

SHIRE OF WYALKATCHEM
BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Comprehensive Income by Program	3
Statement of Cash Flows	4
Rate Setting Statement	5
Notes to and Forming Part of the Budget	6 to 35

SHIRE OF WYALKATCHEM
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Revenue				
Rates	8	1,022,272	940,618	961,229
Operating Grants, Subsidies and Contributions		1,691,434	1,015,093	1,012,490
Fees and Charges	11	265,087	294,825	260,990
Service Charges	10	0	0	0
Interest Earnings	2(a)	19,625	15,761	23,163
Other Revenue		0	0	0
		<u>2,998,418</u>	<u>2,266,297</u>	<u>2,257,872</u>
Expenses				
Employee Costs		(1,026,260)	(1,025,205)	(1,094,847)
Materials and Contracts		(1,012,135)	(912,855)	(1,069,361)
Utility Charges		(133,116)	(132,981)	(119,082)
Depreciation on Non-Current Assets	2(a)	(823,016)	(838,664)	(794,355)
Interest Expenses	2(a)	(37,323)	(24,689)	(30,431)
Insurance Expenses		(159,513)	(144,229)	(143,863)
Other Expenditure		0	0	0
		<u>(3,191,363)</u>	<u>(3,078,623)</u>	<u>(3,251,939)</u>
		(192,945)	(812,326)	(994,067)
Non-Operating Grants, Subsidies and Contributions		514,495	858,425	1,066,510
Profit on Asset Disposals	4	0	2,000	38,000
Loss on Asset Disposals	4	0	(1,039)	(12,191)
		<u>0</u>	<u>(1,039)</u>	<u>(12,191)</u>
NET RESULT		321,550	47,060	98,252
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>321,550</u>	<u>47,060</u>	<u>98,252</u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

SHIRE OF WYALKATCHEM
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Revenue (Refer Notes 1,2,8 to 13)				
Governance		7,400	23,857	8,670
General Purpose Funding		1,973,891	1,463,307	1,491,279
Law, Order, Public Safety		18,489	25,048	24,257
Health		184,294	178,792	172,506
Education and Welfare		0	0	0
Housing		102,393	121,948	120,492
Community Amenities		106,728	82,987	95,623
Recreation and Culture		72,853	31,912	41,169
Transport		512,484	291,499	284,990
Economic Services		6,136	6,295	6,136
Other Property and Services		13,750	40,652	12,750
		<u>2,998,418</u>	<u>2,266,297</u>	<u>2,257,872</u>
Expenses Excluding				
Finance Costs (Refer Notes 1,2 & 14)				
Governance		(285,552)	(335,382)	(331,145)
General Purpose Funding		(65,098)	(68,950)	(81,810)
Law, Order, Public Safety		(70,498)	(85,466)	(93,512)
Health		(364,014)	(341,551)	(344,891)
Education and Welfare		(1,710)	(6,710)	(6,710)
Housing		(213,334)	(255,916)	(244,973)
Community Amenities		(239,630)	(206,477)	(245,727)
Recreation & Culture		(471,718)	(395,403)	(450,798)
Transport		(1,354,626)	(1,267,082)	(1,323,190)
Economic Services		(82,892)	(91,981)	(98,252)
Other Property and Services		(4,968)	981	(500)
		<u>(3,154,040)</u>	<u>(3,053,937)</u>	<u>(3,221,508)</u>
Finance Costs (Refer Notes 2 & 5)				
Housing		(28,529)	(24,686)	(26,095)
Recreation & Culture		(8,794)	0	(4,336)
Transport		0	0	0
		<u>(37,323)</u>	<u>(24,686)</u>	<u>(30,431)</u>
Non-operating Grants, Subsidies and Contributions				
General Purpose Funding		0	282,324	282,324
Recreation & Culture		48,262	58,767	178,767
Transport		466,233	517,334	605,419
		<u>514,495</u>	<u>858,425</u>	<u>1,066,510</u>
Profit/(Loss) On				
Disposal Of Assets (Refer Note 4)				
Governance		0	0	(5,220)
Health		0	0	(6,971)
Other Property and Services		0	961	38,000
		<u>0</u>	<u>961</u>	<u>25,809</u>
NET RESULT		321,550	47,060	98,252
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>321,550</u>	<u>47,060</u>	<u>98,252</u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

