



STATUTORY BUDGET 2012-13

SHIRE OF YALGOO
BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

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SHIRE OF YALGOO
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2012

| | NOTE | 2011/12 Budget \$ | 2010/11 Actual \$ | 2010/11 Budget \$ |
|--|------|-------------------------|-------------------------|-------------------------|
| REVENUE | | | | |
| Rates | 8 | 1,316,495 | 1,146,728 | 1,101,808 |
| Operating Grants, Subsidies and Contributions | | 5,030,882 | 3,064,306 | 1,539,249 |
| Fees and Charges | 11 | 326,670 | 746,598 | 113,716 |
| Interest Earnings | 2(a) | 100,500 | 157,239 | 95,583 |
| Other Revenue | | 97,100 | 110,833 | 3,200 |
| | | <u>6,871,647</u> | <u>5,225,704</u> | <u>2,853,556</u> |
| EXPENSES | | | | |
| Employee Costs | | (2,406,310) | (1,826,058) | (798,850) |
| Materials and Contracts | | (2,282,721) | (1,287,165) | (1,420,364) |
| Utility Charges | | 0 | 0 | (86,700) |
| Depreciation | 2(a) | (1,205,489) | (1,099,525) | (1,296,158) |
| Interest Expenses | 2(a) | (33,567) | (26,264) | (36,095) |
| Insurance Expenses | | (112,117) | (92,080) | (179,359) |
| Other Expenditure | | (359,454) | (261,353) | (62,455) |
| | | <u>(6,399,658)</u> | <u>(4,592,445)</u> | <u>(3,879,981)</u> |
| | | 471,989 | 633,259 | (1,026,425) |
| | | | | |
| Non-Operating Grants, Subsidies and Contributions | | 683,918 | 849,565 | 2,176,364 |
| Profit on Asset Disposals | 4 | 33,166 | 172,728 | 115,524 |
| Loss on Asset Disposals | 4 | <u>(66,863)</u> | <u>(26,072)</u> | <u>(29,148)</u> |
| NET RESULT | | 1,122,210 | 1,629,480 | 1,236,315 |
| Other Comprehensive Income | | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL COMPREHENSIVE INCOME | | <u>1,122,210</u> | <u>1,629,480</u> | <u>1,236,315</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 YALGOO
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2012

| NOTE | 2011/12 Budget \$ | 2010/11 Actual \$ | 2010/11 Budget \$ |
|---|-------------------------|-------------------------|-------------------------|
| REVENUE (Refer Notes 1,2,8 to 13) | | | |
| Governance | 80,000 | 0 | 0 |
| General Purpose Funding | 3,702,905 | 3,125,675 | 2,546,067 |
| Law, Order, Public Safety | 34,470 | 12,252 | 14,250 |
| Health | 23,000 | 303,695 | 4,000 |
| Education and Welfare | 0 | 0 | 0 |
| Housing | 54,000 | 18,184 | 27,012 |
| Community Amenities | 32,320 | 10,335 | 11,350 |
| Recreation and Culture | 12,250 | 242,697 | 15,300 |
| Transport | 2,739,502 | 1,052,898 | 89,387 |
| Economic Services | 99,600 | 186,687 | 86,770 |
| Other Property and Services | 93,600 | 273,281 | 59,420 |
| | <u>6,871,647</u> | <u>5,225,704</u> | <u>2,853,556</u> |
| EXPENSES EXCLUDING | | | |
| FINANCE COSTS (Refer Notes 1,2 & 14) | | | |
| Governance | (489,827) | (277,258) | (323,946) |
| General Purpose Funding | (286,095) | (199,481) | (223,326) |
| Law, Order, Public Safety | (153,155) | (98,747) | (108,905) |
| Health | (82,269) | (71,134) | (45,033) |
| Education and Welfare | (5,200) | (1,501) | (2,410) |
| Housing | (196,984) | (209,692) | (172,242) |
| Community Amenities | (178,502) | (120,423) | (149,825) |
| Recreation & Culture | (493,361) | (482,081) | (401,107) |
| Transport | (4,011,247) | (2,497,175) | (2,064,502) |
| Economic Services | (482,673) | (298,580) | (302,665) |
| Other Property and Services | 2,410 | (309,614) | (49,925) |
| | <u>(6,376,903)</u> | <u>(4,565,686)</u> | <u>(3,843,886)</u> |
| FINANCE COSTS (Refer Notes 2 & 5) | | | |
| General Purpose Funding | 0 | (12,323) | (550) |
| Housing | (19,576) | (11,528) | (28,904) |
| Community Amenities | (3,179) | (10,335) | (6,641) |
| | <u>(22,755)</u> | <u>(34,186)</u> | <u>(36,095)</u> |
| NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS | | | |
| Health | 0 | 0 | 177,277 |
| Community Amenities | 0 | 0 | 30,000 |
| Recreation and Culture | 0 | 0 | 453,944 |
| Transport | 683,918 | 849,565 | 1,447,143 |
| Economic Services | 0 | 0 | 33,000 |
| Other Property and Services | 0 | 0 | 35,000 |
| | <u>683,918</u> | <u>849,565</u> | <u>2,176,364</u> |
| PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4) | | | |
| Health | 0 | (5,179) | 0 |
| Transport | (8,016) | 159,262 | 93,586 |
| Economic Services | 0 | 0 | (257) |
| Other Property and Services | (25,681) | 0 | (6,953) |
| | <u>(33,697)</u> | <u>154,083</u> | <u>86,376</u> |
| NET RESULT | 1,122,210 | 1,629,480 | 1,236,315 |
| Other Comprehensive Income | 0 | 0 | 0 |
| TOTAL COMPREHENSIVE INCOME | <u>1,122,210</u> | <u>1,629,480</u> | <u>1,236,315</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 YALGOO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2012

