

**SHIRE OF WYALKATCHEM**  
**BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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**SHIRE OF WYALKATCHEM**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>REVENUE</b>				
Rates	8	961,229	913,082	893,951
Operating Grants, Subsidies and Contributions		1,012,490	1,554,048	1,003,300
Fees and Charges	11	260,990	279,669	282,611
Service Charges	10	0	0	0
Interest Earnings	2(a)	23,163	38,017	46,049
Other Revenue		<u>0</u>	<u>0</u>	<u>0</u>
		<u>2,257,872</u>	<u>2,784,816</u>	<u>2,225,911</u>
<b>EXPENSES</b>				
Employee Costs		(1,094,847)	(1,038,084)	(1,108,340)
Materials and Contracts		(1,069,361)	(971,087)	(965,195)
Utility Charges		(119,082)	(111,307)	(143,365)
Depreciation	2(a)	(794,355)	(797,924)	(830,499)
Interest Expenses	2(a)	(30,431)	(28,332)	(35,345)
Insurance Expenses		(143,863)	(122,578)	(129,866)
Other Expenditure		<u>0</u>	<u>0</u>	<u>0</u>
		<u>-3,251,939</u>	<u>-3,069,312</u>	<u>-3,212,610</u>
		-994,067	-284,496	-986,699
Non-Operating Grants, Subsidies and Contributions		1,066,510	1,129,545	1,169,027
Profit on Asset Disposals	4	38,000	125	14,965
Loss on Asset Disposals	4	<u>(12,191)</u>	<u>(17,910)</u>	<u>(8,009)</u>
<b>NET RESULT</b>		<b>98,252</b>	<b>827,264</b>	<b>189,284</b>
<b>Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>98,252</u></b>	<b><u>827,264</u></b>	<b><u>189,284</u></b>

**Notes:** Fair value adjustments to financial assets at fair value through profit or loss and Other Comprehensive Income (if any), is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

It is anticipated, in all instances, any other comprehensive income will relate to non-cash transactions and as such, have no impact on this budget document.

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

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

**SHIRE OF WYALKATCHEM**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>REVENUE (Refer Notes 1,2,8 to 13)</b>				
Governance		8,670	63,544	29,858
General Purpose Funding		1,491,279	1,816,471	1,396,845
Law, Order, Public Safety		24,257	25,064	16,906
Health		172,506	114,464	88,226
Education and Welfare		0	0	0
Housing		120,492	137,144	138,846
Community Amenities		95,623	84,681	83,510
Recreation and Culture		41,169	26,976	170,216
Transport		284,990	488,681	279,464
Economic Services		6,136	7,848	6,500
Other Property and Services		12,750	19,943	15,540
		<u>2,257,872</u>	<u>2,784,816</u>	<u>2,225,911</u>
<b>EXPENSES EXCLUDING</b>				
<b>FINANCE COSTS (Refer Notes 1,2 &amp; 14)</b>				
Governance		(331,145)	(312,742)	(323,845)
General Purpose Funding		(81,810)	(88,825)	(91,013)
Law, Order, Public Safety		(93,512)	(77,451)	(76,832)
Health		(344,891)	(330,066)	(317,693)
Education and Welfare		(6,710)	(1,710)	(1,710)
Housing		(244,973)	(226,192)	(245,990)
Community Amenities		(245,727)	(200,675)	(219,238)
Recreation & Culture		(450,798)	(434,155)	(492,238)
Transport		(1,323,190)	(1,177,604)	(1,261,008)
Economic Services		(98,252)	(170,564)	(143,644)
Other Property and Services		(500)	(20,996)	(4,854)
		<u>(3,221,508)</u>	<u>(3,040,980)</u>	<u>(3,178,065)</u>
<b>FINANCE COSTS (Refer Notes 2 &amp; 5)</b>				
Governance		0	(56)	0
Law, Order, Public Safety		0	(31)	(88)
Housing		(26,095)	(28,245)	(34,457)
Recreation & Culture		(4,336)	0	0
		<u>(30,431)</u>	<u>(28,332)</u>	<u>(34,545)</u>
<b>NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>				
General Purpose Funding		282,324	548,176	543,381
Community Amenities		0	0	70,000
Recreation & Culture		178,767	0	0
Transport		605,419	581,369	555,646
		<u>1,066,510</u>	<u>1,129,545</u>	<u>1,169,027</u>
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)</b>				
Governance		(5,220)	(7,777)	(76)
Health		(6,971)	0	(1,632)
Other Property and Services		38,000	(10,008)	8,664
		<u>25,809</u>	<u>(17,785)</u>	<u>6,956</u>
<b>NET RESULT</b>		<u>98,252</u>	<u>827,264</u>	<u>189,284</u>
<b>Other Comprehensive Income</b>		0	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>98,252</u></u>	<u><u>827,264</u></u>	<u><u>189,284</u></u>

**Notes:** Fair value adjustments to financial assets at fair value through profit or loss and Other Comprehensive Income (if any), is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

It is anticipated, in all instances, any other comprehensive income will relate to non-cash transactions and as such, have no impact on this budget document.

