

SHIRE OF COOROW
BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014

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SHIRE OF COOROW
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2013/2014 Budget \$	2012/2013 Actual \$	2012/2013 Budget \$
REVENUE				
Rates	8	2,437,088	2,395,527	2,412,329
Operating Grants, Subsidies and Contributions		1,294,347	2,197,761	1,245,808
Fees and Charges	11	372,869	360,900	400,258
Service Charges	10	0	23,276	23,310
Interest Earnings	2(a)	119,761	140,917	144,400
Other Revenue		40,900	402,458	42,655
		4,264,965	5,520,838	4,268,760
EXPENSES				
Employee Costs		(1,664,387)	(1,969,976)	(1,449,517)
Materials and Contracts		(2,260,028)	(1,880,060)	(1,650,086)
Utility Charges		(276,758)	(240,411)	(247,456)
Depreciation	2(a)	(2,519,380)	(2,533,309)	(2,260,250)
Interest Expenses	2(a)	(11,760)	(17,495)	(17,652)
Insurance Expenses		(170,726)	(175,226)	(162,962)
Other Expenditure		191,643	709,226	(70,648)
		(6,711,397)	(6,107,251)	(5,858,571)
		(2,446,432)	(586,412)	(1,589,811)
Non-Operating Grants, Subsidies and Contributions		5,686,911	1,229,111	4,681,639
Profit on Asset Disposals	4	221,000	12,307	442,500
Loss on Asset Disposals	4	(74,178)	(26,731)	(44,133)
NET RESULT		3,387,302	628,275	3,490,195
Other Comprehensive Income				
Changes on Revaluation of non-current assets		0	0	0
Total Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		3,387,302	628,275	3,490,195

Notes:

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur, with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes in revaluation of non-current assets 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 2014

	NOTE	2013/2014 Budget \$	2012/2013 Actual \$	2012/2013 Budget \$
REVENUE (Refer Notes 1,2,8 to 13)				
Governance		15,050	403,346	18,436
General Purpose Funding		3,404,980	3,839,220	3,179,578
Law, Order, Public Safety		1,045,230	69,570	56,740
Health		2,855	2,643	4,483
Education and Welfare		68,660	26,285	50,765
Housing		40,040	45,444	51,520
Community Amenities		234,558	301,286	243,400
Recreation and Culture		2,438,650	129,304	77,091
Transport		1,250,377	459,340	480,498
Economic Services		26,334	65,653	28,106
Other Property and Services		103,440	181,474	78,143
		8,630,174	5,523,566	4,268,760
EXPENSES EXCLUDING				
FINANCE COSTS (Refer Notes 1,2 & 14)				
Governance		(539,983)	(502,546)	(514,338)
General Purpose Funding		(256,038)	(304,011)	(276,392)
Law, Order, Public Safety		(305,682)	(293,794)	(280,354)
Health		(151,214)	(121,226)	(170,581)
Education and Welfare		(63,102)	(61,616)	(51,285)
Housing		(29,863)	(45,408)	(49,476)
Community Amenities		(700,122)	(433,073)	(595,400)
Recreation & Culture		(1,009,713)	(876,786)	(1,039,987)
Transport		(3,256,063)	(2,896,836)	(2,657,730)
Economic Services		(227,715)	(200,091)	(160,385)
Other Property and Services		(160,142)	(357,096)	(44,991)
		(6,699,637)	(6,092,483)	(5,840,919)
FINANCE COSTS (Refer Notes 2 & 5)				
Housing		(5,535)	(6,537)	(6,529)
Community Amenities		(1,380)	(3,236)	(3,236)
Recreation & Culture		(4,845)	(7,722)	(7,887)
		(11,760)	(17,495)	(17,652)
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS				
General Purpose Funding		0	(53,118)	1,392,419
Law, Order, Public Safety		0	0	443,000
Education and Welfare		0	54,726	96,369
Housing		400,000	0	0
Recreation & Culture		921,702	42,722	1,505,706
Transport		0	1,184,782	1,242,145
Economic Services		0	0	2,000
		1,321,702	1,229,111	4,681,639

