



SHIRE OF

**Chapman Valley**

*love the rural life!*



# *Statutory Budget*

## *2017 - 2018*

**SHIRE OF CHAPMAN VALLEY**  
**BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**TABLE OF CONTENTS**

Statement of Comprehensive Income by Nature or Type	2
Statement of Comprehensive Income by Program	3
Statement of Cash Flows	4
Rate Setting Statement	5
Notes to and Forming Part of the Budget	6 to 38

**SHIRE OF CHAPMAN VALLEY**  
**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 \$
<b>Revenue</b>				
Rates	8	2,576,965	2,464,988	2,472,531
Operating grants, subsidies and contributions	15	1,239,924	1,782,493	1,510,073
Fees and charges	14	342,050	386,064	336,500
Service charges	11	0	0	0
Interest earnings	2(a)	44,460	54,864	51,680
Other revenue	2(a)	12,000	15,793	12,000
		<u>4,215,399</u>	<u>4,704,202</u>	<u>4,382,784</u>
<b>Expenses</b>				
Employee costs		(1,966,295)	(1,463,903)	(1,521,023)
Materials and contracts		(2,276,137)	(1,231,022)	(1,568,741)
Utility charges		(54,058)	(46,996)	(64,743)
Depreciation on non-current assets	2(a)	(2,220,576)	(2,202,733)	(1,640,343)
Interest expenses	2(a)	(10,614)	(9,938)	(9,964)
Insurance expenses		(161,001)	(145,169)	(142,028)
Other expenditure		(123,430)	(108,537)	(123,032)
		<u>(6,812,111)</u>	<u>(5,208,298)</u>	<u>(5,069,874)</u>
		(2,596,712)	(504,096)	(687,090)
Non-operating grants, subsidies and contributions	15	1,115,667	1,887,658	1,884,040
Profit on asset disposals	6	68,131	7,596	43,013
Loss on asset disposals	6	(85,158)	(14,693)	(97,830)
Loss on revaluation of non current assets		0	(18,600)	0
<b>Net result</b>		<u>(1,498,072)</u>	<u>1,357,865</u>	<u>1,142,133</u>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	74,712	0
<b>Total other comprehensive income</b>		<u>0</u>	<u>74,712</u>	<u>0</u>
<b>Total comprehensive income</b>		<u><u>(1,498,072)</u></u>	<u><u>1,432,577</u></u>	<u><u>1,142,133</u></u>

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

**SHIRE OF CHAPMAN VALLEY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
<b>Revenue (refer notes 1,2,8,10 to 15)</b>				
Governance		1,200	18,600	3,092
General purpose funding		3,028,243	3,814,494	3,381,014
Law, order, public safety		31,000	36,786	26,562
Health		6,799	7,607	6,330
Education and welfare		0	0	0
Housing		9,360	18,771	8,640
Community amenities		200,955	225,739	250,040
Recreation and culture		331,082	259,545	455,418
Transport		450,450	175,689	158,403
Economic services		25,330	39,712	26,050
Other property and services		130,980	116,904	67,235
		<u>4,215,399</u>	<u>4,713,847</u>	<u>4,382,784</u>
<b>Expenses excluding finance costs (refer notes 1, 2 &amp; 16)</b>				
Governance		(481,463)	(434,690)	(473,423)
General purpose funding		(118,159)	(102,832)	(133,994)
Law, order, public safety		(199,810)	(193,101)	(211,719)
Health		(15,841)	(11,353)	(8,840)
Education and welfare		(2,000)	(520)	(4,450)
Housing		(8,763)	(11,563)	(10,758)
Community amenities		(777,930)	(636,702)	(946,103)
Recreation and culture		(839,829)	(647,224)	(704,285)
Transport		(3,884,787)	(2,681,597)	(2,100,599)
Economic services		(311,521)	(361,374)	(398,953)
Other property and services		(161,394)	(127,049)	(66,786)
		<u>(6,801,497)</u>	<u>(5,208,005)</u>	<u>(5,059,910)</u>
<b>Finance costs (refer notes 2 &amp; 7)</b>				
Governance		0	0	0
General purpose funding		(500)	0	(1,500)
Law, order, public safety		0	0	0
Health		0	0	0
Education and welfare		0	0	0
Housing		0	0	0
Community amenities		0	0	0
Recreation and culture		(6,751)	(4,423)	(2,485)
Transport		(3,363)	(5,515)	(5,979)
Economic services		0	0	0
Other property and services		0	0	0
		<u>(10,614)</u>	<u>(9,938)</u>	<u>(9,964)</u>
		<u>(2,596,712)</u>	<u>(504,096)</u>	<u>(687,090)</u>
Non-operating grants, subsidies and contributions	15	1,115,667	1,887,658	1,884,040
Profit on disposal of assets	6	68,131	7,596	43,013
(Loss) on disposal of assets	6	(85,158)	(14,693)	(97,830)
Loss on revaluation of non current assets		0	(18,600)	0
		<u>1,098,640</u>	<u>1,861,961</u>	<u>1,829,223</u>
<b>Net result</b>		<b>(1,498,072)</b>	<b>1,357,865</b>	<b>1,142,133</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	74,712	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>74,712</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(1,498,072)</b>	<b>1,432,577</b>	<b>1,142,133</b>

