

SHIRE OF COOROW
BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

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SHIRE OF COOROW
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
REVENUE				
Rates	8	2,412,346	2,269,455	2,266,397
Operating Grants, Subsidies and Contributions		1,245,808	2,312,378	1,894,430
Fees and Charges	11	400,258	410,625	332,936
Service Charges	10	23,310	22,994	21,500
Interest Earnings	2(a)	144,400	148,877	124,509
Other Revenue		42,655	324,895	192,521
		<u>4,268,777</u>	<u>5,489,224</u>	<u>4,832,293</u>
EXPENSES				
Employee Costs		(1,449,517)	(1,655,419)	(1,766,192)
Materials and Contracts		(1,650,086)	(1,377,058)	(1,415,742)
Utility Charges		(247,456)	(263,133)	(257,859)
Depreciation	2(a)	(2,260,250)	(2,260,222)	(2,148,655)
Interest Expenses	2(a)	(17,652)	(27,889)	(31,889)
Insurance Expenses		(162,962)	(221,708)	(222,364)
Other Expenditure		(70,648)	(105,670)	(317,542)
		<u>(5,858,571)</u>	<u>(5,911,099)</u>	<u>(6,160,243)</u>
		(1,589,794)	(421,875)	(1,327,950)
Non-Operating Grants, Subsidies and Contributions		4,681,639	1,479,983	2,271,671
Profit on Asset Disposals	4	442,500	94,774	429,536
Loss on Asset Disposals	4	(44,133)	(34,019)	(33,799)
NET RESULT		3,490,212	1,118,863	1,339,458
Other Comprehensive Income				
Nil		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>3,490,212</u>	<u>1,118,863</u>	<u>1,339,458</u>

Notes: Fair value adjustments to financial assets at fair value through profit or loss and Other Comprehensive Income (if any), is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

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.

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

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

SHIRE OF COOROW
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
REVENUE (Refer Notes 1,2,8 to 13)				
Governance		18,436	146,165	22,114
General Purpose Funding		3,179,578	4,098,745	3,359,568
Law, Order, Public Safety		56,740	56,913	57,439
Health		4,483	3,225	4,084
Education and Welfare		50,765	28,878	37,560
Housing		51,520	33,456	35,194
Community Amenities		243,400	356,606	240,548
Recreation and Culture		77,091	93,326	301,989
Transport		480,498	446,704	656,585
Economic Services		28,106	147,080	41,206
Other Property and Services		78,143	78,126	86,569
		<u>4,268,760</u>	<u>5,489,224</u>	<u>4,842,856</u>
EXPENSES EXCLUDING				
FINANCE COSTS (Refer Notes 1,2 & 14)				
Governance		(514,338)	(437,050)	(427,233)
General Purpose Funding		(276,392)	(220,938)	(78,649)
Law, Order, Public Safety		(280,354)	(284,427)	(253,881)
Health		(170,581)	(132,057)	(150,580)
Education and Welfare		(51,285)	(65,545)	(57,231)
Housing		(49,476)	(38,990)	963
Community Amenities		(595,400)	(395,701)	(544,612)
Recreation & Culture		(1,039,987)	(922,056)	(1,024,046)
Transport		(2,657,730)	(2,882,744)	(3,348,671)
Economic Services		(160,385)	(218,834)	(207,250)
Other Property and Services		(44,991)	(269,855)	(40,200)
		<u>(5,840,919)</u>	<u>(5,868,197)</u>	<u>(6,131,390)</u>
FINANCE COSTS (Refer Notes 2 & 5)				
Housing		(6,529)	(13,384)	(11,597)
Community Amenities		(3,236)	(7,679)	(5,627)
Recreation & Culture		(7,887)	(18,303)	(13,047)
Transport		0	(3,536)	(1,618)
		<u>(17,652)</u>	<u>(42,902)</u>	<u>(31,889)</u>
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS				
General Purpose Funding		1,392,419	753,284	823,907
Law, Order, Public Safety		443,000	0	0
Education and Welfare		96,369	18,842	0
Housing		0	0	253,642
Recreation & Culture		1,505,706	96,400	84,000
Transport		1,242,145	611,457	1,110,122
Economic Services		2,000	0	0
		<u>4,681,639</u>	<u>1,479,983</u>	<u>2,271,671</u>
PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)				
Governance		(1,754)	(8,887)	(4,000)
Law, Order, Public Safety		2,110	0	(12,490)
Health		0	(5,542)	(7,500)
Housing		401,040	91,135	426,500
Transport		(3,029)	(15,951)	(6,773)
		<u>398,367</u>	<u>60,755</u>	<u>395,737</u>
NET RESULT		<u>3,490,195</u>	<u>1,118,863</u>	<u>1,346,985</u>
Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>3,490,195</u>	<u>1,118,863</u>	<u>1,346,985</u>

Notes: Fair value adjustments to financial assets at fair value through profit or loss and Other Comprehensive Income (if any), is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

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.