SHIRE OF COOROW
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2013/2014 Budget \$	2012/2013 Actual \$	2012/2013 Budget \$
PROFIT/(LOSS) ON				
DISPOSAL OF ASSETS (Refer Note 4)				
Governance		(3,295)	9,580	(1,754)
Law, Order, Public Safety		(17,965)	(7,199)	2,110
Health		(8,950)	0	0
Housing		220,000	0	401,040
Transport		(42,968)	(16,805)	(3,029)
		<u>146,822</u>	<u>(14,424)</u>	<u>398,367</u>
NET RESULT		3,387,302	628,275	3,490,195
Other Comprehensive Income				
Changes on Revaluation of non-current assets		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>3,387,302</u>	<u>628,275</u>	<u>3,490,195</u>

Notes:

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur, with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes in revaluation of non-current assets 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 2014**

	NOTE	2013/2014 Budget \$	2012/2013 Actual \$	2012/2013 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,447,088	2,395,527	2,424,351
Operating Grants, Subsidies and Contributions		1,394,347	2,197,761	1,371,008
Fees and Charges		447,869	371,400	558,258
Service Charges		0	23,276	23,310
Interest Earnings		120,761	140,917	144,400
Goods and Services Tax		400,000	434,553	315,000
Other		40,900	402,458	42,655
		<u>4,850,965</u>	<u>5,965,891</u>	<u>4,878,982</u>
Payments				
Employee Costs		(1,689,387)	(1,969,976)	(1,368,044)
Materials and Contracts		(2,365,028)	(1,880,060)	(1,552,231)
Utility Charges		(311,758)	(240,411)	(206,251)
Insurance Expenses		(170,726)	(175,226)	(162,962)
Interest Expenses		(11,260)	(17,495)	(17,852)
Goods and Services Tax		(400,000)	(469,560)	(275,000)
Other		191,643	709,226	(70,648)
		<u>(4,756,517)</u>	<u>(4,043,503)</u>	<u>(3,652,988)</u>
Net Cash Provided By Operating Activities	15(b)	<u>94,449</u>	<u>1,922,389</u>	<u>1,225,994</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	(3,325,979)	(1,391,951)	(3,214,174)
Payments for Construction of Infrastructure	3	(5,120,557)	(2,507,138)	(4,658,739)
Advances to Community Groups Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		0	0	0
Proceeds from Sale of Assets	4	5,686,911	1,229,111	4,681,639
Proceeds from Advances		567,500	198,462	917,411
		0	0	0
Net Cash Used in Investing Activities		<u>(2,192,125)</u>	<u>(2,471,516)</u>	<u>(2,273,863)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(60,195)	(100,026)	(206,441)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		31,995	40,191	40,191
Proceeds from New Debentures	5	350,000	0	0
Net Cash Provided By (Used In) Financing Activities		<u>321,800</u>	<u>(59,835)</u>	<u>(166,250)</u>
Net Increase (Decrease) in Cash Held Cash at Beginning of Year		<u>(1,775,877)</u>	<u>(608,962)</u>	<u>(1,214,119)</u>
Cash and Cash Equivalents at the End of the Year	15(a)	<u>1,992,046</u>	<u>2,601,008</u>	<u>2,601,008</u>
		<u>216,170</u>	<u>1,992,046</u>	<u>1,386,889</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 2014

