



ANNUAL BUDGET

YEAR ENDED

30 JUNE 2018

CITY OF KALGOORLIE-BOULDER

BUDGET

FOR THE YEAR ENDED 30 JUNE 2018

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CITY OF KALGOORLIE-BOULDER
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	23,574,824	22,990,380	23,166,661
Operating grants, subsidies and contributions	15	5,911,957	6,660,895	8,044,180
Fees and charges	14	30,950,779	33,643,390	31,559,167
Service charges	11	0	0	0
Interest earnings	2(a)	1,178,014	671,644	833,104
Other revenue	2(a)	<u>12,166,477</u>	<u>10,917,805</u>	<u>14,356,756</u>
		73,782,051	74,884,114	77,959,868
Expenses				
Employee costs		(25,448,129)	(24,932,946)	(26,231,246)
Materials and contracts		(20,127,704)	(19,367,118)	(21,350,281)
Utility charges		(3,603,068)	(3,686,810)	(3,762,779)
Depreciation on non-current assets	2(a)	(9,699,317)	(9,255,119)	(12,292,216)
Interest expenses	2(a)	(666,448)	(707,950)	(905,259)
Insurance expenses		(679,367)	(1,079,783)	(1,311,652)
Other expenditure		<u>(8,953,313)</u>	<u>(8,690,819)</u>	<u>(6,587,252)</u>
		<u>(69,177,346)</u>	<u>(67,720,545)</u>	<u>(72,440,685)</u>
		4,604,705	7,163,569	5,519,183
Non-operating grants, subsidies and contributions	15	8,108,641	6,169,662	4,537,282
Profit on asset disposals	6	67,223	15,000	24,513
Loss on asset disposals	6	(190,427)	(160,992)	(142,892)
Loss on revaluation of non current assets		0	0	0
Net result		<u>12,590,142</u>	<u>13,187,239</u>	<u>9,938,086</u>
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income		<u><u>12,590,142</u></u>	<u><u>13,187,239</u></u>	<u><u>9,938,086</u></u>

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

**CITY OF KALGOORLIE-BOULDER
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		7,700,360	7,333,802	7,586,616
General purpose funding		27,307,683	27,911,548	27,126,716
Law, order, public safety		303,510	300,447	648,417
Health		415,099	409,610	434,507
Education and welfare		1,635,858	1,594,856	1,290,091
Housing		40,300	39,774	42,500
Community amenities		15,837,946	18,752,029	15,427,900
Recreation and culture		6,842,682	6,180,813	7,547,065
Transport		10,017,640	10,632,345	12,829,143
Economic services		2,182,475	486,665	3,563,624
Other property and services		1,498,498	1,242,225	1,463,289
		<u>73,782,051</u>	<u>74,884,114</u>	<u>77,959,868</u>
Expenses excluding finance costs (refer notes 1, 2 & 16)				
Governance		(573,655)	(2,785,900)	(3,460,954)
General purpose funding		(2,684,642)	(1,603,340)	(774,502)
Law, order, public safety		(1,370,034)	(1,245,577)	(1,371,909)
Health		(1,178,347)	(1,117,864)	(1,254,751)
Education and welfare		(2,463,657)	(2,135,808)	(2,581,621)
Housing		(41,745)	(35,293)	(62,665)
Community amenities		(13,679,314)	(13,657,962)	(14,744,470)
Recreation and culture		(20,924,517)	(19,714,284)	(21,966,624)
Transport		(21,597,864)	(20,126,330)	(20,776,025)
Economic services		(3,081,398)	(2,806,213)	(4,075,178)
Other property and services		(915,724)	(1,784,024)	(466,728)
		<u>(68,510,897)</u>	<u>(67,012,595)</u>	<u>(71,535,427)</u>
Finance costs (refer notes 2 & 7)				
Governance		0	(123,192)	(330,000)
General purpose funding		0	0	0
Law, order, public safety		0	0	0
Health		0	0	0
Education and welfare		0	0	0
Housing		0	0	0
Community amenities		(24,105)	(27,814)	(27,814)
Recreation and culture		(477,487)	(500,583)	(491,084)
Transport		0	0	0
Economic services		(24,357)	(26,766)	(26,766)
Other property and services		(140,499)	(29,595)	(29,595)
		<u>(666,448)</u>	<u>(707,950)</u>	<u>(905,259)</u>
		4,604,706	7,163,569	5,519,182
Non-operating grants, subsidies and contribution:	15	8,108,641	6,169,662	4,537,282
Profit on disposal of assets	6	67,223	15,000	24,513
(Loss) on disposal of assets	6	(190,427)	(160,992)	(142,892)
Loss on revaluation of non current assets		0	0	0
		<u>7,985,437</u>	<u>6,023,670</u>	<u>4,418,903</u>
Net result		12,590,143	13,187,239	9,938,085
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		12,590,143	13,187,239	9,938,085

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

**CITY OF KALGOORLIE-BOULDER
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		23,574,824	22,569,496	23,666,661
Operating grants, subsidies and contributions		5,911,957	8,475,677	8,074,180
Fees and charges		30,950,779	33,643,390	31,559,167
Service charges		0	0	0
Interest earnings		1,178,014	671,644	833,104
Goods and services tax		0	0	100,000
Other revenue		<u>12,166,477</u>	<u>10,917,805</u>	<u>14,356,756</u>
		73,782,051	76,278,012	78,589,868
Payments				
Employee costs		(26,011,570)	(24,169,991)	(26,868,490)
Materials and contracts		(18,158,216)	(21,628,182)	(22,350,281)
Utility charges		(3,603,068)	(3,686,810)	(3,762,779)
Interest expenses		(666,448)	(715,058)	(905,259)
Insurance expenses		(679,367)	(1,079,783)	(1,311,652)
Goods and services tax		0	0	0
Other expenditure		<u>(8,953,313)</u>	<u>(8,690,819)</u>	<u>(6,587,252)</u>
		(58,071,982)	(59,970,643)	(61,785,713)
Net cash provided by (used in) operating activities	3(b)	<u>15,710,070</u>	<u>16,307,369</u>	<u>16,804,155</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale	5	0	0	0
Payments for purchase of property, plant & equipment	5	(10,431,739)	(10,453,500)	(10,230,287)
Payments for construction of infrastructure	5	(16,636,443)	(8,267,028)	(11,950,243)
Non-operating grants, subsidies and contributions used for the development of assets		8,108,641	6,169,662	4,537,282
Proceeds from sale of plant & equipment	6	576,000	0	455,091
Net cash provided by (used in) investing activities		<u>(18,383,541)</u>	<u>(12,550,866)</u>	<u>(17,188,157)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(1,009,610)	(972,230)	(972,230)
Advances to community groups		0		(260,001)
Proceeds from self supporting loans		22,296	(208,447)	111,830
Proceeds from new borrowings	7(b)	0	0	0
Net cash provided by (used in) financing activities		<u>(987,314)</u>	<u>(1,180,677)</u>	<u>(1,120,401)</u>
Net increase (decrease) in cash held		(3,660,786)	2,575,826	(1,504,403)
Cash at beginning of year		<u>23,776,901</u>	<u>21,201,075</u>	<u>21,678,044</u>
Cash and cash equivalents at the end of the year	3(a)	<u><u>20,116,115</u></u>	<u><u>23,776,901</u></u>	<u><u>20,173,641</u></u>

