurance expenses		(419,989)	(414,749)	(415,464)
Other expenditure		(498,984)	(580,355)	(682,321)
		<u>(29,270,619)</u>	<u>(25,910,188)</u>	<u>(27,482,732)</u>
		(4,472,164)	381,488	(3,506,561)
Non-operating grants, subsidies and contributions	15	6,601,509	5,268,804	4,535,745
Profit on asset disposals	6	465	3,157	214,655
Loss on asset disposals	6	(29,693)	(26,065)	(12,175)
Net Result		<u>2,100,117</u>	<u>5,627,384</u>	<u>1,231,664</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets		0	(307,842)	0
Total Other Comprehensive Income		<u>0</u>	<u>(307,842)</u>	<u>0</u>
Total Comprehensive Income		<u><u>2,100,117</u></u>	<u><u>5,319,542</u></u>	<u><u>1,231,664</u></u>

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

SHIRE OF MURRAY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
Revenue (refer notes 1,2,8,10 to 15)				
Governance		25,065	401,659	17,235
General purpose funding		17,698,686	18,773,990	17,628,090
Law, order, public safety		399,015	589,945	378,679
Health		115,407	117,137	111,268
Education and welfare		82,947	51,579	1,689
Housing		31,016	21,523	15,933
Community amenities		3,264,081	3,256,787	3,184,693
Recreation and culture		1,104,667	1,023,950	1,095,442
Transport		576,387	410,456	568,118
Economic services		938,949	1,010,933	419,136
Other property and services		562,235	633,717	555,888
		<u>24,798,455</u>	<u>26,291,676</u>	<u>23,976,171</u>
Expenses Excluding Finance Costs (refer notes 1, 2 & 16)				
Governance		(1,870,881)	(1,528,176)	(1,802,571)
General purpose funding		(357,663)	(524,444)	(550,721)
Law, order, public safety		(1,618,139)	(1,468,464)	(1,524,089)
Health		(774,766)	(670,561)	(759,793)
Education and welfare		(307,247)	(163,435)	(170,431)
Housing		(32,367)	(18,547)	(18,177)
Community amenities		(5,823,686)	(4,583,342)	(5,590,228)
Recreation and culture		(6,695,131)	(5,951,537)	(6,491,094)
Transport		(8,055,086)	(7,244,396)	(7,609,580)
Economic services		(3,004,430)	(2,023,812)	(2,045,415)
Other property and services		(507,340)	(1,545,373)	(705,197)
		<u>(29,046,736)</u>	<u>(25,722,087)</u>	<u>(27,267,296)</u>
Finance Costs (refer notes 2 & 7)				
Governance		(42,103)	(39,054)	(50,212)
Law, order, public safety		(35,955)	(33,679)	(38,565)
Recreation and culture		(82,758)	(86,389)	(95,125)
Transport		(32,692)	(226)	0
Economic services		(30,375)	(28,753)	(31,534)
		<u>(223,883)</u>	<u>(188,101)</u>	<u>(215,436)</u>
		(4,472,164)	381,488	(3,506,561)
Non-operating grants, subsidies and contributions	15	6,601,509	5,268,804	4,535,745
Profit on disposal of assets	6	465	3,157	214,655
(Loss) on disposal of assets	6	(29,693)	(26,065)	(12,175)
		<u>6,572,281</u>	<u>5,245,896</u>	<u>4,738,225</u>
Net Result		2,100,117	5,627,384	1,231,664
Other Comprehensive Income				
Changes on revaluation of non-current assets		0	(307,842)	0
Total Other Comprehensive Income		0	(307,842)	0
Total Comprehensive Income		<u>2,100,117</u>	<u>5,319,542</u>	<u>1,231,664</u>

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

**SHIRE OF MURRAY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		16,435,327	15,347,415	15,319,896
Operating grants, subsidies and contributions		2,529,896	4,373,768	2,930,643
Fees and charges		5,419,496	5,261,494	5,159,669
Interest earnings		491,900	535,638	493,052
Goods and services tax		1,087,955	1,096,562	1,061,325
Other revenue		221,836	591,443	222,911
		<u>26,186,410</u>	<u>27,206,320</u>	<u>25,187,496</u>
Payments				
Employee costs		(11,777,629)	(11,411,266)	(11,265,237)
Materials and contracts		(11,189,662)	(6,227,910)	(9,163,339)
Utility charges		(859,430)	(773,353)	(859,170)
Interest expenses		(223,883)	(216,019)	(215,436)
Insurance expenses		(419,989)	(414,749)	(415,464)
Goods and services tax		(1,097,955)	(1,081,729)	(1,081,729)
Other expenditure		(498,984)	(580,355)	(682,321)
		<u>(26,067,532)</u>	<u>(20,705,381)</u>	<u>(23,682,696)</u>
Net cash provided by (used in) operating activities	3(b)	<u>118,878</u>	<u>6,500,939</u>	<u>1,504,800</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5	(3,087,021)	(2,171,908)	(1,585,452)
Payments for construction of infrastructure	5	(9,054,907)	(6,294,604)	(7,923,702)
Non-operating grants, subsidies and contributions used for the development of assets		6,601,509	5,268,804	4,535,745
Proceeds from sale of plant & equipment	6	943,860	233,270	703,175
		<u>(4,596,559)</u>	<u>(2,964,438)</u>	<u>(4,270,234)</u>
Net cash provided by (used in) investing activities		<u>(4,596,559)</u>	<u>(2,964,438)</u>	<u>(4,270,234)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7	(563,371)	(499,319)	(498,950)
Advances to community groups		0	(200,000)	(200,000)
Proceeds from self supporting loans		38,761	19,082	18,712
Proceeds from new borrowings	7	0	895,000	470,000
		<u>(524,610)</u>	<u>214,763</u>	<u>(210,238)</u>
Net cash provided by (used in) financing activities		<u>(524,610)</u>	<u>214,763</u>	<u>(210,238)</u>
Net increase (decrease) in cash held		(5,002,291)	3,751,264	(2,975,672)
Cash at beginning of year		14,784,106	11,032,842	11,032,842
Cash and cash equivalents at the end of the year	3(a)	<u>9,781,815</u>	<u>14,784,106</u>	<u>8,057,170</u>