**SHIRE OF WYALKATCHEM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,022,272	940,618	961,229
Operating Grants, Subsidies and Contributions		1,691,434	1,015,093	1,012,490
Fees and Charges		457,498	153,448	317,024
Service Charges		0	0	0
Interest Earnings		19,625	15,761	23,163
Goods and Services Tax		0	0	0
Other Revenue		0	0	0
		<u>3,190,829</u>	<u>2,124,920</u>	<u>2,313,906</u>
Payments				
Employee Costs		(1,026,260)	(1,032,408)	(1,094,847)
Materials and Contracts		(1,052,139)	(1,048,865)	(1,192,328)
Utility Charges		(133,116)	(132,981)	(119,082)
Interest Expenses		(37,323)	(24,689)	(143,863)
Insurance Expenses		(159,513)	(144,229)	(30,431)
Goods and Services Tax		0	0	0
Other Expenditure		0	0	0
		<u>(2,408,351)</u>	<u>(2,383,172)</u>	<u>(2,580,551)</u>
Net Cash Provided By Operating Activities	15(b)	<u>782,478</u>	<u>(258,252)</u>	<u>(266,645)</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	3	0	0	0
Payments for Purchase of Property, Plant & Equipment	3	(381,648)	(889,073)	(1,098,539)
Payments for Construction of Infrastructure	3	(744,946)	(631,076)	(868,313)
Advances to Community Groups		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		514,495	858,425	1,066,510
Proceeds from Sale of Plant & Equipment	4	175,000	33,455	85,000
Proceeds from Advances		0	0	0
Net Cash Used in Investing Activities		<u>(437,099)</u>	<u>(628,269)</u>	<u>(815,342)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(100,686)	(80,063)	(88,139)
Proceeds from Self Supporting Loans		10,524	9,785	9,785
Proceeds from New Debentures	5	0	200,000	265,000
Net Cash Provided By (Used In) Financing Activities		<u>(90,162)</u>	<u>129,722</u>	<u>186,646</u>
Net Increase (Decrease) in Cash Held Cash at Beginning of Year		255,217 343,229	(756,799) 1,100,028	(895,341) 1,099,872
Cash and Cash Equivalents at the End of the Year	15(a)	<u>598,446</u>	<u>343,229</u>	<u>204,531</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 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Revenues	1,2			
Governance		7,400	23,857	3,450
General Purpose Funding		951,619	805,013	866,439
Law, Order, Public Safety		18,489	25,048	24,257
Health		184,294	178,792	165,535
Education and Welfare		0	0	0
Housing		102,393	121,948	120,492
Community Amenities		106,728	82,987	95,623
Recreation and Culture		121,115	90,679	219,936
Transport		978,717	808,833	890,409
Economic Services		6,136	6,295	6,136
Other Property and Services		13,750	41,613	50,750
		<u>2,490,641</u>	<u>2,185,065</u>	<u>2,443,027</u>
Expenses	1,2			
Governance		(285,552)	(335,382)	(331,145)
General Purpose Funding		(65,098)	(68,950)	(81,810)
Law, Order, Public Safety		(70,498)	(85,466)	(93,512)
Health		(364,014)	(341,551)	(344,891)
Education and Welfare		(1,710)	(6,710)	(6,710)
Housing		(241,863)	(280,602)	(271,068)
Community Amenities		(239,630)	(206,477)	(245,727)
Recreation & Culture		(480,512)	(395,403)	(455,134)
Transport		(1,354,626)	(1,267,082)	(1,323,190)
Economic Services		(82,892)	(91,981)	(98,252)
Other Property and Services		(4,968)	981	(500)
		<u>(3,191,363)</u>	<u>(3,078,623)</u>	<u>(3,251,939)</u>
Net Operating Result Excluding Rates		(700,722)	(893,558)	(808,912)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	4	0	(961)	(25,809)
Depreciation on Assets	2(a)	823,016	838,664	794,355
Movement in Non-Current Staff Leave Provisions		0	(7,203)	0
Movement in Non-Current Receivables		0	0	0
Capital Expenditure and Revenue				
Purchase Land Held for Resale	3	0	0	0
Purchase Land and Buildings	3	(191,648)	(777,099)	(837,415)
Purchase Infrastructure Assets - Roads	3	(691,946)	(631,076)	(665,228)
Purchase Infrastructure Assets - Airports	3	0	0	(153,085)
Purchase Infrastructure Assets - Other	3	(53,000)	0	(50,000)
Purchase Plant and Equipment	3	(190,000)	(111,974)	(261,124)
Purchase Furniture and Equipment	3	0	0	0
Proceeds from Disposal of Assets	4	175,000	33,455	85,000
Repayment of Debentures	5	(100,686)	(80,063)	(88,139)
Proceeds from New Debentures	5	0	200,000	265,000
Self-Supporting Loan Principal Income		10,524	9,785	9,785
Transfers to Reserves (Restricted Assets)	6	(356,649)	(34,279)	(134,043)
Transfers from Reserves (Restricted Assets)	6	0	388,055	531,335
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	253,839	379,475	431,116
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	253,839	0
Amount Required to be Raised from General Rate	8	<u>(1,022,272)</u>	<u>(940,618)</u>	<u>(907,164)</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 2015