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

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

	NOTE	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,606,715	2,470,371	2,496,678
Operating grants, subsidies and contributions		1,239,924	1,782,493	1,543,821
Fees and charges		386,308	379,722	336,500
Service charges		0	0	0
Interest earnings		44,460	54,864	51,680
Goods and services tax		867	56,420	23,159
Other revenue		12,000	15,793	12,000
		<u>4,290,274</u>	<u>4,759,663</u>	<u>4,463,838</u>
<b>Payments</b>				
Employee costs		(1,966,295)	(1,436,317)	(1,522,210)
Materials and contracts		(2,203,530)	(1,343,994)	(1,649,181)
Utility charges		(54,058)	(46,996)	(64,743)
Interest expenses		(10,596)	(8,839)	(9,947)
Insurance expenses		(161,001)	(145,771)	(142,028)
Goods and services tax		0	0	0
Other expenditure		(123,430)	(108,537)	(123,032)
		<u>(4,518,910)</u>	<u>(3,090,454)</u>	<u>(3,511,141)</u>
<b>Net cash provided by (used in) operating activities</b>	3(b)	<u>(228,636)</u>	<u>1,669,209</u>	<u>952,697</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for development of land held for resale	5	0	0	0
Payments for purchase of property, plant & equipment	5	(1,585,246)	(931,029)	(1,759,619)
Payments for construction of infrastructure	5	(1,435,932)	(2,533,019)	(2,803,224)
Non-operating grants, subsidies and contributions used for the development of assets		1,115,667	1,887,658	1,884,040
Proceeds from sale of plant & equipment	6	184,655	68,318	204,500
<b>Net cash provided by (used in) investing activities</b>		<u>(1,720,856)</u>	<u>(1,508,072)</u>	<u>(2,474,303)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	7	(95,983)	(55,990)	(55,990)
Advances to community groups		0	0	0
Proceeds from self supporting loans		0	0	0
Proceeds from new borrowings	7	0	200,000	200,000
<b>Net cash provided by (used in) financing activities</b>		<u>(95,983)</u>	<u>144,010</u>	<u>144,010</u>
<b>Net increase (decrease) in cash held</b>		<u>(2,045,475)</u>	<u>305,147</u>	<u>(1,377,596)</u>
Cash at beginning of year		<u>3,002,748</u>	<u>2,697,602</u>	<u>2,697,603</u>
<b>Cash and cash equivalents at the end of the year</b>	3(a)	<u><u>957,273</u></u>	<u><u>3,002,749</u></u>	<u><u>1,320,006</u></u>

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

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

	NOTE	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>	4	1,550,929	1,316,099	1,255,084
		<b>1,550,929</b>	<b>1,316,099</b>	<b>1,255,084</b>
<b>Revenue from operating activities (excluding rates)</b>				
Governance		1,200	18,600	3,092
General purpose funding		451,278	1,349,506	908,483
Law, order, public safety		31,000	36,786	26,562
Health		6,799	7,607	6,330
Education and welfare		0	0	0
Housing		9,360	18,771	18,653
Community amenities		200,955	225,739	250,040
Recreation and culture		331,082	259,545	455,418
Transport		518,581	183,285	191,403
Economic services		25,330	39,712	26,050
Other property and services		130,980	173,016	67,235
		<b>1,706,565</b>	<b>2,312,567</b>	<b>1,953,266</b>
<b>Expenditure from operating activities</b>				
Governance		(481,463)	(434,690)	(473,423)
General purpose funding		(118,659)	(102,832)	(135,494)
Law, order, public safety		(199,810)	(193,101)	(211,719)
Health		(15,841)	(11,353)	(8,840)
Education and welfare		(2,000)	(520)	(4,450)
Housing		(91,804)	(11,563)	(76,849)
Community amenities		(777,930)	(636,702)	(946,103)
Recreation and culture		(846,580)	(651,647)	(706,770)
Transport		(3,890,267)	(2,701,805)	(2,138,317)
Economic services		(311,521)	(361,374)	(398,953)
Other property and services		(161,394)	(127,049)	(66,786)
		<b>(6,897,269)</b>	<b>(5,232,636)</b>	<b>(5,167,704)</b>
<b>Operating activities excluded from budget</b>				
(Profit) on asset disposals	6	(68,131)	(7,596)	(43,013)
Loss on disposal of assets	6	85,158	14,693	97,830
Depreciation on assets	2	2,220,576	2,202,733	1,640,343
Changes on Revaluation on non-current assets		0	(56,112)	0
Movement in employee benefit provisions (non-current)		0	0	0
<b>Amount attributable to operating activities</b>		<b>(1,402,172)</b>	<b>549,748</b>	<b>(264,194)</b>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	15	1,115,667	1,887,658	1,884,040
Purchase land held for resale	5	0	0	0
Purchase property, plant and equipment	5	(1,585,246)	(931,029)	(1,759,619)
Purchase and construction of infrastructure	5	(1,435,932)	(2,533,019)	(2,803,224)
Proceeds from disposal of assets	6	184,655	68,318	204,500
<b>Amount attributable to investing activities</b>		<b>(1,720,856)</b>	<b>(1,508,072)</b>	<b>(2,474,303)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	7	(95,983)	(55,990)	(55,990)
Proceeds from new borrowings	7	0	200,000	200,000
Proceeds from self supporting loans		0	0	0
Transfers to cash backed reserves (restricted assets)	9	(192,715)	(442,683)	(536,680)
Transfers from cash backed reserves (restricted assets)	9	834,762	342,941	658,638
<b>Amount attributable to financing activities</b>		<b>546,064</b>	<b>44,268</b>	<b>265,968</b>
<b>Budgeted deficiency before general rates</b>		<b>(2,576,965)</b>	<b>(914,059)</b>	<b>(2,472,531)</b>
<b>Estimated amount to be raised from general rates</b>	8	<b>2,576,965</b>	<b>2,464,988</b>	<b>2,472,531</b>
<b>Net current assets at end of financial year - surplus/(deficit)</b>	4	<b>0</b>	<b>1,550,929</b>	<b>0</b>