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

**SHIRE OF MURRAY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
Net current assets at start of financial year - surplus/(deficit)	4	4,569,275	2,992,657	3,004,623
Revenue from operating activities (excluding rates)				
Governance		25,065	401,659	17,235
General purpose funding		1,448,964	3,350,079	2,376,358
Law, order, public safety		399,015	589,945	378,679
Health		115,407	117,137	111,268
Education and welfare		82,947	51,579	1,689
Housing		31,016	21,523	15,933
Community amenities		3,264,081	3,256,787	3,184,693
Recreation and culture		1,104,667	1,023,950	1,095,442
Transport		576,852	413,613	568,118
Economic services		938,949	1,010,933	419,136
Other property and services		562,235	633,717	770,543
		<u>8,549,198</u>	<u>10,870,922</u>	<u>8,939,094</u>
Expenditure from operating activities				
Governance		(1,915,659)	(1,567,230)	(1,852,783)
General purpose funding		(357,663)	(524,444)	(550,721)
Law, order, public safety		(1,654,094)	(1,508,649)	(1,562,654)
Health		(774,766)	(670,561)	(759,793)
Education and welfare		(307,247)	(163,435)	(170,431)
Housing		(32,367)	(18,547)	(18,177)
Community amenities		(5,825,621)	(4,583,342)	(5,590,228)
Recreation and culture		(6,777,889)	(6,037,926)	(6,588,285)
Transport		(8,107,861)	(7,262,027)	(7,619,689)
Economic services		(3,034,805)	(2,054,719)	(2,076,949)
Other property and services		(512,340)	(1,545,372)	(705,197)
		<u>(29,300,312)</u>	<u>(25,936,252)</u>	<u>(27,494,907)</u>
Operating activities excluded from budget				
(Profit) on asset disposals	6	(465)	(3,157)	(214,655)
Loss on disposal of assets	6	29,693	26,065	12,175
Depreciation on assets	2(a)	5,305,978	5,308,482	4,832,431
Movement between current & non-current assets & liabilities		77,000	(22,521)	135,098
Amount attributable to operating activities		<u>(10,769,633)</u>	<u>(6,763,803)</u>	<u>(10,786,141)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	15	6,601,509	5,268,804	4,535,745
Purchase land held for resale	5	0	0	0
Purchase property, plant and equipment	5	(3,087,021)	(2,171,908)	(1,585,452)
Purchase and construction of infrastructure	5	(9,054,907)	(6,294,604)	(7,923,702)
Proceeds from disposal of assets	6	943,860	233,270	703,175
Amount attributable to investing activities		<u>(4,596,559)</u>	<u>(2,964,438)</u>	<u>(4,270,234)</u>
FINANCING ACTIVITIES				
Repayment of borrowings	7	(563,371)	(499,319)	(498,950)
Proceeds from new borrowings	7	0	895,000	470,000
Proceeds from self supporting loans	7	38,761	19,082	18,712
Advance to sporting clubs	7	0	(200,000)	(200,000)
Transfers to cash backed reserves (restricted assets)	9	(4,631,906)	(4,843,660)	(3,962,493)
Transfers from cash backed reserves (restricted assets)	9	6,108,703	3,502,502	4,529,221
Amount attributable to financing activities		<u>952,187</u>	<u>(1,126,395)</u>	<u>356,490</u>
Budgeted deficiency before general rates		<u>(14,414,005)</u>	<u>(10,854,636)</u>	<u>(14,699,885)</u>
Estimated amount to be raised from general rates	8	<u>16,249,722</u>	<u>15,423,911</u>	<u>15,251,732</u>
Net current assets at end of financial year - surplus/(deficit)	4	<u>1,835,717</u>	<u>4,569,275</u>	<u>551,847</u>

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

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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.

Critical accounting estimates

The preparation of a budget in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The local government reporting entity

All funds through which the Shire of Murray 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 17 to the budget.

(b) 2016/17 actual balances

Balances shown in this budget as 2016/17 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) Comparative figures

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

(e) Budget comparative figures

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

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Forecast fair value adjustments

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.

(g) Rates, grants, donations and other contributions

Rates, grants, donations and other contributions are recognised as revenues when the Shire of Murray 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.

(h) 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.

(i) Superannuation

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

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

(j) 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.

(k) 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.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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.

(m) 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.

During the year ended 30 June 2013, the Shire of Murray commenced the process of adopting fair value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at fair value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire of Murray revalues its asset classes in accordance with this mandatory timetable.

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

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 of Murray 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 MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Fixed assets (continued)

Initial recognition and measurement between mandatory revaluation dates (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.

Revaluation

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

Land under roads

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

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

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

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

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

Depreciation

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

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Fixed assets (continued)

Depreciation (continued)

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

Buildings	
Long Life Buildings	84 to 120 years
Medium Life Buildings	56 to 80 years
Short Life Buildings	42 to 60 years
Roof	42 to 60 years
Mechanical	14 to 20 years
Fitout	17 to 25 years
Furniture and Equipment	4 to 40 years
Plant and Equipment	3 to 50 years
Sealed Roads	
Formation	not depreciated
Pavement (distributors)	42 to 60 years
Pavement (access)	64 to 80 years
Seal (Bituminous)	17 to 25 years
Seal (Asphalt)	21 to 30 years
Gravel roads	
Formation	not depreciated
Pavement	24 to 30 years
Gravel Sheet	12 years
Formed Roads (unsealed)	
Formation	not depreciated
Footpaths	
Concrete	48 to 60 years
Brick Paved	40 to 50 years
Limestone	15 to 20 years
Sealed	20 to 25 years
Gravel/Timber	15 to 25 years
Stormwater Drainage	
Pits	80 to 100 years
Pipes	50 to 100 years
Bridges	60 to 100 years
Other Infrastructure	10 to 100 years

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

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

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

Capitalisation Threshold

Council has set a minimum threshold of \$5,000 for the realisation of capital assets.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Fair value of assets and liabilities

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

Fair value is the price that the Shire of Murray 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.

Valuation techniques

The Shire of Murray 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:

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Fair value of assets and liabilities (continued)

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 Shire of Murray 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 are 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.

(o) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Shire of Murray 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 (i.e. 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 MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) 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 of Murray 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 MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) 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 of Murray 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.

(p) Impairment of assets

In accordance with Australian Accounting Standards the Shire of Murray 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 MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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 2018.

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

(q) 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 of Murray 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.

(r) Employee benefits

Short-term employee benefits

Provision is made for the Shire of Murray'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 of Murray'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 of Murray'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 of Murray'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 MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) 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 may be 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.

(t) Provisions

Provisions are recognised when the Shire of Murray 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.

(u) 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 of Murray, 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.

(v) Investment in associates

An associate is an entity over which the Shire of Murray has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire of Murray's share of net assets of the associate. In addition, the Shire of Murray's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire of Murray's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Investment in associates (continued)

Profits and losses resulting from transactions between the Shire of Murray and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire of Murray's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of these profits once its share of the profits equals the share of the losses not recognised.

(x) 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 of Murray'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 20.