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

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

**SHIRE OF WYALKATCHEM  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		961,229	913,082	893,951
Operating Grants, Subsidies and Contributions		1,012,490	1,554,048	1,003,300
Fees and Charges		317,024	250,936	307,065
Service Charges		0	0	0
Interest Earnings		23,163	38,017	46,049
Goods and Services Tax		0	0	0
Other		0	0	0
		<u>2,313,906</u>	<u>2,756,083</u>	<u>2,250,365</u>
<b>Payments</b>				
Employee Costs		(1,094,847)	(1,038,084)	(1,108,340)
Materials and Contracts		(1,192,328)	(874,052)	(927,089)
Utility Charges		(119,082)	(111,307)	(143,365)
Insurance Expenses		(143,863)	(122,578)	(129,866)
Interest Expenses		(30,431)	(28,332)	(35,345)
Goods and Services Tax		0	0	0
Other		0	0	0
		<u>(2,580,551)</u>	<u>(2,174,353)</u>	<u>(2,344,005)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>(266,645)</u>	<u>581,730</u>	<u>(93,640)</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	3	0	0	0
Payments for Purchase of Property, Plant & Equipment	3	(1,098,539)	(869,429)	(1,146,562)
Payments for Construction of Infrastructure	3	(868,313)	(1,040,143)	(940,708)
Advances to Community Groups		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,066,510	1,129,545	1,169,027
Proceeds from Sale of Plant & Equipment	4	85,000	61,818	98,362
Proceeds from Advances		0	0	0
<b>Net Cash Used in Investing Activities</b>		<u>(815,342)</u>	<u>(718,209)</u>	<u>(819,881)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	(88,139)	(84,310)	(84,310)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		9,785	9,099	9,099
Proceeds from New Debentures	5	265,000	0	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		186,646	(75,211)	(75,211)
<b>Net Increase (Decrease) in Cash Held Cash at Beginning of Year</b>		(895,341)	(211,690)	(988,732)
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u>204,531</u>	<u>1,099,872</u>	<u>322,832</u>

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

**SHIRE OF WYALKATCHEM  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>REVENUES</b>	1,2			
Governance		8,670	63,544	29,858
General Purpose Funding		812,374	1,451,565	1,046,275
Law, Order, Public Safety		24,257	25,064	16,906
Health		172,506	114,464	88,226
Education and Welfare		0	0	0
Housing		120,492	137,144	138,846
Community Amenities		95,623	84,681	153,510
Recreation and Culture		219,936	26,976	170,216
Transport		890,409	1,070,050	835,110
Economic Services		6,136	7,848	6,500
Other Property and Services		50,750	20,067	24,204
		<u>2,401,153</u>	<u>3,001,403</u>	<u>2,509,651</u>
<b>EXPENSES</b>	1,2			
Governance		(336,365)	(320,575)	(323,921)
General Purpose Funding		(81,810)	(88,825)	(91,013)
Law, Order, Public Safety		(93,512)	(77,482)	(76,920)
Health		(351,862)	(330,066)	(319,325)
Education and Welfare		(6,710)	(1,710)	(1,710)
Housing		(271,068)	(254,437)	(280,447)
Community Amenities		(245,727)	(200,675)	(219,238)
Recreation & Culture		(455,134)	(434,155)	(492,238)
Transport		(1,323,190)	(1,177,604)	(1,261,008)
Economic Services		(98,252)	(170,564)	(143,644)
Other Property and Services		(500)	(31,129)	(4,854)
		<u>(3,264,130)</u>	<u>(3,087,222)</u>	<u>(3,214,318)</u>
<b>Net Operating Result Excluding Rates</b>		<b>(862,977)</b>	<b>(85,819)</b>	<b>(704,667)</b>
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	4	(25,809)	17,785	(6,956)
Depreciation on Assets	2(a)	794,355	797,924	830,499
Movement in Deferred Pensioner Rates (Non-Current)			1,497	
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	3	0	0	0
Purchase Land and Buildings	3	(837,415)	(749,987)	(965,896)
Purchase Infrastructure Assets - Roads	3	(665,228)	(881,878)	(821,849)
Purchase Infrastructure Assets - Airports	3	(153,085)	(158,265)	(118,859)
Purchase Infrastructure Assets - Footpaths	3	0	0	0
Purchase Infrastructure Assets - Other	3	(50,000)	0	0
Purchase Plant and Equipment	3	(261,124)	(119,442)	(175,666)
Purchase Furniture and Equipment	3	0	0	(5,000)
Proceeds from Disposal of Assets	4	85,000	61,818	98,362
Repayment of Debentures	5	(88,139)	(84,309)	(84,310)
Proceeds from New Debentures	5	265,000	0	0
Self-Supporting Loan Principal Income		9,785	9,099	9,099
Transfers to Reserves (Restricted Assets)	6	(134,043)	(1,259,221)	(738,232)
Transfers from Reserves (Restricted Assets)	6	531,335	1,624,105	1,366,108
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	431,116	344,727	423,415
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	431,116	0
<b>Amount Required to be Raised from Rates</b>	8	<u><b>(961,229)</b></u>	<u><b>(913,082)</b></u>	<u><b>(893,951)</b></u>

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

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of this financial report are:

**(a) Basis of Accounting**

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.

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.

**(b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

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

**(c) 2012/13 Actual Balances**

Balances shown in this budget as 2012/13 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**(d) Rounding Off Figures**

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

**(e) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**(f) Goods and Services Tax**

Revenues, expenses and assets capitalised are stated net of any GST recoverable.

Receivables and payables in the statement of financial position are stated inclusive of applicable GST. 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.

**(g) Superannuation**

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

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(h) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less 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 on the statement of financial position.

**(i) Trade and Other Receivables**

Collectibility 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.

**(j) 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 purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until Finance costs and holding charges incurred after development is completed are expensed.

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

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

**(k) Fixed Assets**

Each class of fixed assets 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.

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

(a) for the financial year ending 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipments; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

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

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

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



**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(k) Fixed Assets (Continued)**

***Land under Control***

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

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

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2013.

