

**SHIRE OF COOROW**  
**BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2006**

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**SHIRE OF COOROW**  
**OPERATING STATEMENT**

**FOR THE YEAR ENDED 30TH JUNE 2006**

|   | NOTE | 2005/06<br>Budget<br>\$ | 2004/05<br>Actual<br>\$ | 2004/05<br>Budget<br>\$ |
|---|------|-------------------------|-------------------------|-------------------------|
| <b>OPERATING REVENUES (Refer Notes 1,2,8 to 13)</b>       |      |                         |                         |                         |
| Governance  |      | 1,548                   | 17,480                  | 10,370                  |
| General Purpose Funding                                   |      | 2,559,730               | 2,424,775               | 2,400,463               |
| Law, Order, Public Safety                                 |      | 44,775                  | 34,989                  | 35,790                  |
| Health  |      | 17,186                  | 8,586                   | 15,042                  |
| Education and Welfare                                     |      | 19,760                  | 20,245                  | 19,670                  |
| Housing   |      | 0                       | -1,260                  | 0                       |
| Community Amenities                                       |      | 181,615                 | 208,069                 | 163,150                 |
| Recreation and Culture                                    |      | 61,279                  | 58,666                  | 58,620                  |
| Transport   |      | 66,787                  | 76,007                  | 65,971                  |
| Economic Services   |      | 12,050                  | 15,108                  | 25,930                  |
| Other Property and Services                               |      | 58,074                  | 63,163                  | 104,899                 |
|   |      | <u>3,022,804</u>        | <u>2,925,828</u>        | <u>2,899,905</u>        |
| <b>OPERATING EXPENSES (Refer Notes 1,2 &amp; 14)</b>      |      |                         |                         |                         |
| Governance  |      | 325,084                 | 278,843                 | 254,583                 |
| General Purpose Funding                                   |      | 119,490                 | 172,736                 | 140,615                 |
| Law, Order, Public Safety                                 |      | 149,383                 | 165,683                 | 188,089                 |
| Health  |      | 107,665                 | 115,824                 | 136,355                 |
| Education and Welfare                                     |      | 30,980                  | 61,085                  | 60,841                  |
| Housing   |      | (12,836)                | (6,078)                 | 0                       |
| Community Amenities                                       |      | 360,001                 | 273,169                 | 277,597                 |
| Recreation & Culture                                      |      | 674,518                 | 672,007                 | 688,613                 |
| Transport   |      | 1,565,804               | 1,652,064               | 1,728,242               |
| Economic Services   |      | 116,060                 | 142,174                 | 124,030                 |
| Other Property and Services                               |      | 23,624                  | 28,043                  | 44,164                  |
|   |      | <u>3,459,773</u>        | <u>3,555,550</u>        | <u>3,643,129</u>        |
| <b>BORROWING COSTS EXPENSE (Refer Notes 2 &amp; 5)</b>    |      |                         |                         |                         |
| Housing   |      | 12,836                  | 12,831                  | 12,836                  |
| Community Amenities                                       |      | 32,049                  | 32,699                  | 15,164                  |
| Recreation & Culture                                      |      | 17,711                  | 17,494                  | 17,711                  |
| Transport   |      | 13,445                  | 13,425                  | 13,445                  |
| Economic Services   |      | 0                       | 0                       | 5,291                   |
| Other Property & Services                                 |      | 0                       | 0                       | 8,092                   |
|   |      | <u>76,041</u>           | <u>76,449</u>           | <u>72,539</u>           |
| <b>GRANTS/CONTRIBUTIONS FOR THE DEVELOPMENT OF ASSETS</b> |      |                         |                         |                         |
| Law, Order, Public Safety                                 |      | 35,000                  | 0                       | 35,000                  |
| Community Amenities                                       |      | 0                       | 0                       | 43,000                  |
| Recreation & Culture                                      |      | 112,000                 | 0                       | 45,000                  |
| Transport   |      | 645,230                 | 426,686                 | 203,953                 |
|   |      | <u>792,230</u>          | <u>426,686</u>          | <u>326,953</u>          |
| <b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)</b> |      |                         |                         |                         |
| Profit on Asset Disposals                                 |      | 17,505                  | 121,158                 | 142,505                 |
| Loss on Asset Disposals                                   |      | 0                       | 0                       | 0                       |
|   |      | <u>17,505</u>           | <u>121,158</u>          | <u>142,505</u>          |
| <b>NET RESULT</b>   |      | <u>296,725</u>          | <u>-158,327</u>         | <u>(346,305)</u>        |

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

**SHIRE OF COOROW**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2006**

|  | NOTE  | 2005/06<br>Budget<br>\$ | 2004/05<br>Actual<br>\$ | 2004/05<br>Budget<br>\$ |
|--|-------|-------------------------|-------------------------|-------------------------|
| <b>Cash Flows From Operating Activities</b>                |       |                         |                         |                         |
| <b>Receipts</b>  |       |                         |                         |                         |
| Rates  |       | 1,551,749               | 1,487,157               | 1,446,862               |
| Grants and Subsidies - operating                           |       | 1,020,022               | 949,079                 | 944,091                 |
| Contributions, Reimbursements & Donations                  |       | 105,475                 | 120,134                 | 100,465                 |
| Service Charges  |       | 19,305                  | 17,985                  | 19,305                  |
| Fees and Charges   |       | 229,705                 | 148,001                 | 280,695                 |
| Interest Earnings  |       | 26,000                  | 42,724                  | 34,800                  |
| Goods and Services Tax                                     |       | 200,000                 | 203,273                 |                         |
| Other  |       | 31,254                  | 37,329                  | 95,233                  |
|  |       | <u>3,183,510</u>        | <u>3,005,682</u>        | <u>2,921,451</u>        |
| <b>Payments</b>  |       |                         |                         |                         |
| Employee Costs   |       | (938,347)               | (990,906)               | (1,046,301)             |
| Materials and Contracts                                    |       | (713,524)               | (526,424)               | (732,751)               |
| Utilities (gas, electricity, water, etc)                   |       | (185,624)               | (227,248)               | (174,050)               |
| Insurance  |       | (161,587)               | (150,624)               | (152,031)               |
| Interest   |       | (69,989)                | (75,634)                | (71,285)                |
| Goods and Services Tax                                     |       | (200,000)               | (200,354)               |                         |
| Other  |       | (25,451)                | (52,420)                | (85,066)                |
|  |       | <u>(2,294,522)</u>      | <u>(2,223,610)</u>      | <u>(2,261,484)</u>      |
| <b>Net Cash Provided By Operating Activities</b>           | 15(b) | <u>888,988</u>          | <u>782,072</u>          | <u>659,967</u>          |
| <b>Cash Flows from Investing Activities</b>                |       |                         |                         |                         |
| Payments for Development of Land Held for Resale           | 3     | 0                       | 0                       | 0                       |
| Payments for Purchase of Property, Plant & Equipment       | 3     | (957,062)               | (865,570)               | (1,192,000)             |
| Payments for Construction of Infrastructure                | 3     | (1,076,127)             | (852,446)               | (751,309)               |
| Grants/Contributions for the Development of Assets         |       | 792,230                 | 426,686                 | 326,953                 |
| Proceeds from Sale of Plant & Equipment                    | 4     | 391,250                 | 527,690                 | 810,500                 |
| <b>Net Cash Used in Investing Activities</b>               |       | <u>(849,709)</u>        | <u>(763,640)</u>        | <u>(805,856)</u>        |
| <b>Cash Flows from Financing Activities</b>                |       |                         |                         |                         |
| Advances to Community Groups                               |       | 0                       | 0                       |                         |
| Repayment of Debentures                                    | 5     | (173,985)               | (159,713)               | (155,190)               |
| Repayment of Finance Leases                                |       |                         |                         |                         |
| Proceeds from Self Supporting Loans                        |       | 34,925                  | 24,146                  | 24,147                  |
| Proceeds from Advances                                     |       |                         | 0                       |                         |
| Proceeds from New Debentures                               | 5     | 60,000                  | 120,000                 | 270,000                 |
| <b>Net Cash Provided By (Used In) Financing Activities</b> |       | <u>(79,060)</u>         | <u>(15,567)</u>         | <u>138,957</u>          |
| <b>Net Increase (Decrease) in Cash Held</b>                |       | (39,781)                | 2,865                   | 594,150                 |
| Cash at Beginning of Year                                  |       | 293,966                 | 291,761                 | 290,471                 |
| <b>Cash at End of Year</b>                                 | 15(a) | <u>254,185</u>          | <u>294,626</u>          | <u>884,621</u>          |