(y) 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 of Murray'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.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
2. REVENUES AND EXPENSES			
Net result			
The net result includes:			
Charging as an expense:			
Auditors remuneration			
Audit services	17,000	18,700	19,970
Other services	5,750	1,760	2,975
Depreciation by program			
Law, order, public safety	157,283	146,810	99,093
Health	184	256	256
Education and welfare	4,291	4,131	4,131
Housing	13,330	5,570	5,570
Community amenities	61,862	69,642	68,825
Recreation and culture	765,986	679,636	665,472
Transport	3,644,869	3,830,660	3,419,000
Economic services	137,235	119,061	120,977
Other property and services	520,938	452,716	449,107
	<u>5,305,978</u>	<u>5,308,482</u>	<u>4,832,431</u>
Depreciation by asset class			
Land and buildings	752,128	692,136	679,675
Furniture and equipment	60,109	51,427	50,006
Plant and equipment	521,460	459,019	404,070
Roads	2,541,527	2,725,336	2,441,948
Footpaths	206,015	190,811	198,973
Drainage	328,878	318,087	301,455
Bridges	425,614	328,204	330,733
Other Infrastructure	470,247	543,462	425,571
	<u>5,305,978</u>	<u>5,308,482</u>	<u>4,832,431</u>
Interest expenses (finance costs)			
- Borrowings (refer note 7(a))	223,883	188,101	215,436
- Interest on overdraft	0	0	0
	<u>223,883</u>	<u>188,101</u>	<u>215,436</u>
Crediting as revenues:			
Interest earnings			
Investments			
- Reserve funds	155,160	153,501	152,117
- Other funds	140,000	156,480	163,668
Other interest revenue (refer note 12)	196,740	225,657	177,267
	<u>491,900</u>	<u>535,638</u>	<u>493,052</u>
Other revenue			
Other	221,836	591,443	222,911
	<u>221,836</u>	<u>591,443</u>	<u>222,911</u>

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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 Shire of Murray will be vibrant and progressive with a strong community identity. We will promote sustainable development and diverse lifestyle opportunities in partnership with the community, whilst valuing our heritage and cultural and natural environment.

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 available resources.

Activities:

Includes the activities of elected members of council and the administrative support available to the Council for the provision of governance of the Shire. 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 revenue, late payment penalties, general purpose grants, untied road grants and interest received on investments.

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, graffiti and litter control, off-road vehicles and other aspects of public safety, including emergency services.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Provision of health services, including inspection of food outlets, pest control, noise control and other preventative services.

EDUCATION AND WELFARE

Objective:

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

Activities:

Provision of pre-school and senior citizen facilities and welfare and youth programs.

HOUSING

Objective:

To maintain Shire owned residential properties.

Activities:

Housing owned by the Shire that cannot be allocated to other programs.

**SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Provision of rubbish collection services, operation of waste transfer stations, protection of the environment, administration of town planning schemes, provision and maintenance of public conveniences and bus shelters and operation of the Pinjarra cemetery.

RECREATION AND CULTURE

Objective:

To establish and manage infrastructure and resources which will help the social wellbeing of the community.

Activities:

Provision of facilities and support of organisations and the community with leisure, heritage and cultural activities. This support includes halls, sporting grounds, the Murray Leisure Centre, parks and gardens, art and community festivals and the Murray Public Library.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, bridges, pathways, the works operations centre, canals and waterways, parking facilities and plant purchases.

ECONOMIC SERVICES

Objective:

To help promote the Shire and its economic wellbeing.

Activities:

Activities associated with building services, economic development, tourism and area promotion, public utilities and the operation of the Dwellingup History and Visitor Information Centre.

OTHER PROPERTY & SERVICES

Objective:

To monitor and control the Shire's overhead operating accounts.

Activities:

Private works, administration and public works overheads and plant operations.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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:

	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
Cash - unrestricted	2,800,063	6,325,557	1,500,320
Cash - restricted	6,981,752	8,458,549	6,556,850
	<u>9,781,815</u>	<u>14,784,106</u>	<u>8,057,170</u>

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

Leave Entitlements Reserve	597,002	597,002	619,521
Workers Compensation Reserve	135,779	135,779	92,389
Waste Management Reserve	1,746,903	1,795,976	1,580,432
Peel Mosquito Management Reserve	13,439	10,939	11,098
Unspent Grants, Contributions & Loans Reserve	189,944	1,424,544	89,944
Yunderup Canal General Maintenance Reserve	174,491	159,546	148,200
Willow Gardens General Canal Maintenance Reserve	60,432	58,296	56,805
Murray Lakes General Canal Maintenance Reserve	200,974	284,064	281,001
Entrance Channel Reserve	547,820	639,354	538,658
Austin Lakes Phase 2 Maintenance Reserve	155,239	117,045	100,585
Asset Enhancement Reserve	646,213	899,474	758,687
Building Renewal Reserve	121,092	252,091	212,879
Murray Leisure Centre Capital Reserve	210,133	0	0
Plant & Vehicle Reserve	673,141	574,318	612,671
Road, Drainage & Pathway Reserve	235,551	305,311	175,071
Parks & Recreation Reserve	209,018	255,263	240,637
Herron Point Reserve	15,884	0	0
Heritage Rail Precinct Reserve	213,565	175,915	173,747
General Developers Reserve	97,383	147,383	147,383
Austin Lakes Asset Replacement Reserve	737,749	626,249	717,142
	<u>6,981,752</u>	<u>8,458,549</u>	<u>6,556,850</u>

(b) Reconciliation of net cash provided by operating activities to net result

Net result	2,100,117	5,627,384	1,231,664
Depreciation	5,305,978	5,308,482	4,832,431
(Profit)/loss on sale of asset	29,228	22,908	(202,480)
(Increase)/decrease in receivables	290,000	(179,312)	129,596
(Increase)/decrease in inventories	(4,000)	7,125	(3,000)
Increase/(decrease) in payables	(1,000,936)	947,767	(264,764)
Increase/(decrease) in employee provisions	0	35,389	317,098
Grants/contributions for the development of assets	(6,601,509)	(5,268,804)	(4,535,745)
Net cash from operating activities	<u>118,878</u>	<u>6,500,939</u>	<u>1,504,800</u>

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

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

	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
(c) Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	35,000	35,000	35,000
Credit card balance at balance date	<u>(10,000)</u>	<u>(16,608)</u>	<u>(10,000)</u>
Total amount of credit unused	<u><u>25,000</u></u>	<u><u>18,392</u></u>	<u><u>25,000</u></u>
 Loan facilities			
Loan facilities in use at balance date	<u><u>4,170,078</u></u>	<u><u>4,733,449</u></u>	<u><u>4,308,819</u></u>
 Unused loan facilities at balance date	<u><u>0</u></u>	<u><u>165,854</u></u>	<u><u>0</u></u>
	Note	2017/18 Budget \$	2016/17 Actual \$
4. NET CURRENT ASSETS			
Composition of estimated net current assets			
Current assets			
Cash - unrestricted	3(a)	2,800,063	6,325,557
Cash - restricted reserves	3(a)	6,981,752	8,458,549
Receivables		1,861,216	2,073,406
Inventories		<u>20,536</u>	<u>16,536</u>
		<u>11,663,567</u>	<u>16,874,048</u>
 Less: current liabilities			
Trade and other payables		(1,409,390)	(2,410,326)
Long term borrowings		(589,324)	(563,371)
Provisions		<u>(1,994,139)</u>	<u>(1,994,139)</u>
		<u>(3,992,853)</u>	<u>(4,967,836)</u>
 Unadjusted net current assets		<u><u>7,670,714</u></u>	<u><u>11,906,212</u></u>
 Adjustments			
Less: Cash - restricted reserves	3(a)	(6,981,752)	(8,458,549)
Less: Current loans - clubs / institutions		(39,571)	(38,761)
Add: Current portion of borrowings		589,324	563,371
Add: Current liabilities not expected to be cleared at end of year		<u>597,002</u>	<u>597,002</u>
Adjusted net current assets - surplus/(deficit)		<u><u>1,835,717</u></u>	<u><u>4,569,275</u></u>

