



STATUTORY BUDGET 2011-12

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	1,122,210	1,629,480	1,236,315

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>1,631,883</u>	<u>1,933,693</u>	<u>1,574,663</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
	1,205,489	1,099,525	1,296,158
<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
	1,205,489	1,099,525	1,296,158
Borrowing Costs (Interest)			
- Other Interest	550	3,509	550
- Debentures (<i>refer note 5(a)</i>)	33,017	22,755	35,545
	33,567	26,264	36,095
Rental Charges			
- Operating Leases	0	0	0
	0	0	0
(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
	100,500	157,239	95,583

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

6. RESERVES (Continued)	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
(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>1,631,883</u>	<u>1,237,406</u>	<u>1,574,663</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

	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
6. RESERVES (Continued)			
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 Ninghan 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 Ninghan 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
FOR THE YEAR ENDED 30TH JUNE 2012**

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
FOR THE YEAR ENDED 30TH JUNE 2012**

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

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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>

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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
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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.