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

**SHIRE OF COOROW  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2006**

|  | NOTE | 2005/06<br>Budget<br>\$ | 2004/05<br>Budget<br>\$ |
|--|------|-------------------------|-------------------------|
| <b>REVENUES</b>                                  | 1,2  |                         |                         |
| Governance                                       |      | 1,549                   | 3,530                   |
| General Purpose Funding                          |      | 929,081                 | 855,442                 |
| Law, Order, Public Safety                        |      | 79,775                  | 77,795                  |
| Health   |      | 17,186                  | 22,292                  |
| Education and Welfare                            |      | 19,760                  | 19,760                  |
| Housing  |      | 0                       | 0                       |
| Community Amenities                              |      | 181,615                 | 206,150                 |
| Recreation and Culture                           |      | 173,279                 | 103,620                 |
| Transport  |      | 729,522                 | 342,924                 |
| Economic Services                                |      | 12,050                  | 25,930                  |
| Other Property and Services                      |      | 58,075                  | 156,899                 |
|  |      | <u>2,201,892</u>        | <u>1,814,342</u>        |
| <b>EXPENSES</b>                                  | 1,2  |                         |                         |
| Governance                                       |      | (325,084)               | (254,583)               |
| General Purpose Funding                          |      | (119,490)               | (140,615)               |
| Law, Order, Public Safety                        |      | (149,383)               | (188,089)               |
| Health   |      | (107,665)               | (136,355)               |
| Education and Welfare                            |      | (30,980)                | (60,841)                |
| Housing  |      | 0                       | 0                       |
| Community Amenities                              |      | (392,050)               | (292,761)               |
| Recreation & Culture                             |      | (692,229)               | (706,324)               |
| Transport  |      | (1,579,249)             | (1,741,057)             |
| Economic Services                                |      | (116,060)               | (129,321)               |
| Other Property and Services                      |      | (23,624)                | (65,092)                |
|  |      | <u>(3,535,814)</u>      | <u>(3,715,038)</u>      |
| <b>Adjustments for Cash Budget Requirements:</b> |      |                         |                         |
| <b>Non-Cash Expenditure and Revenue</b>          |      |                         |                         |
| (Profit)/Loss on Asset Disposals                 | 4    | (17,505)                | (142,505)               |
| Depreciation on Assets                           | 2(a) | 1,455,339               | 1,461,267               |
| <b>Capital Expenditure and Revenue</b>           |      |                         |                         |
| Purchase Land Held for Resale                    | 3    | 0                       | 0                       |
| Purchase Land and Buildings                      | 3    | (398,562)               | (199,000)               |
| Purchase Infrastructure Assets - Roads           | 3    | (905,597)               | (618,677)               |
| Purchase Infrastructure Assets - Parks           | 3    | (170,530)               | (132,632)               |
| Purchase Plant and Equipment                     | 3    | (551,500)               | (970,500)               |
| Purchase Furniture and Equipment                 | 3    | (7,000)                 | (22,500)                |
| Proceeds from Disposal of Assets                 | 4    | 391,250                 | 810,500                 |
| Repayment of Debentures                          | 5    | (173,985)               | (155,190)               |
| Proceeds from New Debentures                     | 5    | 60,000                  | 270,000                 |
| Advances to Community Groups                     |      | (60,000)                |                         |
| Self-Supporting Loan Principal Income            |      | 34,925                  | 24,147                  |
| Transfers to Reserves (Restricted Assets)        | 6    | (77,250)                | (94,357)                |
| Transfers from Reserves (Restricted Assets)      | 6    | 85,000                  | 0                       |
| ADD Estimated Surplus/(Deficit) July 1 B/Fwd     | 7    | 39,000                  | 115,860                 |
| LESS Estimated Surplus/(Deficit) June 30 C/Fwd   | 7    | 311                     | 738                     |
| <b>Amount Req'd to be Raised from Rates</b>      | 8    | <u>(1,665,573)</u>      | <u>(1,555,021)</u>      |

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

## SHIRE OF COOROW

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2006

#### 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, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The budget has also been prepared on the accrual basis under the convention of historical cost accounting.

**(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.

**(c) 2004/05 Actual Balances**

Balances shown in this budget as 2004/05 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 Shire of Coorow contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

**(h) Investments**

All investments are valued at cost and interest on those investments is recognised when accrued.

**(i) Fixed Assets**

Property, plant and equipment and infrastructure assets are brought to account at cost or fair value less, where applicable, any accumulated depreciation or amortisation and any accumulated impairment balances.