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

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 2013

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,424,351	2,249,675	2,267,655
Operating Grants, Subsidies and Contributions		1,371,008	2,130,593	1,758,653
Fees and Charges		558,258	410,625	332,836
Service Charges		23,310	22,994	21,500
Interest Earnings		144,400	148,877	124,509
Goods and Services Tax		315,000	314,743	1,518
Other		42,655	282,558	283,672
		<u>4,878,982</u>	<u>5,560,065</u>	<u>4,790,343</u>
Payments				
Employee Costs		(1,368,044)	(1,646,166)	(1,799,916)
Materials and Contracts		(1,552,231)	(1,312,182)	(906,815)
Utility Charges		(206,251)	(263,133)	(257,859)
Insurance Expenses		(162,962)	(221,708)	(222,364)
Interest Expenses		(17,852)	(32,022)	(31,889)
Goods and Services Tax		(275,000)	(293,963)	0
Other		(70,648)	(105,670)	(317,542)
		<u>(3,652,988)</u>	<u>(3,874,844)</u>	<u>(3,536,385)</u>
Net Cash Provided By Operating Activities	15(b)	<u>1,225,994</u>	<u>1,685,221</u>	<u>1,253,958</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	3	0	0	0
Payments for Purchase of Property, Plant & Equipment	3	(3,214,174)	(1,145,676)	(2,114,112)
Payments for Construction of Infrastructure	3	(4,658,739)	(1,375,410)	(2,682,358)
Advances to Community Groups		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		4,681,639	1,479,983	2,271,671
Proceeds from Sale of Plant & Equipment	4	917,411	221,218	841,952
Proceeds from Advances		0	0	0
Net Cash Used in Investing Activities		<u>(2,273,863)</u>	<u>(819,885)</u>	<u>(1,682,847)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(206,441)	(246,540)	(371,023)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		40,191	31,345	38,071
Proceeds from New Debentures	5	0	0	0
Net Cash Provided By (Used In) Financing Activities		<u>(166,250)</u>	<u>(215,195)</u>	<u>(332,952)</u>
Net Increase (Decrease) in Cash Held		(1,214,119)	650,141	(761,840)
Cash at Beginning of Year		2,601,008	1,950,867	1,532,878
Cash and Cash Equivalents at the End of the Year	15(a)	<u><u>1,386,889</u></u>	<u><u>2,601,008</u></u>	<u><u>771,038</u></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 2013**

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
REVENUES	1,2			
Governance		18,436	146,165	22,114
General Purpose Funding		2,159,651	2,582,574	1,909,451
Law, Order, Public Safety		509,740	56,913	57,439
Health		4,483	3,225	4,084
Education and Welfare		147,134	47,720	37,560
Housing		452,560	124,591	715,336
Community Amenities		243,400	356,606	240,548
Recreation and Culture		1,582,797	189,726	385,989
Transport		1,754,103	1,061,800	1,766,707
Economic Services		30,106	147,080	41,206
Other Property and Services		78,143	78,126	86,569
		<u>6,980,553</u>	<u>4,794,526</u>	<u>5,267,003</u>
EXPENSES	1,2			
Governance		(516,092)	(445,937)	(431,233)
General Purpose Funding		(276,392)	(220,938)	(78,649)
Law, Order, Public Safety		(288,244)	(284,427)	(266,371)
Health		(170,581)	(137,599)	(158,080)
Education and Welfare		(51,285)	(65,545)	(57,231)
Housing		(56,005)	(52,374)	(10,634)
Community Amenities		(598,636)	(403,380)	(550,239)
Recreation & Culture		(1,047,874)	(940,359)	(1,037,093)
Transport		(2,692,219)	(2,905,870)	(3,357,062)
Economic Services		(160,385)	(218,834)	(207,250)
Other Property and Services		(44,991)	(269,855)	(40,200)
		<u>(5,902,704)</u>	<u>(5,945,118)</u>	<u>(6,194,042)</u>
Net Operating Result Excluding Rates		1,077,849	(1,150,592)	(927,039)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	4	(398,367)	(60,755)	(395,737)
Movement in Deferred Pensioner Rates (non-current)		0	(1,213)	0
Movement in Employee Benefit Provisions (non-current)		0	5,487	0
Movement in Leave Reserve/Provisions (Added Back)		0	11,587	0
Rounding		0	2	0
Depreciation on Assets	2(a)	2,260,250	2,260,222	2,148,655
Capital Expenditure and Revenue				
Purchase Land Held for Resale	3	0	0	0
Purchase Land and Buildings	3	(1,802,300)	(490,308)	(1,310,670)
Purchase Plant and Equipment	3	(1,371,719)	(610,487)	(749,187)
Purchase Furniture and Equipment	3	(26,955)	(20,148)	(24,675)
Purchase Tools	3	(13,200)	(24,733)	(29,580)
Purchase Infrastructure Assets - Roads	3	(2,502,108)	(1,148,481)	(2,282,735)
Purchase Infrastructure Assets - Footpaths	3	(19,200)	0	0
Purchase Infrastructure Assets - Drainage		0	0	0
Purchase Infrastructure Assets - Other		(2,137,431)	(226,929)	(399,623)
Proceeds from Disposal of Assets	4	917,411	221,218	841,953
Repayment of Debentures	5	(206,441)	(246,540)	(371,023)
Proceeds from New Debentures	5	0	0	0
Self-Supporting Loan Principal Income		40,191	31,345	38,071
Transfers to Reserves (Restricted Assets)	6	(634,131)	(203,964)	(575,625)
Transfers from Reserves (Restricted Assets)	6	294,280	852,297	969,476
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	2,109,525	642,062	412,478
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	2,109,525	0
Amount Required to be Raised from Rates	8	<u>(2,412,346)</u>	<u>(2,269,455)</u>	<u>(2,655,261)</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 2013

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) 2011/12 Actual Balances

Balances shown in this budget as 2011/12 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

Revenues, expenses and assets capitalised are stated net of any GST recoverable.