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

**SHIRE OF CHAPMAN VALLEY**  
**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 Chapman Valley 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 CHAPMAN VALLEY**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(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 Chapman Valley 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 Chapman Valley contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Chapman Valley 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

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

raised when there is objective evidence that they will not be collectible.

**(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 Chapman Valley 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 Chapman Valley 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 Chapman Valley 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 CHAPMAN VALLEY  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2018**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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 CHAPMAN VALLEY  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2018**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

**Capitalisation Threshold**

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

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

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

Fair value is the price that the Shire of Chapman Valley 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.

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

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 Chapman Valley 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 of Chapman Valley are consistent with one or more of the following valuation approaches:

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

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 Chapman Valley 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.

**(o) Financial instruments**

**Initial recognition and measurement**

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

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.

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

*(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 Chapman Valley 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.

***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.

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

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 Chapman Valley 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 Chapman Valley assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2018.

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(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 Chapman Valley 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 Chapman Valley'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 Chapman Valley'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 Chapman Valley'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 of 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 Chapman Valley's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire of Chapman Valley 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.

**(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 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.

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(t) Provisions**

Provisions are recognised when the Shire of Chapman Valley 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 Chapman Valley, 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 Chapman Valley 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 Chapman Valley's share of net assets of the associate. In addition, the Shire of Chapman Valley's share of the profit or loss of the associate is included in the Shire of Chapman Valley'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 Chapman Valley'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.

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

When the Shire of Chapman Valley's share of losses in an associate equals or exceeds its interest in the associate, the Shire of Chapman Valley 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 of Chapman Valley 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 Chapman Valley'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 Chapman Valley's operational cycle. In the case of liabilities where the Shire of Chapman Valley 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 of Chapman Valley's intentions to release for sale.

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(z) Other**

- (i) Budget Variations - Variations to operational budgets within the programs may be approved by the Chief Executive Officer, on the recommendation of the Manager Finance and Corporate Services. Variations to budgets between programs require approval from Council.
- (ii) Signatories to Accounts - Two (2) signatories are required for the operation of all Shire accounts. Authority is vested in the Chief Executive Officer to sign all cheques.
  - (a) The Chief Executive Office may delegate to the Manager Finance and Corporate Services and the Deputy Chief Executive Officer, in that order of precedence, on all cheques and direct entry payments.
  - (b) The Chief Executive Officer may also delegate to any one of either the Manager Finance and Corporate Services or Deputy Chief Executive Officer as secondary signatories to sign all cheques and direct entry payments.
  - ( c ) In the absence of these staff members, the President or Deputy President may sign as either the primary or secondary signature
  - (d) In the absence of any of the authorised signatories, officers acting in those positions are also authorised to sign all cheques
  - ( e ) The authorised signatories are only authorised to approve payment of accounts on the condition that such expenditure has been incurred in compliance with Section 6.8 of the Local Government Act 1995.
  - (f) Lists of all payments made are to be included in the agenda of the next Ordinary Meeting of Council to be received and included in the Minutes of the Meeting.
  - (g) The lists of all cheques and direct entry payments are to be signed and certified by the Chief Executive Officer and Manager of Finance and Corporate Services (or those person acting in those positions) to the effect that all accounts paid have been certified as true and correct, correctly authorised and is approved expenditure.
  - (h) Vouchers, supporting invoices and other relevant documentation will be made available for inspection by Councillors at any time following the date of payment and at the next Ordinary Meeting of Council.

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

	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
<b>2. REVENUES AND EXPENSES</b>			
<b>Net result</b>			
The net result includes:			
Charging as an expense:			
<b>Auditors remuneration</b>			
Audit services	36,545	17,564	36,500
<b>Depreciation by program</b>			
Governance	34,886	44,591	53,045
Law, order, public safety	72,097	71,987	69,781
Housing	3,200	3,200	3,200
Community amenities	9,450	9,450	12,487
Recreation and culture	170,792	170,084	147,265
Transport	1,311,164	1,311,222	1,112,708
Economic services	11,643	12,928	9,009
Other property and services	607,344	579,271	232,848
	<u>2,220,576</u>	<u>2,202,733</u>	<u>1,640,343</u>
<b>Depreciation by asset class</b>			
Land and buildings	182,955	183,995	116,765
Furniture and equipment	32,706	40,513	25,483
Plant and equipment	685,989	662,195	329,600
Tools and equipment	25,852	22,956	0
Roads	1,289,086	1,289,086	1,100,000
Footpaths	3,988	3,988	0
Parks and ovals	0	0	42,365
Other	0	0	26,130
	<u>2,220,576</u>	<u>2,202,733</u>	<u>1,640,343</u>
<b>Interest expenses (finance costs)</b>			
- Borrowings (refer note 7(a))	10,114	9,938	8,464
Other	500	0	1,500
	<u>10,614</u>	<u>9,938</u>	<u>9,964</u>
Crediting as revenues:			
<b>Interest earnings</b>			
Investments			
- Reserve funds	4,860	7,768	11,680
- Other funds	21,600	24,405	25,000
Other interest revenue (refer note 12)	18,000	22,691	15,000
	<u>44,460</u>	<u>54,864</u>	<u>51,680</u>
<b>Other revenue</b>			
Reimbursements and recoveries	0	0	0
Other	12,000	15,793	12,000
	<u>12,000</u>	<u>15,793</u>	<u>12,000</u>