	NOTE	2013/2014 Budget \$	2012/2013 Actual \$	2012/2013 Budget \$
REVENUES	1,2			
Governance		15,050	51,336	18,436
General Purpose Funding		967,891	1,535,848	2,159,668
Law, Order, Public Safety		1,045,230	69,570	509,740
Health		2,855	2,643	4,483
Education and Welfare		68,660	81,011	147,134
Housing		660,040	44,472	452,560
Community Amenities		234,558	301,286	243,400
Recreation and Culture		3,360,352	105,102	1,582,797
Transport		1,251,377	1,644,122	1,754,103
Economic Services		26,334	57,928	30,106
Other Property and Services		103,440	181,474	78,143
		7,735,787	4,074,792	6,980,570
EXPENSES	1,2			
Governance		(543,278)	(436,706)	(516,092)
General Purpose Funding		(256,038)	(304,011)	(276,392)
Law, Order, Public Safety		(323,647)	(306,813)	(288,244)
Health		(160,164)	(118,286)	(170,581)
Education and Welfare		(63,102)	(61,616)	(51,285)
Housing		(35,398)	(50,830)	(56,005)
Community Amenities		(701,502)	(436,309)	(598,636)
Recreation & Culture		(1,014,558)	(884,508)	(1,047,874)
Transport		(3,300,031)	(2,913,642)	(2,692,219)
Economic Services		(227,715)	(200,091)	(160,385)
Other Property and Services		(160,142)	(351,705)	(44,991)
		(6,785,575)	(6,064,514)	(5,902,704)
Net Operating Result Excluding Rates		950,213	(1,989,722)	1,077,866
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Initial Recognition of Assets due to change in Regulations				
- Land				
- Easements				
(Profit)/Loss on Asset Disposals	4	(146,822)	14,424	(398,367)
Depreciation on Assets	2(a)	2,519,380	2,533,309	2,260,250
Realisation on Asset Disposals		567,500	198,462	0
Capital Expenditure and Revenue				
Purchase Land Held for Resale	3	0	0	0
Purchase Land and Buildings	3	(1,525,859)	(757,317)	(1,802,300)
Purchase Plant and Equipment	3	(1,749,570)	(602,307)	(1,371,719)
Purchase Furniture and Equipment	3	(22,500)	(21,950)	(26,955)
Purchase Tools	3	(28,050)	(10,377)	(13,200)
Purchase Infrastructure Assets - Roads	3	(1,903,956)	(2,044,176)	(2,502,108)
Purchase Infrastructure Assets - Footpaths	3	(25,604)	0	(19,200)
Purchase Infrastructure Assets - Drainage	3	0	0	0
Purchase Infrastructure Assets - Other	3	(3,190,997)	(462,962)	(2,137,431)
Proceeds from Disposal of Assets	4	567,500	198,462	917,411
Repayment of Debentures	5	(60,195)	(100,026)	(206,441)
Proceeds from New Debentures	5	350,000	0	0
Self-Supporting Loan Principal Income		31,995	40,191	40,191
Transfers to Reserves (Restricted Assets)	6	(450,000)	(857,421)	(634,131)
Transfers from Reserves (Restricted Assets)	6	413,877	1,122,189	294,280
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	1,266,000	1,808,157	2,109,525
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	1,266,000	0
Total Amount Raised from General Rate	8	(2,437,088)	(2,395,527)	(2,412,329)

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 2014

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.

Except for cash flow and rate setting information, 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) 2012/2013 Actual Balances

Balances shown in this budget as 2012/2013 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

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 are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. 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 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand 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

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

(j) Inventories

General

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

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

Land Held for Resale

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

Gains and losses are recognised in the statement of comprehensive income at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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.

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at fair value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

Land Under Control

In accordance with local Government (Financial Management) Regulation 16 (a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2013.

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 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Revaluation

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) 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 (Level 3 inputs in the fair value hierarchy).

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.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** methodology section as detailed above.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13 - Fair Value Measurement* have been applied to this reporting period (year ended 30 June 2013).

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.

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Depreciation of Non-Current Assets

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

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

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

Buildings	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
Formed roads (unsealed) formation		not depreciated

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 \$500 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 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- (b) less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that 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.

(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. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

(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. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(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. Gains or losses are recognised in profit or loss.

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 available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

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.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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, are recognised as a current liability and are normally 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 those 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.