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

**CITY OF KALGOORLIE-BOULDER
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	2,168,055	(2,544,622)	(3,432,148)
		2,168,055	(2,544,622)	(3,432,148)
Revenue from operating activities (excluding rates)				
Governance		7,669,542	7,333,802	7,586,616
General purpose funding		3,732,859	4,921,168	3,960,055
Law, order, public safety		303,510	300,447	648,417
Health		392,159	409,610	434,507
Education and welfare		1,532,932	1,594,856	1,290,091
Housing		40,300	39,774	42,500
Community amenities		15,779,793	18,752,029	15,427,900
Recreation and culture		6,682,607	6,180,813	7,556,578
Transport		9,944,735	10,647,345	12,844,143
Economic services		2,182,475	486,665	3,563,624
Other property and services		1,437,538	1,242,225	1,463,289
		49,698,450	51,908,734	54,817,720
Expenditure from operating activities				
Governance		(573,655)	(2,935,822)	(3,802,684)
General purpose funding		(2,684,642)	(1,603,340)	(774,502)
Law, order, public safety		(1,370,034)	(1,245,577)	(1,371,909)
Health		(1,216,810)	(1,117,864)	(1,254,751)
Education and welfare		(2,475,670)	(2,135,808)	(2,590,530)
Housing		(41,745)	(35,293)	(62,665)
Community amenities		(13,706,573)	(13,697,785)	(14,772,284)
Recreation and culture		(21,444,672)	(20,264,317)	(22,507,158)
Transport		(21,690,227)	(20,199,133)	(20,848,828)
Economic services		(3,105,755)	(2,832,979)	(4,101,944)
Other property and services		(1,057,989)	(1,813,619)	(496,323)
		(69,367,773)	(67,881,537)	(72,583,577)
Operating activities excluded from budget				
(Profit) on asset disposals	6	(67,223)	(15,000)	(24,513)
Loss on disposal of assets	6	190,427	160,992	142,892
Depreciation on assets	2(a)	9,699,317	9,255,119	12,292,216
Movement in employee benefit provisions (non-current)		12,561		
Amount attributable to operating activities		(7,666,187)	(9,116,314)	(8,787,410)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	15	8,108,641	6,169,662	4,537,282
Purchase land held for resale	5			
Purchase property, plant and equipment	5	(10,431,739)	(10,453,500)	(10,230,287)
Purchase and construction of infrastructure	5	(16,636,443)	(8,267,028)	(11,950,243)
Proceeds from disposal of assets	6	576,000		455,091
Amount attributable to investing activities		(18,383,541)	(12,550,866)	(17,188,157)
FINANCING ACTIVITIES				
Repayment of borrowings	7	(1,009,610)	(972,230)	(972,230)
Proceeds from new borrowings	7	0	0	0
Proceeds from self supporting loans		22,296	208,447	111,830
Transfers to cash backed reserves (restricted assets)	9	(4,833,885)	(6,222,971)	(2,243,650)
Transfers from cash backed reserves (restricted assets)	9	10,107,189	7,831,610	8,081,012
Amount attributable to financing activities		4,285,990	844,856	4,976,962
Budgeted deficiency before general rates		(21,763,738)	(20,822,324)	(20,998,605)
Estimated amount to be raised from general rates	8	23,574,824	22,990,380	23,166,661
Net current assets at end of financial year - surplus/(deficit)		1,811,086	2,168,056	2,168,056

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

CITY OF KALGOORLIE-BOULDER
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 City of Kalgoorlie-Boulder 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.

CITY OF KALGOORLIE-BOULDER
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 City of Kalgoorlie-Boulder 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 City of Kalgoorlie-Boulder contributes to a number of superannuation funds on behalf of employees.

All funds to which the City of Kalgoorlie-Boulder 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.

CITY OF KALGOORLIE-BOULDER
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 City of Kalgoorlie-Boulder 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 City of Kalgoorlie-Boulder 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 City of Kalgoorlie-Boulder includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Fixed assets (continued)

Revaluation

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

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 City.

**CITY OF KALGOORLIE-BOULDER
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

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

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

Buildings	50 to 150 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 10 years
Sealed roads and streets	
formation	not depreciated
pavement	60 to 80 years
seal	
- bituminous seals	18 years
- asphalt surfaces	30 years
Gravel roads	
formation	not depreciated
gravel sheet	20 years
Formed roads	
formation	not depreciated
pavement	60 to 80 years
Footpaths - slab	80 years
Sewerage piping	80 years
Water supply piping & drainage systems	40 to 80 years
Airport Runway	20 to 100 years
Parks & Reserves (Various equipment and Infrastructure)	20 to 100 years
Carparks	80 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.

**CITY OF KALGOORLIE-BOULDER
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 City of Kalgoorlie-Boulder uses a mix of both independent and management valuations using the following as a guide:

Fair value is the price that the City of Kalgoorlie-Boulder 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 City of Kalgoorlie-Boulder 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 City of Kalgoorlie-Boulder are consistent with one or more of the following valuation approaches:

CITY OF KALGOORLIE-BOULDER
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 City of Kalgoorlie-Boulder 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 City of Kalgoorlie-Boulder becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the City of Kalgoorlie-Boulder 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.

CITY OF KALGOORLIE-BOULDER
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 City of Kalgoorlie-Boulder 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.

**CITY OF KALGOORLIE-BOULDER
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 City of Kalgoorlie-Boulder 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 City of Kalgoorlie-Boulder 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.

CITY OF KALGOORLIE-BOULDER
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 City prior to the end of the financial year that are unpaid and arise when the City of Kalgoorlie-Boulder 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 City of Kalgoorlie-Boulder'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 City of Kalgoorlie-Boulder'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 City of Kalgoorlie-Boulder'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 City of Kalgoorlie-Boulder's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City of Kalgoorlie-Boulder 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.

CITY OF KALGOORLIE-BOULDER
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 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.

(t) Provisions

Provisions are recognised when the City of Kalgoorlie-Boulder 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 City of Kalgoorlie-Boulder, 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 City of Kalgoorlie-Boulder 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 City of Kalgoorlie-Boulder's share of net assets of the associate. In addition, the City of Kalgoorlie-Boulder's share of the profit or loss of the associate is included in the City of Kalgoorlie-Boulder's profit or loss."

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City of Kalgoorlie-Boulder'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.