**SHIRE OF CHAPMAN VALLEY  
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**

To maintain and enhance sustainable growth and prosperity in accordance with the Chapman Valley traditional rural and natural values.

**GOVERNANCE**

**Objective:**

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

**Activities:**

**Governance**

Administration and Operation of facilities and services to members of council; Includes fees, expenses and allowances paid to elected and committee members, election costs, insurance, subscription, conference expenses, council chamber expenses and members' entertainment. Also includes the allocation of administration expenses for the CEO and staff in preparation, administration and attendance at meetings and assisting elected members and other committees of Council. Research, development and preparation of policy documents, development of local laws, strategic planning, principal activity plans, annual budgets, annual financial reports, audit fees and the annual report.

**Administration**

In accordance with Legislative changes which were effective on 1st July 1997. General Administration costs have been allocated to the various programs of Council to reflect the true costs of services provided. Directly attributable costs have been recorded in the relevant program while indirect costs have been allocated using time spent by administration staff on tasks related to each of the programs as a basis.

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Revenue from rates levied, interest and fees on instalment arrangements and arrears, government subsidy for entitled pensioners and rates deferred, less discounts and concessions relating to rates levied. Expenditures incurred in administration and maintaining rate records, rating valuations, serving notices, postage, stationery, advertising, debt collection, printing, indirect administration costs etc. Income receivable from the WA Grants Commission and any other Government Grant of a general purpose nature. Interest earnings from deposits and investments, including reserve accounts. General overdraft expenses.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

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

**Activities:**

Administration and operations on fire prevention services, including volunteer fire brigades, outlays on roadside clearing operations and other protective burning. Revenues include fines and penalties imposed under relevant Acts and fines, fees or charges for clearing fire breaks.

Administration enforcement and operations relating to the control of animals. Costs of impounding, destroying and disposal of stray animals. Revenues include dog registration fees, fines and penalties relating to straying animals, impounding and destruction fees. Ranger's expenses are collected here and apportioned throughout the various programs to which they relate.

**SHIRE OF CHAPMAN VALLEY  
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)**

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

Food quality and pest control, inspections of eating houses, lodging and boarding houses, itinerant food vendors, offensive trade, and any other outlays concerned with general health inspections and administration services provided by the Council.

**EDUCATION AND WELFARE**

**Objective:**

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

**Activities:**

Operation, improvements and maintenance of pre-school facilities; assistance to playgroups and other voluntary services. Annual awards and prizes to Nabawa and Yuna Primary Schools.

**HOUSING**

**Objective:**

To provide and maintain residential housing for staff, with the surplus available for private rental.

**Activities:**

Collection of revenue and expenditure in respect of the administration and operation of residential housing for council staff. The expenditure is reallocated to the relevant programmes using staff duties as a basis.

**COMMUNITY AMENITIES**

**Objective:**

To provide services required by the community.

**Activities:**

Administration and operation of domestic refuse collection and disposal services, including delivery to a regional disposal site. Provision and maintenance of rubbish disposal sites. Collection and disposal of public litter bins, special rubbish clean ups, special litter enforcement and control. Includes administration and operation of foreshore protection project. Administration and operation of town planning and regional development services. These include planning control, the preparation of town planning development schemes, zoning and rezoning. Costs associated with resumption of land for recreational purposes. Hosting of a Natural Resource Management Officer to assist community groups and landowners.

**RECREATION AND CULTURE**

**Objective:**

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

**Activities:**

Administration, provision and operation of public halls, community centre, sporting complex, ovals, swimming areas and beaches. Includes contributions towards operations, subsidies and improvements of sporting clubs, sporting facilities and recreational areas. Administration, provision and operation of local libraries and library services. Contributions towards heritage issues such as municipal inventory, local Historical society operations - museum development/improvement etc.

**SHIRE OF CHAPMAN VALLEY  
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)**

**TRANSPORT**

**Objective:**

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

**Activities:**

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets and maintenance of depots. Purchase of plant used predominantly for the construction and maintenance of streets, roads, bridges etc. Operations relating to the licensing or regulating of traffic under the control of the local government. Includes vehicle registration, vehicle examination expenses and examination facilities.

**ECONOMIC SERVICES**

**Objective:**

To help promote the shire and its economic wellbeing.

**Activities:**

Eradication of noxious weeds and control of vermin. The development, promotion, support etc. of tourism and area promotion to attract tourists. Administration, inspection and operations concerned with application of the building standards including examination, processing and inspections services, swimming pool inspections etc. Revenues and outlays associated with water supply - standpipes.

**OTHER PROPERTY & SERVICES**

**Objective:**

To monitor and control council's overheads operating accounts.