| | NOTE | 2011/12 Budget \$ | 2010/11 Actual \$ | 2010/11 Budget \$ |
|--|-------|-------------------------|-------------------------|-------------------------|
| Cash Flows From Operating Activities | | | | |
| Receipts | | | | |
| Rates | | 1,316,495 | 1,146,728 | 1,101,808 |
| Operating Grants, Subsidies and Contributions | | 5,030,882 | 2,344,850 | 1,918,770 |
| Fees and Charges | | 1,197,916 | 746,598 | 115,716 |
| Interest Earnings | | 100,500 | 157,239 | 95,583 |
| Goods and Services Tax | | 383,351 | 154,852 | 165,000 |
| Other | | 97,100 | 110,833 | 3,200 |
| | | <u>8,126,244</u> | <u>4,661,100</u> | <u>3,400,077</u> |
| Payments | | | | |
| Employee Costs | | (2,406,310) | (1,826,058) | (798,850) |
| Materials and Contracts | | (2,844,212) | (739,646) | (1,606,499) |
| Utility Charges | | 0 | 0 | (86,700) |
| Insurance Expenses | | (112,117) | (92,080) | (179,359) |
| Interest Expenses | | (33,567) | (26,264) | (36,095) |
| Goods and Services Tax | | (383,351) | (154,852) | (167,000) |
| Other | | (359,454) | (261,353) | (62,455) |
| | | <u>(6,139,011)</u> | <u>(3,100,253)</u> | <u>(2,936,958)</u> |
| Net Cash Provided By Operating Activities | 15(b) | <u>1,987,233</u> | <u>1,560,847</u> | <u>463,119</u> |
| Cash Flows from Investing Activities | | | | |
| Payments for Development of Land Held for Resale | 3 | (1,102,510) | (867,969) | 0 |
| Payments for Purchase of Property, Plant & Equipment | 3 | (636,600) | (1,059,243) | (2,189,617) |
| Payments for Construction of Infrastructure | 3 | (1,378,327) | (1,934,402) | (2,373,037) |
| Non-Operating Grants, Subsidies and Contributions used for the Development of Assets | | 683,918 | 849,565 | 2,176,364 |
| Proceeds from Sale of Plant & Equipment | 4 | 171,000 | 266,808 | 362,000 |
| Net Cash Used in Investing Activities | | <u>(2,262,519)</u> | <u>(2,745,241)</u> | <u>(2,024,290)</u> |
| Cash Flows from Financing Activities | | | | |
| Repayment of Debentures | 5 | (26,524) | (43,914) | (24,879) |
| Net Cash Provided By (Used In) Financing Activities | | <u>(26,524)</u> | <u>(43,914)</u> | <u>(24,879)</u> |
| Net Increase (Decrease) in Cash Held | | (301,810) | (1,228,308) | (1,586,050) |
| Cash at Beginning of Year | | 1,933,693 | 3,162,001 | 3,160,713 |
| Cash and Cash Equivalents at the End of the Year | 15(a) | <u><u>1,631,883</u></u> | <u><u>1,933,693</u></u> | <u><u>1,574,663</u></u> |

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

SHIRE OF YALGOO
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

| | NOTE | 2011/12 Budget \$ | 2010/11 Actual \$ | 2010/11 Budget \$ |
|--|------|-------------------------|-------------------------|-------------------------|
| REVENUES | 1,2 | | | |
| Governance | | 80,000 | 0 | 0 |
| General Purpose Funding | | 2,386,410 | 1,978,947 | 1,444,259 |
| Law, Order, Public Safety | | 34,470 | 12,252 | 14,250 |
| Health | | 23,000 | 308,274 | 181,277 |
| Education and Welfare | | 0 | 0 | 0 |
| Housing | | 54,000 | 18,184 | 27,012 |
| Community Amenities | | 32,320 | 10,335 | 41,350 |
| Recreation and Culture | | 12,250 | 242,697 | 469,244 |
| Transport | | 3,456,586 | 2,070,612 | 1,651,054 |
| Economic Services | | 99,600 | 186,687 | 119,770 |
| Other Property and Services | | 93,600 | 273,281 | 95,420 |
| | | <u>6,272,236</u> | <u>5,101,269</u> | <u>4,043,636</u> |
| EXPENSES | 1,2 | | | |
| Governance | | (489,827) | (277,258) | (323,946) |
| General Purpose Funding | | (286,095) | (211,804) | (223,876) |
| Law, Order, Public Safety | | (153,155) | (98,747) | (108,905) |
| Health | | (82,269) | (80,892) | (45,033) |
| Education and Welfare | | (5,200) | (1,501) | (2,410) |
| Housing | | (216,560) | (221,220) | (201,146) |
| Community Amenities | | (181,681) | (130,758) | (156,466) |
| Recreation & Culture | | (493,361) | (482,081) | (401,107) |
| Transport | | (4,052,428) | (2,506,062) | (2,085,440) |
| Economic Services | | (482,673) | (298,580) | (302,922) |
| Other Property and Services | | (23,272) | (309,614) | (57,878) |
| | | <u>(6,466,521)</u> | <u>(4,618,517)</u> | <u>(3,909,129)</u> |
| Net Operating Result Excluding Rates | | (194,285) | 482,752 | 134,507 |
| Adjustments for Cash Budget Requirements: | | | | |
| Non-Cash Expenditure and Revenue | | | | |
| (Profit)/Loss on Asset Disposals | 4 | 33,697 | (146,656) | (86,376) |
| Depreciation on Assets | 2(a) | 1,205,489 | 1,099,525 | 1,296,158 |
| Capital Expenditure and Revenue | | | | |
| Purchase Land and Buildings | 3 | (1,102,510) | (867,969) | (997,217) |
| Purchase Infrastructure Assets - Roads | 3 | (822,844) | (991,993) | (1,401,701) |
| Purchase Infrastructure Assets - Other | 3 | (555,483) | (942,409) | (971,336) |
| Purchase Plant and Equipment | 3 | (631,100) | (1,056,598) | (1,142,500) |
| Purchase Furniture and Equipment | 3 | (5,500) | (2,645) | (49,900) |
| Proceeds from Disposal of Assets | 4 | 171,000 | 266,808 | 362,000 |
| Repayment of Debentures | 5 | (26,524) | (43,914) | (24,879) |
| Transfers to Reserves (Restricted Assets) | 6 | (1,125,790) | (104,297) | (62,283) |
| Transfers from Reserves (Restricted Assets) | 6 | 731,313 | 656,695 | 276,695 |
| ADD Estimated Surplus/(Deficit) July 1 B/Fwd | 7 | 1,006,042 | 1,510,015 | 1,565,024 |
| LESS Estimated Surplus/(Deficit) June 30 C/Fwd | 7 | 0 | 1,006,042 | 0 |
| Amount Required to be Raised from Rates | 8 | <u>(1,316,495)</u> | <u>(1,146,728)</u> | <u>(1,101,808)</u> |