CITY OF KALGOORLIE-BOULDER
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 City of Kalgoorlie-Boulder and the associate are eliminated to the extent of the City of Kalgoorlie-Boulder's interest in the associate.

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

**CITY OF KALGOORLIE-BOULDER
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			
(a) Net result			
The net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
Audit services	58,000	52,296	58,000
Other services	30,000	0	20,154
Depreciation by program			
Governance	888	91,111	348,822
General purpose funding			0
Law, order, public safety	15,084	15,588	38,600
Health	11,586	11,442	30,923
Education and welfare	171,014	125,937	151,250
Housing	15,192	11,501	38,477
Community amenities	883,692	881,583	1,162,913
Recreation and culture	2,429,634	2,298,392	3,730,707
Transport	4,841,197	4,506,675	4,864,280
Economic services	148,020	139,719	232,676
Other property and services	1,183,010	1,173,171	1,693,568
	<u>9,699,317</u>	<u>9,255,119</u>	<u>12,292,216</u>
Depreciation by asset class			
Land and buildings	3,314,214	3,162,433	4,200,196
Furniture and equipment	315,625	301,170	400,000
Plant and equipment	1,341,405	1,279,973	1,700,000
Roads	2,840,622	2,710,531	3,600,000
Footpaths	315,625	301,170	400,000
Drainage	82,851	79,057	105,000
Parks and ovals	236,719	225,878	300,000
Laneways Infrastructure	0	0	0
Bus Shelters Infrastructure	2,091	1,995	2,650
Car Parking Infrastructure	43,398	41,411	55,000
Street Lighting	0	0	0
Sewerage Construction	946,874	903,510	1,200,000
Effluent Construction	0	0	0
Airport Movement Area	259,893	247,991	329,370
Water Conservation	0	0	0
Construction other than buildings	0	0	0
	<u>9,699,317</u>	<u>9,255,119</u>	<u>12,292,216</u>
Interest expenses (finance costs)			
- Borrowings (refer note 7(a))	481,092	438,286	495,454
- Other	185,356	269,664	409,805
	<u>666,448</u>	<u>707,950</u>	<u>905,259</u>
(ii) Crediting as revenues:			
Interest earnings			
Investments			
- Reserve funds	206,040	135,727	199,104
- Other funds	758,671	322,086	0
Other interest revenue (refer note 12)	213,303	213,831	634,000
	<u>1,178,014</u>	<u>671,644</u>	<u>833,104</u>
(iii) Other revenue			
Reimbursements and recoveries	933,050	1,391,241	1,771,484
Other	11,233,427	9,526,564	12,585,272
	<u>12,166,477</u>	<u>10,917,805</u>	<u>14,356,756</u>

**CITY OF KALGOORLIE-BOULDER
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 City's Community Vision, and for each of its broad activities/programs.

COMMUNITY VISION

The City will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.

GOVERNANCE

Objective:

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

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

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

Activities:

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

HOUSING

Objective:

To provide short term housing for City staff at market rate rental.

Activities:

Provision and maintenance of unit.

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of objective

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

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

Activities:

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

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. Construction maintenance and operation of the Kalgoorlie-Boulder Airport.

ECONOMIC SERVICES

Objective:

To help promote the City and its economic wellbeing.

Activities:

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

OTHER PROPERTY & SERVICES

Objective:

To monitor and control City's overheads operating accounts.

Activities:

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

CITY OF KALGOORLIE-BOULDER
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	2,223,383	610,865	610,865
Cash - restricted	<u>17,892,732</u>	<u>23,166,036</u>	<u>19,562,776</u>
	<u><u>20,116,115</u></u>	<u><u>23,776,901</u></u>	<u><u>20,173,641</u></u>

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

Leave Reserve	820,306	816,440	821,392
Plant Reserve	102,112	99,860	100,177
Building Reserve	497,571	1,242,679	1,961,096
Computer Facilities Reserve	866,814	1,214,273	1,315,681
Sewerage Construction Reserve	376,238	267,733	233,261
Recreation Reserve	269,993	608,552	1,236,803
Parking Facilities Reserve	591,570	671,407	678,664
Senior Citizens Reserve	781,284	764,047	766,238
Airport Movement Area Reserve	4,835,274	4,728,263	4,759,423
Oasis Reserve	24,726	190,325	192,170
Aerodrome Reserve	2,628,585	2,974,222	2,980,116
Revaluation Equalisation Reserve	450,600	343,138	231,862
Insurance Equalisation Reserve	284,981	278,577	284,807
Town Hall Refurbishment Reserve	53,130	96,969	96,640
Waste Initiatives Reserve	100,406	98,951	64,693
Airport & City Promotions	329,354	521,274	559,346
Staff Retention & Attraction	4,766	4,660	4,713
HACC Asset Management Reserve	21,799	21,314	21,555
Unspent Grants & Contributions	252,045	5,723,352	2,754,137
Future Projects Reserve	4,601,178	2,500,000	500,000
	<u><u>17,892,732</u></u>	<u><u>23,166,036</u></u>	<u><u>19,562,776</u></u>

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

Net result	12,590,143	13,187,239	9,938,085
Depreciation	9,699,317	9,255,119	12,292,216
(Profit)/loss on sale of asset	123,204	145,992	118,379
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	0	1,393,898	630,000
(Increase)/decrease in inventories	(30,512)	(19,488)	0
Increase/(decrease) in payables	2,000,000	(2,248,684)	(1,637,244)
Increase/(decrease) in employee provisions	(563,441)	762,955	0
Grants/contributions for the development of assets	<u>(8,108,641)</u>	<u>(6,169,662)</u>	<u>(4,537,282)</u>
Net cash from operating activities	<u><u>15,710,070</u></u>	<u><u>16,307,369</u></u>	<u><u>16,804,154</u></u>

**CITY OF KALGOORLIE-BOULDER
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	3,000,000	3,000,000	5,000,000
Bank overdraft at balance date	0	0	0
Credit card limit	40,000	40,000	40,000
Credit card balance at balance date	(20,823)	(1,040)	0
Total amount of credit unused	<u>3,019,177</u>	<u>3,038,960</u>	<u>5,040,000</u>
Loan facilities			
Loan facilities in use at balance date	<u>9,737,781</u>	<u>10,747,391</u>	<u>11,077,364</u>
Unused loan facilities at balance date	<u>0</u>	<u>820,628</u>	<u>820,628</u>
	Note	2017/18 Budget \$	2016/17 Actual \$

4. NET CURRENT ASSETS

Composition of estimated net current assets

Current assets

Cash - unrestricted	3(a)	2,223,383	610,865
Cash - restricted reserves	3(a)	17,892,732	23,166,036
Receivables		8,247,443	8,247,443
Inventories		700,608	1,342,506
		<u>29,064,166</u>	<u>33,366,850</u>