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The Local Government Reporting Entity

All Funds through which the 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. A separate statement of those monies appears at Note 16 to this budget document.

(b) 2013/14 Actual Balances

Balances shown in this budget as 2013/14 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a Gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(f) Superannuation

The 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 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

(h) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(i) Inventories

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land Held for Resale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

(j) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

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.

SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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 on 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 on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; 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.

In 2013, Council 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 budget as necessary.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was 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.

Upon 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 detailed in this Note.

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they were revalued along with other items of Land and Buildings at 30 June 2014.

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 Council 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.

**SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) 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.

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 detailed in the ***Initial Recognition*** section as detailed above.

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

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 Council.

Depreciation

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

SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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

Buildings	50 years
Land	Not depreciated
Furniture	3 years
Computers	2.5 years
Vehicles	5 years
Graders	8 years
Other Plant and Equipment	3 years
Roads and Streets	
formation	Not depreciated
pavement	50 years
seal	15 years
Footpaths	25 years
Kerbing	30 years
Airstrip Runways and Buildings	50 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.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

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

(k) Fair Value of Assets and Liabilities

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

Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

**SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fair Value of Assets and Liabilities (Continued)

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Council 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 Council are consistent with one or more of the following valuation approaches:

Market approach

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

**SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fair Value of Assets and Liabilities (Continued)

Income approach

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

Cost approach

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council 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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(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 cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excl. financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

**SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

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

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

(m) Impairment of Assets

In accordance with Australian Accounting Standards the 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 (e.g. AASB 116) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of Assets (Continued)

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2015.

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

(n) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the 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, are recognised as a current liability and are normally paid within 30 days of recognition.

(o) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Council'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 Council'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 Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(q) Provisions

Provisions are recognised when the Council has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

(r) 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 sale where it is held as non-current based on the Council's intentions to release for sale.

(s) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for 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 2015

2. REVENUES AND EXPENSES	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
(a) Net Result			
The Net Result includes:			
(i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	14,950	26,525	22,000
Other Services	2,500	1,610	2,000
Depreciation			
<u>By Program</u>			
Governance	7,720	7,720	28,949
General Purpose Funding	0	0	0
Law, Order, Public Safety	680	680	180
Health	13,604	20,705	27,413
Education and Welfare	1,710	1,710	1,710
Housing	39,206	39,206	39,206
Community Amenities	11,344	11,344	10,990
Recreation and Culture	24,285	24,285	14,782
Transport	622,230	622,230	573,728
Economic Services	7,509	7,509	7,134
Other Property and Services	94,728	103,275	90,263
	<u>823,016</u>	<u>838,664</u>	<u>794,355</u>
<u>By Class</u>			
Land and Buildings	90,837	90,837	80,314
Furniture and Equipment	2,625	2,625	16,001
Plant and Equipment	103,160	118,809	121,248
Parks & Gardens Ovals	4,163	4,163	3,063
Airfield	57,632	57,632	58,618
Roads	554,750	554,749	505,262
Footpaths	9,548	9,548	9,548
Drainage	301	301	301
	<u>823,016</u>	<u>838,664</u>	<u>794,355</u>
Interest Expenses (Finance Costs)			
- Debentures (<i>refer note 5(a)</i>)	37,323	24,686	30,431
- Bank and other Interest	0	3	0
	<u>37,323</u>	<u>24,689</u>	<u>30,431</u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	10,000	6,974	15,000
- Other Funds	4,000	3,528	1,800
Other Interest Revenue (<i>refer note 13</i>)	5,625	5,259	6,363
	<u>19,625</u>	<u>15,761</u>	<u>23,163</u>

SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

COMMUNITY VISION

In 2023 Wyalkatchem will be sustainable with growth in population supporting businesses, services and infrastructure; residents will be healthy, safe and caring, surrounded by welcoming public places and a valued natural and built environment.

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.

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.

SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

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.

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.

**SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

RECREATION AND CULTURE (Continued)

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 2015**

3. ACQUISITION OF ASSETS	2014/15 Budget \$
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Governance	
Shire Office - upgrade of interior	10,000
Housing	
1 Slocum St - upgrade	5,000
22 Johnston St - upgrade	5,000
22b Flint St - upgrade	5,000
Recreation and Culture	
Youth Project - Stage 1	7,000
Town Hall	5,000
Recreation Centre	25,000
Lady Novar Heritage Project	69,668
Swimming Pool	16,000
Transport	
RRG Tammin Wyalkatchem Rd SLK 23.44 - 28.44 (5.0km) - Shoulder Widening & Primersealing (no final seal)	185,956
RRG Koorda Wyalkatchem Rd SLK 10.80 - 14.90 (4.1km) - Shoulder Reconditioning	194,487
R2R Goldfields Rd SLK 3.84 - 5.84 (2.0km) - Gravel Sheet to achieve a minimum 8m wide carriageway	99,252
R2R Wallambin Rd SLK 11.85 - 14.25 (2.4km) - Waterbind & Enzyme treat existing gravel sheeted section	55,410
R2R Martin Rd SLK 11.92 - 13.99 (2.07km) - Widen (where possible) & gravel sheet over Wadjil and Clayey section	83,912
R2R town street kerbing - replace 500m of kerbing including repairing pavement under and primersealing over prior to placing new kerbing	20,011
Allan Rd Floodway Culvert replacement - Replace diameter 450 RCP with 9.8m long x 1200h x 1200w RCBC on south end of concrete floodway and replace 40m ² of concrete slab over	27,745
Piesse St - Seal from Gamble St to ??? - 175m x 10.8m with S35E PMB x 10mm agg high stress seal	13,173
Footpath - Honour Ave and finish Wilson St	18,000
Solar lighting on path between Railway Tce Seal CBH corner	12,000
Replace Prime Mover (850,000km)	7,000
Replace Works Crew Utility (71,000km)	155,000
Replace Works Crew Utility (71,000km)	35,000
Airport Purchase of reserve - conversion to freehold	65,000
Economic Services	
Information Bay Seal	6,980
	<u><u>1,126,594</u></u>

**SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015**

3. ACQUISITION OF ASSETS (continued)	2014/15 Budget \$
<u>By Class</u>	
Land and Buildings	191,648
Infrastructure Assets - Roads	691,946
Infrastructure Assets - Footpaths	30,000
Infrastructure - Other	23,000
Plant and Equipment	190,000
	<u>1,126,594</u>

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 2015**

4. DISPOSALS OF ASSETS

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

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2014/15 BUDGET \$	2014/15 BUDGET \$	2014/15 BUDGET \$
Housing 22 Johnston St	150,000	150,000	0
Transport Prime mover WM830	20,000	20,000	0
Works Crew Utility	5,000	5,000	0
	175,000	175,000	0

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2014/15 BUDGET \$	2014/15 BUDGET \$	2014/15 BUDGET \$
Land and Buildings 22 Johnston St	150,000	150,000	0
Plant and Equipment Prime mover WM830	20,000	20,000	0
Works Crew Utility	5,000	5,000	0
	175,000	175,000	0