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

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

(b) The Local Government Reporting Entity

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

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

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

(c) 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.

(e) Rates, Grants, Donations and Other Contributions

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

(f) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(g) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Trade and Other Receivables

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

(j) Inventories

General

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

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

Land Held for Resale

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

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

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

(k) Fixed Assets

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

Initial Recognition

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

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 the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases in the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

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

Those assets carried at a revalued amount, being their fair value at the 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 materially from that determined using fair value at reporting date.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Land Under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

Depreciation of Non-Current Assets

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

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

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

| | |
|--|-----------------|
| Buildings | 30 to 50 years |
| Furniture and Equipment | 4 to 10 years |
| Plant and Equipment | 5 to 15 years |
| Sealed roads and streets | |
| formation | not depreciated |
| pavement | 50 years |
| seal | |
| - bituminous seals | 20 years |
| - asphalt surfaces | 25 years |
| Gravel roads | |
| formation | not depreciated |
| pavement | 50 years |
| gravel sheet | 12 years |
| Formed roads (unsealed) | |
| formation | not depreciated |
| pavement | 50 years |
| Footpaths - slab | 40 years |
| Sewerage piping | 100 years |
| Water supply piping & drainage systems | 75 years |

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

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 with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(l) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

(a) the amount in which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and

(b) less any reduction for impairment.

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

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

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

(ii) Loans and receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

(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.

Held-to-maturity financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which are classified as current assets.

If the 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.

(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.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months of the end of the reporting period (classified as current assets).

(v) Financial liabilities

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

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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 the reporting 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.

(n) Impairment

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

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

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 2012.

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

(o) Trade and Other Payables

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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 (Short-term Benefits)

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 Council has a present obligation to pay resulting from employees' services provided to reporting date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Annual Leave and 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.

(q) 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.

(r) Provisions

Provisions are recognised when:

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

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

Provisions are not recognised for future operating losses.

(s) 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.

(t) Comparative Figures

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

(u) 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 YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

| | 2011/12 Budget \$ | 2010/11 Actual \$ | 2010/11 Budget \$ |
|--|-------------------------|-------------------------|-------------------------|
| 2. REVENUES AND EXPENSES | | | |
| (a) Net Result from Ordinary Activities was arrived at after: | | | |
| (i) Charging as Expenses: | | | |
| Auditors Remuneration | | | |
| Audit Services | 16,000 | 9,404 | 12,000 |
| Other Services | 0 | 0 | 0 |
| Depreciation | | | |
| <u>By Program</u> | | | |
| Governance | 1,916 | 1,916 | 1,916 |
| General Purpose Funding | | 0 | 0 |
| Law, Order, Public Safety | 39,349 | 39,194 | 16,662 |
| Health | 20,487 | 2,671 | 837 |
| Education and Welfare | | 0 | 0 |
| Housing | 60,311 | 59,240 | 66,682 |
| Community Amenities | 18,845 | 18,845 | 19,179 |
| Recreation and Culture | 98,898 | 87,470 | 74,762 |
| Transport | 720,526 | 649,966 | 880,137 |
| Economic Services | 245,157 | 33,414 | 38,658 |
| Other Property and Services | | 206,809 | 197,325 |
| | <u>1,205,489</u> | <u>1,099,525</u> | <u>1,296,158</u> |
| <u>By Class</u> | | | |
| Land and Buildings | 182,430 | 160,905 | 162,847 |
| Furniture and Equipment | 578,882 | 36,524 | 38,395 |
| Plant and Equipment | 36,756 | 514,634 | 497,241 |
| Roads | 27,917 | 372,623 | 592,820 |
| Footpaths | 379,504 | 14,839 | 1,671 |
| Drainage | 0 | | 3,184 |
| | <u>1,205,489</u> | <u>1,099,525</u> | <u>1,296,158</u> |
| Borrowing Costs (Interest) | | | |
| - Other Interest | 550 | 3,509 | 550 |
| - Debentures (<i>refer note 5(a)</i>) | 33,017 | 22,755 | 35,545 |
| | <u>33,567</u> | <u>26,264</u> | <u>36,095</u> |
| Rental Charges | | | |
| - Operating Leases | 0 | 0 | 0 |
| | <u>0</u> | <u>0</u> | <u>0</u> |
| (ii) Crediting as Revenues: | | | |
| Interest Earnings | | | |
| Investments | | | |
| - Reserve Funds | 50,000 | 104,297 | 62,283 |
| - Other Funds | 50,000 | 50,895 | 30,300 |
| Other Interest Revenue (<i>refer note 13</i>) | 500 | 2,047 | 3,000 |
| | <u>100,500</u> | <u>157,239</u> | <u>95,583</u> |

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

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

GOVERNANCE

Administration and operation facilities and services to the members of the Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern other specific functions/activities of the Shire are also recorded here.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Supervision of various by-laws, fire prevention, emergency services and animal control.