**Activities:**

Administration, inspection, and operation of work carried out on property or services not under the care, control and management of the Council. These include road works on private property. Public Works Overheads - Overheads incurred as the result of the use of direct labour, which is subsequently apportioned to the appropriate works and services absorbing the total expenditure. Includes expenditure incurred in the maintenance and operation of plant, Council's hire rate absorbing the total expenditure of plant running costs and usage. The total salaries and wages incurred during the year is recorded here and allocated over the various works and services to which it relates.

**SHIRE OF CHAPMAN VALLEY**  
**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:

	<b>2017/18 Budget \$</b>	<b>2016/17 Actual \$</b>	<b>2016/17 Budget \$</b>
Cash - unrestricted	320,508	1,723,938	262,835
Cash - restricted	636,763	1,278,810	1,057,171
	<u>957,271</u>	<u>3,002,748</u>	<u>1,320,006</u>

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

Leave Reserve	67,406	114,448	114,784
Water Strategy Reserve	14,209	14,089	14,172
Computer and Office Equipment Reserve	39,449	39,329	39,395
Plant/ Light Vehicle Reserve	121,681	367,101	329,605
Legal Reserve	39,838	39,598	39,825
Unspent Grants Reserve	1	7,601	2,475
Land Development Reserve	47,560	62,600	63,168
Roadworks Reserve	101,085	101,085	101,060
Landcare Reserve	803	15,683	15,857
Building Reserve	204,731	517,276	336,830
	<u>636,763</u>	<u>1,278,810</u>	<u>1,057,171</u>

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

Net result	(1,498,072)	1,357,865	1,142,133
Depreciation	2,220,576	2,202,733	1,640,343
(Profit)/loss on sale of asset	17,027	7,097	54,817
Loss on revaluation of non current assets	0	18,600	0
(Increase)/decrease in receivables	74,718	34,016	81,054
(Increase)/decrease in inventories	30	734	65
Increase/(decrease) in payables	72,752	(64,178)	(81,675)
Increase/(decrease) in employee provisions	0	0	0
Grants/contributions for the development of assets	(1,115,667)	(1,887,658)	(1,884,040)
<b>Net cash from operating activities</b>	<u>(228,636)</u>	<u>1,669,209</u>	<u>952,697</u>

**SHIRE OF CHAPMAN VALLEY**  
**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 \$
<b>(c) Undrawn borrowing facilities</b>			
<b>credit standby arrangements</b>			
Bank overdraft limit	250,000	250,000	250,000
Bank overdraft at balance date	0	0	0
Credit card limit	10,000	10,000	10,000
Credit card balance at balance date	0	0	0
<b>Total amount of credit unused</b>	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>
 <b>Loan facilities</b>			
Loan facilities in use at balance date	<u>255,883</u>	<u>351,866</u>	<u>351,866</u>
 Unused loan facilities at balance date	<u>0</u>	<u>0</u>	<u>0</u>

	Note	2017/18 Budget \$	2016/17 Actual \$
<b>4. NET CURRENT ASSETS</b>			

**Composition of estimated net current assets**

**Current assets**

Cash - unrestricted	3(a)	320,508	1,723,938
Cash - restricted reserves	3(a)	636,763	1,278,810
Receivables		93,698	168,416
Inventories		1,300	1,330
		<u>1,052,269</u>	<u>3,172,494</u>

**Less: current liabilities**

Trade and other payables		(415,506)	(342,754)
Short term borrowings		0	0
Long term borrowings		(95,983)	(55,991)
Provisions		<u>(319,560)</u>	<u>(319,560)</u>
		<u>(831,049)</u>	<u>(718,305)</u>

**Unadjusted net current assets**

**221,220      2,454,189**

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 below.

**Adjustments**

Less: Cash - restricted reserves	3(a)	(636,763)	(1,278,810)
Less: Land held for resale		0	0
Less: Current loans - clubs / institutions		0	0
Add: Current portion of borrowings		95,983	55,991
Add: Current liabilities not expected to be cleared at end of year		319,560	319,559
<b>Adjusted net current assets - surplus/(deficit)</b>		<u><u>0</u></u>	<u><u>1,550,929</u></u>

**SHIRE OF CHAPMAN VALLEY**  
**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 \$		
<u>Property, Plant and Equipment</u>													
Land and buildings	250,000						15,400	679,846				945,246	277,024
Furniture and equipment													6,601
Plant and equipment									630,000			630,000	612,880
Tools and equipment									10,000			10,000	34,524
	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,400</b>	<b>679,846</b>	<b>640,000</b>	<b>0</b>	<b>0</b>	<b>1,585,246</b>	<b>931,029</b>
<u>Infrastructure</u>													
Roads									1,435,932			1,435,932	2,533,019
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,435,932</b>	<b>0</b>	<b>0</b>	<b>1,435,932</b>	<b>2,533,019</b>
<u>Land Held for Resale</u>													
Land held for resale													0
<b>Total acquisitions</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,400</b>	<b>679,846</b>	<b>2,075,932</b>	<b>0</b>	<b>0</b>	<b>3,021,178</b>	<b>3,464,048</b>

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

- plant replacement programme
- other property, plant and equipment
- road replacement programme
- other parks and ovals