***Initial Recognition***

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

***Revaluation***

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

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(k) Fixed Assets (Continued)**

***Revaluation (Continued)***

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.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

***Transitional Arrangement***

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

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

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

***Early Adoption of AASB 13 - Fair Value Measurement***

Whilst the new accounting standard in relation to Fair Value, *AASB 13 - Fair Value Measurement* does not become applicable until the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13 - Fair Value Measurement* have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation) the adoption of this standard has had no effect on previous reporting periods.

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(k) Fixed Assets (Continued)**

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

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

**Depreciation of Non-Current Assets**

All non-current assets having a limited useful life (excluding freehold land) are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Land	Not Depreciated
Airstrip	Not Depreciated
Buildings	50 years
Furniture	3 years
Computers	2.5 years
Vehicles	5 years
Graders	8 years
Footpaths	25 years
Other Plant & Equipment	3 years
Roads, Streets & Footpaths Formation	Not Depreciated
Pavement	50 years
Seal	15 years
Kerbing	30 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 the statement of comprehensive income in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

**SHIRE OF WYALKATCHEM  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(k) Fixed Assets (Continued)**

***Capitalisation Threshold***

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

**(l) Financial Instruments**

**Initial Recognition and Measurement**

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

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

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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;
- (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; and
- (d) less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly 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 WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(l) Financial Instruments (Continued)**

**Classification and Subsequent Measurement (Continued)**

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

*(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.

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 and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost.

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.

They are subsequently measured at fair value with changes in such fair value (ie 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 the 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 financial assets are classified as non-current.

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Impairment**

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(l) Financial Instruments (Continued)**

***Derecognition***

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

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

**(m) Impairment**

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

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

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (eg AASB 116). Any impairment loss of a revalued asset is treated as 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.

**(n) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**(o) Employee Benefits**

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for the benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

**(p) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(q) Provisions**

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) that outflow can be reliably measured.

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

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

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

**(s) Comparative Figures**

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

**(t) Budget Comparative Figures**

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

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>2. REVENUES AND EXPENSES</b>			
<b>(a) Net Result from Ordinary</b>			
<b>Activities was arrived at after:</b>			
(i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	22,000	22,580	24,804
Other Services	2,000	2,588	8,000
<b>Depreciation</b>			
<b><u>By Program</u></b>			
Governance	28,949	29,530	37,890
General Purpose Funding	0	0	0
Law, Order, Public Safety	180	195	806
Health	27,413	27,413	32,444
Education and Welfare	1,710	1,710	1,710
Housing	39,206	39,818	40,919
Community Amenities	10,990	11,644	18,307
Recreation and Culture	14,782	14,847	15,205
Transport	573,728	575,371	583,574
Economic Services	7,134	7,134	5,421
Other Property and Services	90,263	90,262	94,223
	<u>794,355</u>	<u>797,924</u>	<u>830,499</u>
<b><u>By Class</u></b>			
Buildings	80,314	80,394	81,205
Furniture and Equipment	16,001	17,777	16,957
Drainage	301	301	301
Parks & Gardens Oval	3,063	3,063	3,063
Plant & Equipment	121,248	122,961	154,875
Property Maintenance & Tools	0	0	0
Airfield	58,618	58,618	59,287
Footpaths & Cycleways	9,548	9,548	9,548
Roads - Pavements	505,262	505,262	505,263
	<u>794,355</u>	<u>797,924</u>	<u>830,499</u>
<b>Borrowing Costs (Interest)</b>			
- Bank and other Interest	0	56	800
- Debentures ( <i>refer note 5(a)</i> )	30,431	28,276	34,545
	<u>30,431</u>	<u>28,332</u>	<u>35,345</u>
<b>Rental Charges</b>			
- Operating Leases	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(ii) Crediting as Revenues:			
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	15,000	26,056	30,000
- Other Funds	1,800	1,988	9,000
Other Interest Revenue ( <i>refer note 13</i> )	6,363	9,973	7,049
	<u>23,163</u>	<u>38,017</u>	<u>46,049</u>



**SHIRE OF WYALKATCHEM  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**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 and for each of its broad activities/programs.

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

**GOVERNANCE**

*Members of Council*

This is the 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, subscriptions, conference expenses, Chamber expenses, members' entertainment, support staff (secretarial, receptionists etc.), printing, telephones, faxes, delivery expenses.

*Other Governance*

Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services. Including civic receptions, refreshments, receptions, naturalisation and citizenship ceremonies, polls, referendums, public relations, Freedom of Information requests, 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.

**GENERAL PURPOSE FUNDING**

*Rates*

Rates levied under Division 6 of Part 6 of the Local Government Act 1995. Revenue from a general rate, differential rates, minimum rates, interest and fees on instalment arrangements, interest on arrears, government subsidy for rates deferred by entitled pensioners, less discounts and/or concessions relating to rates levied. Expenditures incurred in administration and maintaining rate records, rating valuations, servicing notices, postage, stationery, advertising, doubtful debt expenses, debt collection, printing, indirect administration costs etc.

*Other General Purpose Funding (GPF)*

Amounts receivable from the Western Australian Grants Commission and any other Government Grant of a general purpose nature and generally referred to as untied grants. Interest earnings from deposits and investments, including reserve accounts. General overdraft expenses on the Municipal Fund.

**LAW, ORDER, PUBLIC SAFETY**

*Fire Prevention*

Administration and operations on fire prevention services, including volunteer bush fire brigades, outlays on roadside clearing operations (slashing, clearing, mowing verges, standpipes, insurance) and other protective burning. Revenues include the sale of local laws, maps, materials relating to fire prevention, fines and penalties imposed under relevant Acts and fines, fees or charges for clearing fire breaks.