HEALTH

Food quality, pest control and immunisation services.

EDUCATION AND WELFARE

Telecentre Access Point Service.

HOUSING

Provision and maintenance of staff, rental and Joint Venture Housing.

COMMUNITY AMENITIES

Rubbish collection services, operation of tips, noise control, litter control, administration of the town plan scheme, strategic planning, maintenance of the cemetery, public conveniences and town storm water collection.

RECREATION AND CULTURE

Maintenance of halls, recreation centres and various reserves, operation of libraries, maintenance of cultural heritage assets and TV/radio retransmission services.

TRANSPORT

Construction and maintenance of streets, roads, footpaths, drainage works, lighting of streets, maintenance of the depot and airstrips.

ECONOMIC SERVICES

Regulation and provision of tourism, area promotion, building control, noxious weeds and vermin control.

OTHER PROPERTY & SERVICES

Private works operations, plant repairs and operation costs.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

| 3. ACQUISITION OF ASSETS | 2011/12 Budget \$ |
|---|----------------------------------|
| The following assets are budgeted to be acquired during the year: | |
| <u>By Program</u> | |
| Law, Order, Public Safety | |
| Dog Pound | 3,000 |
| Security Lighting | 20,000 |
| Housing | |
| 48 Gibbons Street | 324,300 |
| 74 Weekes Street | 343,741 |
| 1 Stanley Street (refurb) | 40,000 |
| 16 Shamrock Stret (refurb) | 30,000 |
| 16 Shamrock Street (shed) | 20,000 |
| Community Amenities | |
| Sewage Upgrade Project | 52,000 |
| Water Wise Reticulation Project | 57,546 |
| Cemetery Gazebo Niche Wall etc | 30,000 |
| Recycling Waste Management | 30,000 |
| Recreation and Culture | |
| Yalgoo Hall (RLCIP and CLGIF) | 129,469 |
| Tank Payne"s Find Community Centre | 5,500 |
| Yalgoo Covered Sports Facility | 148,000 |
| Pedestrian Maze & Signage | 5,000 |
| Yalgoo Race Course Fencing | 5,000 |
| Community Park | 60,000 |
| Refurbish Parks & Gardens Depot | 35,000 |
| Transport | |
| YA-NI Repair & Reseal | 425,000 |
| Black Spot-Sandstone | 34,032 |
| Black Spot- Maranalgo | 39,000 |
| Black Spot-YA-NI (carryover) | 20,812 |
| YA-MO Reform up to 30km | 304,000 |
| GPS/RAMM Camera Equip | 10,000 |
| Concrete Truck & batching | 80,000 |
| Universal Loader (Bobcat) | 70,000 |
| Flat Drum Roller | 170,000 |
| Garden Tractor | 25,000 |
| Dolly | 25,000 |
| Works Ute | 38,000 |
| Foreman's Ute (2 changeover) | 76,000 |
| Gardener's Ute | 25,000 |
| Sundry Small Plant | 15,000 |
| Satellite Phones x 5 | 14,250 |
| Yalgoo RADs (carryover) | 17,700 |
| PF RADs (carryover) | 18,237 |

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

| 3. ACQUISITION OF ASSETS (Continued) | 2011/12 Budget \$ |
|---|----------------------------------|
| The following assets are budgeted to be acquired during the year: | |
| <u>By Program</u> | |
| Economic Services | |
| Caravan Park Office/Residence | 32,000 |
| Town Entry Statement Solar Lights | 15,000 |
| Payne's Find Beautification | 41,000 |
| Yalgoo Lookout | 6,000 |
| Caravan Park Redevelopment | 135,000 |
| Other Property and Services | |
| Replace Workshop Depot | 10,000 |
| CEO Vehicle | 75,000 |
| Admin Building Garden Refurbishment | 25,000 |
| Admin Offices | 25,000 |
| Aircon Server/ Storeroom | 2,000 |
| Satelite Phone | 2,850 |
| Binder | 2,000 |
| Printer | 1,000 |
| <u>By Class</u> | <u><u>3,117,437</u></u> |
| Land and Buildings | 1,102,510 |
| Infrastructure Assets - Roads | 822,844 |
| Infrastructure Assets - Other | 555,483 |
| Plant and Equipment | 631,100 |
| Furniture and Equipment | 5,500 |
| | <u><u>3,117,437</u></u> |

