

Shire of Goomalling



**Adopted Budget for the Year
Ended 30th June 2013**

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**SHIRE OF GOOMALLING
STATEMENT OF FINANCIAL POSITION
FOR YEAR ENDED 30 JUNE 2013**

	NOTE	2012/13 Budget	2011/12 Budget
CURRENT ASSETS			\$
Cash and Cash Equivalents	15(a)/7	1,452,271	1,375,727
Investments			
Receivables	7	225,194	220,194
Inventories	7	39,000	44,000
Sub-division Land Developed For Resale			0
TOTAL CURRENT ASSETS		<u>1,716,465</u>	<u>1,639,921</u>
NON-CURRENT ASSETS			
Receivables		55,473	34,452
Inventories			
Property, Plant and Equipment		79,344,348	45,306,159
Infrastructure			
TOTAL NON-CURRENT ASSETS		<u>79,399,820</u>	<u>45,340,611</u>
TOTAL ASSETS		<u>81,116,285</u>	<u>46,980,532</u>
CURRENT LIABILITIES			
Bank Overdraft			0
Payables		277,539	265,010
Current Portion of Long Term Borrowings	15(c)/5(a)	525,570	442,100
Provisions		247,725	247,725
TOTAL CURRENT LIABILITIES		<u>1,050,834</u>	<u>954,835</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	15(c)/5(a)	2,196,280	959,514
Provisions		40,717	35,945
TOTAL NON-CURRENT LIABILITIES		<u>2,236,997</u>	<u>995,459</u>
TOTAL LIABILITIES		<u>3,287,832</u>	<u>1,950,294</u>
NET ASSETS		<u>77,828,454</u>	<u>45,030,238</u>
EQUITY			
Retained Surplus		23,964,069	23,770,476
Reserves - Cash/Investment Backed		1,312,501	1,247,501
Reserves - Asset Revaluation		52,551,883	20,012,261
Rounding			
TOTAL EQUITY		<u>77,828,454</u>	<u>45,030,238</u>
Carried Forward Reconciliation			
ADD: Current Assets		1,716,465	1,639,921
Less: Current Liabilities		-1,050,834	-512,735
Less: Restricted Cash/Reserves		-1,312,501	-1,247,501
Less: Restricted Cash/Muni			
ADD Back: Loan Repayments		525,570	
ADD Back: Cash Backed Leave Reserve		121,300	108,771
Carry Forward		<u>0</u>	<u>-11,544</u>

SHIRE OF GOOMALLING
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR YEAR ENDED 30 JUNE 2013

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Revenue				
Rates	8	1,562,020	1,472,453	1,464,398
Operating Grants, Subsidies and Contributions		538,193	1,996,877	691,022
Fees and Charges	11	255,620	357,211	299,045
Service Charges	10	1,070,300	1,188,812	1,069,657
Interest Earnings	2(a)	-	-	-
Other Revenue		68,500	85,832	82,500
		73,500	166,143	81,500
		<u>3,568,133</u>	<u>5,267,327</u>	<u>3,688,122</u>
Expenses				
Employee Costs		(1,318,867)	(1,536,735)	(1,210,876)
Materials and Contracts		(1,487,233)	(1,732,913)	(1,365,456)
Utility Charges		(186,182)	(210,180)	(170,937)
Depreciation	2(a)	(585,469)	(830,676)	(560,885)
Interest Expenses	2(a)	(250,842)	(383,318)	(205,210)
Insurance Expenses		(128,843)	(144,892)	(118,293)
Other Expenditure		(87,826)	(114,558)	(80,635)
		<u>(4,045,263)</u>	<u>(4,953,273)</u>	<u>(3,712,292)</u>
Non-Operating Grants, Subsidies and Contributions	15(b)	607,648	911,397	1,039,848
Fair Value Adjustments to financial assets at fair value through profit and loss				
Profit on Asset Disposals	4	170,538	46,715	299,153
Loss on Asset Disposals	4			
		<u>778,186</u>	<u>958,112</u>	<u>1,338,801</u>
NET RESULT				
Other Comprehensive Income				
TOTAL COMPREHENSIVE INCOME				
		<u><u>301,056</u></u>	<u><u>1,272,167</u></u>	<u><u>1,314,631</u></u>

Please Note, Other Comprehensive Income (if any) is impacted upon by external forces and is not able to be reliably estimated.

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.

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

SHIRE OF GOOMALLING
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR YEAR ENDED 30 JUNE 2013

	2012/13 Budget	2011/12 Actual	2011/12 Budget
	\$	\$	\$
Revenue (Refer Notes 1,2,8 to 13)			
General Purpose Funding	1,798,465	2,279,664	1,903,994
Governance	55,780	130,174	58,780
Law, Order, Public Safety	50,750	36,706	37,030
Health	564,880	563,532	585,305
Education and Welfare	2,050	2,276	2,050
Housing	211,380	214,739	191,970
Community Amenities	224,298	297,536	289,863
Recreation and Culture	143,600	152,602	141,900
Transport	182,650	1,084,487	157,100
Economic Services	219,490	322,577	205,340
Other Property and Services	114,790	183,144	114,790
	3,568,133	5,267,436	3,688,122
Expenses Excluding Finance Costs (Refer Notes 1,2 & 14)			
General Purpose Funding		(2,606)	
Governance	(215,005)	(272,554)	(259,013)
Law, Order, Public Safety	(100,595)	(86,442)	(84,845)
Health	(668,675)	(653,282)	(661,075)
Education and Welfare	(9,131)	(9,736)	(6,131)
Housing	(156,870)	(68,186)	(144,870)
Community Amenities	(306,900)	(295,296)	(327,400)
Recreation & Culture	(592,797)	(534,152)	(524,030)
Transport	(1,212,434)	(2,041,981)	(1,035,400)
Economic Services	(535,693)	(452,887)	(490,523)
Other Property and Services	(41,953)	(152,942)	26,205.
	(3,840,053)	(4,570,063)	(3,507,082)
Finance Costs (Refer Notes 2 & 5)			
Governance	(75,467)	(66,428)	(75,467)
Housing	(6,879)	(75,737)	(6,879)
Recreation	(2,500)	(1,503)	(2,500)
Economic Services	(78,739)	(176,741)	(78,739)
Other Property and Services	(41,625)	(62,909)	(41,625)
	(205,210)	(383,318)	(205,210)
Non-Operating Grants, Subsidies, Contributions			
Law Order & Public Safety			
Health			
Community Amenities			
Recreation & Culture			
Transport	607,648	542,248	606,648
Economic Services	0	369149	433000
Other Property & Services			
	607,648	911,397	1,039,648
Profit/(Loss) on Disposal of Assets (Refer Note 4)			
Governance	227	180	227
Health			
Recreation & Culture			
Transport		22,008	
Economic Services	170,311	24,528	298926
	170,538	46,715	299,153
NET RESULT			
Other Comprehensive Income			
TOTAL COMPREHENSIVE INCOME	301,056	1,272,167	1,314,631