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

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

(g) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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 Finance costs and holding charges incurred after development is completed 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 intention 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 and 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 overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on 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 recognised against revaluation surplus directly in equity. All other decreases are recognised as profit or loss.

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.

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.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with 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 \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

(I) 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 COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) 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 where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(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 profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Derecognition

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

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

(m) Impairment

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (eg AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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.

(n) Trade and Other Payables

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

(o) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for the benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

(p) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) 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; 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.

(r) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

(s) Comparative Figures

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

(t) Budget Comparative Figures

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

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result from Ordinary Activities was arrived at after:			
(i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	20,900	14,866	11,400
Other Services	1,000	6,500	8,800
 Depreciation			
<u>By Program</u>			
Governance	16,480	16,480	15,450
General Purpose Funding	7,480	7,475	7,220
Law, Order, Public Safety	80,630	80,631	69,350
Health	9,080	9,075	8,115
Education and Welfare	4,230	4,233	4,160
Housing	12,110	12,111	12,110
Community Amenities	15,230	15,221	12,960
Recreation and Culture	160,000	160,005	156,950
Transport	1,691,280	1,691,278	1,573,700
Economic Services	8,470	8,460	8,410
Other Property and Services	255,260	255,253	280,230
	<u>2,260,250</u>	<u>2,260,222</u>	<u>2,148,655</u>
 <u>By Class</u>			
Land and Buildings	169,589	169,587	150,000
Furniture and Equipment	27,174	27,174	23,000
Plant and Equipment	340,679	340,675	385,000
Tools	5,330	5,330	3,800
Roads	1,572,399	1,572,379	1,450,000
Footpaths	23,291	23,291	23,000
Drainage	67,439	67,438	65,000
Other Infrastructure	54,349	54,348	48,855
	<u>2,260,250</u>	<u>2,260,222</u>	<u>2,148,655</u>
 Borrowing Costs (Interest)			
- Debentures (<i>refer note 5(a)</i>)	17,652	27,889	31,889
	<u>17,652</u>	<u>27,889</u>	<u>31,889</u>
 Rental Charges			
- Operating Leases	7,992	8,821	7,238
	<u>7,992</u>	<u>8,821</u>	<u>7,238</u>
(ii) Crediting as Revenues:			
Interest Earnings	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Investments			
- Reserve Funds	60,000	49,055	31,809
- Other Funds	60,000	72,588	65,000
Other Interest Revenue (<i>refer note 13</i>)	24,400	27,234	27,700
	<u>144,400</u>	<u>148,877</u>	<u>124,509</u>

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

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

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

Rental accommodation of community housing
Employee Housing

COMMUNITY AMENITIES

Rubbish collection services - Coorow, Leeman and Green Head
Rubbish tip maintenance - Coorow, Marchagee, Coast
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

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.

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

ECONOMIC SERVICES

Tourism - local publications, area promotion, Coorow caravan park
Building controls - Issue of building licenses, 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 2013**

3. ACQUISITION OF ASSETS	2012/13 Budget \$
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
General Purpose Funding	
Governance	
<u>Members</u>	
Elected Members Computers	3,000.00
<u>Administration</u>	
CEO Vehicle CW00	88,055.00
Admin Computers x 3 Coorow (F&E)	4,500.00
Upgrade of Exchange Server	8,000.00
Coorow Office Furniture	1,000.00
Leeman Office Furniture & Equipment	5,500.00
Coorow Office - Alarm system and smoke detectors for Records	20,000.00
Coorow Office - Provide Return Chute to front door	1,000.00
Leeman Office - Smoke Detection and Alarm System	20,000.00
Leeman Office - Airconditioning in new office	1,000.00
Leeman Office - Data Computer Cabling	6,500.00
Law Order and Public Safety	
<u>Fire Prevention</u>	
2011/12 Carry Over of Leeman Light Tanker	113,000.00
2012/13 Leeman 4.4 Rural Tanker	330,000.00
<u>Other Law and Order</u>	
Ranger Vehicle CW0050	37,664.00
Education and Welfare	
<u>Care of Families & Children</u>	
Child Minding Centre - L & B	5,000.00
Coorow Kindergym Equipment	4,955.00
Child Minding Centre - Infra Other	8,500.00
<u>Senior Citizens</u>	
Coorow Aged Persons Units (L&B)	2,000.00
Coorow Aged Persons Units (INFRA OTHER)	5,000.00
Leeman Aged Persons Units	28,000.00
<u>Other Welfare</u>	
Green Head Mens Shed Construction	86,000.00
Housing	
<u>Staff Housing</u>	
Employee Housing	98,000.00
Purchase Residence x 2 (L&B)	620,000.00
Community Amenities	
<u>Sanitation Household Refuse</u>	
Coastal Waste Transfer Station	70,000
<u>Other Community Amenities</u>	
Morphett Park Toilets	3,500.00
Point Louise Toilets	15,000.00
Coastal Cemetery Development (L&B)	109,188.00
Townscape Projects (Oth Infra)	3,000.00