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**LAW, ORDER, PUBLIC SAFETY (Continued)**

*Animal Control*

Administration, enforcement and operations relating to the control of animals. Includes costs of impounding, destroying and disposal of stray animals. Revenues include dog registration fees, fines and penalties relating to straying dogs, cats, cattle and other livestock and impounding and destruction fees.

*Public Safety*

Administration, promotion, support and operation of services relating to public order and safety that cannot be assigned to one of the preceding sub-programs. Enforcement of Local Government Laws and impounding vehicles.

**HEALTH**

*Preventive Services*

Administration, inspection and operations of programs concerned with the general health of the community. Includes the costs and revenues derived from the inspection of eating houses, itinerant food vendors, stall holders, offensive trade etc. Also includes providing the services of an Environmental Health Officer, in the regional health scheme, and any other outlays concerned with general health inspection and administration services provided by the council.

*Other Health*

Administration and operation of health facilities, including contributions, subsidies, donations toward the provision of medical services such as the local doctor.

**EDUCATION AND WELFARE**

*Senior Citizens*

Administration, support and operation of welfare services for senior citizen.

**HOUSING**

*Community Housing*

Administration and management of residential housing for members of the community.

**COMMUNITY AMENITIES**

*Sanitation – Household*

Administration and operation of general refuse collection and disposal services. These include the collection of general, recyclable and green waste, and its delivery to a disposal site. Provision and maintenance of the rubbish disposal site.

*Protection of Environment*

Administration, inspection and operation of flood mitigation work removal of dead animals, derelict and abandoned vehicles. Includes the development, monitoring and operation of pollution and noise control, soil erosion.

*Town Planning*

Administration, inspection and operation of a town planning service. This includes planning control, the preparation of town planning development schemes, zoning and rezoning. Includes costs associated with the purchase and resumption of land for public open space, community facilities etc. for the expansion or development of this program.

*Other Amenities*

Includes outlays on public conveniences, drinking fountains, cemetery, rest centres, street seats and other street furniture.

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**RECREATION AND CULTURE**

*Public Buildings*

Administration, provision and operation of multipurpose venues such as Public Hall, Town Hall, Function Room and Community Centre.

*Swimming Pool*

Administration and operation of public swimming pool.

*Other Recreation*

Administration, provision and maintenance of other recreational facilities and services. including indoor and outdoor sporting complexes and facilities such as football and cricket grounds, tennis courts, basketball and netball courts and other recreational areas such as parks and gardens, ovals, playgrounds, barbecue areas, cycleway, dual use paths, Communication Broadcasting, Administration, support, provision and operation of facilities to receive and rebroadcast communication signals.

*Library*

Administration, provision and operation of the local library, including books, tapes, records, audio-visual aids, and other services.

*Tidy Towns*

The Shire will continue to work with the Care for Wylie Committee in their program for the improvement of the townscape.

*Community Grants*

The Shire will continue to fund activities undertaken by community based organisations, where it can be shown that the money will benefit members of the community.

**TRANSPORT**

*Public Works*

Administration, regulation and operation relating to the provision of streets and roads, under the control of the Shire and the Commissioner of Main Roads. It also includes drainage works, kerbing, road verges, median strips, footpaths, private streets, crossovers and approaches, road signs and names, street crossings, line marking, street lighting, street trees and street cleaning.

*Airstrip*

Administration, provision and operation of the airstrip and other associated facilities.

**ECONOMIC SERVICES**

*Tourism*

The development, promotion, support, research, operation etc. of tourism and area promotion to attract tourists, promotion to attract tourist development such as brochures, contributions to tourist promotion schemes.

*Building Control*

Administration, inspection and operations concerned with application of the building standards. It includes examination, processing and inspection services, swimming pool inspections etc.

**OTHER PROPERTY & SERVICES**

*Private Works*

Administration, inspection, and operation of work carried out on property or services not under the care, control and management of the local government. These include road works on private property, commissions for agencies and fees or service (i.e Transport Licensing).

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**2013/14**  
**Budget**  
**\$**

**3. ACQUISITION OF ASSETS**

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

**By Program**

**Governance**

Replacement of CEO Vehicle (000WM)	46,000
Shire Office Refurbishment	6,500

**Health**

Replacement of Doctor's Vehicle (WM014)	53,000
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**Housing**

1 Slocum St Carpets	6,000
2 Slocum St Ceilings	9,220

**Recreation and Culture**

Community Resource Centre Project	676,928
Lady Novar Heritage Project	58,767
Replace Toyota 22 seat Community Bus	98,974
Installation of lighting & other works for Tourist Pathway, Visitor Information Bay & Town Entry Statements	10,000
Upgrade of Walk a Wyal trail infrastructure & signage (subject to successful grant funding)	50,000

**Transport**

Regional Road Group Nembudding South Rd 0.0 - 4.0 SLK Seal existing to 7.2m	115,000
Regional Road Group Nembudding South Rd 17.64 - 19.64 SLK Widen existing 3.8m pavement to 9.5m carriageway and 7m seal width	125,219
Regional Road Group Tammin Wyalkatchem Rd 11.88 - 14.20 SLK Widen existing 3.8m pavement to 9.5m carriageway and 7m seal width	155,655
Roads to Recovery Goldfields Rd 0.60 - 3.84 SLK Gravel sheet to minimum of 8m wide carriageway	127,899
Roads to Recovery Nembudding South Rd 18.20 SLK Reconstruct concrete floor	22,106
Roads to Recovery Turner Rd 1.74 - 1.76 and 3.76 - 4.26 SLK Fix Drainage, widen & gravel sheet	26,600
Roads to Recovery Cemetery Rd 0.00 - 2.80 SLK Shoulder reconditioning	92,750
Airport Reticulation of Leasehold lots with water and power	88,085
Airport Purchase of reserve - conversion to freehold	65,000
Replace 3 tonne Tipper Crew Cab Truck & Hiab	63,150