Summary

	2014/15 BUDGET \$
Profit on Asset Disposals	0
Loss on Asset Disposals	0
	<u>0</u>

SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

Particulars	Principal 1-Jul-14	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2014/15 Budget \$	2013/14 Actual \$	2014/15 Budget \$	2013/14 Actual \$	2014/15 Budget \$	2013/14 Actual \$
Housing								
Loan 68 - 43/45 Wilson	217,537		15,736	14,705	201,801	217,537	14,729	10,143
Loan 71b - GEHA 51/55 Flint	145,070		46,670	45,061	98,400	145,070	6,467	6,412
Loan 72 - GEHA 51/55 Flint	97,475		21,988	20,297	75,487	97,475	7,333	8,131
Recreation & Culture								
Loan 73 - Community Resource Centre Building Project	200,000		16,292	0	183,708	200,000	8,794	0
	660,082	0	100,686	80,063	559,396	660,082	37,323	24,686

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 2015

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2014/15

There are no new debentures planned for 2014/15.

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2014 nor is it expected to have unspent debenture funds as at 30th June 2015.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$150,000 with the National Australia Bank does exist. It is not anticipated that this facility will be required to be utilised during 2014/15.

SHIRE OF WYALKATCHEM

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
6. RESERVES			
(a) Building Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	203,550	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>203,550</u>	<u>0</u>	<u>0</u>
(b) Office Equipment Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(c) Swimming Pool Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(d) Rubbish Tip Reserve			
Opening Balance	5,000	0	0
Amount Set Aside / Transfer to Reserve	89	5,000	5,000
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>5,089</u>	<u>5,000</u>	<u>5,000</u>
(e) Bush Fire Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(f) Plant Reserve			
Opening Balance	135,823	131,429	131,429
Amount Set Aside / Transfer to Reserve	142,882	4,394	105,002
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(73,150)</u>
	<u>278,705</u>	<u>135,823</u>	<u>163,281</u>
(g) Community Bus Reserve			
Opening Balance	70,974	51,933	51,933
Amount Set Aside / Transfer to Reserve	1,260	19,041	19,041
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(70,974)</u>
	<u>72,234</u>	<u>70,974</u>	<u>0</u>
(h) Recreation Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>
Total Reserves C/Fwd	<u>559,578</u>	<u>211,797</u>	<u>168,281</u>

SHIRE OF WYALKATCHEM

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
6. RESERVES (Continued)			
Total Reserves B/Fwd	<u>559,578</u>	<u>211,797</u>	<u>168,281</u>
(i) Land Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
(j) Subdivision Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
(k) Unspent Grants Reserve			
Opening Balance	0	158,644	158,644
Amount Set Aside / Transfer to Reserve	0	346	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>(158,990)</u>	<u>(158,644)</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(l) Community Housing Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	3,691	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>3,691</u>	<u>0</u>	<u>0</u>
(m) Railway Barracks Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(n) Road Reserve			
Opening Balance	0	228,567	228,567
Amount Set Aside / Transfer to Reserve	0	498	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>(229,065)</u>	<u>(228,567)</u>
	<u>0</u>	<u>0</u>	<u>0</u>
(o) Community Resource and Visitor Centre Building Reserve			
Opening Balance	5,000	0	0
Amount Set Aside / Transfer to Reserve	5,177	5,000	5,000
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>10,177</u>	<u>5,000</u>	<u>5,000</u>
Total Reserves	<u><u>573,446</u></u>	<u><u>216,797</u></u>	<u><u>173,281</u></u>