## SHIRE OF COOROW

### NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2006

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

##### (j) 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.

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

|                                |          |                 |
|--------------------------------|----------|-----------------|
| Buildings                      | 40 years | 2.5% per annum  |
| Office Furniture and Equipment | 10 years | 10% per annum   |
| Electrical Office Equipment    | 5 Years  | 20% per annum   |
| Computer                       | 5 Years  | 20% per annum   |
| Plant and Equipment            | 8 years  | 12.5% per annum |
| Mobile Plant and Vehicles      | 5 Years  | 20% per annum   |
| Tools                          | 5 Years  | 20% per annum   |
| Sealed Roads                   | 14 Years | 7% per annum    |
| Unsealed Roads                 | 40 Years | 2.5% per annum  |
| Footpaths and Cycleways        | 25 years | 4% per annum    |
| Drainage                       | 25 years | 4% per annum    |

##### (k) Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

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

**SHIRE OF COOROW**

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

**FOR THE YEAR ENDED 30TH JUNE 2006**

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

**(l) 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 and Annual Leave**

The provision for employees' benefits to wages, salaries and annual leave for benefits which fall due wholly within 12 months, represents the amount the municipality has a present obligation to pay resulting from employees' services provided to balance date. The provision has been calculated at undiscounted amounts based on remuneration rates the Shire expects to pay includes related on-costs. Where any such leave is considered to fall due later than 12 months, the provision represents the present value of the estimated future cash flows to be made by the employer resulting from the employees' services to balance date.

**(ii) Long Service Leave**

The provision for employees' benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' services to balance date.

**(m) Impacts of Adopting Australian Equivalents to International Financial Reporting Standards (AIFRSs)**

For reporting periods commencing on or after 1 January 2005, the Shire will be required to prepare its annual financial report using Australian equivalents to International Financial Reporting Standards and their related pronouncements (AIFRSs) as issued by the Australian Accounting Standards Board (AASB).

As the AASB has prohibited the early adoption of the AIFRSs, the Shire will report for the first time in compliance with AIFRSs in the annual financial report for the year ended 30 June 2006 (that is, the year commencing 1 July 2005 or this current budget year).

The Shire is required to prepare an opening balance sheet in accordance with AIFRSs as at 1 July 2004. Most adjustments required on transition to AIFRSs will be made retrospectively against opening retained earnings on 1 July 2004 in accordance with AIFRSs. Transitional adjustments relating to those standards for which comparatives are not required will only be made with effect from 1 July 2005.

The transition to the AIFRSs has being managed via a process of education which includes technical training and liaison with the Shire's auditors and industry groups. This has included a review of AIFRSs to determine the effect on the Shire's existing accounting policies and treatments.

The annual financial report for the year ended 30 June 2005 will be prepared in accordance with Australian Accounting Standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and AIFRSs identified to date as potentially having significant effect on the Shire are not considered to have an impact on the budget for the year ended 30 June 2006 due to the following factors:

- underlying budget is cash driven and is concerned with forecast sources and applications of funds; and
- a review has determined balances relating to the net current asset position brought forward as at 1 July 2005 are not likely to be affected.

**SHIRE OF COOROW**

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

**FOR THE YEAR ENDED 30TH JUNE 2006**

|  | 2005/06<br>Budget<br>\$ | 2004/05<br>Actual<br>\$ | 2004/05<br>Budget<br>\$ |
|--|-------------------------|-------------------------|-------------------------|
| <b>2. REVENUES AND EXPENSES</b>  |                         |                         |                         |
| <b>(a) Net Result from Ordinary<br/>Activities was arrived at after:</b> |                         |                         |                         |
| (i) Charging as Expenses:  |                         |                         |                         |
| <b>Depreciation</b>  |                         |                         |                         |
| <b><u>By Program</u></b>   |                         |                         |                         |
| Governance   | 8,200                   | 9,172                   | 10,600                  |
| General Purpose Funding  | 4,100                   | 4,586                   | 4,100                   |
| Law, Order, Public Safety  | 30,394                  | 30,343                  | 33,922                  |
| Health   | 16,600                  | 12,121                  | 16,600                  |
| Education and Welfare  | 4,400                   | 2,551                   | 4,400                   |
| Housing  | 3,750                   | 6,889                   | 3,750                   |
| Community Amenities  | 15,650                  | 15,820                  | 15,650                  |
| Recreation and Culture   | 145,570                 | 159,577                 | 145,570                 |
| Transport  | 1,017,900               | 1,037,699               | 1,017,900               |
| Economic Services  | 8,200                   | 9,373                   | 8,200                   |
| Other Property and Services  | 200,575                 | 224,679                 | 200,575                 |
|  | <u>1,455,339</u>        | <u>1,512,810</u>        | <u>1,461,267</u>        |
| <b><u>By Class</u></b>   |                         |                         |                         |
| Land and Buildings   | 123,250                 | 123,500                 | 125,020                 |
| Furniture and Equipment  | 11,000                  | 12,000                  | 14,813                  |
| Plant and Equipment  | 295,039                 | 296,578                 | 313,891                 |
| Tools  | 400                     | 400                     | 640                     |
| Roads  | 994,150                 | 996,289                 | 1,020,239               |
| Other Infrastructure   | 31,500                  | 32,500                  | 38,207                  |
|  | <u>1,455,339</u>        | <u>1,461,267</u>        | <u>1,512,810</u>        |
| <b>Borrowing Costs (Interest)</b>  |                         |                         |                         |
| - Finance Lease Charges  | 0                       | 0                       | 0                       |
| - Debentures (refer note 5(a))   | 69,989                  | 76,041                  | 72,539                  |
|  | <u>69,989</u>           | <u>76,041</u>           | <u>72,539</u>           |
| <b>Rental Charges</b>  |                         |                         |                         |
| - Operating Leases   | 11,625                  | 1,625                   | 11,625                  |
|  | <u>11,625</u>           | <u>1,625</u>            | <u>11,625</u>           |
| (ii) Crediting as Revenues:  |                         |                         |                         |
| <b>Interest Earnings</b>   |                         |                         |                         |
| Investments  |                         |                         |                         |
| - Reserve Funds  | 8,000                   | 6,197                   | 8,000                   |
| - Other Funds  | 18,000                  | 23,150                  | 14,000                  |
| Other Interest Revenue (refer note 13)                                   |                         | 13,377                  | 12,800                  |
|  | <u>26,000</u>           | <u>42,724</u>           | <u>34,800</u>           |