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 Local Government (Financial Management) Regulation 32 as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

5. ACQUISITION OF ASSETS

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

Asset class	Reporting program											2017/18 Budget total \$	2016/17 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	28,809	0	0	0	0	0	168,250	368,023	58,175	1,205,000	50,000	1,878,257	1,275,759
Furniture and equipment	135,430	0	0	0	0	0	0	58,410	0	0	0	193,840	17,916
Plant and equipment	54,474	0	0	0	0	0	0	24,863	935,587	0	0	1,014,924	878,233
	218,713	0	0	0	0	0	168,250	451,296	993,762	1,205,000	50,000	3,087,021	2,171,908
<i>Infrastructure</i>													
Roads	0	0	0	0	0	0	0	0	5,896,940	0	0	5,896,940	4,110,449
Footpaths	0	0	0	0	0	0	0	0	588,677	0	0	588,677	638,223
Drainage	0	0	0	0	0	0	0	0	167,206	0	0	167,206	11,032
Bridges	0	0	0	0	0	0	0	0	558,500	0	0	558,500	10,500
Other Infrastructure	0	0	0	0	0	0	25,000	514,372	574,212	730,000	0	1,843,584	1,524,400
	0	0	0	0	0	0	25,000	514,372	7,785,535	730,000	0	9,054,907	6,294,604
<i>Land Held for Resale</i>													
Land held for resale	0	0	0	0	0	0	0	0	0	0	0		0
Total acquisitions	218,713	0	0	0	0	0	193,250	965,668	8,779,297	1,935,000	50,000	12,141,928	8,466,512

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

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

6. DISPOSALS OF ASSETS

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

<u>By Program</u>	Net book value \$	Sale proceeds \$	2017/18 Budget		2016/17 Actual		2016/17 Budget	
			Profit \$	Loss \$	Profit \$	Loss \$	Profit \$	Loss \$
<u>Plant & Equipment</u>								
Governance	34,775	32,100	0	(2,675)	0	0	0	0
General Purpose Funding	0	0	0	0	0	0	0	0
Law, order, public safety	0	0	0	0	0	(6,507)	0	0
Health	0	0	0	0	0	0	0	0
Education and welfare	0	0	0	0	0	0	0	0
Housing	0	0	0	0	0	0	0	0
Community amenities	11,565	9,630	0	(1,935)	0	0	0	0
Recreation and culture	6,630	6,630	0	0	0	0	0	(2,066)
Transport	295,118	275,500	465	(20,083)	3,157	(17,404)	0	(10,109)
Economic services	0	0	0	0	0	(2,154)	0	0
<u>Land & Buildings</u>								
Other property and services	625,000	620,000	0	(5,000)	0	0	214,655	0
	973,088	943,860	465	(29,693)	3,157	(26,065)	214,655	(12,175)

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

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Principal 1-Jul-17	New loans	Principal repayments 2017/18 Budget \$	2016/17 Actual \$	Principal outstanding 30-Jun-18 Budget \$	2016/17 Actual \$	Interest repayments 2017/18 Budget \$	2016/17 Actual \$
Governance								
161 - Administration Centre Extension	370,747	0	64,259	59,963	306,488	370,747	27,017	24,908
173 - Administration Centre Extension	236,331	0	53,894	50,765	182,437	236,331	15,086	14,145
Law, order, public safety								
167a - SES Building	272,810	0	20,580	19,393	252,230	272,810	17,975	16,839
167b - SES Building	271,689	0	20,466	19,280	251,223	271,689	17,980	16,840
Recreation and culture								
170 - Aquatic Centre Construction	278,387	0	87,385	82,384	191,002	278,387	17,337	22,722
174d - Lots 85-88 George Street	126,492	0	62,112	59,923	64,380	126,492	4,810	6,483
174e - Lots 85-88 George Street	617,536	0	69,290	67,231	548,246	617,536	22,211	21,964
175a - Lot 1213 South Western Hwy	912,394	0	95,340	92,443	817,054	912,394	33,748	31,924
Transport								
181 - Camp Road Properties	695,000	0	21,475	0	673,525	695,000	32,692	227
Economic services								
178 - Underground Power	771,145	0	29,809	28,855	741,336	771,145	30,375	28,753
	4,552,531	0	524,610	480,237	4,027,921	4,552,531	219,231	184,805
Self Supporting Loans								
Recreation and culture								
181 - Yunderup Sport & Recreation Club Inc	180,918	0	38,761	19,082	142,157	180,918	4,652	3,296
	180,918	0	38,761	19,082	142,157	180,918	4,652	3,296
	4,733,449	0	563,371	499,319	4,170,078	4,733,449	223,883	188,101

All borrowing repayments will be financed by general purpose revenue.

**SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

7. INFORMATION ON BORROWINGS (Continued)

(b) New borrowings

No additional loan borrowings are proposed for the 2017/2018 financial year.

(c) Unspent borrowings

Loan Details	Date Funded	Balance as at 1/7/2017	2017/18 Budget \$	Balance as at 30/6/2018
Loan 178 - Underground Power	23-May-16	165,854	165,854	0
		<u>165,854</u>	<u>165,854</u>	<u>0</u>

(d) Overdraft

The Shire of Murray did not utilise an overdraft facility during the 2016/2017 financial year and no current overdraft facility exists.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

8. RATING INFORMATION

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	2017/18 Budgeted rate revenue \$	2017/18 Budgeted interim rates \$	2017/18 Budgeted back rates \$	2017/18 Budgeted total revenue \$	2016/17 Actual \$
General Rate								
Gross Rental Value	0.090701	5,970	112,189,480	10,175,698	130,150	5,012	10,310,860	9,461,163
Unimproved Value	0.006499	798	540,180,028	3,510,630	37,785	1,455	3,549,870	3,681,619
Sub-Totals		6,768	652,369,507	13,686,328	167,935	6,467	13,860,730	13,142,782
Minimum Payment								
	Minimum \$							
Gross Rental Value	1,099	2,040	17,569,940	2,241,960	0	0	2,241,960	2,135,824
Gross Rental Value	799	185	334,165	147,815	0	0	147,815	138,380
Unimproved Value	1,099	126	12,444,840	138,474	0	0	138,474	139,384
Sub-Totals		2,351	30,348,946	2,528,249	0	0	2,528,249	2,413,588
		9,119	682,718,453	16,214,577	167,935	6,467	16,388,979	15,556,370
Ex-Gratia Rates							4,500	4,488
Concessions (<i>Refer note 13</i>)							(143,757)	(136,947)
Total Amount Raised From General Rates							16,249,722	15,423,911
Specified Area Rates (<i>Refer note 10</i>)							185,605	178,814
Total Rates							16,435,327	15,602,725

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

The general rates detailed above for the 2017/18 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 Shire's services/facilities. Due to the significant variation in valuations in comparison to other properties within the Shire a lesser minimum payment has been determined for single storage units where the calculated rate is less than the general minimum rate.