Other Comprehensive Income (if any) is impacted upon by external forces and is not able to be reliably estimated. It is anticipated in all instances, an other comprehensive income 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 GOOMALLING
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2013**

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,560,570	1,495,204	1,488,620
Operating Grants, Subsidies & Contributions		538,193	1,996,877	691,022
Fees and Charges		255,620	362,866	299,045
Service Charges		1,319,982	961,095	1096622
Interest Earnings		68,500	85,832	82,500
Goods and Services Tax		400,001	417,784	400,000
Other Revenue		84,548	166,142	98,203
		<u>4,227,415</u>	<u>5,485,799</u>	<u>4,156,012</u>
Payments				
Employee Costs		(1,321,065)	(1,522,543)	(1,203,654)
Materials and Contracts		(1,748,794)	(1,355,176)	(1,266,808)
Utility Charges		(186,183)	(210,180)	(170,937)
Insurance Expenses		(128,843)	(144,892)	(118,293)
Interest Expenses		(269,539)	(375,035)	(197,634)
Goods and Services Tax		(391,929)	(425,855)	(400,000)
Other Expenditure		(87,827)	(114,667)	(80,635)
		<u>(4,134,180)</u>	<u>(4,148,347)</u>	<u>(3,437,961)</u>
Net Cash Provided By Operating Activities	15(b)	<u>93,234</u>	<u>1,337,452</u>	<u>718,051</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	3		(8,936)	(415,000)
Payments for Purchase of Property, Plant & Equipment	3	(973,750)	(1,263,808)	(685,827)
Payments for Construction of Infrastructure	3	(1,171,224)	(908,856)	(960,248)
Advances to Community Groups				
Non-Operating Grants, Subsidies and Contributions	15(b)	607,648	911,397	1,039,648
Proceeds from Sale of Assets	4	1,900,000	319,000	2,389,227
Proceeds from the Sale of Shares				
Net Cash Used in Investing Activities		<u>362,674</u>	<u>-951,203</u>	<u>1,367,800</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(282,502)	(156,918)	(193,522)
Repayment of Finance Leases		-	(221,712)	(196,505)
Proceeds from Self Supporting Loans			0	
proceeds from Loan # 108 Raised During the year			1,500,000	
Proceeds from Finance Leases		(253,968)	360,310	15,000
Proceeds from New Debentures	5			
Net Cash Provided By (Used In) Financing Activities		<u>(536,470)</u>	<u>1,481,679</u>	<u>(375,027)</u>
Net Increase (Decrease) in Cash Held		<u>(80,562)</u>	<u>1,867,929</u>	<u>1,710,824</u>
Cash at Beginning of Year		1,532,833	(335,096)	(335,096)
Cash and Cash Equivalents at the End of the Year	15(a)	<u><u>1,452,271</u></u>	<u><u>1,532,833</u></u>	<u><u>1,375,728</u></u>

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

**SHIRE OF GOOMALLING
RATE SETTING STATEMENT
FOR YEAR ENDED 30 JUNE 2013**

NOTE		2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Revenue	1,2			
General Purpose Funding		375,593	945,616	576,142
Governance		55,780	130,174	58,780
Law, Order, Public Safety		50,750	36,706	37,030
Health		564,880	563,532	585,305
Education and Welfare		2,050	2,276	2,050
Housing		211,380	214,739	191,970
Community Amenities		85,150	159,021	153,317
Recreation and Culture		143,600	152,602	141,900
Transport		790,298	1,626,735	763,748
Economic Services		219,490	691,726	638,340
Other Property and Services		114,790	183,144	114,790
		<u>2,613,761</u>	<u>4,706,271</u>	<u>3,263,372</u>
Expenses	1,2			
General Purpose Funding		-	(2,496)	-
Governance		(290,005)	(338,982)	(334,013)
Law, Order, Public Safety		(100,595)	(86,442)	(84,845)
Health		(668,675)	(653,282)	(661,075)
Education and Welfare		(9,131)	(9,736)	(6,131)
Housing		(156,870)	(143,923)	(144,870)
Community Amenities		(306,900)	(295,296)	(327,400)
Recreation & Culture		(595,297)	(535,655)	(526,530)
Transport		(1,212,434)	(2,041,981)	(1,035,400)
Economic Services		(535,693)	(629,628)	(490,523)
Other Property and Services		(169,663)	(215,851)	(101,505)
		<u>(4,045,263)</u>	<u>(4,953,271)</u>	<u>(3,712,292)</u>
Net Operating Excluding Rates		<u>(1,431,502)</u>	<u>(247,001)</u>	<u>(448,920)</u>
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Prior Period Loan Liability Adjustment			-	
(Profit)/Loss on Asset Disposals	4	170,538	46,715	299,153
Movement in Provisions, Accruals, Debtors		0	(22,590)	(1,571)
Depreciation on Assets	2(a)	585,469	830,676	2,090,074
Book Value of Assets Sold Written Back		1,729,462	272,285	
(Increase)/Decrease in Long Service Leave Bank		5,776	6,753	560,885
Decrease (Increase) in Non-Current LSL Provision		-	7,658	2,885
Net Non-Cash Expenditure and Revenue		<u>2,491,245</u>	<u>1,141,497</u>	<u>2,951,426</u>
Capital Expenditure and Revenue				
Development of Land Held for Resale	3	(415,000)	(137,577)	(460,000)
Purchase Land and Buildings	3	(445,250)	(447,370)	(417,500)
Infrastructure Assets - Roads	3	(1,146,226)	(908,856)	(948,247)
Infrastructure Assets - Other	3	(25,000)	(12,959)	(12,000)
Purchase Plant and Equipment	3	(83,500)	(617,050)	(138,727)
Purchase Furn and Equipment	3	(30,000)	(57,787)	(84,600)
Proceeds Disposal of Assets	4			
Repayment of Debentures	5	(282,502)	(156,918)	(193,522)
Repayment of Finance Leases	5	(253,968)	(221,712)	(196,505)
Proceeds from Lease Finance	5	-	360,310	15,000
Proceeds from Loan 108	5		1,500,000	(77,500)
Advances to Community Groups				80,000
Transfers to Reserves	6	(62,500)	77,607	
Transfers from Reserves	6	-	(77,607)	
Net Cash from Investing Activities		<u>(2,743,946)</u>	<u>(699,920)</u>	<u>(2,433,601)</u>
ADD	7	122,183	(1,544,846)	(1,544,846)
LESS	7		(122,183)	11544
Amount Required to be Raised from Rates	8	<u>(1,562,020)</u>	<u>(1,472,453)</u>	<u>(1,464,397)</u>
Rates Levie		1,404,072	1,314,182	1,310,851
Interest/Adm		18,800	19,866	17,000
Rates W/Ofi		0	-110	
Sewerage F		139,148	138,515	136,546
		<u>1,562,020</u>	<u>1,472,453</u>	<u>1,464,397</u>