**SHIRE OF COOROW**

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

**FOR THE YEAR ENDED 30TH JUNE 2006**

|  | 2005/06<br>Budget<br>\$ | 2004/05<br>Actual<br>\$ | 2004/05<br>Budget<br>\$ |
|--|-------------------------|-------------------------|-------------------------|
| <b>2. REVENUES AND EXPENSES (Continued)</b>                                  |                         |                         |                         |
| <b>(b) Revenues and Expenses Classified<br/>According to Nature and Type</b> |                         |                         |                         |
| <b>Revenues</b>  |                         |                         |                         |
| Rates (refer note 8)   | 1,567,270               | 1,488,070               | 1,482,183               |
| Grants and Subsidies - operating   | 1,020,022               | 964,079                 | 944,091                 |
| Grants and Subsidies - non-operating   | 792,230                 | 426,686                 | 326,953                 |
| Contributions,   |                         |                         |                         |
| Reimbursements and Donations   | 105,475                 | 120,135                 | 114,052                 |
| Profit on Asset Disposals (refer note 4)                                     | 17,505                  | 121,158                 | 142,505                 |
| Service Charges (refer note 10)  | 19,305                  | 17,985                  | 19,305                  |
| Fees and Charges (refer note 11)   | 229,705                 | 255,506                 | 299,624                 |
| Interest Earnings (refer note 2(a))  | 26,000                  | 42,724                  | 34,800                  |
| Other Revenue  | 55,028                  | 37,329                  | 5,850                   |
|  | <u>3,832,540</u>        | <u>3,473,672</u>        | <u>3,369,363</u>        |
| <b>Expenses</b>  |                         |                         |                         |
| Employee Costs   | 905,287                 | 1,001,612               | 1,037,964               |
| Materials and Contracts  | 725,891                 | 643,061                 | 732,751                 |
| Utilities (gas, electricity, water, etc)                                     | 185,624                 | 195,431                 | 174,050                 |
| Depreciation on  |                         |                         |                         |
| Non-current Assets (refer note 2(a))   | 1,455,339               | 1,512,810               | 1,461,267               |
| Loss on Asset Disposals (refer note 4)                                       | 0                       | 0                       | 0                       |
| Interest (refer note 2(a))   | 69,989                  | 76,041                  | 72,539                  |
| Insurance  | 161,587                 | 150,624                 | 152,031                 |
| Other  | 32,097                  | 52,420                  | 85,066                  |
|  | <u>3,535,814</u>        | <u>3,631,999</u>        | <u>3,715,668</u>        |

**SHIRE OF COOROW**

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

**FOR THE YEAR ENDED 30TH JUNE 2006**

|   | 2005/06<br>Budget<br>\$ | 2004/05<br>Actual<br>\$ | 2004/05<br>Budget<br>\$ |
|---|-------------------------|-------------------------|-------------------------|
| <b>2. REVENUES AND EXPENSES (Continued)</b>   |                         |                         |                         |
| <b>(c) Reconciliation of Revenues and Expenses<br/>per the Operating Statement to Revenues<br/>and Expenses Classified According to<br/>Nature and Type</b> |                         |                         |                         |
| Operating Revenues<br>(Operating Statement)   | 3,022,804               | 2,925,828               | 2,899,905               |
| Add: Grants/Contributions for the<br>Development of Assets  | 792,230                 | 426,686                 | 326,953                 |
| Profit on Disposal of Assets  | <u>17,505</u>           | <u>121,158</u>          | <u>142,505</u>          |
| Operating Revenue by<br>Nature and Type (refer note 2(b))   | <u><u>3,832,539</u></u> | <u><u>3,473,672</u></u> | <u><u>3,369,363</u></u> |
| <br>  |                         |                         |                         |
| Operating Expenses Excluding Borrowing<br>Costs Expense (Operating Statement)   | 3,459,773               | 3,555,550               | 3,643,129               |
| Add: Loss on Disposal of Assets   | 0                       | 0                       | 0                       |
| Borrowing Costs Expense   | <u>76,041</u>           | <u>76,449</u>           | <u>72,539</u>           |
| Operating Expense by<br>Nature and Type (refer note 2(b))   | <u><u>3,535,814</u></u> | <u><u>3,631,999</u></u> | <u><u>3,715,668</u></u> |

## SHIRE OF COOROW

### NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2006

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

##### (d) Statement of Objective

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

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

##### **GOVERNANCE**

Members of Council  
Auditing, reporting to electors and ratepayers

##### **GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue

##### **LAW, ORDER, PUBLIC SAFETY**

Fire prevention - Assisting Volunteer Fire Brigade, fire shed and plant maintenance  
Animal Control - Registration of dogs, control straying stock  
Ranger responsibilities - enforcement of local laws

##### **HEALTH**

Environmental Health - notifiable diseases, industrial emissions, rubbish disposal  
Food control periodic testing of locally prepared foods  
Pest control - mosquitoes & fly control  
Immunisation services  
Maintenance of Doctor's Surgery at Coorow

##### **EDUCATION AND WELFARE**

Care of Families and Children - Rural Counsellor, Child Minding Centre  
Senior Citizens - HACC activities, Aged Persons Accommodation  
Education - Pre Schools, Telecentres

##### **HOUSING**

Employee Housing

##### **COMMUNITY AMENITIES**

Rubbish collection services - Coorow, Leeman and Green Head  
Rubbish tip maintenance - Coorow, Marchagee, Coast  
Noise control  
Sewerage - inspection of septic tanks  
Protection of the environment - rehabilitation of Squatters Area beachfront  
Public toilets Leeman, Green Head, Coorow and Squatters Area  
Cemeteries - contribution to Winchester cemetery  
Administration and review of Town Planning Scheme  
Rental accommodation of community housing

**SHIRE OF COOROW**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2006**

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

**(d) Statement of Objective (Continued)**

**RECREATION AND CULTURE**

Halls - Coorow Hall, Maley Park, Green Head Community Centre  
Swimming Pools - operation of Coorow Swimming Pool  
Other Rec & Sport - Coorow and Leeman ovals, parks, gardens, foreshore reserves  
Boat ramps, Leeman Recreation Centre, townscaping  
Libraries - Coorow, Leeman and Green Head  
Television Retransmission - Coorow, Leeman and Green Head  
Other Culture - sponsorship of arts, festivals

**TRANSPORT**

Construction and maintenance of roads, drainage works, footpaths and parking facilities.  
Leeman Aerodrome

**ECONOMIC SERVICES**

Rural Services - Landcare, Community Agricultural Centres  
Tourism - local publications, area promotion, Coorow caravan park  
Building controls - Issue of building, demolition permits  
Other Economic Services - Business Facilitator

**OTHER PROPERTY & SERVICES**

Private Works  
Plant Maintenance costs  
Public works overheads  
Other unclassified expenditure