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

9. CASH BACKED RESERVES

	2017/18 Budget				2016/17 Actual				2016/17 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 Entitlements Reserve	597,002	0	0	597,002	619,521	0	(22,519)	597,002	619,521	0	0	619,521
Workers Compensation Reserve	135,779	0	0	135,779	92,389	43,390	0	135,779	92,389	0	0	92,389
Waste Management Reserve	1,795,976	3,049,640	(3,098,713)	1,746,903	1,404,204	2,966,707	(2,574,935)	1,795,976	1,424,932	2,953,427	(2,797,927)	1,580,432
Peel Mosquito Management Reserve	10,939	2,500	0	13,439	0	10,939	0	10,939	0	11,098	0	11,098
Unspent Grants, Contributions & Loans Reserve	1,424,544	0	(1,234,600)	189,944	1,086,510	867,519	(529,485)	1,424,544	1,087,806	0	(997,862)	89,944
Yunderup Canal General Maintenance Reserve	159,546	49,107	(34,162)	174,491	138,483	46,656	(25,593)	159,546	138,542	46,814	(37,156)	148,200
Willow Gardens General Canal Maintenance Reserve	58,296	6,122	(3,986)	60,432	55,457	5,825	(2,986)	58,296	55,464	5,825	(4,484)	56,805
Murray Lakes General Canal Maintenance Reserve	284,064	30,699	(113,789)	200,974	274,572	28,818	(19,326)	284,064	274,605	28,818	(22,422)	281,001
Entrance Channel Reserve	639,354	110,966	(202,500)	547,820	489,213	150,141	0	639,354	489,213	149,445	(100,000)	538,658
Austin Lakes Phase 2 Maintenance Reserve	117,045	44,194	(6,000)	155,239	72,703	44,342	0	117,045	72,703	33,882	(6,000)	100,585
Asset Enhancement Reserve	899,474	760,000	(1,013,261)	646,213	1,160,965	40,000	(301,491)	899,474	1,146,378	40,000	(427,691)	758,687
Building Renewal Reserve	252,091	9,406	(140,405)	121,092	134,307	117,784	0	252,091	134,307	79,209	(637)	212,879
Murray Leisure Centre Capital Reserve	0	210,133	0	210,133	0	0	0	0	0	0	0	0
Plant & Vehicle Reserve	574,318	98,823	0	673,141	240,581	333,737	0	574,318	240,581	372,090	0	612,671
Road, Drainage & Pathway Reserve	305,311	30,240	(100,000)	235,551	275,071	30,240	0	305,311	275,071	0	(100,000)	175,071
Parks & Recreation Reserve	255,263	0	(46,245)	209,018	223,840	52,657	(21,234)	255,263	223,952	44,148	(27,463)	240,637
Herron Point Reserve	0	73,347	(57,463)	15,884	0	0	0	0	0	0	0	0
Heritage Rail Precinct Reserve	175,915	45,229	(7,579)	213,565	137,558	43,290	(4,933)	175,915	136,097	45,229	(7,579)	173,747
General Developers Reserve	147,383	0	(50,000)	97,383	147,383	0	0	147,383	147,383	0	0	147,383
Austin Lakes Asset Replacement Reserve	626,249	111,500	0	737,749	564,634	61,615	0	626,249	564,634	152,508	0	717,142
	8,458,549	4,631,906	(6,108,703)	6,981,752	7,117,391	4,843,660	(3,502,502)	8,458,549	7,123,578	3,962,493	(4,529,221)	6,556,850

**SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

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:

Reserve name	Purpose of the reserve
Leave Entitlements Reserve	Provision for employees and ex-employees leave/termination entitlements.
Workers Compensation Reserve	To provide contingency funds for the annual workers compensation insurance premium under the performance based contributions scheme.
Waste Management Reserve	To provide for current and future waste management services for the Shire of Murray.
Peel Mosquito Management Reserve	To provide contingency funds for the Peel Mosquito Management Group as per the CLAG memorandum of understanding.
Unspent Grants, Contributions & Loans Reserve	For the placement of grants, contributions and loan funding that is unlikely to be expended in the current financial year.
Yunderup Canal General Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
Willow Gardens General Canal Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
Murray Lakes General Canal Maintenance Reserve	To receive specified area rates to be used in maintaining the canal waterway and associated infrastructure.
Entrance Channel Reserve	To receive specified area rates for the purpose of dredging the entrance channel to Yunderup Estate and Murray Waters.
Austin Lakes Phase 2 Maintenance Reserve	To receive specified area rates for the purpose of maintaining the lake and public open space in Austin Lakes Phase 2.
Asset Enhancement Reserve	Provision for the construction, acquisition, upgrade or maintenance of property, plant & equipment, excluding heavy plant and light vehicles.
Building Renewal Reserve	Provision for the renewal of building assets.
Murray Leisure Centre Capital Reserve	Provision for the renewal of capital items at the Murray Leisure Centre.
Plant & Vehicle Reserve	Provision for the replacement or purchase of heavy plant and light vehicles.
Road, Drainage & Pathway Reserve	Provision for the construction, upgrade or renewal of infrastructure assets.
Parks & Recreation Reserve	Provision for the construction, upgrade or renewal of infrastructure assets associated with parks, recreation, waterways and streetscapes.
Herron Point Reserve	To receive excess revenue proceeds from the Herron Point Camping Grounds to assist in the future upgrade and development of the area.
Heritage Rail Precinct Reserve	Provision for the upgrade and maintenance of the rail heritage building and surrounding precinct.
General Developers Reserve	To receive developer's contributions to assist in the construction or upgrade of infrastructure associated with new land developments.
Austin Lakes Asset Replacement Reserve	To receive developer's contributions to assist in the repair, maintenance and replacement of major infrastructure associated with the lake development at Austin Lakes Estate and to assist in maintaining lake water quality.

All 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 MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