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013**

	2012/13 Budget \$
3. ACQUISITION OF ASSETS	
(cont)	
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Recreation and Culture	
<u>Public Halls</u>	
Coorow District Hall (L&B)	619,500.00
Leeman Rec Centre (L&B)	15,000.00
Green Head Community Centre (Infra Other)	3,000.00
Maley Park Function Centre (L&B)	17,000.00
Green Head Sporting Club (L&B)	8,000.00
<u>Swimming Areas and Beaches</u>	
Coorow Aquatic Ctr Upgrade (L&B)	1,200.00
Coorow Aquatic Ctr (P&E)	28,935.00
Coorow Aquatic Ctr (Infra Other)	14,000.00
<u>Other Recreation & Sport</u>	
Pos Lot 601 Green Head (Infra Other)	156,166.00
Water from Bores to Greenhead (Infra Other)	15,836.00
Leeman Foreshore Lighting and Retic (Infra Other)	30,000.00
Boat Ramp Construction (Other Infra)	1,500,000.00
Wann Park Water Supply Cap Exp R4R (Oth Infra)	100,000.00
Coorow Town Park Shade Sail (L&B)	18,560.00
Greenhead Skate Park Bike Rack (Infra Other)	2,000.00
Cliff Park Greenhead (Infra Other)	11,600.00
Dynamite Bay Green Head (Infra Other)	45,000.00
Lakes Park (Infra Other)	40,000.00
Maley Park (Infra Other)	21,008.00
<u>Other Culture</u>	
Cliff Park War Memorial (Infra Other)	6,000.00
Coorow Co-Op Heritage (L&B)	68,440.00
Transport	
<u>Road Construction</u>	
Roads to Recovery	684,725.00
Regional Road Group	951,168.00
Road Construction Gen	792,101.00
Black Spot Road Construction (Infra Roads)	74,114.00
Footpath Construction (Infra Roads)	19,200.00
<u>Maintenance Streets, Roads, Footpaths Depots</u>	
Leeman or Coorow Depot (L&B)	59,600.00
<u>Plant Purchases</u>	
Coast Truck CW006 (P&E)	85,000.00
Toyota GXL L/Crusr Prado CW 002 - PWS (P&E)	70,019.00
Loader CW0013 (P&E)	380,000.00
4WD Utility - Works Supervisor CW003 (P&E)	38,794.00
Works Utility Coast CW008 (P&E)	37,664.00
Works 4WD Utility CW017 (P&E)	38,794.00
Works 4WD Utility CW0023 (P&E)	38,794.00
2001 Side Tip Trailer CW0034 - Refurbish (P&E)	25,000.00
Self Bunded Fuel Tanks Purchase (P&E)	60,000.00
Sundry Tools (Tools)	13,200.00
Economic Services	
<u>Tourism and Area Promotion</u>	
Caravan Park Equipment (Infra Other)	6,000.00
Leeman Information Bay Chip Seal	61,133.00
Coorow Caravan Park (L&B)	19,000.00
	7,872,913

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013**

**2012/13
Budget
\$**

3. ACQUISITION OF ASSETS

(cont)

The following assets are budgeted to be acquired during the year:

By Program

By Class

Land Held for Resale	0
Land and Buildings	1,802,300
Plant and Equipment	1,371,719
Furniture and Equipment	26,955
Tools	13,200
Infrastructure Assets - Roads	2,502,108
Infrastructure Assets - Footpaths	19,200
Infrastructure Assets - Other	2,137,431
	<u>7,872,913</u>

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

- plant replacement programme
- other assets
- road replacement programme
- other infrastructure

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013**

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)
		2012/13 BUDGET	2012/13 BUDGET	2012/13 BUDGET
		\$	\$	\$
Governance				
(Asset 3048) CEO Landcruiser CW00	4	60,104	58,350	(1,754)
Crs Laptops	4	500	500	0
Crs Laptops	4	500	500	0
Law Order & Public Safety				
(Asset 2944) CW0052 Isuzu Fire Tender Leeman BFB	5	0	10,000	10,000
(Asset 2037) Trade 4WD Utility CW0050 Ranger	5	25,400	17,510	(7,890)
Housing				
(Asset 1086) Sale of 520 Tuart Street Leeman	9	204,900	540,000	335,100
(Asset 1062) Sale of Lot 103 Bristol Street Coorow	9	19,060	85,000	65,940
Transport				
(Asset 3044) Trade PWS Toyota L/cruiser CW002	12	43,000	42,436	(564)
(Asset 3105) Trade 4Wd Works Super CW003	12	27,020	18,035	(8,985)
(Asset 2005) Trade 4Wd Utility CW008	12	22,815	17,510	(5,305)
(Asset 3104) Trade Ford Ranger XL 4WD Ute CW0017	12	25,520	18,035	(7,485)
(Asset 2964) Trade Ford Ranger XL 4WD Ute CW0023	12	26,200	18,035	(8,165)
(Asset 3085) Trade Isuzu Cost Truck CW006	12	15,485	11,500	(3,985)
(Asset 2109) Trade 821C LD Loader CW0013	12	48,540	80,000	31,460
		519,044	917,411	398,367