**SHIRE OF COOROW**

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

**FOR THE YEAR ENDED 30TH JUNE 2006**

| <b>3. ACQUISITION OF ASSETS</b>                                   | <b>2005/06<br/>Budget<br/>\$</b> |
|---|----------------------------------|
| The following assets are budgeted to be acquired during the year: |                                  |
| <b><u>By Program</u></b>  |                                  |
| <b>Governance</b>   |                                  |
| Plant & Equipment   | 103,000                          |
| Furniture & Fittings  | 7,000                            |
| Land and Buildings  | 45,000                           |
|   | 155,000                          |
| <b>Law, Order &amp; Public Safety</b>                             |                                  |
| Land & Buildings  | 10,000                           |
| Plant & Equipment   | 30,000                           |
|   | 40,000                           |
| <b>Health</b>   |                                  |
| Plant & Equipment   | 39,000                           |
|   | 39,000                           |
| <b>Housing</b>  |                                  |
| Land and Buildings  | 187,000                          |
|   | 187,000                          |
| <b>Community Amenities</b>  |                                  |
| Road Infrastructure   | 47,063                           |
| Other Infrastructure  | 158,530                          |
|   | 205,593                          |
| <b>Recreation and Culture</b>                                     |                                  |
| Land & Buildings  | 156,562                          |
| Plant & Equipment   | 8,500                            |
| Other Infrastructure  | 12,000                           |
|   | 177,062                          |
| <b>Transport</b>  |                                  |
| Plant & Equipment   | 371,000                          |
| Road Infrastructure   | 858,534                          |
|   | 1,229,534                        |
|   | 2,033,189                        |
|   | 2,033,189                        |
| <b><u>By Class</u></b>  |                                  |
| Land Held for Resale  | 0                                |
| Land and Buildings  | 398,562                          |
| Infrastructure Assets - Roads                                     | 905,597                          |
| Infrastructure Assets - Parks and Ovals                           | 170,530                          |
| Plant and Equipment   | 551,500                          |
| Furniture and Equipment   | 7,000                            |
|   | 2,033,189                        |
|   | 2,033,189                        |

**SHIRE OF COOROW**

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

**FOR THE YEAR ENDED 30TH JUNE 2006**

**4. DISPOSALS OF ASSETS**

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

| <b><u>By Program</u></b> | Net Book Value                   | Sale Proceeds                    | Profit(Loss)                     |
|--------------------------|----------------------------------|----------------------------------|----------------------------------|
|                          | <b>2005/06<br/>BUDGET<br/>\$</b> | <b>2005/06<br/>BUDGET<br/>\$</b> | <b>2005/06<br/>BUDGET<br/>\$</b> |
| Governance               | 91,750                           | 95,000                           | 3,250                            |
| Law,Order, Public Safety | 17,995                           | 25,000                           | 7,005                            |
| Health                   | 18,750                           | 26,000                           | 7,250                            |
| Housing                  | 57,250                           | 57,250                           | 0                                |
| Transport                | 188,000                          | 188,000                          | 0                                |
|                          | <b>373,745</b>                   | <b>391,250</b>                   | <b>17,505</b>                    |

| <b><u>By Class</u></b> | Net Book Value                   | Sale Proceeds                    | Profit(Loss)                     |
|------------------------|----------------------------------|----------------------------------|----------------------------------|
|                        | <b>2005/06<br/>BUDGET<br/>\$</b> | <b>2005/06<br/>BUDGET<br/>\$</b> | <b>2005/06<br/>BUDGET<br/>\$</b> |
| Plant & Equipment      | 316,495                          | 334,000                          | 17,505                           |
| Land & Buildings       | 57,250                           | 57,250                           | 0                                |
|                        | <b>373,745</b>                   | <b>391,250</b>                   | <b>17,505</b>                    |

**Summary**

|                           | <b>2005/06<br/>BUDGET<br/>\$</b> |
|---------------------------|----------------------------------|
| Profit on Asset Disposals | 17,505                           |
| Loss on Asset Disposals   | 0                                |
|                           | <u>17,505</u>                    |

**SHIRE OF COOROW**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2006**

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

| Particulars                     | Principal<br>1-Jul-05 | New<br>Loans | Principal<br>Repayments |                   | Principal<br>Outstanding |                   | Interest<br>Repayments |                   |
|---------------------------------|-----------------------|--------------|-------------------------|-------------------|--------------------------|-------------------|------------------------|-------------------|
|                                 |                       |              | 2005/06<br>Budget       | 2004/05<br>Actual | 2005/06<br>Budget        | 2004/05<br>Actual | 2005/06<br>Budget      | 2004/05<br>Actual |
|                                 |                       |              | \$                      | \$                | \$                       | \$                | \$                     | \$                |
| <b>Staff Housing</b>            |                       |              |                         |                   |                          |                   |                        |                   |
| Loan 79 - Leeman Executive Ho   | 227,096               |              | 12,408                  | 11,759            | 214,688                  | 227,097           | 12,188                 | 12,836            |
| <b>Community Amenities</b>      |                       |              |                         |                   |                          |                   |                        |                   |
| Loan 69 - Coorow Residence      | 78,385                |              | 11,174                  | 10,520            | 67,211                   | 78,385            | 4,636                  | 5,291             |
| Loan 71 - Leeman Residence      | 108,174               |              | 5,561                   | 5,224             | 102,613                  | 108,174           | 6,793                  | 7,130             |
| Loan 75 - Mobile Phone Networ   | 40,354                |              | 5,724                   | 5,379             | 34,630                   | 40,353            | 2,461                  | 2,807             |
| Loan 77 - Coorow Land Inc (SS   | 141,057               |              | 13,491                  | 8,422             | 127,566                  | 76,230            | 7,396                  | 5,227             |
| Loan 78 - Greenhead Town Dra    | 76,230                |              | 8,963                   | 12,795            | 67,267                   | 141,057           | 4,686                  | 8,092             |
| Loan 81 - CCLI (SSL)            | 115,477               | 0            | 9,440                   | 4,523             | 106,037                  | 115,477           | 6,609                  | 3,502             |
| <b>Recreation &amp; Culture</b> |                       |              |                         |                   |                          |                   |                        |                   |
| Loan 68 - Leeman Rec Centre (   | 99,629                |              | 11,994                  | 11,351            | 87,635                   | 99,629            | 5,394                  | 6,037             |
| Loan 70 - Leeman Rec Centre     | 146,015               |              | 17,266                  | 16,251            | 128,749                  | 146,016           | 8,718                  | 9,733             |
| Loan 76 - Greenhead Boat Ram    | 27,606                |              | 3,909                   | 3,671             | 23,697                   | 27,606            | 1,703                  | 1,941             |
| Loan 82 - Leeman Bowling Gre    | 0                     | 60,000       | 0                       | 0                 | 60,000                   | 0                 | 0                      | 0                 |
| <b>Transport</b>                |                       |              |                         |                   |                          |                   |                        |                   |
| Loan 72 - Roadworks             | 54,748                |              | 17,168                  | 16,170            | 37,580                   | 54,747            | 3,072                  | 4,070             |
| Loan 74 - Plant Replacement     | 38,092                |              | 38,092                  | 35,926            | 0                        | 38,093            | 1,705                  | 3,871             |
| Loan 80 - Grader                | 82,278                |              | 18,795                  | 17,722            | 63,483                   | 82,278            | 4,628                  | 5,504             |
|                                 |                       |              |                         |                   | 0                        |                   |                        |                   |
|                                 | 1,235,141             | 60,000       | 173,985                 | 159,713           | 1,121,156                | 1,235,142         | 69,989                 | 76,041            |