**Economic Services**

Railway Barracks (subject to successful grant funding)	35,000
Railway Station (subject to successful grant funding)	35,000

**1,966,852**

**By Class**

Land Held for Resale	0
Land and Buildings	837,415
Infrastructure Assets - Roads	665,228
Infrastructure Assets - Airport	153,085
Infrastructure Assets - Other	50,000
Plant and Equipment	261,124
Furniture and Equipment	0

**1,966,852**

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
- capital schedule

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**4. DISPOSALS OF ASSETS**

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

<b><u>By Program</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	2013/14 BUDGET \$	2013/14 BUDGET \$	2013/14 BUDGET \$
<b>Governance</b> CEO Vehicle 000WM	31,220	26,000	(5,220)
<b>Health</b> Doctor Vehicle WM014	27,971	21,000	(6,971)
<b>Other Property and Services</b> Replace Toyota 22 seat bus	0	28,000	28,000
Dual Cab Mini Truck 3T WM003	0	10,000	10,000
	59,191	85,000	25,809

<b><u>By Class</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	2012/13 BUDGET \$	2012/13 BUDGET \$	2012/13 BUDGET \$
Plant & Equipment	59,191	85,000	25,809
	59,191	85,000	25,809

<b><u>Summary</u></b>	<b>2012/13 BUDGET \$</b>
Profit on Asset Disposals	38,000
Loss on Asset Disposals	(12,191)
	<u>25,809</u>

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-13	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2013/14 Budget \$	2012/13 Actual \$	2013/14 Budget \$	2012/13 Actual \$	2013/14 Budget \$	2012/13 Actual \$
<b>Law, Order &amp; Public Safety</b>								
Loan 67 - Fire Appliances	0		0	2,673	0	0	0	31
<b>Housing</b>								
Loan 63 - 22 Johnston	0		0	5,499	0	0	0	11
Loan 68 - 43/45 Wilson	232,242		14,705	13,741	217,537	232,242	10,145	10,760
Loan 71b - GEHA 51/55 Flint	190,131		45,061	43,507	145,070	190,131	6,412	8,021
Loan 72 - GEHA 51/55 Flint	117,772		20,297	18,889	97,475	117,772	9,538	9,453
<b>Recreation &amp; Culture</b>								
Loan 73 - Community Resource Centre Building Project	0	200,000	8,076	0	191,924	0	4,336	0
<b>Transport</b>								
Loan 74 - Airport - purchase of Reserve	0	65,000	0	0	65,000	0	0	0
	540,145	265,000	88,139	84,309	717,006	540,145	30,431	28,276

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

**SHIRE OF WYALKATCHEM**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2014**

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

(b) New Debentures - 2012/13

<b>Particulars/Purpose</b>	<b>Amount Borrowed Budget</b>	<b>Institution</b>	<b>Loan Type</b>	<b>Term (Years)</b>	<b>Total Interest &amp; Charges</b>	<b>Interest Rate %</b>	<b>Amount Used Budget</b>	<b>Balance Unspent \$</b>
Community Resource Centre Building Project	200,000	WATC	Debenture	10	48,338	4.21%	200,000	0
Purchase of Airport Reserve	65,000	WATC	Debenture	5	6,475	3.44%	65,000	0

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2013 nor is it expected to have unspent debenture funds as at 30th June 2014.

(d) Overdraft

Council has an overdraft facility of \$150,000 with the National Australia Bank. The facility was not used during the 2012/13 financial year and it is not anticipated that this facility will be required to be utilised during 2013/14.

## SHIRE OF WYALKATCHEM

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE YEAR ENDED 30TH JUNE 2014

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>6. RESERVES</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	0	64,620	64,620
Amount Set Aside / Transfer to Reserve	0	1,046	57,792
Amount Used / Transfer from Reserve	0	(65,666)	(30,000)
	<u>0</u>	<u>0</u>	<u>92,412</u>
<b>(b) Building Reserve</b>			
Opening Balance	0	50,358	50,358
Amount Set Aside / Transfer to Reserve	0	1,321	1,615
Amount Used / Transfer from Reserve	0	(51,679)	(15,708)
	<u>0</u>	<u>0</u>	<u>36,265</u>
<b>(c) Office Equipment Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(d) Swimming Pool Reserve</b>			
Opening Balance	0	50,358	50,359
Amount Set Aside / Transfer to Reserve	0	1,321	1,615
Amount Used / Transfer from Reserve	0	(51,679)	(51,974)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(e) Rubbish Tip Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	5,000	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>5,000</u>	<u>0</u>	<u>0</u>
<b>(f) Bush Fire Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(g) Plant Reserve</b>			
Opening Balance	131,429	97,526	97,526
Amount Set Aside / Transfer to Reserve	105,002	37,903	17,431
Amount Used / Transfer from Reserve	(73,150)	(4,000)	(4,000)
	<u>163,281</u>	<u>131,429</u>	<u>110,957</u>
<b>(h) Community Bus Reserve</b>			
Opening Balance	51,933	50,358	50,359
Amount Set Aside / Transfer to Reserve	19,041	1,575	6,615
Amount Used / Transfer from Reserve	(70,974)	0	0
	<u>0</u>	<u>51,933</u>	<u>56,974</u>