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

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) |
|--------------------------------|---------------------------|---------------------------|---------------------------|
| | 2011/12 BUDGET | 2011/12 BUDGET | 2011/12 BUDGET |
| | \$ | \$ | \$ |
| Transport | | | |
| Cat Roller | 19,834 | 25,000 | 5,166 |
| Dolly | 13,608 | 8,000 | (5,608) |
| Gardeners Ute FAO483 | 39,268 | 12,000 | (27,268) |
| Works Ute | 0 | 24,000 | 24,000 |
| Tanker (Not on Asset Register) | 0 | 4,000 | 4,000 |
| Gforeman's Ute FAO436 | 32,306 | 24,000 | (8,306) |
| Gforeman's Ute FAO182 | 24,000 | 24,000 | 0 |
| Other Property | | | |
| CEO Vehicle FAO 139 | 75,681 | 50,000 | (25,681) |
| | 204,697 | 171,000 | (33,697) |

| <u>By Class</u> | Net Book Value | Sale Proceeds | Profit(Loss) |
|--------------------------------|---------------------------|---------------------------|---------------------------|
| | 2011/12 BUDGET | 2011/12 BUDGET | 2011/12 BUDGET |
| | \$ | \$ | \$ |
| Plant & Equipment | | | |
| Cat Roller | 19,834 | 25,000 | 5,166 |
| Dolly | 13,608 | 8,000 | (5,608) |
| Gardeners Ute FAO483 | 39,268 | 12,000 | (27,268) |
| Works Ute | 0 | 24,000 | 24,000 |
| Tanker (Not on Asset Register) | 0 | 4,000 | 4,000 |
| Gforeman's Ute FAO436 | 32,306 | 24,000 | (8,306) |
| Gforeman's Ute FAO182 | 24,000 | 24,000 | 0 |
| CEO Vehicle FAO139 | 75,681 | 50,000 | (25,681) |
| | 204,697 | 171,000 | (33,697) |

| <u>Summary</u> | 2011/12 BUDGET |
|---------------------------|---------------------------|
| | \$ |
| Profit on Asset Disposals | 33,166 |
| Loss on Asset Disposals | (66,863) |
| | <u>(33,697)</u> |

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

| Particulars | Principal 1-Jul-11 | New Loans | Principal Repayments | | Principal Outstanding | | Interest Repayments | |
|-----------------------------|-----------------------|--------------|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| | | | 2011/12 Budget \$ | 2010/11 Actual \$ | 2011/12 Budget \$ | 2010/11 Actual \$ | 2011/12 Budget \$ | 2010/11 Actual \$ |
| Housing | | | | | | | | |
| Loan 51 | 0 | | 0 | 8,772 | 0 | 0 | 0 | 5,263 |
| Loan 53 - 19a & b Stanley | 183,661 | | 9,519 | 13,117 | 174,142 | 183,661 | 12,034 | 6,393 |
| Loan 55 - 18 c & d Shamrock | 234,421 | | 11,980 | 15,667 | 222,441 | 234,421 | 14,929 | 7,920 |
| Community Amenities | | | | | | | | |
| Loan 54 - Public Toilets | 97,344 | | 5,025 | 6,357 | 92,319 | 97,344 | 6,054 | 3,179 |
| | 515,426 | 0 | 26,524 | 43,913 | 488,902 | 515,426 | 33,017 | 22,755 |

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2011/12

No New debentures will be utilised in 2011/12

(c) Unspent Debentures

Council has no unspent debenture funds as at 30th June 2011 nor is it expected to have unspent debenture funds as at 30th June 2012.

(d) Overdraft

Council has an overdraft facility of \$50,000.

It is not anticipated that this facility will be required to be utilised during 2011/12.

SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

| | 2011/12 Budget \$ | 2010/11 Actual \$ | 2010/11 Budget \$ |
|--|-------------------------|-------------------------|-------------------------|
| 6. RESERVES | | | |
| (a) Long Service Leave Reserve | | | |
| Opening Balance | 85,564 | 80,852 | 80,819 |
| Amount Set Aside / Transfer to Reserve | 3,229 | 4,712 | 2,816 |
| Amount Used / Transfer from Reserve | 0 | 0 | 0 |
| | <u>88,793</u> | <u>85,564</u> | <u>83,635</u> |
| (b) Plant Reserve | | | |
| Opening Balance | 193,953 | 183,273 | 183,199 |
| Amount Set Aside / Transfer to Reserve | 375,800 | 10,680 | 6,352 |
| Amount Used / Transfer from Reserve | (352,000) | 0 | 0 |
| | <u>217,753</u> | <u>193,953</u> | <u>189,551</u> |
| (c) Building Reserve | | | |
| Opening Balance | 388,295 | 754,338 | 754,029 |
| Amount Set Aside / Transfer to Reserve | 171,829 | 43,957 | 26,266 |
| Amount Used / Transfer from Reserve | (30,000) | (410,000) | (60,000) |
| | <u>530,124</u> | <u>388,295</u> | <u>720,295</u> |
| (d) Yalgoo Ningham Road Reserve | | | |
| Opening Balance | 157,740 | 198,008 | 197,928 |
| Amount Set Aside / Transfer to Reserve | 147,724 | 11,539 | 6,881 |
| Amount Used / Transfer from Reserve | (141,773) | (51,807) | (51,807) |
| | <u>163,691</u> | <u>157,740</u> | <u>153,002</u> |
| (e) Sports Complex Reserve | | | |
| Opening Balance | 76,663 | 100,790 | 100,750 |
| Amount Set Aside / Transfer to Reserve | 2,896 | 5,873 | 3,726 |
| Amount Used / Transfer from Reserve | 0 | (30,000) | 0 |
| | <u>79,559</u> | <u>76,663</u> | <u>104,476</u> |
| (f) Community Amenities Maintenance Reserve | | | |
| Opening Balance | 101,217 | 106,983 | 106,939 |
| Amount Set Aside / Transfer to Reserve | 84,568 | 6,234 | 3,510 |
| Amount Used / Transfer from Reserve | 0 | (12,000) | (12,000) |
| | <u>185,785</u> | <u>101,217</u> | <u>98,449</u> |
| (g) HCP Reserve | | | |
| Opening Balance | 79 | 2,804 | 2,803 |
| Amount Set Aside / Transfer to Reserve | 190,000 | 163 | 97 |
| Amount Used / Transfer from Reserve | (140,000) | (2,888) | (2,888) |
| | <u>50,079</u> | <u>79</u> | <u>12</u> |
| (h) Housing Maintenance | | | |
| Opening Balance | 32,742 | 30,939 | 30,927 |
| Amount Set Aside / Transfer to Reserve | 72,153 | 1,803 | 1,078 |
| Amount Used / Transfer from Reserve | (67,540) | 0 | 0 |
| | <u>37,355</u> | <u>32,742</u> | <u>32,005</u> |

SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

| | 2011/12 Budget \$ | 2010/11 Actual \$ | 2010/11 Budget \$ |
|--|----------------------------------|----------------------------------|----------------------------------|
| 6. RESERVES (Continued) | | | |
| (i) Yalgoo Morawa Road Reserve | | | |
| Opening Balance | 58,216 | 55,011 | 54,988 |
| Amount Set Aside / Transfer to Reserve | 27,197 | 3,205 | 1,916 |
| Amount Used / Transfer from Reserve | <u>0</u> | <u>0</u> | <u>0</u> |
| | <u>85,413</u> | <u>58,216</u> | <u>56,904</u> |
| (j) General Roads Reserve | | | |
| Opening Balance | 72,008 | 68,043 | 68,015 |
| Amount Set Aside / Transfer to Reserve | 27,717 | 3,965 | 2,370 |
| Amount Used / Transfer from Reserve | <u>0</u> | <u>0</u> | <u>0</u> |
| | <u>99,725</u> | <u>72,008</u> | <u>70,385</u> |
| (k) Superannuation Back-Pay Reserve | | | |
| Opening Balance | 70,929 | 208,763 | 208,678 |
| Amount Set Aside / Transfer to Reserve | 2,677 | 12,166 | 7,271 |
| Amount Used / Transfer from Reserve | <u>0</u> | <u>(150,000)</u> | <u>(150,000)</u> |
| | <u>73,606</u> | <u>70,929</u> | <u>65,949</u> |
| (l) Office Equipment Reserve | | | |
| Opening Balance | 0 | 0 | 0 |
| Amount Set Aside / Transfer to Reserve | 20,000 | 0 | 0 |
| Amount Used / Transfer from Reserve | <u>0</u> | <u>0</u> | <u>0</u> |
| | <u>20,000</u> | <u>0</u> | <u>0</u> |
| Total Reserves | <u><u>1,631,883</u></u> | <u><u>1,237,406</u></u> | <u><u>1,574,663</u></u> |

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

SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

| 6. RESERVES (Continued) | 2011/12 Budget \$ | 2010/11 Actual \$ | 2010/11 Budget \$ |
|---|----------------------------------|----------------------------------|----------------------------------|
| Summary of Transfers To Cash Backed Reserves | | | |
| Transfers to Reserves | | | |
| Long Service Leave Reserve | 3,229 | 4,712 | 2,816 |
| Plant Reserve | 375,800 | 10,680 | 6,352 |
| Building Reserve | 171,829 | 43,957 | 26,266 |
| Yalgoo Ningham Road Reserve | 147,724 | 11,539 | 6,881 |
| Sports Complex Reserve | 2,896 | 5,873 | 3,726 |
| Community Amenities Maintenance Reserve | 84,568 | 6,234 | 3,510 |
| HCP Reserve | 190,000 | 163 | 97 |
| Housing Maintenance Reserve | 72,153 | 1,803 | 1,078 |
| Yalgoo Morawa Road Reserve | 27,197 | 3,205 | 1,916 |
| General Roads Reserve | 27,717 | 3,965 | 2,370 |
| Superannuation Back-Pay Reserve | 2,677 | 12,166 | 7,271 |
| Office Equipment Reserve | 20,000 | 0 | 0 |
| | <u>1,125,790</u> | <u>104,297</u> | <u>62,283</u> |
| Transfers from Reserves | | | |
| Long Service Leave Reserve | 0 | 0 | 0 |
| Plant Reserve | (352,000) | 0 | 0 |
| Building Reserve | (30,000) | (410,000) | (60,000) |
| Yalgoo Ningham Road Reserve | (141,773) | (51,807) | (51,807) |
| Sports Complex Reserve | 0 | (30,000) | 0 |
| Community Amenities Maintenance Reserve | 0 | (12,000) | (12,000) |
| HCP Reserve | (140,000) | (2,888) | (2,888) |
| Housing Maintenance Reserve | (67,540) | 0 | 0 |
| Yalgoo Morawa Road Reserve | 0 | 0 | 0 |
| General Roads Reserve | 0 | 0 | 0 |
| Superannuation Back-Pay Reserve | 0 | (150,000) | (150,000) |
| Office Equipment Reserve | 0 | 0 | 0 |
| | <u>(731,313)</u> | <u>(656,695)</u> | <u>(276,695)</u> |
| Total Transfer to/(from) Reserves | <u>394,477</u> | <u>(552,398)</u> | <u>(214,412)</u> |

SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

6. RESERVES (Continued)

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

Long Service Leave Reserve

- To be used to fund annual and long service leave requirements.
- The title of the reserve account was changed to better reflect the purpose of the reserve.

Plant Reserve

- To be used for the purchase of major plant.

Building Reserve

- For the replacement of council properties including housing and other properties.

Yalgoo Ningham Road Reserve

- To be used to maintain the sealed road Yalgoo Ningham Road.

Sports Complex Reserve

- For the development of new recreational facilities.

Community Amenities Maintenance Reserves

- For the maintenance of community amenities.

HCP Reserve

- For future community projects operating expenditure.

Housing Maintenance Reserve

- For the maintenance of staff & other housing owned by the Shire.

Yalgoo Morawa Road Reserve

- To be used to maintain the sealed road Yalgoo Ningham Road.