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of the Annual Budget are:

(a Basis of Accounting

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the *Local Government Act 1995* (as amended) and accompanying regulations (as amended). The budget has also been prepared on the accrual basis under the convention of historical cost accounting 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 financial report. 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 19 to this financial report.

(c 2010/11 Actual Balances

Balances shown in this budget as 2010/11 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.

(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

In accordance with recommended practice, 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

(g Superannuation

The council contributes to a number of Superannuation Funds on behalf of their employees.

SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity 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.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

(j) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts. Collectability of trade 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.

(k) Inventories

General

Inventories are valued 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.

Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

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 and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing a binding 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.

(l) Fixed Assets

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 nominal consideration, cost is determined as fair value at the date of acquisition. The cost of or for non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Fixed Assets (continued)

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

Those assets carried at a revalued amount, being their fair value at the date of 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 significantly from that determined using fair value at balance date.

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 AASB1051 - Land Under Roads and the fact that 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.

(l) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and 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.

Expenditure on items of equipment under \$500 are not capitalised but are placed on an "Attractive Items" list for reference and maintenance.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Depreciation of Non-Current Assets (continued)

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

	60 to 100
Buildings	years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15years
Sealed roads and streets	Not Depreciated
- clearing and earthworks	Not Depreciated
- construction/road base	50 years
- original surfacing and major re-surfacing	Not Depreciated
- bituminous seals	30 years
- asphalt surfaces	35 years
Gravel roads	
- clearing and earthworks	Not Depreciated
- construction/road base	50 years
- gravel sheet	12 years
Formed roads (unsealed)	
- clearing and earthworks	Not Depreciated
- construction /road base	50 years
Footpaths - Slab	40 years
Sewerage Piping	75 years
Water supply piping & drainage systems	75 years

(m) Investments and Other Financial Assets

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each balance date.

(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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position

SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Investments and Other Financial Assets (continued)

Classification (continued)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the council's management has the positive intention and ability to hold to maturity. If council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the balance date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories.

They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available for sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and De-recognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise.

Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Investments and Other Financial Assets (continued)

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income.

Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

(n) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at balance date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the council for similar financial instruments.

(o) Impairment

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment of Assets' and appropriate adjustments made.

SIGNIFICANT ACCOUNTING POLICIES (continued)

(o Impairment (continued))

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

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 the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2010.

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

(p Trade and Other Payables)

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality 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.

(q Employee Benefits)

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the council expects to pay and includes related on-costs.

(ii) Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Where council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

r Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

SIGNIFICANT ACCOUNTING POLICIES (continued)

r Interest-bearing Loans and Borrowings (continued)

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.

(s Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(t 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 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.

(u Comparative Figures

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

(v Budget Comparative Figures

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

(w Investment Property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields. Investment property is carried at fair value, representing open-market value determined annually by external users.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

	2012/13	2011/12	2011/12
	Budget	Actual	Budget
	\$	\$	\$
REVENUES AND EXPENSES			
(a) Result from Ordinary Activities			
(i) Charging as Expenses:			
Significant Expense			
The significant expense relates to the reduction in the fair value of investments			
Auditor's Remuneration			
Audit	9,500	7,750	8,500
Other Services			
Bad and Doubtful Debts			
Rates			
General Debtors			
Depreciation			
By Program			
Governance	10,455	20,288	11,671
Law, Order, Public Safety	20,795	22,084	19,995
Health	9,825	12,268	9,825
Education and Welfare	1,081	6,200	
Housing	27,370	26,851	1,081
Community Amenities	18,400	20,580	27,370
Recreation and Culture	66,350	70,859	18,400
Transport	397,000	555,669	41,350
Economic Services	34,193	95,877	397,000
Other Property and Services	0	0	34,193
	<u>585,469</u>	<u>830,676</u>	<u>560,885</u>
By Class			
Land and Buildings	94,849	138,668	90,866
Furniture and Equipment	16,925	33,073	16,214
Plant and Equipment	194,501	201,886	186,334
Roads and Footpaths	253,730	425,024	243,076
Other	25,464	32,025	24,395
	<u>585,469</u>	<u>830,676</u>	<u>560,885</u>
Interest Expenses (Finance Costs)			
- Finance Lease Charges	53,179	65,703	44,155
- Debentures (refer note 5(a))	197,663	253,597	86,055
- Bank Overdraft	5,000	64,017	75,000
	<u>255,842</u>	<u>383,318</u>	<u>205,210</u>
Rental Charges			
- Operating Leases	-	-	-
	-	-	-
(ii) Crediting as Revenue:			
Interest Earnings			
Investments			
- Reserve Funds	62,500	77,607	77,500
- Other Funds	6,000	8,225	5,000
Other Interest Revenue (refer note 13)			
	<u>68,500</u>	<u>85,832</u>	<u>82,500</u>

REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

COMMUNITY VISION

The Shire of Goomalling is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

We live in a diverse and dynamic region with outstanding opportunities for all.