## SHIRE OF WYALKATCHEM

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE YEAR ENDED 30TH JUNE 2014

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>(i) Recreation Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(j) Land Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(k) Subdivision Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(l) Unspent Grants Reserve</b>			
Opening Balance	158,644	622,237	622,236
Amount Set Aside / Transfer to Reserve	0	345,068	0
Amount Used / Transfer from Reserve	(158,644)	(808,661)	(622,236)
	<u>0</u>	<u>158,644</u>	<u>0</u>
<b>(m) 2010/11 CLGF Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(n) Community Housing Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	973
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>973</u>
<b>(o) Railway Barracks Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(p) Regional Grants Scheme Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	95,374	96,869
Amount Used / Transfer from Reserve	0	(95,374)	(96,869)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(q) Medicare Local Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	20,522	20,641
Amount Used / Transfer from Reserve	0	(20,522)	(20,641)
	<u>0</u>	<u>0</u>	<u>0</u>

## SHIRE OF WYALKATCHEM

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE YEAR ENDED 30TH JUNE 2014

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>(r) 2011/12 CLGF Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	289,881	290,838
Amount Used / Transfer from Reserve	0	(289,881)	(290,838)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(s) Gravel Reimbursement Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	4,125	10,000
Amount Used / Transfer from Reserve	0	(4,125)	0
	<u>0</u>	<u>0</u>	<u>10,000</u>
<b>(t) Road Reserve</b>			
Opening Balance	228,567	0	0
Amount Set Aside / Transfer to Reserve	0	461,085	233,842
Amount Used / Transfer from Reserve	(228,567)	(232,518)	(233,842)
	<u>0</u>	<u>228,567</u>	<u>0</u>
<b>(u) Community Resource and Visitor Centre Building Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	5,000	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>5,000</u>	<u>0</u>	<u>0</u>
<b>Total Reserves</b>	<u>173,281</u>	<u>570,573</u>	<u>307,582</u>

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

NOTE: Closing Balance of Unspent Grants Reserve consists of the following:

<u>Grant/Contribution</u>	<u>Received 2012/13</u>	<u>Expended 2012/13</u>	<u>Closing Balance 30/06/2013</u>
2012/13 CLGF	345,068	(186,424)	158,644
<b>Total</b>	<u>345,068</u>	<u>(186,424)</u>	<u>158,644</u>

## SHIRE OF WYALKATCHEM

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE YEAR ENDED 30TH JUNE 2014

	2013/14 Budget \$	2012/13 Actual \$	2011/12 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>Summary of Transfers To Cash Backed Reserves</b>			
<b>Transfers to Reserves</b>			
Leave Reserve	0	1,046	57,792
Building Reserve	0	1,321	1,615
Office Equipment Reserve	0	0	0
Swimming Pool Reserve	0	1,321	1,615
Rubbish Tip Reserve	5,000	0	0
Bush Fire Reserve	0	0	0
Plant Reserve	105,002	37,903	17,431
Community Bus Reserve	19,041	1,575	6,615
Recreation Reserve	0	0	0
Land Reserve	0	0	0
Subdivision Reserve	0	0	0
Unspent Grants Reserve	0	345,068	0
2010/11 CLGF Reserve	0	0	0
Community Housing Reserve	0	0	973
Railway Barracks Reserve	0	0	0
Regional Grants Scheme Reserve	0	95,374	96,869
Medicare Local Reserve	0	20,522	20,641
2011/12 CLGF Reserve	0	289,881	290,838
Gravel Reimbursement Reserve	0	4,125	10,000
Road Reserve	0	461,085	233,842
Community Resource and Visitor Centre Building Reserve	5,000	0	0
	<u>134,043</u>	<u>1,259,221</u>	<u>738,232</u>
<b>Transfers from Reserves</b>			
Leave Reserve	0	(65,666)	(30,000)
Building Reserve	0	(51,679)	(15,708)
Office Equipment Reserve	0	0	0
Swimming Pool Reserve	0	(51,679)	(51,974)
Rubbish Tip Reserve	0	0	0
Bush Fire Reserve	0	0	0
Plant Reserve	(73,150)	(4,000)	(4,000)
Community Bus Reserve	(70,974)	0	0
Recreation Reserve	0	0	0
Land Reserve	0	0	0
Subdivision Reserve	0	0	0
Unspent Grants Reserve	(158,644)	(808,661)	(622,236)
2010/11 CLGF Reserve	0	0	0
Community Housing Reserve	0	0	0
Railway Barracks Reserve	0	0	0
Regional Grants Scheme Reserve	0	(95,374)	(96,869)
Medicare Local Reserve	0	(20,522)	(20,641)
2011/12 CLGF Reserve	0	(289,881)	(290,838)
Gravel Reimbursement Reserve	0	(4,125)	0
Road Reserve	(228,567)	(232,518)	(233,842)
Community Resource and Visitor Centre Building Reserve	0	0	0
	<u>(531,335)</u>	<u>(1,624,105)</u>	<u>(1,366,108)</u>
<b>Total Transfer to/(from) Reserves</b>	<u>(397,292)</u>	<u>(364,884)</u>	<u>(627,876)</u>

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

**6. RESERVES (Continued)**

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

**Leave Reserve (Staff Entitlements)**

To be used to fund annual and long service leave requirements.

**Building Reserve**

To be used for the acquisition, disposal, maintenance and funding of Shire properties.

**Office Equipment Reserve**

To be used for the acquisition, disposal, maintenance and funding of office equipment.

**Swimming Pool Reserve**

To be used for the acquisition, disposal, maintenance and funding of the swimming pool and equipment.