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

**SHIRE OF COOROW**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2006**

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

(b) New Debentures - 2005/06

| <u>Particulars/Purpose</u>   | Amount Borrowed |        | Institution | Loan Type | Term (Years) | Total Interest & Charges | Interest Rate | Amount Used |        | Balance Unspent \$ |
|------------------------------|-----------------|--------|-------------|-----------|--------------|--------------------------|---------------|-------------|--------|--------------------|
|                              | Actual          | Budget |             |           |              |                          |               | Actual      | Budget |                    |
| Loan 82 - Leeman Bowling Gre | 0               | 60,000 | WATC        | DEB       | 10           | 79,628                   | 5.63          | 0           | 60,000 | 0                  |

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2005 nor is it expected to have unspent debenture funds as at 30th June 2006.

(d) Overdraft

Council utilised a temporary overdraft facility during the financial year of \$150,000 with Bankwest does exist. It is not anticipated that this facility will be required to be utilised during 2005/06.



SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2006

|  | 2005/06<br>Budget<br>\$ | 2004/05<br>Actual<br>\$ | 2004/05<br>Budget<br>\$ |
|--|-------------------------|-------------------------|-------------------------|
| <b>6. RESERVES</b>                     |                         |                         |                         |
| <b>Cash Backed Reserves</b>            |                         |                         |                         |
| <b>(a) Leave Reserve</b>               |                         |                         |                         |
| Opening Balance                        | 201,236                 | 189,812                 | 189,812                 |
| Amount Set Aside / Transfer to Reserve | 6,000                   | 11,424                  | 13,227                  |
| Amount Used / Transfer from Reserve    | 0                       | 0                       | 0                       |
|  | <u>207,236</u>          | <u>201,236</u>          | <u>203,039</u>          |
| <b>(b) Building Reserve</b>            |                         |                         |                         |
| Opening Balance                        | 26,647                  | 0                       | 0                       |
| Amount Set Aside / Transfer to Reserve | 58,450                  | 26,647                  | 80,500                  |
| Amount Used / Transfer from Reserve    | (85,000)                | 0                       | 0                       |
|  | <u>97</u>               | <u>26,647</u>           | <u>80,500</u>           |
| <b>(c) Resource Sharing Reserve</b>    |                         |                         |                         |
| Opening Balance                        | 3,741                   | 0                       | 0                       |
| Amount Set Aside / Transfer to Reserve | 200                     | 3,741                   | 0                       |
| Amount Used / Transfer from Reserve    | 0                       | 0                       | 0                       |
|  | <u>3,941</u>            | <u>3,741</u>            | <u>0</u>                |
| <b>(d) Plant Reserve</b>               |                         |                         |                         |
| Opening Balance                        | 0                       | 0                       | 0                       |
| Amount Set Aside / Transfer to Reserve | 12,600                  | 0                       | 0                       |
| Amount Used / Transfer from Reserve    | 0                       | 0                       | 0                       |
|  | <u>12,600</u>           | <u>0</u>                | <u>0</u>                |
| <b>TOTAL CASH BACKED RESERVES</b>      | <u>223,874</u>          | <u>231,624</u>          | <u>283,539</u>          |

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

**SHIRE OF COOROW**

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

**FOR THE YEAR ENDED 30TH JUNE 2006**

| <b>6. RESERVES (Continued)</b>                          | <b>2005/06<br/>Budget<br/>\$</b> | <b>2004/05<br/>Actual<br/>\$</b> | <b>2004/05<br/>Budget<br/>\$</b> |
|---|----------------------------------|----------------------------------|----------------------------------|
| <b>Summary of Transfers<br/>To Cash Backed Reserves</b> |                                  |                                  |                                  |
| <b>Transfers to Reserves</b>                            |                                  |                                  |                                  |
| Leave Reserve   | 6,000                            | 11,424                           | 13,227                           |
| Building Reserve  | 58,450                           | 26,647                           | 80,500                           |
| Resource Sharing Reserve                                | 200                              | 3,741                            | 0                                |
| Plant Reserve   | 12,600                           | 0                                | 0                                |
|   | <u>77,250</u>                    | <u>41,812</u>                    | <u>93,727</u>                    |
| <b>Transfers from Reserves</b>                          |                                  |                                  |                                  |
| Leave Reserve   | 0                                | 0                                | 0                                |
| Building Reserve  | (85,000)                         | 0                                | 0                                |
| Resource Sharing Reserve                                | 0                                | 0                                | 0                                |
| Plant Reserve   | 0                                | 0                                | 0                                |
|   | <u>(85,000)</u>                  | <u>0</u>                         | <u>0</u>                         |
| <b>Total Transfer to/(from) Reserves</b>                | <u>(7,750)</u>                   | <u>41,812</u>                    | <u>93,727</u>                    |

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

Leave Reserve

- to be used to fund annual and long service leave requirements

Plant Reserve

- to be used for the purchase of major plant

Resource Sharing Reserve

- to be used for the resource sharing projects

Plant Reserve

- to be used for the purchasing of plant and machinery

The Leave Reserve is not expected to be used within a set period as further transfers to the reserve account is expected as funds are utilised.

The Building Reserve is expected to be utilised in 2005/06.

The Plant and Resource Sharing Reserve is not expected to be used within a set period.

**SHIRE OF COOROW**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2006**

|  | <b>2005/06<br/>Budget<br/>\$</b> | <b>2004/05<br/>Actual<br/>\$</b> |
|--|----------------------------------|----------------------------------|
| <b>7. NET CURRENT ASSETS</b>                               |                                  |                                  |
| <b>Composition of Estimated Net Current Asset Position</b> |                                  |                                  |
| <br>   |                                  |                                  |
| <b>CURRENT ASSETS</b>                                      |                                  |                                  |
| Cash - Unrestricted  | 30,311                           | 62,342                           |
| Cash - Restricted  | 223,874                          | 231,624                          |
| Receivables  | 110,000                          | 125,521                          |
| Inventories  | 45,000                           | 52,226                           |
|  | 409,185                          | 471,713                          |
| <br>   |                                  |                                  |
| <b>LESS: CURRENT LIABILITIES</b>                           |                                  |                                  |
| Payables and Provisions                                    | (185,000)                        | (201,089)                        |
| NET CURRENT ASSET POSITION                                 | 224,185                          | 270,624                          |
| Less: Cash - Restricted                                    | (223,874)                        | (231,624)                        |
| ESTIMATED SURPLUS/(DEFICIENCY) C/FWD                       | 311                              | 39,000                           |

The estimated surplus/(deficiency) c/fwd in the 2004/05 actual column represents the surplus (deficit) brought forward as at 1 July 2005.