GOVERNANCE

Objective:

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

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW ORDER AND PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

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

Activities:

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

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

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

Activities:

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

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY & SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

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

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

OPERATING REVENUE AND EXPENSES (continued)

© Conditions Over Grants/Contributions

Grant/Contribution	Balance 1-Jul-11 \$	Received 2011-2012 \$	Expended 2011-2012 \$	Closing Balance ##### \$	Received 2012-2013 \$	Estimated Expended 2012-2013 \$	Estimated Balance 30-Jun-13 \$
Operating Grants/Contributions							
General Purpose Funding							
General Purpose Grants Commission		430,948	430,948	0	149,303	149,303	0
Local Road Funding Grants Commission		428,836	428,836	0	157,790	157,790	0
Special Projects Grants Commission							
FESA Admin		4,000	4,000	0	4,000	4,000	0
Law, Order & Public Safety							
Crime Prevention							
Government Grant FESA		35,380	35,380	0	49,100	49,100	0
							0
							0
Health							
Government Grant Rural Doctor		10,000	10,000	0			
Education and Welfare							
Department of Reg. Dev - Respite Pool							
Community Amenities							
Grant- Thank a volunteer		1,000	1,000	0			0
Recreation							
Swimming Pool Grant		3,000	3,000	0	3,000	3,000	0
Grant Cota WA		1,000	1,000	0			0
Grant International Womens Day 2011							
Volunteer Grant-Netball Club		1,000	1,000	0			0
Transport							
Government Grant - Direct Grant		54,410	54,410	0	60,000	60,000	0
MRD Flood Damage		240,949	240,949	0			
MRWA Contribution Upgrade		784,354	784,354	0	115,000	115,000	0
Economic Services							
Skelton Weed Research							
Grant Fox Bait Subsidy							
Adult Learners Weeks Event Building							
Dry Season Assistance Grant	20,000		20,000	0			0
Know Your neighbour Grant							
Forward Capital Plan Expense	25,370		25,370	0			0
Indigenous Reconciliation Grant 11/12		2,000	2,000	0			0
Capital Grants/Contributions towards the Development of Assets							
Law, Order & Public Safety							
Government Grant Special							
Health							
Government Grant Health							
Community Amenities							
Grant Disability Services - Account	20,000		20,000	0			0
				0			0
Recreation							
Grant Tennis Australia							
Transport							
Grant - Roads to Recovery		172,648	172,648		172,648	172,648	
Government Grants - Tied MRWA Specific		215,380	215,380		397,000	397,000	
MRWA Contribution Upgrade							
Government Grants - MRWA Bridges							
Government Grants - States Blackspot		154,220	154,220		38,000	38,000	
Bikewest Grant							
Grant - EMA Generator Grant							
Economic Services							
Rural Transaction Centre							
Royalties for Regions	180,951	294,149	267,535	207,565		207,565	0
Government Grant - Slater Homestead		75,000	75,000	0			0
Government Grant	30,000		30,000	0			0
Total Operating	65,370	1,996,877	2,042,247	0	538,193	538,193	0
Total Capital	210,951	911,397	934,783	207,565	607,648	815,213	0
Total Operating and Capital	276,321	2,908,274	2,977,030	207,565	1,145,841	1,353,406	0

Notes:

Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

+ New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

ACQUISITION OF ASSETS

	Land & Buildings	Motor Vehicles	Plant & Equip		Furn & Equip	Infra Roads & Other	TOTALS
	Budget	Budget	Budget		Budget	Budget	Budget
	2012-2013	2012-2013	2012-2013		2012-2013	2012-2013	2012-2013
By Program							
Governance							
Admin Office Extension	16,000						16,000
New Flag Pole-Admin Building	2,500				5,000		7,500
Law, Order, Public Safety							
Health							
Education and Welfare							
Senior Citizens Centre	6,000						6,000
Housing							
Purchase Residential Land	1,500						1,500
Other Housing Forrest Street	5,000						5,000
Joint Venture - Youth Housing	32,250						32,250
Community Amenities							
Street Refuse Bins					5,000		5,000
New Public Conveniences	17,500						17,500
Cemetery Development Shelters	10,000						10,000
Upgrade - Pump Station			10,000				10,000
Recreation and Culture							
Purchase Tables & Chairs					5,000		5,000
Gym Equipment					5,000		5,000
Old Office Vet Clinic	2,500						2,500
SCOUTS GO KART BUILDING - CAP	5,000						5,000
Old Bankwest Building -	25,000						25,000
Museum Extensions	30,000						30,000
Repair Main Swimming Pool Bowl			32,500				32,500
Konnogorring Hall Paint	2,500						2,500
Transport							
Town Entry Statement						25,000	25,000
Purchase Road Sweeper			6,000				6,000
GO-017 Truck			35,000				35,000
Banner Poles - Railway Tce					5,000		5,000
Christmas Lights & Decorations					5,000		5,000
Fencing Jurakine Reserve	10,000						10,000
Roads to Recovery						172,648	172,648
Footpaths & Kerbing						107,950	107,950
Bitumen Widening & Primer Seal-Black Spot						597,000	597,000
Municipal Road Construction						211,628	211,628
Black Spot Funding Program Patterson Road						57,000	57,000
Depot	32,000						32,000
Economic Services							
Upgrade of Various Shops	10,000						10,000
Slater Homestead Renovations	175,000						175,000
Upgrade to Caravan Park	5,000						5,000
THT Building - Capital	57,500						57,500
Campers Kitchen	10,000						10,000
Mens Shed Building	5,000						5,000
Salmon Gum Way Subdivision Deve	400,000						400,000
	860,250	0	83,500		30,000	1,171,226	2,144,976

Shire of Goomalling
CAPITAL EXPENDITURE - SOURCE OF FUNDING
FOR THE YEAR ENDED 30 JUNE 2013