<u>By Class</u>		Net Book Value	Sale Proceeds	Profit(Loss)
		2012/13 BUDGET	2012/13 BUDGET	2012/13 BUDGET
		\$	\$	\$
Land & Buildings		223,960	625,000	401,040
Furniture & Equipment		1,000	1,000	0
Plant & Equipment		294,084	291,411	(2,673)
		519,044	917,411	398,367

Summary

	2012/13 BUDGET \$
Profit on Asset Disposals	442,500
Loss on Asset Disposals	(44,133)
	<u>398,367</u>

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-12	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2012/13 Budget \$	2011/12 Actual \$	2012/13 Budget \$	2011/12 Actual \$	2012/13 Budget \$	2011/12 Actual \$
Staff Housing								
Loan 71 - Leeman Residence	0		0	68,527	0	0	0	3,323
Loan 79 - Leeman Executive House	124,481		124,481	17,122	0	124,481	6,529	7,445
Community Amenities								
Loan 77 - CCLI Coorow Hotel (SS)	29,722		19,550	18,541	10,172	29,722	1,337	1,172
Loan 78 - Greenhead Town Drainage	0		0	12,940	0	0	0	473
Loan 81 - CCLI Coorow Roadhouse (SS)	36,559		14,021	13,267	22,538	36,559	1,899	2,048
Recreation & Culture								
Loan 68 - Leeman Rec Centre (SAR)	0		0	16,687	0	0	0	433
Loan 70 - Leeman Rec Centre	0		0	24,805	0	0	0	1,149
Loan 82 - Leeman Bowling Green Upgrade (SS)	24,871		6,620	6,263	18,251	24,871	1,343	856
Loan 85 - Maley Park Changerooms (SAR)	33,286		33,286	30,867	0	33,286	2,015	4,311
Loan 87 - Maley Park Changerooms	61,684		8,483	7,880	53,201	61,684	4,529	5,090
Transport								
Loan 84 - Purchase New Truck	0		0	29,641	0	0	0	1,589
	310,603	0	206,441	246,540	104,162	310,603	17,652	27,889

(SS) Self supporting loan financed by payments from third parties.

(SAR) Self Supporting Loan where financed by combination of Specified Area Rate and payment from third parties.

All other loan 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 2013

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2012/13

Council does not intend on raising any new loans in 2012/13.

(c) Unspent Debentures

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

(d) Overdraft

Council has not utilised an overdraft facility during the financial year.

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
6. RESERVES			
(a) Leave Reserve			
Opening Balance	160,909	149,322	149,322
Amount Set Aside / Transfer to Reserve	60,915	11,587	29,076
Amount Used / Transfer from Reserve	0	0	(9,429)
	<u>221,824</u>	<u>160,909</u>	<u>168,969</u>
(b) Building Reserve			
Opening Balance	231,147	112,242	112,242
Amount Set Aside / Transfer to Reserve	529,664	118,905	523,448
Amount Used / Transfer from Reserve	(166,358)	0	0
	<u>594,453</u>	<u>231,147</u>	<u>635,690</u>
(c) Resource Sharing Reserve			
Opening Balance	20,507	19,639	19,639
Amount Set Aside / Transfer to Reserve	1,391	868	884
Amount Used / Transfer from Reserve	0	0	0
	<u>21,898</u>	<u>20,507</u>	<u>20,523</u>
(d) Plant Reserve			
Opening Balance	280,266	216,887	216,887
Amount Set Aside / Transfer to Reserve	19,011	63,379	9,760
Amount Used / Transfer from Reserve	(27,922)	0	(29,664)
	<u>271,355</u>	<u>280,266</u>	<u>196,983</u>
(e) Waste Management Reserve			
Opening Balance	5,702	5,460	5,460
Amount Set Aside / Transfer to Reserve	387	242	246
Amount Used / Transfer from Reserve	0	0	(1,000)
	<u>6,089</u>	<u>5,702</u>	<u>4,706</u>
(f) Green Head Public Open Space Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(g) Green Head Commercial Parking Reserve			
Opening Balance	24,132	23,111	23,111
Amount Set Aside / Transfer to Reserve	1,637	1,021	1,040
Amount Used / Transfer from Reserve	0	0	0
	<u>25,769</u>	<u>24,132</u>	<u>24,151</u>
(h) Television Rebroadcasting Reserve			
Opening Balance	11,041	35,736	35,736
Amount Set Aside / Transfer to Reserve	10,895	1,579	4,671
Amount Used / Transfer from Reserve	0	(26,274)	(3,360)
	<u>21,936</u>	<u>11,041</u>	<u>37,047</u>
(i) Unspent Grants Reserve			
Opening Balance	0	826,023	826,023
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	(826,023)	(826,023)
	<u>0</u>	<u>0</u>	<u>0</u>