Less: current liabilities

Trade and other payables		(8,590,629)	(6,590,629)
Short term borrowings		0	0
Long term borrowings		(1,009,610)	(1,009,610)
Provisions		(2,810,315)	(3,373,756)
		<u>(12,410,554)</u>	<u>(10,973,995)</u>

Unadjusted net current assets

16,653,612 **22,392,855**

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)	(17,892,732)	(23,166,036)
Less: Land held for resale		(512,906)	(1,185,316)
Less: Current loans - clubs / institutions		(256,814)	(256,814)
Add: Current portion of borrowings		1,009,610	1,009,610
Add: Current liabilities not expected to be cleared at end of year		2,810,315	3,373,756
Adjusted net current assets - surplus/(deficit)		<u><u>1,811,085</u></u>	<u><u>2,168,055</u></u>

CITY OF KALGOORLIE-BOULDER
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	0	0	0	0	0	0	2,852,779	2,723,570	315,000	500,000	782,100	7,173,449	7,666,006
Furniture and equipment	0	18,750	0	0	0	0	96,600	10,000	100,000	0	0	225,350	404,840
Plant and equipment	0	350,000	0	0	0	0	150,000	1,105,440	1,427,500	0	0	3,032,940	2,382,654
Investment Property	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	368,750	0	0	0	0	3,099,379	3,839,010	1,842,500	500,000	782,100	10,431,739	10,453,500
<i>Infrastructure</i>													
Roads	0	0	0	0	0	0	0	0	11,945,185	0	0	11,945,185	6,365,668
Footpaths	0	0	0	0	0	0	0	0	430,770	0	0	430,770	516,000
Drainage	0	0	0	0	0	0	0	0	499,038	0	0	499,038	435,000
Parks and ovals	0	0	0	0	0	0	0	1,145,450	0	0	0	1,145,450	205,360
Laneways Infrastructure	0	0	0	0	0	0	0	0	0	0	0	0	0
Sewerage Construction	0	0	0	0	0	0	0	800,000	0	0	0	800,000	30,000
Street Lighting	0	0	0	0	0	0	0	0	0	145,000	0	145,000	0
Airport Movement Area	0	0	0	0	0	0	0	0	1,671,000	0	0	1,671,000	640,000
Construction other than buildings	0	0	0	0	0	0	0	0	0	0	0	0	0
Effluent Construction	0	0	0	0	0	0	0	0	0	0	0	0	75,000
Water Conservation	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	1,945,450	14,545,993	145,000	0	16,636,443	8,267,028
<i>Land Held for Resale</i>													
Land held for resale	0	0	0	0	0	0	0	0	0	0	0	0	0
Total acquisitions	0	368,750	0	0	0	0	3,099,379	5,784,460	16,388,493	645,000	782,100	27,068,182	18,720,528

**CITY OF KALGOORLIE-BOULDER
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 \$
Governance	30,818	30,818	0	0	0	(26,730)	0	(11,730)
General Purpose Funding		0	0	0	0	0	0	0
Law, order, public safety		0	0	0	0	0	0	0
Health	61,403	22,940	0	(38,463)	0	0	0	0
Education and welfare	114,939	102,926	0	(12,013)	0	0	0	(8,909)
Housing		0	0	0	0	0	0	0
Community amenities	61,307	58,153	0	(3,154)	0	(12,009)	0	0
Recreation and culture	202,743	225,225	65,150	(42,668)	0	(49,450)	9,513	(49,450)
Transport	165,268	72,905	0	(92,363)	15,000	(72,803)	15,000	(72,803)
Economic services		0	0	0	0	0	0	0
Other property and services	62,726	63,033	2,073	(1,766)	0	0	0	0
	699,204	576,000	67,223	(190,427)	15,000	(160,992)	24,513	(142,892)

<u>By Class</u>	Net book value \$	Sale proceeds \$	2017/18 Budget		2016/17 Actual		2016/17 Budget	
			Profit \$	Loss \$	Profit \$	Loss \$	Profit \$	Loss \$
Land and buildings								
Furniture and equipment								
Plant and equipment	699,204	576,000	67,223	(190,427)	15,000	(160,992)	24,513	(142,892)
	699,204	576,000	67,223	(190,427)	15,000	(160,992)	24,513	(142,892)

**CITY OF KALGOORLIE-BOULDER
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 \$
Community amenities								
Loan 340	559,214	0	88,596	85,261	470,618	559,214	20,461	23,450
Recreation and culture								
Loan 341	2,708,064	0	112,148	101,895	2,595,916	2,708,064	133,904	124,094
Loan 343	851,954	0	51,845	49,940	800,109	851,954	35,255	29,158
Loan 345	672,595	0	40,930	39,427	631,665	672,595	27,557	23,019
Loan 350	2,635,193	0	99,554	95,603	2,535,639	2,635,193	108,606	81,911
Loan 346	325,756	0	160,133	154,824	165,624	325,756	10,049	14,097
Loan 344	493,762	0	31,931	30,556	461,831	493,762	22,800	21,657
Loan 339	543,317	0	86,081	82,837	457,236	543,317	19,880	22,783
Loan 336	334,681	0	38,494	36,179	296,188	334,681	43,737	39,515
Economic services								
Loan 349	798,463	0	238,197	231,803	560,266	798,463	19,796	18,735
Other property and services								
Loan 342	582,669	0	38,494	42,079	544,175	582,669	23,914	25,308
	10,505,669	0	986,401	950,404	9,519,268	10,505,669	465,959	423,727
Self Supporting Loans								
Loan 326	75,537	0	8,791	8,234	66,746	75,537	5,063	4,788
Loan 338	166,185	0	14,418	13,592	151,767	166,185	10,070	9,770
	241,722	0	23,209	21,827	218,512	241,722	15,133	14,559
	10,747,391	0	1,009,610	972,230	9,737,781	10,747,391	481,092	438,286

All borrowing repayments will be financed by general purpose revenue.

**CITY OF KALGOORLIE-BOULDER
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

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate %	Amount borrowed budget \$	Total interest & charges \$	Amount used budget \$	Balance unspent \$
					0	0	0	0
					0	0	0	0

(c) Unspent borrowings

The City of Kalgoorlie-Boulder had \$820,628 unspent borrowings as at 30th June 2017. These funds are budgetted to be expended before the 30th June 2018.

(d) Overdraft

The City of Kalgoorlie-Boulder has not utilised an overdraft facility during the financial year although an overdraft facility of \$3,000,000 with the National Australia Bank does exist. It is not anticipated that this facility will be required to be utilised during 2017/18.