**SHIRE OF CHAPMAN VALLEY  
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.

<b><u>By Program</u></b>	<b>Net book value \$</b>	<b>Sale proceeds \$</b>	<b>2017/18 Budget Profit      Loss \$          \$</b>		<b>2016/17 Actual Profit      Loss \$          \$</b>		<b>2016/17 Budget Profit      Loss \$          \$</b>	
Housing	152,696	69,655	0	(83,041)	0	0	10,013	(66,091)
Transport	48,986	115,000	68,131	(2,117)	7,596	(14,693)	33,000	(31,739)
	<b>201,682</b>	<b>184,655</b>	<b>68,131</b>	<b>(85,158)</b>	<b>7,596</b>	<b>(14,693)</b>	<b>43,013</b>	<b>(97,830)</b>

  

	<b>Net book value \$</b>	<b>Sale proceeds \$</b>	<b>2017/18 Budget Profit      Loss \$          \$</b>		<b>2016/17 Actual Profit      Loss \$          \$</b>		<b>2016/17 Budget Profit      Loss \$          \$</b>	
Land and buildings	152,696	69,655	0	(83,041)	0	0	10,013	(66,091)
Plant and equipment	48,986	115,000	68,131	(2,117)	7,596	(14,693)	33,000	(31,739)
	<b>201,682</b>	<b>184,655</b>	<b>68,131</b>	<b>(85,158)</b>	<b>7,596</b>	<b>(14,693)</b>	<b>43,013</b>	<b>(97,830)</b>

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

- Housing programme
- plant replacement programme

**SHIRE OF CHAPMAN VALLEY**  
**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		Principal outstanding		Interest repayments	
			2017/18 Budget	2016/17 Actual	2017/18 Budget	2016/17 Actual	2017/18 Budget	2016/17 Actual
			\$	\$	\$	\$	\$	\$
<b>Recreation and culture</b>								
Loan 98 - Bill Hemsley Park	200,000		37,930	0	162,070	200,000	5,031	1,940
Loan 89 - Stadium Upgrade	31,821		8,427	7,940	23,394	31,821	1,720	2,483
<b>Transport</b>								
Loan 96 - Plant Renewal	63,951		31,389	30,259	32,562	63,951	2,079	2,974
Loan 97 - Plant Renewal	56,094		18,237	17,791	37,857	56,094	1,284	2,541
	<b>351,866</b>	<b>0</b>	<b>95,983</b>	<b>55,990</b>	<b>255,883</b>	<b>351,866</b>	<b>10,114</b>	<b>9,938</b>
<b><u>Self Supporting Loans</u></b>								
Nil								
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>351,866</b>	<b>0</b>	<b>95,983</b>	<b>55,990</b>	<b>255,883</b>	<b>351,866</b>	<b>10,114</b>	<b>9,938</b>

All borrowing repayments will be financed by general purpose revenue.

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

**7. INFORMATION ON BORROWINGS (Continued)**

**(b) New borrowings - 2017/18**

The Shire of Chapman Valley is not expected to have any new borrowings in the 2017/18 Financial Year.

**(c) Unspent borrowings**

The Shire of Chapman Valley had \$200,000 unspent borrowing funds as at 30th June 2017. It is expected to have no unspent borrowing funds as at 30th June 2018.

**(d) Overdraft**

The Shire of Chapman Valley has not utilised an overdraft facility during the financial year although an overdraft facility of \$250,000 with the Westpac Bank does exist. It is not anticipated that this facility will be required to be utilised during 2017/18.

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

**8. RATING INFORMATION**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of properties</b>	<b>Rateable value \$</b>	<b>2017/18 Budgeted rate revenue \$</b>	<b>2017/18 Budgeted interim rates \$</b>	<b>2017/18 Budgeted back rates \$</b>	<b>2017/18 Budgeted total revenue \$</b>	<b>2016/17 Actual \$</b>
<b>Differential general rate or general rate</b>								
GRV	0.074300	290	5,656,177	420,254			420,254	389,038
UV Rural	0.010579	407	176,672,520	1,869,019			1,869,019	1,796,028
UV Oakajee Industrial Estate Buffer Zone	0.020705	2	8,925,000	184,792			184,792	177,652
<b>Sub-Totals</b>		699	191,253,697	2,474,065	0	0	2,474,065	2,362,718
<b>Minimum payment</b>	<b>\$</b>							
GRV	560	175	945,476	98,000			98,000	110,880
UV Rural	350	14	73,372	4,900			4,900	5,950
UV Oakajee Industrial Estate Buffer Zone	350	0	0	0			0	0
<b>Sub-Totals</b>		189	1,018,848	102,900	0	0	102,900	116,830
		<b>888</b>	<b>192,272,545</b>	<b>2,576,965</b>	<b>0</b>	<b>0</b>	<b>2,576,965</b>	<b>2,479,548</b>
Discounts/concessions ( <i>Refer note 13</i> )							0	(14,560)
Movement in Excess Rates							<u>2,576,965</u>	<u>2,464,988</u>
<b>Total amount raised from general rates</b>							<u>2,576,965</u>	<u>2,464,988</u>
Specified area rates ( <i>Refer note 10</i> )							0	0
<b>Total rates</b>							<u><u>2,576,965</u></u>	<u><u>2,464,988</u></u>

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

**8(a). RATING INFORMATION**

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

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 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
UV Oakajee Industrial Estate	This category includes any property zoned Oakajee Industrial Estate and Buffer within the Town Planning Scheme No.1	To recover from this sector an equitable share of the rates relating to the land held by Landcorp so that the Shire of Chapman Valley should not be financially disadvantaged due to the acquisition and subsequent development of the land. This follows on from the written commitment made in September 1998, by the then Minister for Resources Development & Energy, the Shire of Chapman Valley would not be financially disadvantaged due to the acquisition and subsequent development of land by Landcorp. In order to reduce the impact of the Oakajee development on other ratepayers Council has sought to introduce a differential rate.