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2011

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
6. RESERVES (Continued)			
(j) Leeman Public Open Space Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(k) Wann Park Water Reserve			
Opening Balance	115,979	111,071	111,071
Amount Set Aside / Transfer to Reserve	7,867	4,908	4,998
Amount Used / Transfer from Reserve	(100,000)	0	(100,000)
	<u>23,846</u>	<u>115,979</u>	<u>16,069</u>
(l) Community Grant Reserve			
Opening Balance	9,072	8,688	8,688
Amount Set Aside / Transfer to Reserve	615	384	391
Amount Used / Transfer from Reserve	0	0	0
	<u>9,687</u>	<u>9,072</u>	<u>9,079</u>
(m) Leeman Commercial Parking Reserve			
Opening Balance	25,790	24,699	24,699
Amount Set Aside / Transfer to Reserve	1,749	1,091	1,111
Amount Used / Transfer from Reserve	0	0	0
	<u>27,539</u>	<u>25,790</u>	<u>25,810</u>
Total Reserves	<u>1,224,396</u>	<u>884,545</u>	<u>1,139,027</u>

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

Council have a policy of regular revaluation of road infrastructure. The amount of any revaluation adjustment at 30 June 2013 is not known. Any transfer to or from an asset revaluation reserve will be a non-cash transaction and as such, has no impact on this budget document.

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

6. RESERVES (Continued)	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Summary of Transfers To Cash Backed Reserves			
Transfers to Reserves			
Leave Reserve	60,915	11,587	29,076
Building Reserve	529,664	118,905	523,448
Resource Sharing Reserve	1,391	868	884
Plant Reserve	19,011	63,379	9,760
Waste Management Reserve	387	242	246
Green Head Public Open Space Reserve	0	0	0
Green Head Commercial Parking Reserve	1,637	1,021	1,040
Television Rebroadcasting Reserve	10,895	1,579	4,671
Unspent Grants Reserve	0	0	0
Leeman Public Open Space Reserve	0	0	0
Wann Park Water Reserve	7,867	4,908	4,998
Community Grant Reserve	615	384	391
Leeman Commercial Parking Reserve	1,749	1,091	1,111
	<u>634,131</u>	<u>203,964</u>	<u>575,625</u>
Transfers from Reserves			
Leave Reserve	0	0	(9,429)
Building Reserve	(166,358)	0	0
Resource Sharing Reserve	0	0	0
Plant Reserve	(27,922)	0	(29,664)
Waste Management Reserve	0	0	(1,000)
Green Head Public Open Space Reserve	0	0	0
Green Head Commercial Parking Reserve	0	0	0
Television Rebroadcasting Reserve	0	(26,274)	(3,360)
Unspent Grants Reserve	0	(826,023)	(826,023)
Leeman Public Open Space Reserve	0	0	0
Wann Park Water Reserve	(100,000)	0	(100,000)
Community Grant Reserve	0	0	0
Leeman Commercial Parking Reserve	0	0	0
	<u>(294,280)</u>	<u>(852,297)</u>	<u>(969,476)</u>
Total Transfer to/(from) Reserves	<u>339,851</u>	<u>(648,333)</u>	<u>(393,851)</u>

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

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:

Leave Reserve

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

Building Reserve

- To be used for the upgrading of Council buildings

Resource Sharing Reserve

- To be used for the resource sharing projects

Plant Reserve

- To be used for the purchase of major plant

Waste Management Reserve

- To be used for the management of waste

Green Head Public Open Space Reserve

- to be used to fund the development of public open space in Green Head

Green Head Commercial Parking Reserve

- To be used for the construction of commercial parking in Green Head

Television Rebroadcasting Reserve

- to be used to upgrade equipment at television rebroadcasting sites

Unspent Grants Reserve

- to be used to set aside any unspent grants at end of year as restricted cash

Leeman Public Open Space Reserve

- to be used to fund the development of public open space in Leeman

Wann Park Water Reserve

- to be used to fund the development of a suitable water supply to Wann Park Reserve in Leeman