	NEW BUDGET TOTAL	Capital Grants & Contrib.	Restricted [Prior Years]	RRGroup & Direct Grants	Roads to Recovery	Royalties for Regions	Council Funds
ram							
Governance							
Computer Equipment							
Admin Office Extension	16,000					16,000	
New Flag Pole-Admin Building	2,500						2,500
Furniture & Equipment	5,000						5,000
Motor Vehicle - CEO							
total	23,500		0			16,000	7,500
Law, Order & Public Safety							
Fire Brigade Capital Requests	0						
FESA Replacement Tanker							
total	0						
Health							
Office Equipment Surgery							
Goomalling Shire Medical Surgery							
total	0		0				0
Education and Welfare							
Senior Citizens Centre	6,000						6,000
total	6,000						6,000
Housing							
Purchase Residential Land	1,500						1,500
Other Housing Forrest Street	5,000						5,000
Joint Venture - Youth Housing	32,250					23,275	8,975
total	38,750					23,275	15,475
Community Amenities							
Street Refuse Bins	5,000						5,000
Fencing New Tip							
New Public Conveniences	17,500					12,500	5,000
Erect War Memorial							
Cemetery Development Shelters	10,000						10,000
Upgrade - Pump Station	10,000						10,000
total	42,500		0			12,500	30,000
Recreation & Culture							
Purchase Tables & Chairs	5,000						5,000
Gym Equipment	5,000						5,000
Old Office Vet Clinic	2,500						2,500
SCOUTS GO KART BUILDING - CAP	5,000						5,000
Old Bankwest Building -	25,000						25,000
Museum Extensions	30,000					30,000	
Repair Main Swimming Pool Bowl	32,500					32,500	
Konnogorring Hall Paint	2,500						2,500
total	107,500		0			62,500	45,000
Transport							
Town Entry Statement	25,000						25,000
Purchase Road Sweeper	6,000						6,000
GO-017 Truck	35,000						35,000
Banner Poles - Railway Tce	5,000						5,000
Christmas Lights & Decorations	5,000						5,000
Fencing Jurakine Reserve	10,000						10,000
Roads to Recovery	172,648				172,648		
Footpaths & Kerbing	107,950						107,950
Bitumen Widening & Primer Seal-Black	597,000			397,000			200,000
Municipal Road Construction	211,628						211,628
Black Spot Funding Program Patterson	57,000			38,000			19,000
Depot	32,000					32,000	
total	1,264,226		0	435,000	172,648	32,000	624,578
it Purchases							
Roller							
New Small Truck							
Small Mower Trailer							
total	0						
total	1,264,226						
Economic Services							
Upgrade of Various Shops	10,000						10,000
Slater Homestead Renovations	175,000						175,000
Upgrade to Caravan Park	5,000						5,000
THT Building - Capital	57,500					56,290	1,210
Campers Kitchen	10,000						10,000
Mens Shed Building	5,000					5,000	
Salmon Gum Way Subdivision Develop	400,000						400,000
total	662,500	0	0			61,290	601,210
Other Property & Services							
Metrocount Road Counter x 2							
Land Purchased for Resale							
total							
OVERALL TOTALS	2,144,976	0	0	435,000	172,648	207,565	1,329,763

TOTAL GRANT FUNDING

CAPITAL OTHER GRA	RESTRICTED CASH	CAPITAL ROAD GRANT FUNDING	CAPITAL COUNCIL FUN
0	207,565	607,648	1,329,763

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

5 INFORMATION ON BORROWINGS
(a) Debenture Repayments

Particulars	Interest Rate %	Maturity Date	Principal 1-Jul-12	Principal Repayments		Principal Outstanding		Interest Repayments	
				2012-13 Budget \$	2011-12 Actual \$	2012-13 Budget \$	2012-13 Actual \$	2012-13 Budget \$	2012-13 Actual \$
Housing									
Loan 98 - Community Bank Housing *	6.63	2012	33,183	16,051	-15,260	17,132	33,183	1,938	32,288
Loan 99 - Young Peoples Housing	6.63	2012	33,183	16,051	-15,260	17,132	33,183	1,938	32,288
Loan 101 - Tradesmans Residence	6.54	2016	72,949	16,161	13,625	56,788	72,949	4,511	7,047
Economic Services									
Loan 97 - Various Building Upgrades	5.97	2013	68,749	68,749	56,388	0	68,749	3,162	10,856
Loan 105 - Slater Homestead	7.65	2032	95,424	9,534	6,822	85,890	95,424	7,188	7,833
Loan 104 - Rural Transaction Centre	7.65	2032	318,088	31,632	22,739	286,456	318,088	23,973	26,109
Loan 106 - Rural Transaction Centre	8.75	2033	472,492	8,415	21,193	464,077	472,492	41,163	28,385
Loan 108-Grange & Salmon Gums Subdivisions	7.65	2021	1,448,706	108,559	51,294	1,340,147	1,448,706	108,789	57,376
TOTAL ALL LOANS			2,542,774	275,152	141,541	2,267,622	2,542,774	192,662	202,182
TOTAL ALL LOANS									

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

(b) New Debentures - 2012/13

It is not the intention of the council to raise any loans during the 2012-2013 financial year.

(c) Unspent Debentures

Council had no unspent debenture moneys as at 30th June 2012 nor is it expected to have unspent debenture moneys as at 30th June 2013

(d) Overdraft

It is anticipated that an overdraft facility will be required to be utilised during 2012/13. The proposed overdraft limit is \$200,000 dollars

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

RESERVES

	2012/13	2011/12	2011/2012
	Budget	Actual	Budget
	\$	\$	\$
Bitumen Reserve			
Balance brought forward 1st July	6,743	6,349	6,349
Plus transfer from General Purpose Funding	337	394	394
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	7,080	6,743	6,743
Long Service Leave Reserve			
Balance brought forward 1st July	115,524	108,771	108,771
Plus transfer from General Purpose Funding	5776	6,753	6,744
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	121,300	115,524	115,515
Mortlock Lodge Reserve			
Balance brought forward 1st July	3,525	3,319	3,319
Plus transfer from General Purpose Funding	176	206	206
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	3,701	3,525	3,525
Office Equipment Reserve			
Balance brought forward 1st July	2,785	2,622	2,622
Plus transfer from General Purpose Funding	140	163	163
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	2,925	2,785	2,785
Plant Replacement Reserve			
Balance brought forward 1st July	300,274	321,607	321,607
Plus transfer from General Purpose Funding	15014	19,967	19,940
Less transfer To General Purpose Funding		-41,300	-80,000
BALANCE AS AT 30TH JUNE	315,288	300,274	261,547
Sanitation Reserve			
Balance brought forward 1st July	468	441	441
Plus transfer from General Purpose Funding	20	27	27
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	488.37	468.37	468
Sport & Recreation Reserve			
Balance brought forward 1st July	31,960	30,092	30,092
Plus transfer from General Purpose Funding	1598	1,868	1,866
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	33,558	31,960	31,958
Staff Housing Reserve			
Balance brought forward 1st July	85,367	80,377	80,377
Plus transfer from General Purpose Funding	4268	4,990	4,983
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	89,635	85,367	85,360
Staff Training Reserve			
Balance brought forward 1st July	4,484	4,222	4,222
Plus transfer from General Purpose Funding	224	262	262
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	4,708	4,484	4,484