The estimated surplus/(deficiency) c/fwd in the 2005/06 budget column represents the surplus (deficit) carried forward as at 30 June 2006.

**SHIRE OF COOROW  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2006**

**8. RATING INFORMATION - 2005/06 FINANCIAL YEAR**

| <u>RATE TYPE</u>                       | Rate in \$        | Number of Properties | Rateable Value \$ | 2005/06 Budgeted Rate Revenue \$ | 2005/06 Budgeted Interim Rates \$ | 2005/06 Budgeted Back Rates \$ | 2005/06 Budgeted Total Revenue \$ | 2004/05 Actual \$ |
|--|-------------------|----------------------|-------------------|----------------------------------|-----------------------------------|--------------------------------|-----------------------------------|-------------------|
| <b>Differential General Rate</b>       |                   |                      |                   |                                  |                                   |                                |                                   |                   |
| GRV - Townsite                         | 12.4362           | 696                  | 4,254,563         | 529,106                          | 9,000                             | 0                              | 538,106                           | 508,895           |
| UV - Agricultural                      | 2.2076            | 196                  | 45,083,484        | 995,263                          | 0                                 | 0                              | 995,263                           | 948,962           |
| UV - Mining                            | 6.0056            | 14                   | 559,811           | 33,620                           | 1,000                             | 0                              | 34,620                            | 31,461            |
| <b>Sub-Totals</b>                      |                   | 906                  | 49,897,858        | 1,557,989                        | 10,000                            | 0                              | 1,567,989                         | 1,489,318         |
| <b>Minimum Rates</b>                   | <b>Minimum \$</b> |                      |                   |                                  |                                   |                                |                                   |                   |
| GRV - Townsite                         | 420.00            | 146                  | 264,852           | 61,320                           | 0                                 | 0                              | 61,320                            | 54,000            |
| UV - Agricultural                      | 420.00            | 7                    | 48,700            | 2,940                            | 0                                 | 0                              | 2,940                             | 2,800             |
| UV - Mining                            | 420.00            | 20                   | 42,784            | 8,400                            | 0                                 | 0                              | 8,400                             | 8,800             |
| <b>Sub-Totals</b>                      |                   | 173                  | 356,336           | 72,660                           | 0                                 | 0                              | 72,660                            | 65,600            |
| Specified Area Rates<br>(Refer note 9) |                   |                      |                   |                                  |                                   |                                | 1,640,649                         | 1,554,918         |
|  |                   |                      |                   |                                  |                                   |                                | 0                                 | 0                 |
|  |                   |                      |                   |                                  |                                   |                                | 1,640,649                         | 1,554,918         |
| Discounts                              |                   |                      |                   |                                  |                                   |                                | (73,379)                          | (66,848)          |
| <b>Totals</b>                          |                   |                      |                   |                                  |                                   |                                | <b>1,567,270</b>                  | <b>1,488,070</b>  |

All land except exempt land in the Shire of Coorow 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 2005/06 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 bearing 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 COOROW**

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

**FOR THE YEAR ENDED 30TH JUNE 2006**

**9. SPECIFIED AREA RATE - 2005/06 FINANCIAL YEAR**

|      | Rate in<br>\$ | Basis<br>of<br>Rate | Rateable<br>Value | 2005/06<br>Budgeted<br>Revenue<br>\$ | Budget<br>Applied<br>to Costs<br>\$ | 2004/05<br>Actual<br>\$ |
|------|---------------|---------------------|-------------------|--------------------------------------|-------------------------------------|-------------------------|
| Nil. |               |                     |                   |                                      |                                     |                         |
|      |               |                     |                   | 0                                    | 0                                   | 0                       |

**10. SERVICE CHARGES - 2005/06 FINANCIAL YEAR**

|                   | Amount<br>of<br>Charge<br>\$ | 2005/06<br>Budgeted<br>Revenue<br>\$ | Budget<br>Applied<br>to Costs<br>\$ | 2004/05<br>Actual<br>\$ |
|-------------------|------------------------------|--------------------------------------|-------------------------------------|-------------------------|
| TV Rebroadcasting | 30                           | 19,305                               | 21,200                              | 17,985                  |
|                   |                              | 19,305                               | 21,200                              | 17,985                  |

The service charge is for the maintenance of Television Rebroadcasting equipment that services the townships of Coorow, Leeman and Green Head.

The charge is applicable to all owners and occupiers within the townships.

The proceeds of the service charge are applied in full to the maintenance and operation of the re-transmission service. No interest will be charged on overdue services. FM Regulation 27 (1) (a)

**11. FEES & CHARGES REVENUE**

|                           | <b>2005/06<br/>Budget<br/>\$</b> | <b>2004/05<br/>Actual<br/>\$</b> |
|---------------------------|----------------------------------|----------------------------------|
| Governance                | 50                               | 18                               |
| General Purpose Funding   | 22,500                           | 4,535                            |
| Law, Order, Public Safety | 3,000                            | 4,188                            |
| Health                    | 2,600                            | 1,177                            |
| Education and Welfare     | 19,760                           | 19,882                           |
| Housing                   | 9,100                            | 10,360                           |
| Community Amenities       | 108,320                          | 153,482                          |
| Recreation & Culture      | 21,625                           | 17,551                           |
| Transport                 | 0                                | 0                                |
| Economic Services         | 10,750                           | 12,324                           |
| Other Property & Services | 32,000                           | 31,989                           |
|                           | <u>229,705</u>                   | <u>255,506</u>                   |

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2006

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2005/06 FINANCIAL YEAR**

A discount of 6% of the current rates levied will be offered to rate payers whose payment of the full amount owing, including arrears, and service charges is received on or before 35 days after the date of service appearing on the rate notice. The total value of the discount is estimated to be \$72,828 or 75% of ratepayers paying by the due date.

No discount is available on the Emergency Services Levy, Rubbish Removal charges or any Service Charge. The discount will not apply to interim rates issued after the billing date.