Community Grant Reserve

- to be used to provide future funds of Community based projects

Leeman Commercial Parking Reserve

- To be used for the construction of commercial parking in Leeman

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	Note	2012/13 Budget \$	2011/12 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)	12,476	923,700
Cash - Restricted Unspent Grants		150,000	792,763
Cash - Restricted Unspent Loans		0	0
Cash - Restricted Reserves	15(a)	1,224,396	884,545
Rates - Current		170,580	182,585
Sundry Debtors		145,808	399,008
Less Provision for Doubtful Debts		0	0
GST Receivable		18,952	33,952
Accrued Income		12,337	42,337
Prepayments		0	0
Inventories		7,631	9,681
		<u>1,742,180</u>	<u>3,268,571</u>
LESS: CURRENT LIABILITIES			
Sundry Creditors		(324,741)	(97,131)
Payroll Liability		(48,429)	(23,429)
GST Liability		(78,214)	(53,214)
Accrued Expenditure		0	0
Accrued Interest on Debentures		(196)	(396)
Accrued Salaries and Wages		(66,204)	(48,204)
Current Employee Benefits Provision		(213,036)	(213,036)
Current Loan Liability		(100,026)	(100,026)
		<u>(830,846)</u>	<u>(535,436)</u>
NET CURRENT ASSET POSITION		911,334	2,733,135
Less: Cash - Restricted Reserves	15(a)	(1,224,396)	(884,545)
Less: Cash - Unspent Grants - Fully Restricted		0	0
Adjustment for Trust Transactions Within Muni		0	0
Add Back : Liabilities Supported by Reserves - Lesser of Leave Provision and Leave Reserve		213,036	160,909
Add Back : Current Loan Liability		100,026	100,026
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		<u><u>0</u></u>	<u><u>2,109,525</u></u>

The estimated surplus/(deficiency) c/fwd in the 2011/12 actual column represents the surplus (deficit) brought forward as at 1 July 2012.

The estimated surplus/(deficiency) c/fwd in the 2012/13 budget column represents the surplus (deficit) carried forward as at 30 June 2013.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

8. RATING INFORMATION - 2012/13 FINANCIAL YEAR

RATE TYPE		Rate in \$	Number of Properties	Rateable Value \$	2012/13 Budgeted Rate Revenue \$	2012/13 Budgeted Interim Rates \$	2012/13 Budgeted Back Rates \$	2012/13 Budgeted Total Revenue \$	2011/12 Actual \$
Differential General Rate									
UV - Agricultural	01	1.3415	202	108,915,000	1,461,095	0	0	1,461,095	1,396,459
GRV - Townsite	02	12.5877	828	6,508,538	819,275	0	0	819,275	751,693
UV - Mining	03	11.9999	31	819,039	98,284	0	0	98,284	61,334
Sub-Totals			1,368	116,511,181	2,378,654	0	0	2,378,654	2,209,486
Minimum Rates		Minimum \$							
UV - Agricultural		600	7	90,800	4,200	0	0	4,200	4,800
GRV - Townsite		600	94	329,235	56,400	0	0	56,400	75,600
UV - Mining		600	29	39,038	17,400	0	0	17,400	19,800
Sub-Totals			130	459,073	78,000	0	0	78,000	100,200
			1,498					2,456,654	2,309,686
Ex-Gratia Rates								6,374	5,623
Movement in Excess Rates								0	4,277
Specified Area Rates (Note 9)								25,318	32,078
								2,488,346	2,351,664
Discounts								(75,000)	(78,249)
Rates Written Off								(1,000)	(3,960)
Totals								2,412,346	2,269,455

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 2012/13 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 COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013**

9. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value	2012/13 Budgeted Revenue \$	Budget Applied to Costs \$	2011/12 Actual \$
Maley Park Changerooms						
Coorow Townsite	0.29840	GRV	554,616	1,655	1,655	1,588
UV Agricultural	0.02170	UV	109,045,877	23,663	23,663	23,083
				25,318	25,318	24,671
Leeman Recreation Centre						
Green Head Townsite	0.1201	GRV	2,460,500	0	0	2,963
Leeman Townsite	0.1201	GRV	3,690,749	0	0	4,444
				0	0	7,407
			115,751,742	25,318	25,318	32,078

The specified area rate above for the Maley Park Changerooms has been raised for the townsite of Coorow to fund the portion of the Communities contribution to Loan 85.

The specified area rate above for the Leeman Recreation Centre was raised for the townsites of Leeman and Green Head to fund the portion of the Communities contribution to Loan 68, that the Leeman Country and Sporting Club had previously funded. This specified area rate concluded in 2011/12.

10. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

	Amount of Charge \$	2012/13 Budgeted Revenue \$	Budget Applied to Costs \$	2011/12 Actual \$
TV Rebroadcasting charge	35	23,310	13,164	22,994
		23,310	13,164	22,994

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

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

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. Any unspent revenue is placed in the Television Rebroadcasting Reserve. The 2012/13 Budget allows for a transfer from reserve of \$10,146. FM Regulation 27 (1) (a)

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013**

11. FEES & CHARGES REVENUE	2012/13 Budget \$	2011/12 Actual \$
General Purpose Funding	25,150	4,384
Governance	50	0
Law, Order, Public Safety	3,740	9,025
Health	1,640	550
Education and Welfare	27,560	28,480
Housing	39,520	33,455
Community Amenities	235,064	250,511
Recreation & Culture	21,528	22,114
Economic Services	21,006	19,489
Other Property & Services	25,000	42,617
	<u>400,258</u>	<u>410,625</u>

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2012/13 FINANCIAL YEAR**

A discount of 5% 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 \$75,000 or 75% of ratepayers paying by the due date.