**CITY OF KALGOORLIE-BOULDER
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 \$
Differential general rate or general rate								
01 GRV Residential	0.063713	6,371	126,484,872	8,058,731	45,000	24,996	8,128,727	7,526,495
02 GRV Central Business	0.066894	241	24,124,983	1,613,817	0	0	1,613,817	1,739,024
03 GRV General Industry	0.072231	321	23,319,189	1,684,368	0	0	1,684,368	1,638,571
04 GRV Mining	0.045931	7	5,875,000	269,845	0	0	269,845	264,457
08 GRV Other Properties	0.071347	617	36,154,436	2,579,511	0	0	2,579,511	2,567,181
05 UV Pastoral	0.075658	45	2,206,482	166,938	0	0	166,938	163,604
09/11 UV Mining Operations	0.180424	505	16,751,786	3,022,424	0	0	3,022,424	3,022,765
10 UV Exploration / Prospecting	0.180400	938	3,759,866	678,280	0	0	678,280	775,075
Subtotals		9,045	238,676,614	18,073,913	45,000	24,996	18,143,909	17,697,172
Minimum payment	Minimum							
	\$							
01 GRV Residential	891	5,569	60,223,111	4,961,979	0	0	4,961,979	4,849,515
02 GRV Central Business	891	73	571,322	65,043	0	0	65,043	64,602
03 GRV General Industry	891	11	79,148	9,801	0	0	9,801	10,476
04 GRV Mining	891	6	5,020	5,346	0	0	5,346	5,238
08 GRV Other Properties	891	143	932,483	127,413	0	0	127,413	130,077
05 UV Pastoral	277	20	4,500	5,540	0	0	5,540	5,691
09/11 UV Mining Operations	386	346	244,309	133,556	0	0	133,556	131,544
10 UV Exploration / Prospecting	277	481	464,835	133,237	0	0	133,237	108,671
Subtotals		6,649	62,524,728	5,441,915	0	0	5,441,915	5,305,814
		15,694	301,201,342	23,515,828	45,000	24,996	23,585,824	23,002,986
Discounts/concessions (Refer note 13)							(11,000)	(12,606)
Total amount raised from general rates							23,574,824	22,990,380
Specified area rates (Refer note 10)							0	0
Total rates							23,574,824	22,990,380

**CITY OF KALGOORLIE-BOULDER
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 City of Kalgoorlie-Boulder is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the City of Kalgoorlie-Boulder.

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.

Applicable Valuations

The valuations to be applied this coming year, by comparison to last year, are detailed below:

The Local Government Act 1995 determines that properties of a Non-Rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. The Valuer General determines the GRV for all properties within the City of Kalgoorlie-Boulder every three years and assigns a GRV. The current valuation is effective from 1 July 2016.

		2016/17	2017/18	Change
Rate Code	Rate Category	Rateable Value	Rateable Value	%
01	GRV Residential	186,043,025	186,707,983	0.36%
02	GRV Central Business	24,326,015	24,696,305	1.52%
03	GRV Central Business	23,204,071	23,398,337	0.84%
04	GRV Mining	5,880,020	5,880,020	0.00%
08	GRV Other Properties	37,549,732	37,086,919	-1.23%
05	UV Pastoral	2,213,282	2,210,982	-0.10%
09	UV Mining Operations	16,943,113	16,840,313	-0.61%
10	UV Exploration/Prospecting	3,866,016	4,224,701	9.28%
11	UV Lease - General Purpose	155,782	155,782	0.00%
		300,181,056	301,201,342	0.34%

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

8(a). RATING INFORMATION

Objects to and reasons for differential rating

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

Differential General Rate

Description	Characteristics	Objects	Reasons
GRV - Residential	Residential Properties	The objective of the proposed rate in the dollar of \$.063713 (2016/17 - \$.062441) is to ensure that the proportion of total rate revenue derived from GRV – Residential remains essentially consistent with that of previous years.	The reason for this rate is to reflect the provision of “residential” services, including significant recreational and cultural facilities, primarily utilised by ratepayers and occupiers of residences within the City of Kalgoorlie-Boulder. This rating category applies to properties located within the town site boundaries that are used for singular and multi-dwellings and are zoned Residential under the Town Planning Scheme. This category is considered by Council to be the base rate by which all other GRV rated properties are assessed.
GRV - Central Business	Non-Rural Business Premises in the Kalgoorlie/Boulder CBD	The objective of the proposed rate in the dollar of \$.066894 (2016/17 - \$.065558) is to ensure that	This rate reflects additional costs associated with Council's maintenance of the City's central business districts.
GRV - General Industry	This rating category applies to properties used for Commercial, or Industrial purposes and non-	The objective of the proposed rate in the dollar of \$.072231 (2016/17 - \$.070788) is to ensure that	The rate reflects the cost of servicing commercial activity including carparking, landscaping and other amenities.
GRV - Mining	This rating category covers mining leases that have improvements on the land and are located within the town site boundaries	The objective of the proposed rate in the dollar of \$.045931 (2016/17 - \$.045014) is to ensure that the proportion of total rate revenue derived from GRV – Mining is consistent with previous years. The nexus between GRV – General Industry and GRV – Residential, Central Business, Other	The reason for the GRV rate of 4.5931 cents per dollar is to ensure that the proportion of total rate revenue derived from GRV Mining is consistent with previous years. The nexus between GRV General Industry and GRV Residential, Central Business, Other Properties and GRV Mining is deemed appropriate.
GRV - All Other Properties	This rating category includes all rateable properties located within the town site boundaries	The objective of the proposed rate in the dollar of \$.071347 (2016/17 - \$.069922) is to ensure that	The rate reflects the cost of servicing commercial activity including carparking, landscaping and other amenities.
UV - Pastoral	This rating category applies to all pastoral leases that have been granted under the repealed Land Act 1933.	The objective of the proposed rate in the dollar of \$.075658 (2016/17 - \$.074147) is to ensure that the proportion of total rate revenue derived from UV – Pastoral is appropriate given the identified level of servicing for ratepayers in this category	The rate in the dollar for pastoral at 7.5658 cents and minimum rate of \$277 is reflective of the level of service utilised by ratepayers in this category and further reflects the additional costs associated with gravel road maintenance albeit to a significantly lesser extent than that of the mining industry.
UV - Mining Operations	This rating category covers mining tenements and general purpose leases. Mining leases and general purpose leases are rated a full rate.	The objective of the proposed rate in the dollar of \$.180424 (2016/17 - \$.176821) is to ensure that the proportion of total rate revenue derived from UV – Mining is consistent with previous years. This category is considered by Council to be the base rate by which all other UV rated properties are	The reason for the rate in the dollar 18.0424 cents is the reflection of the ongoing costs involved in maintaining the road network that services this land use as the City's local authority boundaries extend all the way to the WA/SA state boundary. The large scale equipment and operations of Mining result in the City's road network requiring ongoing maintenance to service these users.
UV - Exploration/Prospecting	This rating category covers all other mining tenements including exploration and prospecting.	The objective of the proposed rate in the dollar of \$.180400 (2016/17 - \$.186157) is to ensure that the proportion of total rate revenue derived from UV – Exploration/Prospecting is consistent with previous years with the Nexus with UV – Mining being deemed appropriate.	A rate of 18.0400 cents per dollar of UV, minimum rate of \$277 is proposed for this category. This is comparatively higher than the UV Pastoral rating category due to the ongoing costs involved in maintaining the road network that services this land use as the City's local authority boundaries extend all the way to the WA/SA state boundary. The large scale equipment and operations of Exploration/Prospecting result in the City's road network requiring ongoing maintenance to service these users. The City encourages exploration/prospecting by way of a reduced minimum rate of \$ 277 as compared with \$386 for Mining.