9. CASH BACKED RESERVES (Continued)

Purpose of Transfers To/(From) Reserves

Transfers to Reserves

Waste Management Reserve		
Transfer of waste revenue raised		3,049,640
Peel Mosquito Management Reserve		
Transfer of contingency funds as per MOU		2,500
Yunderup Canal General Maintenance Reserve		
Specified Area Rate revenue raised		49,107
Willow Gardens General Canal Maintenance Reserve		
Specified Area Rate revenue raised		6,122
Murray Lakes General Canal Maintenance Reserve		
Specified Area Rate revenue raised		30,699
Entrance Channel Reserve		
Specified Area Rate revenue raised plus 100% matching municipal funds		110,966
Austin Lakes Phase 2 Maintenance Reserve		
Specified Area Rate revenue raised		44,194
Asset Enhancement Reserve		
Repayment of advance - Pinjarra Bowling Club Inc	40,000	
Provision for development works Camp Road properties	100,000	
Proceeds from sale of Lot 1213 South Western Highway	<u>620,000</u>	760,000
Building Renewal Reserve		
Transfer of general revenue for future asset renew		9,406
Murray Leisure Centre Capital Renewal Reserve		
Transfer of funds held in Building Renewal Reserve to establish Murray Leisure Centre Capital Renewal Reserve	140,405	
Transfer to fund future renewal	<u>69,728</u>	210,133
Plant and Vehicle Reserve		
Transfer of general revenue for future asset renewal		98,823
Herron Point Reserve		
Transfer of funds held in Parks & Recreation Reserve to establish Herron Point Reserve	42,117	
Transfer of revenue received from Herron Point campground operations to fund future maintenance	<u>31,230</u>	73,347
Road, Drainage & Pathway Reserve		
Transfer of Keysbrook Leucoxene Pty Ltd annual road maintenance fee Hopeland Road		30,240
Heritage Rail Precinct Reserve		
Rental revenue received from Rail Heritage Building		45,229
Austin Lakes Asset Replacement Reserve		
Transfer of developer contributions received	100,000	
Interest on funds held in reserve	<u>11,500</u>	111,500
Total Transfers to Reserves		<u><u>4,631,906</u></u>

**SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

9. CASH BACKED RESERVES (Continued)

Purpose of Transfers To/(From) Reserves (Continued)

Transfers From Reserves

Waste Management Reserve		
Transfer to fund waste management operations	(3,086,060)	
Transfer to fund the decontamination works Moores Road	<u>(12,653)</u>	(3,098,713)
Yunderup Canal General Maintenance Reserve		
Transfer to assist with the cost of Canal Management, Weed Management and Surveys		(34,162)
Willow Gardens General Canal Maintenance Reserve		
Transfer to assist with the cost of Canal Management, Weed Management and Surveys		(3,986)
Murray Lakes General Canal Maintenance Reserve		
Transfer to assist with the cost of Canal Management, Weed Management and Surveys	(18,789)	
Transfer to fund Wharf Cove jetty lower landing	(35,000)	
Transfer to fund Wharf Cove boating facilities study	(10,000)	
Transfer to fund the design & construction of failing wall	<u>(50,000)</u>	(113,789)
Entrance Channel Reserve		
Transfer to fund environmental approvals for Entrance Channel Dredging works 2018/19		(202,500)
Austin Lakes Phase 2 Maintenance Reserve		
Transfer to fund maintenance works		(6,000)
Asset Enhancement Reserve		
Transfer to part fund the Pinjarra Road Streetscape works	(312,914)	
Transfer to fund construction of Murray Equestrian Centre pending sale of Lot 1213 South West Hwy	(71,600)	
Transfer to part fund the Dwellingup National Adventure & Trails Centre	(550,000)	
Transfer to fund subdivision costs Lot 1213 Sth West Highway	(54,947)	
Transfer to fund Land Rationalisation project	<u>(23,800)</u>	(1,013,261)
Building Renewal Reserve		
Transfer funds held in Building Renewal Reserve to establish Murray Leisure Centre Capital Renewal Reserve		(140,405)
Road, Drainage & Pathway Reserve		
Transfer of funds to part fund the Murray St Streetscape works		(100,000)
Parks and Recreation Reserve		
Transfer to part fund Marine Facilities Renewal	(4,128)	
Transfer of funds held for Herron Point Camping Ground to establish new Herron Point Reserve	<u>(42,117)</u>	(46,245)
Herron Point Reserve		
Transfer for maintenance & operations of Herron Point Camping Grounds	(27,463)	
Transfer to fund waste water dump point	<u>(30,000)</u>	(57,463)
Heritage Rail Precinct Reserve		
Transfer to fund building operations		(7,579)
General Developers Reserve		
Transfer to fund Old Mandurah Road design works		(50,000)
	Sub-total Carried Forward	<u>(4,874,103)</u>

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

9. CASH BACKED RESERVES (Continued)

Purpose of Transfers To/(From) Reserves (Continued)

Transfers From Reserves

	Sub-total Brought Forward	(4,874,103)
Unspent Grants, Contributions and Loans Reserve		
USG - DLG Scholarships	(15,229)	
USG - DFES BFB Operating	(52,598)	
USG - LEMA Review	(6,412)	
USG - Community Evacuation Field Exercise	(5,042)	
USG - DFES SES Operating	(9,476)	
USG - Youth Activities	(8,064)	
USG - ATSI Mental Health	(18,750)	
USC - Sustainable Agriculture Tool	(6,306)	
USG - Pinjarra Wetlands	(2,925)	
USG - SWBP Ecological Assessment of Reserves	(4,609)	
USG - Community Infrastructure Plan	(3,388)	
USG - Pinjarra Revitalisation Project	(40,000)	
USC - North Dandalup Hall Works	(19,976)	
USG - Kidsport	(235)	
USG - DSR Club Development Workshops	(1,223)	
USG - Ravenswood Sporting Precinct	(90,000)	
USG - Riverland Ramble Playground	(50,000)	
USG - Childrens Book Week	(2,000)	
USC - Alcoa Christmas Festival	(2,000)	
USG - Grants Commission Bridgeworks	(194,000)	
USL - Loan 178 Underground Power/Pinjarra Rd	(165,854)	
USC - Regional Trails Coordinator	(35,000)	
USG - Dwellingup National Trails	(200,000)	
USG - CY O'Connor Research Facility	(88,500)	
USG - Managed Aquifer Recharge	(213,013)	
	(1,234,600)	
Total Transfers From Reserves		(6,108,703)
Total Net Transfer To/(From) Reserves		(1,476,797)

**SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

10. SPECIFIED AREA RATES

Specified Area Rate	Basis of Valuation	Rate in \$	Rateable Value \$	2017/18 Budgeted Specified Area Rate Revenue \$	2017/18 Interim Specified Area Rate Revenue \$	2017/18 Back Specified Area Rate Revenue \$	2017/18 Total Specified Area Rate Revenue \$	2016/17 Actual Revenue \$
Yunderup Canal Entrance Dredging	GRV	0.006862	8,085,492	55,483	0	0	55,483	53,173
Yunderup Canal Maintenance	GRV	0.006395	7,678,952	49,107	0	0	49,107	46,656
Murray Lakes Canal Maintenance	GRV	0.006395	4,800,390	30,699	0	0	30,699	28,818
Willow Gardens Canal Maintenance	GRV	0.006395	957,310	6,122	0	0	6,122	5,825
Austin Lakes Phase 2 Maintenance	GRV	0.007249	6,096,590	44,194	0	0	44,194	44,342
			27,618,734	185,605	0	0	185,605	178,814

Specified Area Rate	Purpose of the Rate	Budgeted Rate Applied To Costs \$	Budgeted Rate Set Aside To Reserve \$	Reserve Amount To Be Applied To Costs \$
Yunderup Canal Entrance Dredging	For the purpose of dredging the entrance channel to Yunderup Stage 1 Estate, The Moorings and Sapphire Waters.	0	55,483	202,500
Yunderup Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure.	0	49,107	34,162
Murray Lakes Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure.	0	30,699	113,789
Willow Gardens Canal Maintenance	For the purpose of maintaining the canal waterway and associated infrastructure.	0	6,122	3,986
Austin Lakes Phase 2 Maintenance	For the purpose of maintaining the lake and public open space in Austin Lakes Estate Phase 2.	0	44,194	6,000
		0	185,605	360,437

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

11. SERVICE CHARGES

No Service Charges will be levied in 2017/2018.