General Road Reserve

- For the maintenance of grids, etc on roads in the Shire.

Superannuation Back-Pay Reserve

- For the purpose of paying any superannuation back pay costs.

Office Equipment Reserve

- For the purpose of purchase of new office equipment and the maintenance of existing equipment.

The Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

| | Note | 2011/12 Budget \$ | 2010/11 Actual \$ |
|--|-------|-------------------------|-------------------------|
| 7. NET CURRENT ASSETS | | | |
| Composition of Estimated Net Current Asset Position | | | |
| CURRENT ASSETS | | | |
| Cash - Unrestricted | 15(a) | 0 | 696,287 |
| Cash - Restricted Reserves | 15(a) | 1,631,883 | 1,237,406 |
| Receivables | | 200,000 | 1,071,246 |
| Inventories | | <u>10,000</u> | <u>5,825</u> |
| | | 1,841,883 | 3,010,764 |
| LESS: CURRENT LIABILITIES | | | |
| Payables and Provisions | | <u>(210,000)</u> | <u>(767,316)</u> |
| NET CURRENT ASSET POSITION | | 1,631,883 | 2,243,448 |
| Less: Cash - Restricted Reserves | 15(a) | (1,631,883) | (1,237,406) |
| ESTIMATED SURPLUS C/FWD | | <u><u>0</u></u> | <u><u>1,006,042</u></u> |

The estimated surplus c/fwd in the 2010/11 actual column represents the surplus brought forward as at 1 July 2011.

The estimated surplus c/fwd in the 2011/12 budget column represents a balanced budget as at 30 June 2012.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

8. RATING INFORMATION - 2011/12 FINANCIAL YEAR

| <u>RATE TYPE</u> | Rate in \$ | Number of Properties | Rateable Value \$ | 2011/12 Budgeted Rate Revenue \$ | 2011/12 Budgeted Interim Rates \$ | 2011/12 Budgeted Back Rates \$ | 2011/12 Budgeted Total Revenue \$ | 2010/11 Actual \$ |
|-------------------------------|-----------------------|----------------------------|-------------------------|--|---|--|---|-------------------------|
| Differential General Rate | | | | | | | | |
| GRV - Townsites | 0.0669 | 35 | 287,964 | 19,265 | 0 | 0 | 19,265 | 18,430 |
| UV - Pastoral | 0.0590 | 22 | 911,251 | 52,990 | 0 | 0 | 52,990 | 51,161 |
| UV - Mining Leases | 0.2700 | 112 | 3,823,553 | 1,028,060 | 0 | 0 | 1,028,060 | 875,156 |
| UV - Mining | 0.2700 | 11 | 186,769 | 50,428 | 0 | 0 | 50,428 | 65,159 |
| UV - Prospecting/ Exploration | 0.1783 | 127 | 711,523 | 110,532 | 0 | 0 | 110,532 | 91,678 |
| Sub-Totals | | 307 | 5,921,060 | 1,261,275 | 0 | 0 | 1,261,275 | 1,101,584 |
| Minimum Rates | Minimum \$ | | | | | | | |
| GRV - Improved | 240 | 2 | 4,155 | 480 | 0 | 0 | 480 | (1,705) |
| GRV - Vacant | 555 | 12 | 407 | 6,660 | 0 | 0 | 6,660 | 6,360 |
| UV - Pastoral | 240 | 2 | 5,454 | 480 | 0 | 0 | 480 | 460 |
| UV - Mining Leases | 240 | 37 | 22,837 | 8,880 | 0 | 0 | 8,880 | 8,166 |
| UV - Mining | 240 | 1 | 877 | 240 | 0 | 0 | 240 | 1,148 |
| UV - Prospecting/ Exploration | 240 | 101 | 59,545 | 24,240 | 0 | 0 | 24,240 | 16,457 |
| UV - Rural | 240 | 1 | 100 | 240 | 0 | 0 | 240 | 230 |
| Sub-Totals | | 156 | 93,375 | 41,220 | 0 | 0 | 41,220 | 31,116 |
| Ex-Gratia Rates | | | | | | | 1,302,495 | 1,132,700 |
| Totals | | | | | | | 14,000 | 14,028 |
| | | | | | | | 1,316,495 | 1,146,728 |

All land except exempt land in the Shire of Yalgoo 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 2011/12 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 YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
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9. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

No Specified Area rates will be levied in the 2011/12 financial year.

10. SERVICE CHARGES - 2011/12 FINANCIAL YEAR

No Service charges will be imposed in the 2011/12 financial year.

11. FEES & CHARGES REVENUE

| | 2011/12 Budget \$ | 2010/11 Actual \$ |
|---------------------------|----------------------------------|----------------------------------|
| General Purpose Funding | 8,000 | 12,323 |
| Law, Order, Public Safety | 3,000 | 3,150 |
| Health | 23,000 | 28,320 |
| Education and Welfare | 0 | 0 |
| Housing | 54,000 | 18,184 |
| Community Amenities | 12,320 | 10,335 |
| Recreation & Culture | 4,250 | 201,847 |
| Transport | 126,000 | 137,454 |
| Economic Services | 75,500 | 138,734 |
| Other Property & Services | 20,600 | 196,251 |
| | <u>326,670</u> | <u>746,598</u> |

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2011/12 FINANCIAL YEAR**

An early ratepayer prize to the value of \$1,000 is to be offered by lucky draw to those ratepayers who have paid their rates in full by 4.00pm on the due date shown on the rates notice.

No other discount is granted for the early payment of rates.

**SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
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13. INTEREST CHARGES AND INSTALMENTS - 2011/12 FINANCIAL YEAR

Two 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 the due date **22nd September, 2011**.