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

8(a). RATING INFORMATION

Differential Minimum Payment

Description	Characteristics	Objects	Reasons
GRV - Residential	Residential Properties	The objective of the proposed minimum payment of \$891 (2016/17 - \$873) is to ensure that the rate burden is distributed equitably between all property owners.	The reason for this rate is to reflect the provision of non-rural services, including significant recreational and cultural facilities, primarily utilised by ratepayers and occupiers of residences/commercial premises within the City of Kalgoorlie-Boulder.
GRV - Central Business	Non-Rural Business Premises in the Kalgoorlie/Boulder CBD	The objective of the proposed minimum payment of \$891 (2016/17 - \$873) is to ensure that the rate burden is distributed equitably between all property owners.	The reason for this rate is to reflect the provision of non-rural services, including significant recreational and cultural facilities, primarily utilised by ratepayers and occupiers of residences/commercial premises within the City of Kalgoorlie-Boulder.
GRV - General Industry	This rating category applies to properties used for Commercial, or Industrial purposes and non-residential vacant land, excluding properties with a tourism use, where land zoned has been classified as Industrial.	The objective of the proposed minimum payment of \$891 (2016/17 - \$873) is to ensure that the rate burden is distributed equitably between all property owners.	The reason for this rate is to reflect the provision of non-rural services, including significant recreational and cultural facilities, primarily utilised by ratepayers and occupiers of residences/commercial premises within the City of Kalgoorlie-Boulder.
GRV - Mining	This rating category covers mining tenements and general purpose leases. Mining leases and general purpose leases are rated a full rate.	The objective of the proposed minimum payment of \$891 (2016/17 - \$873) is to ensure that the rate burden is distributed equitably between all property owners.	The reason for this rate is to reflect the provision of non-rural services, including significant recreational and cultural facilities, primarily utilised by ratepayers and occupiers of residences/commercial premises within the City of Kalgoorlie-Boulder.
GRV - All Other Properties	This rating category includes all rateable properties located within the town site boundaries where land is zoned for purposes such as Transport, Future Urban, Service Station, Hotel, Motel, Tourist and Rural under the Town Planning	The objective of the proposed minimum payment of \$891 (2016/17 - \$873) is to ensure that the rate burden is distributed equitably between all property owners.	The reason for this rate is to reflect the provision of non-rural services, including significant recreational and cultural facilities, primarily utilised by ratepayers and occupiers of residences/commercial premises within the City of Kalgoorlie-Boulder.
UV - Pastoral	This rating category applies to all Pastoral Leases that have been granted under the repealed Land Act 1933.	The objective of the proposed minimum payment of \$277 (2016/17 - \$271) is to ensure that the rate burden is distributed equitably between all property owners. (ie Mining, Pastoral, Exploration/Prospecting and	The reason for this rate is to reflect the provision of non-rural services, including significant recreational and cultural facilities, primarily utilised by ratepayers and occupiers of residences/commercial premises within the City of Kalgoorlie-Boulder.
UV - Mining Operations	This rating category covers mining tenements and general purpose leases. Mining Leases and General Purpose Leases are rated a full rate.	The objective of the proposed minimum payment of \$386 (2016/17 - \$378) is to ensure that the rate burden is distributed equitably between all property owners. (ie Mining, Pastoral, Exploration/Prospecting and	The reason for this rate is to reflect the provision of non-rural services, including significant recreational and cultural facilities, primarily utilised by ratepayers and occupiers of residences/commercial premises within the City of Kalgoorlie-Boulder.
UV - Exploration/Prospecting	This rating category covers all other mining tenements including Exploration and Prospecting.	The objective of the proposed minimum payment of \$277 (2016/17 - \$271) is to ensure that the rate burden is distributed equitably between all property owners. (ie Mining, Pastoral, Exploration/Prospecting and	The reason for this rate is to reflect the provision of non-rural services, including significant recreational and cultural facilities, primarily utilised by ratepayers and occupiers of residences/commercial premises within the City of Kalgoorlie-Boulder.

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

9. CASH BACKED RESERVES

	2017/18 Budget Opening balance	2017/18 Budget Transfer to	2017/18 Budget Transfer (from)	2017/18 Budget Closing balance	2016/17 Actual Opening balance	2016/17 Actual Transfer to	2016/17 Actual Transfer (from)	2016/17 Actual Closing balance	2016/17 Budget Opening balance	2016/17 Budget Transfer to	2016/17 Budget Transfer (from)	2016/17 Budget Closing balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	816,440	3,866		820,306	802,923	13,517		816,440	802,924	18,468	0	821,392
Plant Reserve	99,860	1,005,252	(1,003,000)	102,112	32,677	519,683	(452,500)	99,860	32,677	1,000,000	(932,500)	100,177
Building Reserve	1,242,679	7,348	(752,456)	497,571	1,917,101	31,221	(705,643)	1,242,679	1,917,101	43,995	0	1,961,096
Computer Facilities Reserve	1,214,273	21,291	(368,750)	866,814	1,286,122	21,651	(93,500)	1,214,273	1,286,122	29,559	0	1,315,681
Sewerage Construction Reserve	267,733	908,505	(800,000)	376,238	272,004	4,729	(9,000)	267,733	272,004	6,257	(45,000)	233,261
Recreation Reserve	608,552	13,441	(352,000)	269,993	2,568,552	40,000	(2,000,000)	608,552	1,240,552	66,251	(70,000)	1,236,803
Parking Facilities Reserve	671,407	15,163	(95,000)	591,570	663,407	8,000	0	671,407	663,405	15,259	0	678,664
Senior Citizens Reserve	764,047	17,237	0	781,284	749,047	15,000	0	764,047	749,046	17,192	0	766,238
Airport Movement Area Reserve	4,728,263	107,011	0	4,835,274	4,643,263	85,000	0	4,728,263	4,643,263	116,160	0	4,759,423
Oasis Reserve	190,325	4,401	(170,000)	24,726	187,860	2,465	0	190,325	187,860	4,310	0	192,170
Aerodrome Reserve	2,974,222	479,363	(825,000)	2,628,585	3,087,273	65,000	(178,051)	2,974,222	3,087,273	70,894	(178,051)	2,980,116
Revaluation Equalisation Reserve	343,138	107,462	0	450,600	125,299	217,839	0	343,138	125,299	106,563	0	231,862
Insurance Equalisation Reserve	278,577	6,404	0	284,981	273,577	5,000	0	278,577	273,576	11,231	0	284,807
Town Hall Refurbishment Reserve	96,969	1,161	(45,000)	53,130	94,469	2,500	0	96,969	94,469	2,171	0	96,640
Waste Initiatives Reserve	98,951	1,455	0	100,406	97,451	1,500	0	98,951	97,451	2,242	(35,000)	64,693
Airport & City Promotions	521,274	8,080	(200,000)	329,354	546,768	9,506	(35,000)	521,274	546,769	12,577	0	559,346
Staff Retention & Attraction	4,660	106	0	4,766	4,607	53	0	4,660	4,607	106	0	4,713
HACC Asset Management Reserve	21,314	485	0	21,799	21,070	244	0	21,314	21,070	485	0	21,555
Unspent Grants, Contributions & Loans	5,723,352	24,676	(5,495,983)	252,045	7,401,205	2,680,063	(4,357,916)	5,723,352	9,354,668	219,930	(6,820,461)	2,754,137
Future Projects Reserve	2,500,000	2,101,178	0	4,601,178	0	2,500,000	0	2,500,000	0	500,000	0	500,000
	<u>23,166,036</u>	<u>4,833,885</u>	<u>(10,107,189)</u>	<u>17,892,732</u>	<u>24,774,675</u>	<u>6,222,971</u>	<u>(7,831,610)</u>	<u>23,166,036</u>	<u>25,400,138</u>	<u>2,243,650</u>	<u>(8,081,012)</u>	<u>19,562,776</u>