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

**8(a). RATING INFORMATION (CONTINUED)**

The advertised rate in the dollar for general and differential rates are reflective of the Long Term Financial Plan rate revenue annual increase of 6.50% and have been amended (reduced) to take into account growth and make adjustment for the lesser rate revenue increase required to meet the budgetary deficiency.

The Shire of Chapman Valley advertised the following rates which differs from the actual rates to be levied for all categories:

	Advertised	Levied
GRV	7.6504	7.4300
UV Rural	1.0818	1.0579
UV Oakajee Industrial Estate Buffer Zone	2.1310	2.0705
Minimum Payment	Advertised	Levied
GRV	560	560
UV Rural	350	350
UV Oakajee Industrial Estate Buffer Zone	350	350

**Differential minimum payment - N/A**

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

**9. CASH BACKED RESERVES**

	<b>2017/18 Budget Opening balance \$</b>	<b>2017/18 Budget Transfer to \$</b>	<b>2017/18 Budget Transfer (from) \$</b>	<b>2017/18 Budget Closing balance \$</b>	<b>2016/17 Actual Opening balance \$</b>	<b>2016/17 Actual Transfer to \$</b>	<b>2016/17 Actual Transfer (from) \$</b>	<b>2016/17 Actual Closing balance \$</b>	<b>2016/17 Budget Opening balance \$</b>	<b>2016/17 Budget Transfer to \$</b>	<b>2016/17 Budget Transfer (from) \$</b>	<b>2016/17 Budget Closing balance \$</b>
Leave Reserve	114,448	600	(47,642)	67,406	93,784	20,664	0	114,448	93,784	21,000	0	114,784
Water Strategy Reserve	14,089	120	0	14,209	13,992	97	0	14,089	13,992	180	0	14,172
Computer and Office Equipment	39,329	120	0	39,449	19,195	20,134	0	39,329	19,195	20,200	0	39,395
Plant/ Light Vehicle Reserve	367,101	121,500	(366,920)	121,681	262,094	288,996	(183,989)	367,101	262,094	251,500	(183,989)	329,605
Legal Reserve	39,598	240	0	39,838	39,325	273	0	39,598	39,325	500	0	39,825
Unspent Grants Reserve	7,601	0	(7,600)	1	134,863	8,276	(135,538)	7,601	134,924	0	(132,449)	2,475
Land Development Reserve	62,600	360	(15,400)	47,560	62,168	432	0	62,600	62,168	1,000	0	63,168
Roadworks Reserve	101,085	0	0	101,085	1,060	100,025	0	101,085	1,060	100,000	0	101,060
Landcare Reserve	15,683	120	(15,000)	803	25,557	126	(10,000)	15,683	25,557	300	(10,000)	15,857
Building Reserve	517,276	69,655	(382,200)	204,731	527,030	3,660	(13,414)	517,276	527,030	142,000	(332,200)	336,830
	<u>1,278,810</u>	<u>192,715</u>	<u>(834,762)</u>	<u>636,763</u>	<u>1,179,068</u>	<u>442,683</u>	<u>(342,941)</u>	<u>1,278,810</u>	<u>1,179,129</u>	<u>536,680</u>	<u>(658,638)</u>	<u>1,057,171</u>

**SHIRE OF CHAPMAN VALLEY  
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:

<b>Reserve name</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
Leave Reserve		To be used to fund annual and long service leave requirements.
Water Strategy Reserve		To be used for the construction and operational costs of facilities for fire fighting purposes.
Computer and Office Equipment Reserve		To be used to replace Information and Communications Technology equipment.
Plant/ Light Vehicle Reserve		To be used for the purchase of major plant and light vehicles.
Legal Reserve		To be used to fund legal expenses incurred as a result of tribunals, hearings, litigation etc.
Unspent Grants Reserve		To be used to quarantine unspent grants and loans.
Land Development Reserve		To be used for further subdivisional development in the Shire of Chapman Valley.
Roadworks Reserve		To be used to fund road infrastructure projects.
Landcare Reserve		To be used for landcare related purposes.
Building Reserve		To be used for the construction of shire buildings or capital upgrades of existing shire buildings.

All reserves with the exception of the Landcare Reserve are not expected to be used within a set period as further transfer to the reserve accounts are expected.

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

**10. SPECIFIED AREA RATE**

No Specified Area Rate will be imposed for 2017/2018.

**11. SERVICE CHARGES**

No Service Charges will be imposed for 2017/2018.