**13. INTEREST CHARGES AND INSTALMENTS - 2005/06 FINANCIAL YEAR**

An interest rate of 11% will be charged on all rate payments which are late. It is estimated this will generate income of \$10,200. Three separate option plans will be available to ratepayers for payment of their rates.

Option 1

Full amount of rates and charges including arrears to be paid on or before 35 days after the date of service appearing on the rate notice. See Note 12 for discount provisions under this option.

Option 2 (2 Instalments)

First instalment to be received on or before 35 days after the date of service appearing on the rate notice including all arrears and half of the current rates and charges. Second instalments to be made four months thereafter.

Option 3 (4 Instalments)

First instalment to be received on or before 35 days after the date of service appearing on the rate notice including all arrears and a quarter of the current rates and charges. Second, third and fourth instalments to be at two month intervals thereafter.

Two Instalment Option

|                    |                  |
|--------------------|------------------|
| 1st Instalment Due | 19 August 2005   |
| 2nd Instalment Due | 19 December 2005 |

Two Instalment Option

|                    |                  |
|--------------------|------------------|
| 1st Instalment Due | 19 August 2005   |
| 2nd Instalment Due | 19 October 2005  |
| 3rd Instalment Due | 19 December 2005 |
| 4th Instalment Due | 20 February 2006 |

The cost of the instalment plans will comprise of simple interest of 5% pa calculated from the date the first instalment is due, together with an administration fee of \$5 for each instalment notices. (ie \$5 for Option 2 and \$15 for Option 3)

The total revenue from the imposition of the interest and administration charge under this option is estimated at \$4,900, dissected as follows:

|                        | <b>2005/06<br/>Budget<br/>\$</b> |
|------------------------|----------------------------------|
| Administration Charges | 2,300                            |
| Interest Charges       | 2,600                            |

**SHIRE OF COOROW**

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

**FOR THE YEAR ENDED 30TH JUNE 2006**

| <b>14. COUNCILLORS' REMUNERATION</b>   | <b>2005/06<br/>Budget<br/>\$</b> | <b>2004/05<br/>Actual<br/>\$</b> |
|--|----------------------------------|----------------------------------|
| The following fees, expenses and allowances were paid to council members and/or the president. |                                  |                                  |
| Meeting Fees   | 5,940                            | 4,000                            |
| President's Allowance  | 0                                | 0                                |
| Deputy President's Allowance   | 0                                | 0                                |
| Travelling Expenses  | 10,500                           | 7,585                            |
| Telecommunications Allowance   | 0                                | 0                                |
|  | <u>16,440</u>                    | <u>11,585</u>                    |

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

**(a) Reconciliation of Cash**

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

|                     | <b>2005/06<br/>Budget<br/>\$</b> | <b>2004/05<br/>Actual<br/>\$</b> | <b>2004/05<br/>Budget<br/>\$</b> |
|---------------------|----------------------------------|----------------------------------|----------------------------------|
| Cash - Unrestricted | 30,311                           | 62,342                           | 11,087                           |
| Cash - Restricted   | <u>223,874</u>                   | <u>231,624</u>                   | <u>283,539</u>                   |
|                     | <u>254,185</u>                   | <u>293,966</u>                   | <u>294,626</u>                   |

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

|                          |                |                |                |
|--------------------------|----------------|----------------|----------------|
| Leave Reserve            | 207,236        | 201,236        | 203,039        |
| Building Reserve         | 97             | 26,647         | 80,500         |
| Resource Sharing Reserve | 3,941          | 3,741          | 0              |
| Plant Reserve            | <u>12,600</u>  | <u>0</u>       | <u>0</u>       |
|                          | <u>223,874</u> | <u>231,624</u> | <u>283,539</u> |

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

|  |                  |                  |                 |
|--|------------------|------------------|-----------------|
| Net Result   | 296,725          | (158,327)        | -346,305        |
| Amortisation                                       | 0                | 0                | 0               |
| Depreciation                                       | 1,455,339        | 1,512,810        | 1,461,267       |
| (Profit)/Loss on Sale of Asset                     | 17,505           | (121,158)        | -142,505        |
| (Increase)/Decrease in Receivables                 | (79,488)         | (120,508)        | -19,810         |
| (Increase)/Decrease in Inventories                 | 7,226            | (31,817)         | 450             |
| Increase/(Decrease) in Payables                    | (8,089)          | 120,635          | 25,000          |
| Increase/(Decrease) in Employee Provisions         | (8,000)          | 7,115            | 8,823           |
| Grants/Contributions for the Development of Assets | <u>(792,230)</u> | <u>(426,686)</u> | <u>-326,953</u> |
| <b>Net Cash from Operating Activities</b>          | <u>888,988</u>   | <u>782,064</u>   | <u>659,967</u>  |

**(c) Credit Standby Arrangements**

|                                      |               |                |               |
|--------------------------------------|---------------|----------------|---------------|
| Bank Overdraft limit                 | 15,000        | 15,000         | 15,000        |
| Bank Overdraft at Balance Date       | <u>0</u>      | <u>(2,953)</u> | <u>0</u>      |
| <b>Total Amount of Credit Unused</b> | <u>15,000</u> | <u>12,047</u>  | <u>15,000</u> |

**SHIRE OF COOROW**

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

**FOR THE YEAR ENDED 30TH JUNE 2006**

**16. TRUST FUNDS**

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

| <b>Detail</b>            | <b>Balance<br/>01-Jul-05<br/>\$</b> | <b>Amounts<br/>Received<br/>\$</b> | <b>Amounts<br/>Paid<br/>(\$)</b> | <b>Balance<br/>30-Jun-06<br/>\$</b> |
|--------------------------|-------------------------------------|------------------------------------|----------------------------------|-------------------------------------|
| House Bonds              | 2,120                               | 0                                  | 0                                | 2,120                               |
| LGCHP Surplus            | 41,364                              | 0                                  | 0                                | 41,364                              |
| BCITF Levy               | 167                                 | 3,000                              | (3,000)                          | 167                                 |
| BRB Levy                 | 275                                 | 2,000                              | (2,000)                          | 275                                 |
| Police Licensing         | 0                                   | 634,000                            | (634,000)                        | 0                                   |
| RSL Thailand Competition | 185                                 | 0                                  | 0                                | 185                                 |
| Kerbing Deposits         | 5,500                               | 2,000                              | (2,000)                          | 5,500                               |
| Library Deposits         | 0                                   | 0                                  | 0                                | 0                                   |
| Dust Control Bonds       | 5,100                               | 0                                  | (5,100)                          | 0                                   |
|                          | <u>54,711</u>                       |                                    |                                  | <u>49,611</u>                       |



**SHIRE OF COOROW**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2006**

**17. MAJOR LAND TRANSACTIONS**

Nil.

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

Nil.