**CITY OF KALGOORLIE-BOULDER
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 Reserve	To fund payments to staff for accrued leave and / or budgeted leave.
Plant Reserve	To fund the City's ten year (10) Plant Replacement Program.
Building Reserve	To fund building projects and major structural repairs to existing assets.
Computer Facilities Reserve	To fund Information Technology projects.
Sewerage Construction Reserve	To provide for the ongoing construction and future replacement of sewerage lines and any other relevant initiatives.
Recreation Reserve	To be utilised for future reserves, ovals, or any other recreational projects Council deems necessary.
Parking Facilities Reserve	To provide for the future parking needs of the City.
Senior Citizens Reserve	To meet any requirements the Community Centre may have.
Airport Movement Area Reserve	Replacement/Replenishment of the Movement Area Infrastructure.
Oasis Reserve	To improve the Goldfields Oasis.
Aerodrome Reserve	To facilitate the replacement of assets to subsidise operations, items not included in the Airport Movement Reserve.
Revaluation Equalisation Reserve	To provide for revaluation expenses, every four (4) years.
Insurance Equalisation Reserve	To provide for any Workers Compensation expenses.
Town Hall Refurbishment Reserve	To provide for future maintenance, refurbishment, heritage development of the Kalgoorlie and Boulder Town Halls.
Waste Initiatives Reserve	To develop and introduce alternatives or modified waste collection treatment and disposal options.
Airport & City Promotions	To promote the City of Kalgoorlie-Boulder and the Kalgoorlie- Boulder Airport.
Staff Retention & Attraction	To assist in funding employment benefits relating to the City's Enterprise Bargaining Agreement(s).
HACC Asset Management Reserve	To hold surplus annual grant funds received in accordance with the HACC funding agreement. Used to replace existing assets at the EGCC.
Unspent Grants, Contributions & Loans	To manage unspent grants, contributions and loans.
Future Projects Reserve	To fund future projects that Council supports as a desired outcome for the overall Community.

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

10(a). HEALTH ACT 1911 SEWERAGE RATE

Sewerage Rates	Basis of Valuation	Rate in \$	No. of Properties	Rateable value \$	2017/18 Budgeted rate revenue \$	2017/18 Interim rate revenue \$	2017/18 Back rate revenue \$	2017/18 Total rate revenue \$	2016/17 Actual revenue \$
Sewerage Rates	Sewerage Rates in accordance with s.41	0.027924	7,483	189,444,781	5,290,056	0	0	5,290,056	5,152,680
Sewerage Minimum	of the Health Act 1911	381.00	5,317	57,060,460	2,025,777	0	0	2,025,777	1,977,924
				246,505,241	7,315,833	0	0	7,315,833	7,130,604

10(b). SPECIFIED AREA RATE

Specified area rate	Purpose of the rate	Area or properties rate is to be imposed on	Budgeted rate applied to costs \$	Budgeted rate set aside to reserve \$	Reserve Amount to be applied to costs \$
Nil					
The City of Kalgoorlie-Boulder does not raise any Specified Area			0	0	0

11. SERVICE CHARGES

Service charge	Amount of charge \$	2017/18 Budgeted revenue \$	Budget Amount to be applied to costs \$	Budget Amount to be set aside to reserve \$	Reserve Amount to be applied to costs \$	2016/17 Actual revenue \$
Nil						
The City of Kalgoorlie-Boulder does not raise any Service Charges		0	0	0	0	0

Nature of the service charge	Objects of the charge	Reasons for the charge	Area/Properties charge to be imposed on
Nil			
No interest will be charged on the late payment of service charges			

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 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 %
Option one				
Single Payment	15/09/2017	7.30	0.00%	10.00%
Option two				
First Instalment	15/09/2017	7.30	5.00%	10.00%
Second Instalment	17/11/2017	7.30	5.00%	10.00%
Option three				
First Instalment	15/09/2017	7.30	5.00%	10.00%
Second Instalment	17/11/2017	7.30	5.00%	10.00%
Third Instalment	19/01/2018	7.30	5.00%	10.00%
Fourth Instalment	23/03/2017	7.30	5.00%	10.00%

	Rate %	2017/18 Budget revenue \$	2016/17 Actual \$
Interest on unpaid rates	10.00%	382,697	387,409
Interest on instalment plan	5.00%	117,303	118,748
Charges on instalment plan		96,000	95,083
		<u>596,000</u>	<u>601,240</u>

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS

Waivers

Included in the 2017/18 Budget is a provision to write off \$10,000 in Rates. This is a general provision and is not targeted at any individual or group of ratepayers.

Concessions

A concession will be available to not for profit recreation, sporting and community groups within the City of Kalgoorlie-Boulder who meet the eligibility criteria as detailed in Council Policy CORP-F-100, Rates Concession Policy (Rateable Land).

Incentives

National Australia Bank and the City of Kalgoorlie-Boulder have offered three early payment incentive prizes.

1st Prize is \$7,000 cash - payment due by 10.00pm WST, 1 September 2017

2nd Prize is \$3,000 cash - payment due by 10.00pm WST, 8 September 2017

3rd Prize is \$1,000 cash - payment due by 10.00pm WST, 15 September 2017

In order to be eligible for any of the early payment prizes, the Rates Assessment must be paid in full by the due date for each payment option prize. The Rates Assessment is randomly selected via a computer program. Other conditions may apply.