12. INTEREST CHARGES AND INSTALMENTS - RATES

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One Single full payment	22/09/2017	0.00	0.00%	11%
Option Two First Instalment	22/09/2017	0.00	0.00%	11%
Second Instalment	24/11/2017	10.00	5.50%	11%
Third Instalment	29/01/2018	10.00	5.50%	11%
Fourth Instalment	30/03/2018	10.00	5.50%	11%
Option Three Rate Smoothing Option	As scheduled	25.00	0.00%	11%

	2017/18 Budget Revenue \$	2016/17 Actual Revenue \$
Instalment Plan Interest Earned	80,000	79,858
Unpaid Rates Interest Earned	110,000	139,190
Interest on Deferred Pensioner Rates	6,740	6,609
Interest Sub-Total	196,740	225,657
Instalment Administration Charges	82,786	81,875
	279,526	307,532

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS

Rate to which Concession is Granted	Type	Disc % or Amount (\$)	2017/18 Budget \$	2016/17 Actual \$	Circumstances in which the Concession is Granted	Reasons for the Concession
Primary Producer	Concession	19.34%	134,462	127,391	Bona-fide primary producers residing within the Shire as per policy CF20	In recognition of the critical economic importance of the agricultural industry Council has adopted policy CF20 to assist bona-fide primary producers Concession applied in recognition of property owners required to pay the mandated fee under the Caravan Parks & Camping Grounds Regulations
Primary Producer	Concession	9.66%	8,101	8,362	Bona-fide primary producers residing within neighbouring Shires as per policy CF20	
Riverglades Complex	Concession	\$6.00	1,194	1,194	Applied to strata-titled lots within the Riverglades Complex	
			143,757	136,947		

SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

14. FEES & CHARGES REVENUE	2017/18 Budget \$	2016/17 Actual \$
Governance	305	202
General purpose funding	157,216	151,634
Law, order, public safety	118,961	211,931
Health	115,407	117,137
Education and welfare	105	104
Housing	30,760	21,340
Community amenities	3,249,435	3,200,736
Recreation and culture	888,730	756,755
Transport	35,000	41,615
Economic services	475,458	421,274
Other property and services	348,119	338,766
	<u>5,419,496</u>	<u>5,261,494</u>

15. GRANT REVENUE

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

By Program:

Operating grants, subsidies and contributions

Governance	5,240	6,234
General purpose funding	799,848	2,662,883
Law, order, public safety	276,994	375,636
Health	0	0
Education and welfare	82,842	51,476
Housing	256	183
Community amenities	14,646	56,051
Recreation and culture	171,743	222,852
Transport	399,976	234,367
Economic services	459,451	584,890
Other property and services	18,900	105,804
	<u>2,229,896</u>	<u>4,300,376</u>

Non-operating grants, subsidies and contributions

Governance	0	0
General purpose funding	254,174	251,657
Law, order, public safety	77,001	137,288
Health	0	1,670
Education and welfare	0	0
Housing	0	0
Community amenities	142,854	9,107
Recreation and culture	367,149	1,012,832
Transport	4,635,331	3,566,250
Economic services	1,125,000	290,000
Other property and services	0	0
	<u>6,601,509</u>	<u>5,268,804</u>

**SHIRE OF MURRAY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

16. ELECTED MEMBERS REMUNERATION	2017/18 Budget \$	2016/17 Actual \$
The following fees, expenses and allowances were paid to the President, Deputy President and Council Members.		
Meeting fees	141,597	141,597
President's allowance	35,525	35,525
Deputy President's allowance	8,881	8,881
Travelling expenses	450	450
Telecommunications allowance	31,500	31,500
	217,953	217,953

17. 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-17 \$	Estimated amounts received \$	Estimated amounts paid (\$)	Estimated balance 30-Jun-18 \$
CTF Levy	6,095	105,000	(106,095)	5,000
Building Services Levy	8,697	100,000	(98,697)	10,000
Dept of Environment and Conservation	2,002	10,000	(10,000)	2,002
Unclaimed Monies	20,801	0	(9,170)	11,631
Development Bonds	1,563,279	1,000,000	(1,500,000)	1,063,279
Extractive Industry Bonds	1,500	0	0	1,500
Building License Bonds	42,500	0	(22,500)	20,000
Facility Hire Bonds	6,140	1,500	(1,500)	6,140
Key Bonds	3,094	300	(300)	3,094
Property Bonds	6,925	0	0	6,925
Emergency Services	3,173	0	0	3,173
DAP Secretariat	0	4,000	(4,000)	0
Dwellingup Community Village Inc	13,463	0	(13,463)	0
	1,677,669	1,220,800	(1,765,725)	1,132,744

18. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2017/18.

19. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2017/18.

20. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire of Murray will be party to any joint venture arrangements during 2017/18.

**SHIRE OF MURRAY
SUPPLEMENTARY INFORMATION TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

Details of Asset Acquisitions	2017/2018 Budget \$	Funding Sources					Comments
		Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	
<u>Furniture & Equipment</u>							
Waroona Network Point to Point Link	15,046	6,438	8,608				Shire of Waroona
IT Sensor Replacement	4,500	4,500					
Upgrade of Council Chambers Audio Visual	115,884	115,884					
Pool Equipment Murray Leisure Centre	9,090	9,090					
Gym Equipment Murray Leisure Centre	11,300	11,300					
Capital Equipment Murray Leisure Centre	38,020	38,020					
	193,840	185,232	8,608	-	-	-	
<u>Land & Buildings</u>							
Administration Building Renewal	28,809	28,809					Replacement of carpet & alarm system
Corio Road Transfer Station Shed Upgrade	35,000	-			35,000		Waste Reserve
Cantwell Park Toilet Facilities	133,250	-	133,250				Funded by Alcoa contribution
Pinjarra Civic Centre	84,475	4,502	79,973				Treatment of timber floor & completion of upgrade works on the Lesser Hall (funded by Lotterywest)
North Dandalup Hall	82,054	33,054	49,000				Treatment of timber floor & installation of air conditioning
Dwellingup Town Hall	14,000	14,000					Works to provide public access to toilet facilities
North Pinjarra Hall	38,840	30,213	8,627				Security shutters, flooring upgrade, internet connection & asbestos removal
Murray Leisure Centre Clubrooms	31,708	31,708					Final stage of clubroom development; air conditioning & doors
Refurbishment MLC Court Floors	7,071	7,071					
Murray Leisure Centre High Bay Light Replacement	15,000	15,000					
Murray Leisure Centre	94,875	94,875					Facility upgrades & pool deck flooring repairs
Operations Centre Upgrade	48,175	48,175					Parks & Building shed extensions
Operations Centre Renewal	10,000	10,000					Replacement of alarm system
Edenvale Complex Renewal Works	30,000	30,000					Replacement of alarm system & implementation of conservation plan
Dwellingup History & Visitor Centre Upgrade	1,175,000	-	725,000		450,000		Upgrade works forming part of the Dwellingup National Adventure & Trails Centre; funded by Building Better Regions & Asset Enhancement Reserve
Purchase of Land	50,000	50,000					Purchase of Reserves 50044, 44437, 35250 & 35786
	1,878,257	397,407	995,850	-	485,000	-	