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

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013**

13. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR

An interest rate of 11% will be charged on all rate payments which are late. It is estimated this will generate income of \$20,000. 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 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	24 September 2012
2nd Instalment Due	29 January 2013

Four Instalment Option

1st Instalment Due	24 September 2012
2nd Instalment Due	26 November 2012
3rd Instalment Due	29 January 2013
4th Instalment Due	3 April 2013

The cost of the instalment plans will comprise of simple interest of 5.5% 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 (\$4,400) and administration charge (\$2,100) under this option is estimated at \$6,500

14. ELECTED MEMBERS REMUNERATION

	2012/13 Budget \$	2011/12 Actual \$
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The following fees, expenses and allowances were paid to council members and/or the president.

Meeting Fees	6,480	6,780
President's Allowance	12,000	10,500
Deputy President's Allowance	3,000	3,000
Other Expenses	<u>27,500</u>	<u>13,114</u>
	<u><u>48,980</u></u>	<u><u>33,394</u></u>

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

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:

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Cash - Unrestricted	12,476	923,700	50,000
Cash - Restricted	<u>1,374,396</u>	<u>1,677,308</u>	<u>1,139,027</u>
	<u><u>1,386,872</u></u>	<u><u>2,601,008</u></u>	<u><u>1,189,027</u></u>

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

Leave Reserve	221,824	160,909	168,969
Building Reserve	594,453	231,147	635,690
Resource Sharing Reserve	21,898	20,507	20,523
Plant Reserve	271,355	280,266	196,983
Waste Management Reserve	6,089	5,702	4,706
Green Head Public Open Space Reserve	0	0	0
Green Head Commercial Parking Reserve	25,769	24,132	24,151
Television Rebroadcasting Reserve	21,936	11,041	37,047
Unspent Grants Reserve	0	0	0
Leeman Public Open Space Reserve	0	0	0
Wann Park Water Reserve	23,846	115,979	16,069
Community Grant Reserve	9,687	9,072	9,079
Leeman Commercial Parking Reserve	27,539	25,790	25,810
Unspent Grants	150,000	792,763	0
Unspent Loans	0	0	0
	<u>1,374,396</u>	<u>1,677,308</u>	<u>1,139,027</u>

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

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Net Result	3,490,195	1,118,863	1,339,458
Depreciation	2,260,250	2,260,222	2,148,655
(Profit)/Loss on Sale of Asset	(398,367)	(60,755)	(395,737)
(Increase)/Decrease in Receivables	310,205	(242,384)	(528,482)
(Increase)/Decrease in Inventories	2,050	12,704	(2,615)
Increase/(Decrease) in Payables	289,410	101,227	586,798
Increase/(Decrease) in Employee Provisions	(46,127)	(24,673)	(11,212)
Grants/Contributions for the Development of Assets	<u>(4,681,639)</u>	<u>(1,479,983)</u>	<u>(2,271,671)</u>
Net Cash from Operating Activities	<u><u>1,225,977</u></u>	<u><u>1,685,221</u></u>	<u><u>865,194</u></u>

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

Bank Overdraft limit	0	0	0
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	15,000	15,000	15,000
Credit Card Balance at Balance Date	<u>0</u>	<u>(5,460)</u>	<u>0</u>
Total Amount of Credit Unused	<u><u>15,000</u></u>	<u><u>9,540</u></u>	<u><u>15,000</u></u>

Loan Facilities

Loan Facilities in use at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

16. TRUST FUNDS

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

Detail	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
House Bonds-Leeman Aged Unit 1	300	0	0	300
House Bonds-Leeman Aged Unit 2	500	0	0	500
House Bonds-Leeman Aged Unit 3	400	0	0	400
House Bonds-Leeman Aged Unit 4	300	0	0	300
House Bond-Lot 121 Commercial Street	320	0	0	320
House Bond-Lot 490 Tamerisk Street	0	0	0	0
Aged Unit Bond-Commercial St	600	0	0	600
Leeman Aged Units surplus	44,886	6,242	(28,000)	23,128
Coorow Aged Units surplus	4,245	561	(2,000)	2,806
LGCHP Surplus	45,321	5,227	(12,000)	38,548
BCITF Levy	5,807	5,000	(10,807)	0
BRB Levy	3,072	1,537	(4,609)	0
Police Licensing	0	300,000	(300,000)	0
RSL Thailand Competition	184	0	0	184
Kerbing Deposits	13,200	1,000	(1,000)	13,200
Nomination Deposits	0	480	(480)	0
Maley Park Committee	1,814	3,186	(5,000)	0
Coorow Christmas Tree	4,075	0	0	4,075
Coorow Bushfire brigade	2,025	0	0	2,025
CCLI Number Plate Funds	800	0	0	800
Leeman Number Plates	1,700	0	(850)	850
Green Head Number Plates	400	0	0	400
Warradarge Bushfire Brigade	1,350	0	0	1,350
Leeman Bushfire Brigade	3,033	200	(200)	3,033
Snag Island Coastal Kids	0	0	0	0
Refuse Site Key Bond	1,500	200	(200)	1,500
Public Open Space	478,962	0	(172,002)	306,960
Standpipe Card Bond	770	250	(250)	770
Bonds-Other	53,401	5,000	(5,000)	53,401
	<u>668,965</u>			<u>455,450</u>

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013**

17. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2012/13.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2012/13.