**Rubbish Tip Reserve**

To be used for the acquisition, disposal, maintenance and funding of the community rubbish tip.

**Bush Fire Reserve**

To be used for the acquisition, disposal, maintenance and funding of the community bush fire activities.

**Plant Reserve**

To be used for the acquisition, disposal, maintenance and funding of shire plant and equipment.

**Community Bus Reserve**

To be used for the acquisition, disposal, maintenance and funding of the community bus.

**Recreation Reserve**

To be used for the acquisition, disposal, maintenance and funding of Recreation facilities.

**Land Reserve**

To be used for the acquisition, disposal and funding of land.

**Subdivision Reserve**

To be used for the acquisition, disposal, maintenance and funding of Shire subdivisions.

**Unspent Grants**

To be used for the purpose of containing funds that are derived from unspent or prepaid grants and contributions from external parties.

**Community Housing Reserve**

To be used for the acquisition, disposal, maintenance and funding of community housing.

**Railway Barracks Reserve**

To be used for the acquisition, disposal, maintenance and funding of the railway barracks.

**Regional Grants Scheme Reserve**

To be used for the purpose of the grant received from the Wheatbelt Development Commission in accordance with the Shire's Grant Agreement.

**Medicare Local Reserve**

To be used for the purpose of the grant received from Medicare Local in accordance with the Shire's Grant Agreement.

**2011/12 CLGF Reserve**

To be used for the purpose of the grant received from the Department of Regional Development and Lands in accordance with the Shire's Grant Agreement.

**Gravel Reimbursement Reserve**

To be used for the purpose of recovering the cost of gravel utilised from the 'Eaton Stockpile'.

**Road Reserve**

To be used for the purpose of quaranting the prepayment of the Shire's Financial Assistance Grant (Road Portion) to be applied against road expenditure in the current budget year.

**Community Resource and Visitor Centre Building Reserve**

In accordance with the Service Agreement with the Community Resource Centre an annual amount of \$5,000 is to be transferred to Reserve to provide for maintenance and/or capital renewal.

## SHIRE OF WYALKATCHEM

## NOTES TO AND FORMING PART OF THE BUDGET

## FOR THE YEAR ENDED 30TH JUNE 2014

	Note	2013/14 Budget \$	2012/13 Actual \$
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	15(a)	31,250	529,299
Cash - Restricted Reserves	15(a)	173,281	570,573
Receivables		25,000	81,034
Inventories		79,915	115,438
		<u>309,446</u>	<u>1,296,344</u>
<b>LESS: CURRENT LIABILITIES</b>			
Payables and Provisions		<u>(136,165)</u>	<u>(294,655)</u>
NET CURRENT ASSET POSITION		173,281	1,001,689
Less: Cash - Restricted Reserves	15(a)	(173,281)	(570,573)
Less: Cash - Restricted Municipal		<u>                    </u>	<u>                    </u>
ESTIMATED SURPLUS C/FWD		<u><u>0</u></u>	<u><u>431,116</u></u>

The estimated surplus c/fwd in the 2012/13 actual column represents the surplus brought forward as at 1 July 2013.

The estimated surplus c/fwd in the 2013/14 budget column represents the surplus carried forward as at 30 June 2014.

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**8. RATING INFORMATION - 2013/14 FINANCIAL YEAR**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>2013/14 Budgeted Rate Revenue \$</b>	<b>2013/14 Budgeted Interim Rates \$</b>	<b>2013/14 Budgeted Back Rates \$</b>	<b>2013/14 Budgeted Total Revenue \$</b>	<b>2012/13 Actual \$</b>
<b>General Rate</b>								
UV - Rural	0.01391	203	60,359,000	839,594			839,594	788,020
GRV - Townsite	0.06997	177	1,363,316	95,391			95,391	98,985
<b>Sub-Totals</b>		380	61,722,316	934,985	0	0	934,985	887,005
<b>Minimum Rates</b>	<b>Minimum \$</b>							
UV - Rural	500	14	331,100	7,000			7,000	1,920
UV - Mining	500	9	18,895	4,500			4,500	2,560
GRV - Townsite	400	69	157,102	27,600			27,600	16,000
GRV - Other Townsite	400	4	14,546	1,600			1,600	1,325
<b>Sub-Totals</b>		73	171,648	40,700	0	0	40,700	21,805
Ex-Gratia Rates							975,685	908,810
Specified Area Rates (Note 9)							5,858	5,918
							0	0
Pre-Paid Rates							981,543	914,728
Discounts							-19,514	-18,171
Concessions							-300	-320
Write Offs							-500	-165
<b>Totals</b>							961,229	913,082

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

The general rates detailed above for the 2013/14 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.

A general revaluation of GRV properties was completed in August 2012 with an effective revaluation date of 1 July 2013. The average increase in valuation for GRV properties was 32.3%. The revaluation has been considered when setting the rate in the dollar.

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**9. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR**

There will be no specified area rates levied during 2013/14.

**10. SERVICE CHARGES - 2013/14 FINANCIAL YEAR**

There will be no service charges levied during 2013/14.

<b>11. FEES &amp; CHARGES REVENUE</b>	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>
Governance	150	147
General Purpose Funding	4,525	10,776
Law, Order, Public Safety	5,954	4,779
Health	0	0
Education and Welfare	0	0
Housing	120,492	137,145
Community Amenities	92,292	80,062
Recreation & Culture	24,591	18,643
Transport	6,100	13,476
Economic Services	6,136	7,848
Other Property & Services	750	6,793
	<u>260,990</u>	<u>279,669</u>

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2013/14 FINANCIAL YEAR**

A 2.5% early payment discount will be granted on Rates paid by **30 September 2013** - estimated total is \$19,514.  
Pensioners will be eligible for a \$80 discount on rubbish services - estimated total is \$5,520.  
The Returned Services League is eligible for a Rate Concession until 2013/14.