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

RESERVES (continued)

Two Way Radio Reserve

Balance brought forward 1st July	1,389	1,308	1,308
Plus transfer from General Purpose Funding	70	81	80
Less transfer To General Purpose Funding			

BALANCE AS AT 30TH JUNE

<u>1,459</u>	<u>1,389</u>	<u>1,388</u>
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Aged Care Reserve

Balance brought forward 1st July	121,033	113,958	113,958
Plus transfer from General Purpose Funding	6052	7,075	7,065
Less transfer To General Purpose Funding			

BALANCE AS AT 30TH JUNE

<u>127,085</u>	<u>121,033</u>	<u>121,023</u>
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Vehicle Reserve

Balance brought forward 1st July	199,284	199,875	199,875
Plus transfer from General Purpose Funding	9968	12,409	12,392
Less transfer To General Purpose Funding		-13000	

BALANCE AS AT 30TH JUNE

<u>209,252</u>	<u>199,284</u>	<u>212,267</u>
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Community Bus Reserve

Balance brought forward 1st July	48,582	45,742	45,742
Plus transfer from General Purpose Funding	2429	2,840	2,836
Less transfer To General Purpose Funding			

BALANCE AS AT 30TH JUNE

<u>51,011</u>	<u>48,582</u>	<u>48,578</u>
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Sewerage Reserve

Balance brought forward 1st July	127,096	119,666	119,666
Plus transfer from General Purpose Funding	6355	7,430	7,419
Less transfer To General Purpose Funding			

BALANCE AS AT 30TH JUNE

<u>133,451</u>	<u>127,096</u>	<u>127,085</u>
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S.E.E.D Reserve

Balance brought forward 1st July	190,036	200,203	200,203
Plus transfer from General Purpose Funding	9502	12,430	12,413
Less transfer To General Purpose Funding		-22596.57	

BALANCE AS AT 30TH JUNE

<u>199,538</u>	<u>190,036</u>	<u>212,616</u>
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LCDC Reserve

Balance brought forward 1st July	11,448	11,448	11,448
Plus transfer from General Purpose Funding	572	711	710
Less transfer To General Purpose Funding		-710.75	

BALANCE AS AT 30TH JUNE

<u>12,020</u>	<u>11,448</u>	<u>12,158</u>
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TOTAL RESERVES

<u>1,312,501</u>	<u>1,250,000</u>	<u>1,247,500</u>
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SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

RESERVES (Continued)

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

During the financial year ending 30th June 2012, All land and buildings were revalued by the council. The revaluation increment was credited to the Asset revaluation reserve.

Summary of Reserve Transfers

	2012/13 Budget	2011/12 Actual	2011/12 Budget
	\$	\$	\$
Transfers to Reserves			
Bitumen Reserve	337	394	394
Long Service Leave Reserve	5,776	6,753	6,744
Mortlock Lodge Reserve	176	206	206
Office Equipment Reserve	140	163	163
Plant Replacement Reserve	15,014	19,967	19,940
Sanitation Reserve	20	27	27
Sport & Recreation Reserve	1,598	1,868	1,866
Staff Housing Reserve	4,268	4,990	4,983
Staff Training Reserve	224	262	262
Two Way Radio Reserve	70	81	80
Aged Care Reserve	6,052	7,075	7,065
Vehicle Reserve	9,968	12,409	12,392
Community Bus Reserve	2,429	2,840	2,836
Sewerage Reserve	6,355	7,430	7,419
S.E.E.D Reserve	9,502	12,430	12,413
LCDC Reserve	572	711	710
	<u>62,501</u>	<u>77,607</u>	<u>77,500</u>
Transfers from Reserves			
Bitumen Reserve	0	-	0
Long Service Leave Reserve	0	-	0
Mortlock Lodge Reserve	0	-	0
Office Equipment Reserve	0	-	0
Plant Replacement Reserve	-	(41,300)	-80,000
Sanitation Reserve	0	-	0
Sport & Recreation Reserve	0	-	0
Staff Housing Reserve	0	-	0
Staff Training Reserve	0	-	0
Two Way Radio Reserve	0	-	0
Aged Care Reserve	0	-	0
Vehicle Reserve	0	(13,000)	0
Community Bus Reserve	0	-	0
Sewerage Reserve	0	-	0
S.E.E.D Reserve	0	(22,597)	0
LCDC Reserve	0	(711)	0
	<u>-</u>	<u>(77,607)</u>	<u>-80,000</u>
Total Transfer to/(from) Reserves	<u>62,501.</u>	<u>0</u>	<u>-2,500</u>

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

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:

Bitumen Reserve

- to be used to fund future maintenance of existing roads and the construction of new bitumen roads.

Long Service Leave Reserve

- to be used to fund long service leave requirements.

Mortlock Lodge Reserve

- to be used for maintenance and improvements to the Mortlock Retirement Units.

Office Equipment Reserve

- to be used for the purchase of new office equipment.

Plant Replacement Reserve

- to be used for the future replacement of plant.

Sanitation Reserve

- to be used to maintain and improve sanitation services to the community.

Sport & Recreation Reserve

- to be used for the upgrading and improvements to sporting and recreational facilities within the Shire.

Staff Housing Reserve

- to be used for the maintenance, upgrading and construction of new housing for Council's employees or public rental housing.

Staff Training Reserve

- to be used for future training of Council's staff.

Two Way Radio Reserve

- to be used to for the upkeep and improvement to council's two way network.

Streetscape Reserve

- to be used for the maintenance and improvements of roads & streets within the municipality.

Aged Care Reserve

- to be utilised to provide for the needs of the aged.

Vehicle Reserve

- to be used for the purchase of motor vehicles and utilities if at a future date council ceases to lease the same.

Landcare Project Officer Reserve

- to be used to fund the purchase of a new vehicle for the Landcare Co-ordinator.

Community Bus Reserve

- to be used to fund the purchase of a new community bus.

Sewerage Reserve

- to be used to maintain and upgrade the sewerage scheme in the Goomalling townsite.

SEED (Social Economic & Environmental Development) Reserve

- to be used for the social and economic & environmental development for the district of the Shire of Goomalling.

Sport & Recreation Co-Ordinator Leave Entitlements Reserve

- to be used to fund annual leave for the Sport and Recreation Officer.