**12. INTEREST CHARGES AND INSTALMENTS - RATES AND SERVICE CHARGES**

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 rates %
<b>Option one</b>				
Single Payment in Full	8/09/2017	0	0.00%	11.00%
<b>Option two</b>				
	8/09/2017	0	0.00%	11.00%
	7/11/2017	9	5.50%	11.00%
<b>Option three</b>				
	8/09/2017	0	0.00%	11.00%
	7/11/2017	9	5.50%	11.00%
	8/01/2018	9	5.50%	11.00%
	9/03/2018	9	5.50%	11.00%

	2017/18 Budget revenue \$	2016/17 Actual \$
Instalment plan admin charge revenue	0	0
Instalment plan interest earned	7,100	7,447
Unpaid rates interest earned	10,900	15,244
	<u>18,000</u>	<u>22,691</u>

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

**13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS**

**Rates discounts**

Rate or fee to which discount is granted		Disc % or Amount (\$)	2017/18 Budget \$	2016/17 Actual \$	Circumstances in which discount is granted
Rates	General	100.00%	0	0	Council has granted a waiver of rates to the Yuna CWA for the 2017/2018 rating year on the basis it is a non-profit community organisation.
Administration charge on instalment	Instalment	100.00%	0	0	Council has granted a waiver of instalment charges (\$9) for any pensioner wishing to take advantage of making payment of current rates by instalments.
			0	0	

**Waivers or concessions**

Rate or fee and charge to which the waiver or concession is granted	Type	Disc % or Amount (\$)	2017/18 Budget \$	2016/17 Actual \$	Circumstances in which the waiver or concession is granted	Objects of the waiver or concession	Reasons for the waiver or concession
Hall Hire	Fee	100.00%	0	0	Community Groups	Council may grant a waiver to community groups who reside in the shire who wish to use the hall facilities in association with a community event.	Council considers support of these groups necessary for the overall benefit of the community.
Photocopy Charges	Fee	100.00%	0	0	Community Groups	Council may grant a waiver to community groups who reside in the shire who wish to use the photocopy facilities in association with a community event.	Council considers support of these groups necessary for the overall benefit of the community.
Private Works Hire Charges	Fee	100.00%	0	0	Community Groups	Council may grant a waiver to community groups who reside in the shire who request private works within the Shire in association with a community event.	Council considers support of these groups necessary for the overall benefit of the community.
Pool Inspections & Water Testing Charges	Fee	100.00%	0	0	Yuna Primary School	Council will grant a waiver to Yuna Primary School for pool inspection and water testing at the Yuna Primary School pool under the condition the school has the pool open outside of school hours during summer.	Council considers support of this as a benefit of the community.
Venue Hire Recreation Facilities	Fee	100.00%	0	0	Yuna and Nabawa Parent & Citizen Associations	Council will grant a waiver to Yuna and Nabawa Primary School Parents and Citizens Association for the use of recreation facilities within the Shire.	Council considers support of this as a benefit of the community.
			0	0			

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

	<b>2017/18 Budget \$</b>	<b>2016/17 Actual \$</b>
<b>14. FEES &amp; CHARGES REVENUE</b>		
Governance	0	0
General purpose funding	16,891	9,521
Law, order, public safety	10,050	13,467
Health	6,799	7,607
Education and welfare	0	0
Housing	9,360	18,771
Community amenities	174,195	192,593
Recreation and culture	86,425	93,296
Transport	0	3,772
Economic services	18,330	27,807
Other property and services	20,000	19,230
	<u>342,050</u>	<u>386,064</u>
<b>15. GRANT REVENUE</b>		
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:		
<b>By Program:</b>		
<b>Operating grants, subsidies and contributions</b>		
Governance	1,200	18,488
General purpose funding	389,927	1,285,122
Law, order, public safety	20,950	23,319
Community amenities	26,760	33,146
Recreation and culture	244,657	166,014
Transport	445,450	166,777
Economic services	0	1,364
Other property and services	110,980	88,263
	<u>1,239,924</u>	<u>1,782,493</u>
<b>Non-operating grants, subsidies and contributions</b>		
Recreation and culture	0	47,727
Transport	1,115,667	1,839,931
	<u>1,115,667</u>	<u>1,887,658</u>

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

	<b>2017/18 Budget \$</b>	<b>2016/17 Actual \$</b>
<b>16. ELECTED MEMBERS REMUNERATION</b>		
The following fees, expenses and allowances were paid to council members and/or the President.		
Meeting fees	75,280	71,735
President's allowance	10,000	10,000
Deputy President's allowance	2,500	2,500
Travelling expenses	400	400
Telecommunications allowance	4,000	3,793
	<u>92,180</u>	<u>88,428</u>

**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:

<b>Detail</b>	<b>Balance 1-Jul-17 \$</b>	<b>Estimated amounts received \$</b>	<b>Estimated amounts paid (\$)</b>	<b>Estimated balance 30-Jun-18 \$</b>
Bonds - Hall Hire	1,680	5,300	(6,980)	0
Building Commission	2,080	12,500	(12,500)	2,080
CTF Levy	2,564	12,500	(12,500)	2,564
Refundable Deposit	5,000	0	(5,000)	0
Contribution from Sub Divider	548,447	0	(300,000)	248,447
Post Office Deposit	1,142	124	(124)	1,142
Engineering Bond	7,468	5,000	(5,000)	7,468
Standpipe Card Bond Income	100	0	0	100
	<u>568,481</u>	<u>35,424</u>	<u>(342,104)</u>	<u>261,801</u>

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

**18. MAJOR LAND TRANSACTIONS**

It is not anticipated Council will have any major land transactions in 2017/2018.

**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 Council will be a party to any joint venture arrangements during 2017/18.