Option 2 (4 Instalments)

Ratepayers have the option of paying in four equal instalments, due 35 days after the date of issue of rate notices.

First instalment is due on the **22nd September 2011** and includes any arrears and a quarter of the current rates.

Second Instalment due on the **22nd November 2011**.

Third Instalment due on the **24th January 2012**.

Fourth Instalment due on the **26th March 2012**.

Administration charges of **\$5.00** per instalment will be applied for the final three instalments. Total budget income is **\$ 3,000**.

Interest will be charged on rates unpaid after 35 days from date of issue of rate notices, as follows:-

Interest on unpaid rates **11%** Budget Income **\$ 3,000**
Interest on instalments **5.5%** Budget Income **\$ Nil**

14. ELECTED MEMBERS REMUNERATION

The following fees, expenses and allowances were paid to council members and/or the president.

| | 2011/12 Budget \$ | 2010/11 Actual \$ |
|------------------------------|----------------------------------|----------------------------------|
| Meeting Fees | 18,000 | 24,812 |
| President's Allowance | 6,530 | 4,484 |
| Deputy President's Allowance | 1,110 | 3,402 |
| Travelling Expenses | 15,000 | 11,607 |
| | 40,640 | 44,305 |

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

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:

| | 2011/12 Budget \$ | 2010/11 Actual \$ | 2010/11 Budget \$ |
|---------------------|----------------------------------|----------------------------------|----------------------------------|
| Cash - Unrestricted | 0 | 696,287 | 0 |
| Cash - Restricted | <u>1,631,883</u> | <u>1,237,406</u> | <u>1,574,663</u> |
| | <u><u>1,631,883</u></u> | <u><u>1,933,693</u></u> | <u><u>1,574,663</u></u> |

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

| | | | |
|---|------------------|------------------|------------------|
| Long Service Leave Reserve | 88,793 | 85,564 | 83,635 |
| Plant Reserve | 217,753 | 193,953 | 189,551 |
| Building Reserve | 530,124 | 388,295 | 720,295 |
| Yalgoo Ninghan Road Reserve | 163,691 | 157,740 | 153,002 |
| Sport Complex Reserve | 79,559 | 76,663 | 104,476 |
| Community Amenities Maintenance Reserve | 185,785 | 101,217 | 98,449 |
| HCP Reserve | 50,079 | 79 | 12 |
| Housing Maintenance Reserve | 37,355 | 32,742 | 32,005 |
| Yalgoo Morawa Road Reserve | 85,413 | 58,216 | 56,904 |
| General Roads Reserve | 99,725 | 72,008 | 70,385 |
| Superannuation Back-Pay Reserve | 73,606 | 70,929 | 65,949 |
| Office Equipment Reserve | 20,000 | 0 | 0 |
| | <u>1,631,883</u> | <u>1,237,406</u> | <u>1,574,663</u> |

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

| | | | |
|--|-------------------------|-------------------------|-----------------------|
| Net Result | 1,122,210 | 1,629,480 | 1,236,315 |
| Depreciation | 1,205,489 | 1,099,525 | 1,296,158 |
| (Profit)/Loss on Sale of Asset | 33,697 | (146,656) | (86,376) |
| (Increase)/Decrease in Receivables | 871,246 | (719,456) | 379,521 |
| (Increase)/Decrease in Inventories | (4,175) | (5,825) | 0 |
| Increase/(Decrease) in Payables | (557,316) | 553,344 | (186,135) |
| Grants/Contributions for the Development of Assets | (683,918) | (849,565) | (2,176,364) |
| Net Cash from Operating Activities | <u><u>1,987,233</u></u> | <u><u>1,560,847</u></u> | <u><u>463,119</u></u> |

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

| | | | |
|--------------------------------------|----------------------|----------------------|----------------------|
| Bank Overdraft limit | 50,000 | 50,000 | 50,000 |
| Bank Overdraft at Balance Date | 0 | 0 | 0 |
| Credit Card limit | 7,000 | 7,000 | 7,000 |
| Credit Card Balance at Balance Date | 0 | 0 | 0 |
| Total Amount of Credit Unused | <u><u>57,000</u></u> | <u><u>57,000</u></u> | <u><u>57,000</u></u> |

Loan Facilities

| | | | |
|--|----------------|----------------|----------------|
| Loan Facilities in use at Balance Date | <u>488,902</u> | <u>515,426</u> | <u>534,461</u> |
| Unused Loan Facilities at Balance Date | <u>Nil</u> | <u>Nil</u> | <u>Nil</u> |

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

16. TRUST FUNDS

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

| Detail | Balance 1-Jul-11 \$ | Amounts Received \$ | Amounts Paid (\$) | Balance 30-Jun-12 \$ |
|-----------------------|------------------------------------|------------------------------------|----------------------------------|-------------------------------------|
| Stamps | 52 | 0 | (52) | 0 |
| Bus Bonds | 350 | 0 | 0 | 350 |
| Hall Bonds | 150 | 0 | 0 | 150 |
| Yamatjii | 150 | 0 | 0 | 150 |
| Housing Bonds Other | 2,618 | 0 | 0 | 2,618 |
| Land Auction Proceeds | 2,500 | 0 | 0 | 2,500 |
| Land Deposits | 1,562 | 0 | (1,562) | 0 |
| Library Bonds | 25 | 0 | 0 | 25 |
| Post Office Bonds | 30 | 0 | 0 | 30 |
| Unclassified | (209) | 209 | 0 | 0 |
| | <u>7,228</u> | | | <u>5,823</u> |

**SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012**

17. MAJOR LAND TRANSACTIONS

No major Land transactions are anticipated in 2011/12.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2011/12.