LCDC Reserve

- to be used to fund Landcare Activities

It's the Shire's intention to utilise the Funds held in the abovementioned Reserves for the purpose of not utilising external Overdraft Facilities from time to time during the Financial year. The benefits to the Shire is that it reduces its Financing Costs.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

NET CURRENT ASSETS		2012/13	2011/12
Composition of Estimated Net Current Asset Position		Budget	Actual
		\$	\$
CURRENT ASSETS			
Cash - Unrestricted	15(a)	138,130	73,629
Cash - Restricted	15(a)	1,314,141	1,459,205
Receivables		225,194	504,090
Inventories		39,000	31,214
		<u>1,716,465</u>	<u>2,068,137</u>
LESS: CURRENT LIABILITIES			
Bank Overdraft			
Payables and Provisions		525,264	811,478
		<u>525,264</u>	<u>811,478</u>
NET CURRENT ASSET POSITION		1,191,201	1,256,659
Less: Cash - Restricted Reserves	15(a)/6	1,312,501	1,250,000
Less: Cash - Restricted Muni	15(a)		
Add Back: Loan Repayments	5		
Add Back: Leave Reserve Cash Backed	6	121,300	115,524
		<u>121,300</u>	<u>115,524</u>
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		<u>0</u>	<u>122,183</u>

The estimated surplus/(deficiency) c/fwd in the 2010/11 actual column represents the surplus (deficit) brought forward as at 1 July 2012.

The estimated surplus/(deficiency) c/fwd in the 2011/12 budget column represents the surplus (deficit) carried forward as at 30 June 2013.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

RATING INFORMATION - 2012/13 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim/ Back Rates \$	Total Budget Revenue \$	2011/12 Actual \$
Differential General Rate							
GRV - District	0.0983	220	1,466,063	144,114		144,114	266,217
UV - Rural Zone 2	0.0040	55	24,510,000	98,040		98,040	97,939
UV - Special Rural	0.00795	16	2,195,000	17,450		17,450	20,009
UV - General Zone 3	0.0054	242	168,549,000	910,165		910,165	705,916
CBH Exgratia Contribution				12,045		12,045	10,950
ExGratia Other				808		808	750
Rates write off							-110
Sub-Totals		533	196,720,063	1,182,622		1,182,622	1,101,671
Minimum Rates							
	Minimum						
GRV - District	750	208	980,517	156,000		156,000	155,400
UV - General Zone 3	850	77	7,066,872	65,450		65,450	65,600
UV - Mining							
UV - Commercial/Industrial							
Sub-Totals		285	8,047,389	221,450		221,450	221,000
							-8,600
						1,404,072	1,314,071
Interest - Late Payment Penalty						13,000	12,889
Administration Fee - Rate						1,800	2,135
Interest - Rates Instalments						4,000	4,843
Specified Area Rates (Note 9)						139,148	138,515
Totals						1,562,020	1,472,453

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

The general rates detailed above for the 2012-2013 financial year have been determined by council on the basis of raising the 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 GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

Rate in \$	Basis of Rate GRV	2012/13 Budgeted Revenue \$	Budget Applied to Costs \$	2011/12 Actual Revenue \$	2011/12 Actual Cost \$
7.2 Cents in \$	GRV	139,148	147,800	138,515	148,135

The specified area rate for the Shire of Goomalling Sewerage Scheme is for those properties in the Goomalling locality which are connected to the scheme and is levied on the gross rental value of affected properties.

The proceeds of the rate are applied in full to the maintenance of the scheme which includes transfer to reserves

Service Charges - 2012/13 Financial Year

Council will not raise service charges during the 2012/13 financial year.

FEES & CHARGES REVENUE

	2012/13 Budget	2011/12 Actual
General Purpose Funding	0	0
Governance	2,280	57,412
Law, Order, Public Safety	1,650	1,288
Health	517,600	501,371
Education and Welfare	0	0
Housing	191,380	187,346
Community Amenities	82,550	95,121
Recreation & Culture	26,900	24,981
Transport	150	149
Economic Services	155,790	180,342
Other Property & Services	92,000	140,802
	<u>1,070,300</u>	<u>1,188,812</u>

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

RATE PAYMENT DISCOUNTS, WAIVERS & CONCESSIONS
2012/13 FINANCIAL YEAR

Pursuant to Sections 6.4 and 6.12 of the Local Government Act 1995, Council may, when adopting the Annual Budget, grant an incentive or discount to encourage the early payment of rates and service charges.

The council does not offer any discount however for those making payment of their rates in full within 35 days of the date of issue of the notice are eligible to enter the early payment prize draws consisting of the following:

- a) A \$600 Voucher to be spent at any of the Business in the Shire of Goomalling
- b) A \$300 Voucher to be spent at any of the Business in the Shire of Goomalling
- c) A 100 Voucher to be spent at any of the Businesses in the Shire of Goomalling

The council offers those resident who hold a current valid seniors concession card, a concession in respect of the following services:

- (I) Rubbish Collection Services, 50% of the normal fee applicable;
- (II) Dog registration fees, 50% of the normal fee applicable;

INTEREST CHARGES AND INSTALMENTS
2012/13 FINANCIAL YEAR

An interest rate of 11% will be charged on all rate payments which are late. It is estimated this will generate income of \$13,000. Three separate option plans will be available to ratepayers for payment of their rates:

Option 1 (Full Payment)

Full amount of rates and charges including arrears, to be paid on or before 17 September 2012 or 35 days after the date of service appearing on the rate notice whichever is the later.

Option 2 (Two Instalments)

First instalment to be received on or before 17 September 2012 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and half the current rates and service charges. Second instalment to be made on or before

Option 3 (Four Instalments)

First instalment to be received on or 17 September 2012 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and one quarter of the current rates and service charges. Second instalment to be made on or before 17 November 2012, third instalment to be made on or before 17 January 2013 and the fourth instalment to be made on or before 17 March 2013.

The cost of the instalment plans will comprise of simple interest of 5.5% p.a. calculated from the date the first instalment is due, together with an administration fee of \$5 for each instalment notice.