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

	2017/18 Budget \$	2016/17 Actual \$
14. FEES & CHARGES REVENUE		
Governance	360	550
General purpose funding	219,220	154,900
Law, order, public safety	234,210	251,617
Health	223,099	161,203
Community & Human Services	151,556	189,841
Housing	40,300	0
Community amenities	15,319,540	18,057,555
Recreation and culture	4,918,099	4,984,416
Transport	8,757,440	9,695,000
Economic services	1,086,799	148,308
Other property and services	156	0
	<u>30,950,779</u>	<u>33,643,390</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	0	25,000
General purpose funding	2,351,000	3,565,088
Law, order, public safety	47,000	44,500
Health	192,000	227,407
Community & Human Services	1,479,802	1,404,315
Housing	0	0
Community amenities	488,205	11,740
Recreation and culture	706,960	945,459
Transport	155,000	268,345
Economic services	465,240	167,041
Other property and services	26,750	2,000
	<u>5,911,957</u>	<u>6,660,895</u>
Non-operating grants, subsidies and contributions		
Governance	0	0
General purpose funding	0	0
Law, order, public safety	0	0
Health	0	0
Education and welfare	0	2,000
Housing	0	0
Community amenities	1,830,906	0
Recreation and culture	1,600	1,181,582
Transport	5,631,135	4,592,480
Economic services	645,000	129,600
Other property and services	0	264,000
	<u>8,108,641</u>	<u>6,169,662</u>

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

	2017/18 Budget \$	2016/17 Actual \$
16. ELECTED MEMBERS REMUNERATION		
The following fees, expenses and allowances were paid to council members and the Mayor.		
Meeting fees	316,680	305,625
Mayor/President's allowance	69,807	69,807
Deputy Mayor/President's allowance	17,451	17,455
Travelling expenses	26,000	26,500
Telecommunications allowance	13,000	11,375
	<u>442,938</u>	<u>430,762</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:

Detail	Balance 1-Jul-17 \$	Estimated amounts received \$	Estimated amounts paid (\$)	Estimated balance 30-Jun-18 \$
Bonds Ground Hire	5,850	10,711	(8,511)	8,050
Deposits Footpaths	2,580	0	0	2,580
Deposits Halls and Buildings	4,428	11,400	(8,700)	7,128
Deposits Demolitions	48,233	29,674	(20,431)	57,476
Deposits Keys	4,135	6,385	(5,050)	5,469
Deposits Cat Traps	1,590	8,250	(8,700)	1,140
Deposits Nominations	0	0	0	0
Deposits General	2,328	1,000	(900)	2,428
Bonds Landscaping	12,000	0	0	12,000
Cash in Lieu Parking	176,647	0	0	176,647
Cash in Lieu POS	473,923	38,000	0	511,923
Deposits Long Term Hall	2,600	0	(200)	2,400
Deposits Goldfields Arts Centre	46,480	(7,450)	0	39,030
Subdivision Bonds	29,320	0	0	29,320
Unclaimed Wages	1,346	0	0	1,346
Unclaimed Monies	10,984	252	0	11,237
Sundry Trust	8,283,749	50,000	(500,000)	7,833,749
Cash in Lieu of Footpaths	71,265	0	0	71,265
Sale of Land - Non Payment Rates	39,133	0	0	39,133
Deposit Security Access	50	0	0	50
Endowment Block Bonds / Variables	68,473	0	0	68,473
	<u>9,285,114</u>	<u>148,222</u>	<u>(552,492)</u>	<u>8,880,844</u>

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

18. MAJOR LAND TRANSACTIONS

O'Connor Sub-Division

(a) Details

In 1990 Council obtained ownership and management of the airport which was relocated. As a result of this relocation of the airport, freehold land became available which was developed and subdivided for residential lots. Additional costs were incurred by Council in developing

	2017/18 Budget	2016/17 Actual
	\$	\$
(b) Current year transactions		
Operating revenue		
- Profit on Sale	0	0
Capital revenue		
- Sale Proceeds	1,200,000	1,485,763
Capital expenditure		
- Purchase of Land	0	0
- Development Costs	(696,000)	(1,128,479)
	504,000	357,284

(c) Expected future cash flows

	2017/18	2018/19	2019/20	2020/21	2021/21	Total
	\$	\$	\$	\$	\$	\$
Cash outflows						
- Development Costs	(696,000)	0	0	0	0	(696,000)
	(696,000)	0	0	0	0	(696,000)
Cash Inflows						
- Sale Proceeds	1,200,000					1,200,000
	1,200,000	0	0	0	0	1,200,000
Net cash flows	504,000	0	0	0	0	504,000

Lot 501 Phoenix Place Subdivision

(a) Details

Lot 501, portion of Reserve 37979, is in the process of being purchased from the Government of Western Australia, Department of Regional Development and Lands, in accordance with section 20A of the Town Planning and Development Act. The City is proposing to develop Lot 501 Phoenix Place into 11 single residential lots and 1 multi (3) site. The aim is to make the developed lots attractive to first home buyers with appropriate conditions of sale.

	2017/18 Budget	2016/17 Actual
	\$	\$
(b) Current year transactions		
Operating revenue		
- Profit on Sale	0	0
Capital revenue		
- Sale Proceeds	200,000	0
Capital expenditure		
- Purchase of Land	0	0
- Development Costs	(100,000)	(4,824)
	100,000	(4,824)

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

18. MAJOR LAND TRANSACTIONS

(c) Expected future cash flows

	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/21 \$	Total \$
Cash outflows						
- Development Costs	(100,000)	0	0	0	0	(100,000)
- Loan Repayments	0	0	0	0	0	0
	<u>(100,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(100,000)</u>
Cash Inflows						
- Sale Proceeds	200,000	0	0	0	0	200,000
- Loan Proceeds	0	0	0	0	0	0
	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>
Net cash flows	<u><u>100,000</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>100,000</u></u>

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

The City together with the Shires of Coolgardie, Dundas, Esperance, Laverton, Leonora, Menzies, Ngaanyatjaraku, Ravensthorpe, and Wiluna have a joint venture arrangement for the provision of a regional records service. The assets included in the joint venture recorded at Councils one tenth share are as follows:

	2017/18 Budget \$	2016/17 Actual \$
Non-current assets		
Land and buildings	75,500	75,500
Less: Accumulated depreciation	(5,661)	(3,774)
	<u>69,839</u>	<u>71,726</u>
Furniture and Equipment	12,109	12,109
Less: Accumulated depreciation	(4,167)	(2,778)
	<u>7,942</u>	<u>9,331</u>
Plant, Equipment and Machinery	8,247	8,247
Less: Accumulated depreciation	(5,240)	(3,493)
	<u>3,008</u>	<u>4,754</u>
Light Vehicles	3,549	3,549
Less: Accumulated depreciation	(524)	(349)
	<u>3,025</u>	<u>3,200</u>
TOTAL ASSETS	<u><u>83,814</u></u>	<u><u>89,011</u></u>