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

SHIRE OF WYALKATCHEM

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

6. RESERVES (Continued)	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
SUMMARY OF RESERVE TRANSFERS			
Transfers to Reserves			
Building Reserve	203,550	0	0
Office Equipment Reserve	0	0	0
Swimming Pool Reserve	0	0	0
Rubbish Tip Reserve	89	5,000	5,000
Bush Fire Reserve	0	0	0
Plant Reserve	142,882	4,394	105,002
Community Bus Reserve	1,260	19,041	19,041
Recreation Reserve	0	0	0
Land Reserve	0	0	0
Subdivision Reserve	0	0	0
Unspent Grants Reserve	0	346	0
Community Housing Reserve	3,691	0	0
Railway Barracks Reserve	0	0	0
Road Reserve	0	498	0
Community Resource and Visitor Centre Building Reserve	5,177	5,000	5,000
	<u>356,649</u>	<u>34,279</u>	<u>134,043</u>
Transfers from Reserves			
Building Reserve	0	0	0
Office Equipment Reserve	0	0	0
Swimming Pool Reserve	0	0	0
Rubbish Tip Reserve	0	0	0
Bush Fire Reserve	0	0	0
Plant Reserve	0	0	(73,150)
Community Bus Reserve	0	0	(70,974)
Recreation Reserve	0	0	0
Land Reserve	0	0	0
Subdivision Reserve	0	0	0
Unspent Grants Reserve	0	(158,990)	(158,644)
Community Housing Reserve	0	0	0
Railway Barracks Reserve	0	0	0
Road Reserve	0	(229,065)	(228,567)
Community Resource and Visitor Centre Building Reserve	0	0	0
	<u>0</u>	<u>(388,055)</u>	<u>(531,335)</u>
Total Transfer to/(from) Reserves	<u>356,649</u>	<u>(353,776)</u>	<u>(397,292)</u>

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

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.

SHIRE OF WYALKATCHEM

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

6. RESERVES (Continued)

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.

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 2015

	Note	2014/15 Budget \$	2013/14 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)	25,000	126,432
Cash - Restricted Reserves	15(a)	573,446	216,797
Receivables		30,000	222,411
Inventories		<u>50,000</u>	<u>67,530</u>
		678,446	633,170
LESS: CURRENT LIABILITIES			
Payables and Provisions		<u>(105,000)</u>	<u>(162,534)</u>
NET CURRENT ASSET POSITION		573,446	470,636
Less: Cash - Restricted Reserves	15(a)	(573,446)	(216,797)
Less: Cash - Restricted Municipal		<u>0</u>	<u>0</u>
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		<u><u>0</u></u>	<u><u>253,839</u></u>

The estimated surplus/(deficiency) c/fwd in the 2013/14 actual column represents the surplus (deficit) brought forward as at 1 July 2014.

The estimated surplus/(deficiency) c/fwd in the 2014/15 budget column represents the surplus (deficit) carried forward as at 30 June 2015.

SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

8. RATING INFORMATION - 2014/15 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2014/15 Budgeted Rate Revenue \$	2014/15 Budgeted Interim Rates \$	2014/15 Budgeted Back Rates \$	2014/15 Budgeted Total Revenue \$	2013/14 Actual \$
General Rate								
UV - Rural	0.0162	210	55,642,500	899,739			899,739	840,256
GRV - Townsite	0.0758	182	1,391,084	105,444			105,444	96,154
Sub-Totals		392	57,033,584	1,005,183	0	0	1,005,183	936,410
Minimum Payment	Minimum \$							
UV - Rural	500	13	268,100	6,500			6,500	7,000
UV - Mining	500	9	19,076	4,500			4,500	4,500
GRV - Townsite	410	64	129,334	26,240			26,240	27,600
GRV - Other Townsite	410	4	14,546	1,640			1,640	1,600
Sub-Totals		90	431,056	38,880	0	0	38,880	40,700
Pre-paid Rates							0	(17,010)
Discounts (Note 12)							(20,881)	(18,985)
Concessions							(410)	(400)
Write Offs							(500)	(97)
Total Amount Raised from General Rate							1,022,272	940,618
Specified Area Rates (Note 9)							0	0
Total Rates							1,022,272	940,618

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 2014/15 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.

**SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015**

9. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

There will be no specified area rates levied during 2014/15.

10. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

There will be no service charges levied during 2014/15.

11. FEES & CHARGES REVENUE	2014/15 Budget \$	2013/14 Actual \$
Governance	100	513
General Purpose Funding	11,335	14,119
Law, Order, Public Safety	6,954	7,181
Health	0	0
Education and Welfare	0	0
Housing	102,393	121,948
Community Amenities	106,728	82,987
Recreation & Culture	24,591	21,667
Transport	6,100	13,563
Economic Services	6,136	6,295
Other Property & Services	750	26,552
	<u>265,087</u>	<u>294,825</u>

**12. RATE PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS
- 2014/15 FINANCIAL YEAR**

A 2.5% early payment discount will be granted on Rates paid by 29 August 2014 - estimated total is \$20,881.
Pensioners will be eligible for a \$90 discount on rubbish services - estimated total is \$6,570.

13. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

Interest of 11% will accrue daily on all unpaid Rates. It is anticipated the amount received 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 \$1,170.

Instalment due dates will be:

Issue Date	25/07/2014
1st Instalment	29/08/2014
2nd Instalment	31/10/2014
3rd Instalment	9/01/2015
4th Instalment	6/03/2015

14. ELECTED MEMBERS REMUNERATION	2014/15 Budget \$	2013/14 Actual \$
The following fees, expenses and allowances were paid to council members and/or the president.		
Meeting Fees	24,500	24,500
President's Allowance	6,000	6,000
Deputy President's Allowance	1,500	1,500
Travelling Expenses	0	1,435
Telecommunications Allowance	5,600	3,500
	<u>37,600</u>	<u>36,935</u>

SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

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:

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Cash - Unrestricted	25,000	126,432	31,250
Cash - Restricted	573,446	216,797	173,281
	<u>598,446</u>	<u>343,229</u>	<u>204,531</u>

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

Building Reserve	203,550	0	0
Office Equipment Reserve	0	0	0
Swimming Pool Reserve	0	0	0
Rubbish Tip Reserve	5,089	5,000	5,000
Bush Fire Reserve	0	0	0
Plant Reserve	278,705	135,823	163,281
Community Bus Reserve	72,234	70,974	0
Recreation Reserve	0	0	0
Land Reserve	0	0	0
Subdivision Reserve	0	0	0
Unspent Grants Reserve	0	0	0
Community Housing Reserve	3,691	0	0
Railway Barracks Reserve	0	0	0
Road Reserve	0	0	0
Community Resource and Visitor Centre Building Reserve	10,177	5,000	5,000
	<u>573,446</u>	<u>216,797</u>	<u>173,281</u>

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

Net Result	321,550	47,060	98,252
Depreciation	823,016	838,664	794,355
(Profit)/Loss on Sale of Asset	0	(961)	(25,809)
(Increase)/Decrease in Receivables	192,411	(141,377)	56,034
(Increase)/Decrease in Inventories	17,530	5,474	35,523
Increase/(Decrease) in Payables	(57,534)	(141,484)	(158,490)
Increase/(Decrease) in Employee Provisions	0	(7,203)	0
Grants/Contributions for the Development of Assets	(514,495)	(858,425)	(1,066,510)
Net Cash from Operating Activities	<u>782,478</u>	<u>(258,252)</u>	<u>(266,645)</u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

Bank Overdraft limit	150,000	150,000	150,000
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	5,000	5,000	5,000
Credit Card Balance at Balance Date	0	0	0
Total Amount of Credit Unused	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>

Loan Facilities

Loan Facilities in use at Balance Date	<u>612,396</u>	<u>725,082</u>	<u>717,006</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 2015**

16. TRUST FUNDS

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

Detail	Balance 1-Jul-14 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-15 \$
REBA Bond Account	1			1
Dept Housing and Works	4,640			4,640
Wyalkatchem District Hospital	1,400		(1,400)	0
Ahrens, Dorothy	500			500
Reid, Brett	200			200
Green, Claire	200			200
Chapman, Wendy	490			490
Webb, Trevor	315		(315)	0
Enkelman, Ben	215			215
Contract Aquatic	300			300
McCabe, Ian	265			265
Masacote, Marlenie	500			500
Working Account	0			0
Gym Monies	126			126
Key Deposit	165			165
Wyalkatchem Bush Fire Brigade	9,289			9,289
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	600			600
Porsche Festival - Hells Bells	29			29
Senior Citizens Rent	0			0
Medical Centre Account	500			500
	<u>21,287</u>	<u>0</u>	<u>(1,715)</u>	<u>19,572</u>

**SHIRE OF WYALKATCHEM
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015**

17. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2014/15.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2014/15.