The total revenue from the interest and administration charge is estimated as follows:

	Interest Rate %	Admin. Charge \$	Budgeted Revenue \$	Actual Revenue \$
Interest on Unpaid Rates	11		13,000	12,888
Interest on Instalments Plan	5.5		4,000	4,842
Charges on Instalment Plan	0	\$5.00	1,800	2135
			18,800	19,865

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

ELECTED MEMBERS' REMUNERATION

The following fees, expenses and allowances were paid to council members and/or the President:

	2012/13 Budget	2011/12 Actual
Meeting Fees	20,000	16,950
Presidents Allowance	2,500	2,500
Deputy Presidents Allowance	500	500
Travelling Expenses	4,200	2,680
	<u>27,200</u>	<u>22,630</u>

Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash and cash equivalents net of outstanding overdrafts
The estimated cash at the end of the reporting period is as follows:

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Cash Unrestricted	138,130.	73,629.	(155,869)
Cash Restricted	<u>1,314,141</u>	<u>1,459,205</u>	<u>1,543,140</u>
	<u>1,452,271</u>	<u>1,532,833.</u>	<u>1,387,271</u>

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

(a) Unexpended Loan funds	-	-	-
(b) Reserve funds	1,312,501	1,250,000	1,247,500
(c) Other Restricted funds - Local Medical Practice	1,640	1,640	1,640
(d) Conditions over contributions - Govt Grant FESA	0		
(d) Conditions over contributions - Forward Capital Plan Grant			
(d) Conditions over contributions - Disability Services Grant			
(d) Conditions over contributions - Royalties for Regions		207,565	294,000
(d) Conditions over contributions - Govt Grant Account # 17200			
	<u>1,314,141</u>	<u>1,459,205</u>	<u>1,543,140</u>

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
(b) Reconciliation of net cash provided by operating activities to net result			
Net Result	301,056	1,272,167	1,314,631
<u>Non cash flows in change in Net Equity</u>			
Depreciation	585,469	830,676	560,885
(Profit) loss on sale of Fixed Assets	(170,538)	(46,715)	(299,153)
Prior Year Loan Liability Adjustment			
<u>Change in Assets and Liabilities</u>			
(Increase)/Decrease in Inventory	(7,786)	27,855	15,069
(Increase)/Decrease in Prepaid Expenses			
(Increase)/Decrease in Accrued Expenditure			
(Increase)/Decrease in Debtors	267,352.	(225,481)	67,890.
(Increase)/Decrease in Creditors	(253,774)	349,882.	83,579.
(Increase)/Decrease in Accrued Interest	(18,697)	26,272.	7,576.
(Increase)/Decrease in Accrued Income			
(Increase)/Decrease in Income Received in Advance			
(Increase)/Decrease in Provisions	(2,198)	14,193.	7,222.
Grants/Contributions for the Development of Assets	(607,648)	(911,397)	(1,039,648)
Rounding	(1)	(1)	
Cash flows from Operations	<u>93,234</u>	<u>1,337,452</u>	<u>718,051</u>

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

Bank Overdraft Limit	500,000	\$2 Million	\$2 Million
Bank Overdraft Balance date	0	0	0
Credit Card Limit	10,000	10,000	10,000
Credit card Balance at Balance date	0	0	0
Total Amount of Credit Unused	<u>510,000</u>	<u>2,010,000</u>	<u>2,010,000</u>

Loan Facilities

Loan and Lease Facilities Current	528,569	525,570	442,100
Loan and Lease Facilities Non Current	2,193,281	2,732,750	959,513
Loan and Lease Facilities in Use at Balance Date			
Unused Loan facilities at Balance Date	<u>2,721,850</u>	<u>3,258,320</u>	<u>1,401,613</u>

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

Major Land Transactions

(a) Details

The council proposes to continue developing major land transactions during the year.
 The Shire of Goomalling has undertaken rural residential subdivisions in Salmon Gum Way and Grange Street Goomalling.
 The Shire will conduct either auction or tender process for the Sale of lots for Salmon Gum Way.
 In relation to rural lots in Grange Street, the sale will be by tender process at market valuations.
 The proceeds from the sale of the two rural residential subdivisions will be applied towards the cost of the development and thereafter any surplus funds remaining will be held in the Municipal Fund Account.
 A Business Plan was prepared for the two rural residential subdivisions in accordance with section 3.59 of the Local Government Act 1995.

(b) Transactions to Date

Salmon Gums Subdivision

Development Expenses		
2007-2008	361,983	
2008-2009	64,794	
2009-2010	131,128	
2010-2011	76,162	
2011-2012	1,276	
2012-2013 (Budget)	<u>400,000</u>	1,035,343

Grange Subdivision

Development Expenses		
2007-2008	46,957	
2008-2009	340,678	
2009-2010	329,693	
2010-2011	61,415	
2011-2012	<u>7,660</u>	786,403

Less Book Value Land Sold	<u>-92,284</u>	-92,284
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Plus Interest on Borrowings

2007-2008	46,381	
2008-2009	63,483	
2009-2010	44,399	
2010-2011	14,026	
2011-2012	57,376	
2012-2013 (Budget)	<u>108,559</u>	334,224

Total Costs to Develop the two Subdivisions to date		<u>2,063,686</u>
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Proceeds Sale of Land

2011-2012 Asset #1100 Toodyay Road	105,000	
2012-2013 - Lot 206 Hennessey Place	95,000	
2012-2013 (Budget)	<u>1,900,000</u>	2,100,000

Estimated Profit on Land held for Resale		<u><u>36,314</u></u>
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(The council raised loans to finance the development of the two subdivisions and as at 30 June 2012 one loan remains to be repaid.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30 JUNE 2013

TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council is not expected to participate in any trading undertakings or mayor trading undertakings during the 2012-2013 financial year.

TRUST FUND INFORMATION

TRUST FUND
FOR THE PERIOD ENDING 30 JUNE 2013

PARTICULARS	OPENING BALANCE 01.07.2012	ESTIMATED RECEIPTS 2012-2013	ESTIMATED PAYMENTS 2012-2013	ESTIMATED CLOSING 2012-2013
Financial Assistance Grants	6,640		6,640	0
Young Persons Unit Surplus				
Tidy Towns				
Rental Bonds	7,390			7,390
Aged Home Rentals	0	850,000	850,000	0
Police Licensing				
Deposits				
Konno Special Series Plate	670			670
Mortlock Farm	1,542			1,542
Amazing Race	5,628			5,628
Youth Group	105			105
Goom/Wong Womens	-293	293		0
Accrued AL & LSL Beactive	7,284	1,000		8,284
Pioneers Pathway	27,691	4,000		31,691
Goom Biggest Loser (GYM)	-1,000	1,000		0
Skeleton Weed	5,120	1,000		6,120
Slater Homestead	17,098	1,000		18,098
TOTAL	77,875	858,293	856,640	79,528