**SHIRE OF MURRAY
SUPPLEMENTARY INFORMATION TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

Details of Asset Acquisitions	2017/2018 Budget \$	Funding Sources					Comments
		Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	
Plant & Equipment							
Vehicle 4001MY (Chief Executive Officer)	54,474	22,374				32,100	
4065MY Zero Turn Mower	24,863	18,233				6,630	
4007MY (Manager Engineering)	40,730	31,100				9,630	
4004MY (Director Technical Services)	42,986	29,076				13,910	
4030MY (Workshop Supervisor)	40,730	31,100				9,630	
4006MY (Civil Design)	26,353	18,863				7,490	
4010MY (Coordinator Parks Development & Waterways)	26,353	18,863				7,490	
4053MY Loader	287,300	167,300				120,000	
4054MY Backhoe	187,850	157,850				30,000	
4043MY 6 Wheel Rigid Tipper	250,835	173,485				77,350	
Trailer Refurbishments	12,450	12,450					
Equipment Purchase	20,000	20,000					Replacement of Grizzly Gravel Screener
	1,014,924	700,694	-	-	-	314,230	
Infrastructure - Other							
Cemetery Rotunda	25,000	11,000	14,000				Materials only; funded by Alcoa contribution
Cantwell Park Bore	142,014	142,014					
South Yunderup Oval	48,350	32,233	16,117				Dept Sport & Recreation
Riverland Ramble Playground	80,000	9,000	21,000		50,000		Ravenswood Community Assoc & Unspent Grant Funds Reserve - PDC
Murray Regional Equestrian Centre	244,008	-	172,408		71,600		DSR \$79,058 & PDC \$93,350 & Asset Enhancement Reserve
Kerbing Improvements	29,337	29,337					
Drainage Program	167,206	167,206					
Wilgie Creek North Yunderup Rd Bridge #3437	194,000	-			194,000		Unspent Grants Reserve
Regional Road Bridge Program	364,500	-	364,500				
Communications Network	64,875	64,875					
Murray Bend Carpark	275,000	72,500	202,500				Regional Boating Facilities
Furnissdale Boating Facility	120,000	30,000	90,000				Regional Boating Facilities
Wharf Cove Jetty	35,000	-			35,000		Murray Lakes Canal Maintenance Reserve
Marine Facilities Asset Renewal	50,000	-			50,000		Repairs to failing canal wall at Murray Lakes
Herron Point Facilities Upgrade	30,000	-			30,000		Waste water dump point; Herron Point Reserve
Dwellingup National Adventure & Trails Centre	700,000	-	600,000		100,000		Skate park and pump park construction forming part of the Dwellingup National Adventure & Trails Centre; funded by PDC, DSR & Lotterywest & Asset Enhancement Reserve
	2,569,290	558,165	1,480,525	-	530,600	-	

**SHIRE OF MURRAY
SUPPLEMENTARY INFORMATION TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

Details of Asset Acquisitions	2017/2018 Budget \$	Funding Sources					Comments
		Municipal Funds	Grants & Contributions	Loan Borrowings	Reserve Funds	Asset Sales	
<u>Infrastructure - Pathways</u>							
Annual Pathway Renewal	96,677	96,677					
Pinjarra Road	300,000	150,000	150,000				Regional Bicycle Network Scheme
First Street	30,000	30,000					
Second Street	15,000	15,000					
Riverside Drive	60,000	60,000					
Pinjarra Road (Riverbank Failure)	57,000	57,000					
Pinjarra Road (Shire Office)	30,000	30,000					
	588,677	438,677	150,000	-	-	-	
<u>Infrastructure - Road Works</u>							
Municipal Funded							
Traffic Management	55,000	55,000					
Bus Routes	15,000	15,000					
Urban/Industrial Reseals	120,000	120,000					
Rural Reseals	80,000	80,000					
Intersection Reseals	35,000	35,000					
Pinjarra Road Streetscape	478,768	-		478,768			Asset Enhancement & Unspent Loans Reserve
Murray Street Streetscape	119,817	19,817		100,000			Road, Drainage & Pathway Reserve
Del Park Road (Dam Failure)	418,918	418,918					Fully funded by liability claim
Regional Road Group							
Lakes Road	345,000	115,000	230,000				Regional Road Group
Del Park Road	345,000	45,000	300,000				Regional Road Group \$230K; Alcoa \$70K
Hopelands Road	321,520	95,758	225,762				Regional Road Group
East Coolup Road	475,270	235,270	240,000				Regional Road Group
Roads to Recovery							
Resheeting Program	180,000	-	180,000				Roads to Recovery
Curtis Lane	383,578	83,578	300,000				Roads to Recovery
Culeenup Road West	20,000	-	20,000				Roads to Recovery
Rural Reseals	218,069	-	218,069				Roads to Recovery
State Blackspot							
Del Park Road	120,000	40,000	80,000				State Blackspot
Paterson Road	426,000	142,000	284,000				State Blackspot
Federal Blackspot							
Del Park Road	1,050,000	-	1,050,000				Federal Blackspot
Corio Road	690,000	-	690,000				Federal Blackspot
	5,896,940	1,500,341	3,817,831	-	578,768	-	
	12,141,928	3,780,516	6,452,814	-	1,594,368	314,230	

**SHIRE OF MURRAY
SUPPLEMENTARY INFORMATION TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

Details of Asset Disposals

	2017/2018 Budget			
	Net book value \$	Sale proceeds \$	Profit \$	Loss \$
<u>Plant & Equipment</u>				
Vehicle 4001MY (Chief Executive Officer)	34,775	32,100	-	(2,675)
Vehicle 4003MY (Director Planning & Development)	11,565	9,630	-	(1,935)
4065MY Mower	6,630	6,630	-	-
Vehicle 4006MY (Civil Design)	7,490	7,490	-	-
4007MY (Manager Engineering)	10,165	9,630	-	(535)
4030MY Ford Ranger	9,165	9,630	465	-
Vehicle 4004MY (Director Technical Services)	14,445	13,910	-	(535)
4010MY (Coordinator Parks & Waterways)	7,490	7,490	-	-
4053MY Loader	127,500	120,000	-	(7,500)
Plant 4054MY Backhoe	38,750	30,000	-	(8,750)
MY4043 Rigid Tipper	80,113	77,350	-	(2,763)
	348,088	323,860	465	(24,693)
<u>Land & Buildings</u>				
Part Lot 1213 South Western Highway	625,000	620,000	-	(5,000)
	973,088	943,860	465	(29,693)