**13. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAR**

Interest of 11% will accrue daily on all unpaid Rates. It is anticipated the amount received for penalty interest will be \$1,600.

Ratepayers will be offered a pay by instalment plan. There will be a \$5 charge for each additional instalment and 5.5% interest on instalment option. It is anticipated instalment costs will bring revenue of \$1,140.

Instalment due dates will be:

Issue Date	23/08/2013
1st Instalment	27/09/2013
2nd Instalment	29/11/2013
3rd Instalment	31/01/2014
4th Instalment	04/04/2014

<b>14. ELECTED MEMBERS REMUNERATION</b>	<b>2013/14 Budget \$</b>	<b>2011/12 Actual \$</b>
The following fees, expenses and allowances were paid to council members and/or the president.		
Meeting Fees	24,500	16,800
President's Allowance	6,000	6,000
Deputy President's Allowance	1,500	1,500
Travelling Expenses	4,000	3,010
Telecommunications Allowance	3,500	2,800
	<u>39,500</u>	<u>30,110</u>

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(a) Reconciliation of Cash**

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

	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>	<b>2012/13 Budget \$</b>
Cash - Unrestricted	31,250	529,299	15,250
Cash - Restricted	173,281	570,573	307,582
	<u>204,531</u>	<u>1,099,872</u>	<u>322,832</u>

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

Leave Reserve	0	0	92,412
Building Reserve	0	0	36,265
Office Equipment Reserve	0	0	0
Swimming Pool Reserve	0	0	0
Rubbish Tip Reserve	5,000	0	0
Bush Fire Reserve	0	0	0
Plant Reserve	163,281	131,429	110,957
Community Bus Reserve	0	51,933	56,974
Recreation Reserve	0	0	0
Land Reserve	0	0	0
Subdivision Reserve	0	0	0
Unspent Grants Reserve	0	158,644	0
2010/11 CLGF Reserve	0	0	0
Community Housing Reserve	0	0	973
Regional Grants Scheme Reserve	0	0	0
Medicare Local Reserve	0	0	0
2011/12 CLGF Reserve	0	0	0
Gravel Reimbursement Reserve	0	0	10,000
Road Reserve	0	228,567	0
Community Resource and Visitor Centre Building Reserve	5,000	0	0
	<u>173,281</u>	<u>570,573</u>	<u>307,582</u>

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

Net Result	98,252	827,264	189,284
Depreciation	794,355	797,924	830,499
(Profit)/Loss on Sale of Asset	(25,809)	17,785	(6,956)
(Increase)/Decrease in Receivables	56,034	(28,733)	24,454
(Increase)/Decrease in Inventories	35,523	58,061	105,103
Increase/(Decrease) in Payables/Accruals	(158,490)	38,974	(66,997)
Increase/(Decrease) in Employee Provisions			
Grants/Contributions for the Development of Assets	(1,066,510)	(1,129,545)	(1,169,027)
<b>Net Cash from Operating Activities</b>	<u>(266,645)</u>	<u>581,730</u>	<u>(93,640)</u>



**SHIRE OF WYALKATCHEM  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**15. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)**

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank Overdraft limit	150,000	150,000	150,000
Bank Overdraft at Balance Date			
Credit Card limit	5,000	5,000	5,000
Credit Card Balance at Balance Date			
<b>Total Amount of Credit Unused</b>	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>

**Loan Facilities**

Loan Facilities in use at Balance Date	<u>717,006</u>	<u>540,145</u>	<u>540,145</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

**SHIRE OF WYALKATCHEM  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**16. TRUST FUNDS**

Funds held at balance date over which the District has no control and which are not included in the financial statements are as follows:

<b>Detail</b>	<b>Balance 1-Jul-13</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>Balance 30-Jun-14</b>
	<b>\$</b>	<b>\$</b>	<b>(\$)</b>	<b>\$</b>
Infant Health Clinic	46,554	2,000		48,554
REBA Bond Account	1			1
Dept Housing and Works	4,640			4,640
Wyalkatchem District Hospital	1,400			1,400
Telstra	0			0
Ahrens, Dorothy	500			500
Murray, Peter	0			0
Kocian, Peter	250		(250)	0
Reid, Brett	200			200
Green, Claire	200			200
Chapman, Wendy	490			490
McConnell, Peter	265			265
Webb, Trevor	315			315
Enkelman, Ben	215			215
Contract Aquatic	300			300
Working Account	0			0
Gym Monies	126			126
Key Deposit	150		(150)	0
Wyalkatchem Bush Fire Brigade	9,289			9,289
War Memorial Rose Garden	0			0
Tidy Towns Memorial Wall	529			529
Regional Pool Equipment	483			483
Aerodrome Lighting	426			426
Interest	1			1
Ambulance Station Donations	113			113
Cleaning Bond	300		(300)	0
Porsche Festival - Hells Bells	29			29
Senior Citizens Rent	248		(248)	0
Medical Centre Account	500			500
Police (DPI) Licensing Account	0	47,500	(47,500)	0
	<u>67,523</u>			<u>68,575</u>

**SHIRE OF WYALKATCHEM  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**17. MAJOR LAND TRANSACTIONS**

It is not anticipated any major land transactions will occur in 2013/14.

**18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated any trading undertakings or major trading undertakings will occur in 2013/14.