(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.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 2014

	2013/2014 Budget \$	2012/2013 Actual \$	2012/2013 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result from Ordinary Activities was arrived at after:			
(i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	20,500	20,536	20,900
Other Services	8,500	11,400	1,000
 Depreciation			
<u>By Program</u>			
Governance	58,500	57,170	16,480
General Purpose Funding	0	0	7,480
Law, Order, Public Safety	80,630	84,487	80,630
Health	3,870	4,639	9,080
Education and Welfare	5,450	5,639	4,230
Housing	34,000	33,287	12,110
Community Amenities	19,240	19,074	15,230
Recreation and Culture	152,340	159,502	160,000
Transport	1,801,000	1,810,431	1,691,280
Economic Services	9,250	8,884	8,470
Other Property and Services	355,100	350,196	255,260
	<u>2,519,380</u>	<u>2,533,309</u>	<u>2,260,250</u>
 <u>By Class</u>			
Land and Buildings	190,380	196,187	169,589
Furniture and Equipment	34,000	34,102	27,174
Plant and Equipment	505,000	477,878	340,679
Tools	11,500	10,971	5,330
Roads	1,675,500	1,713,126	1,572,399
Footpaths	27,500	27,206	23,291
Drainage	25,500	24,802	67,439
Other Infrastructure	50,000	49,036	54,349
	<u>2,519,380</u>	<u>2,533,309</u>	<u>2,260,250</u>
 Borrowing Costs (Interest)			
- Debentures (<i>refer note 5(a)</i>)	11,760	17,495	17,652
	<u>11,760</u>	<u>17,495</u>	<u>17,652</u>
 Rental Charges			
- Operating Leases	8,000	7,992	7,992
	<u>8,000</u>	<u>7,992</u>	<u>7,992</u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	50,000	51,091	60,000
- Other Funds	41,761	59,332	60,000
Other Interest Revenue (<i>refer note 13</i>)	28,000	30,494	24,400
	<u>119,761</u>	<u>140,917</u>	<u>144,400</u>

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014

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 Bush Fire Brigades, fire sheds and plant maintenance
Animal Control - Registration of dogs and cats, 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, Community Resource Centres

HOUSING

Rental accommodation of community housing
Employee Housing

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

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.

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 2014**

3. ACQUISITION OF ASSETS	2013/2014 Budget \$
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Governance	
Laptops - Elected Members	8,000
DCEO Vehicle	47,750
Admin Computers	4,500
Upgrade Network Server	8,000
Coorow Office Furniture	1,000
Leeman Office Furniture	1,000
Leeman Admin Office Painting	11,000
Leeman Admin Office Air-Conditioning	2,000
Coorow Admin Office - Grounds/Landscaping	10,000
General Purpose Funding	
Law, Order, Public Safety	
Leeman VBFB - Light Tanker	113,000
Leeman VBFB - 4.4 Rural Tanker	330,000
Green Head VBFB - 3.4 Urban Tanker	425,430
Warradarge VBFB - Light Tanker	119,240
Ranger's Vehicle	38,800
Health	
MRS Vehicle	47,800
Education and Welfare	
Leeman Playgroup - Cubbyhouse	2,500
Housing	
<u>Lot 50 Nairn Street Leeman</u>	
Insulation	3,200
Kitchen Cupboards	1,000
Air-Conditioning	15,000
<u>Lot 64 Nairn Street Leeman</u>	
Internal/External Painting	12,000
<u>Lot 490 Tamarisk Street Leeman</u>	
Replace Rear Patio	20,000
Painting	12,000
<u>Lot 49 Nairn Street Leeman</u>	
Reticulation - Rear Lawn & Gardens	5,000
Replace Small Shed	1,000
Replace Stove	1,000
<u>Lot 103 Bristol Street Coorow</u>	
Painting Exterior	4,000
<u>Lot 11 Spain Street Coorow</u>	
Replace Roof Sheeting	1,000
<u>Lot 29 Spain Street Coorow</u>	
Interior/Exterior Painting	14,000
<u>Lot 626 Morcombe Street Leeman</u>	
Complete Fencing - Back Yard	1,000
New Residence - Leeman	350,000
New Residences - Coorow	400,000
General Provision - Carpets	5,000

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014**

3. ACQUISITION OF ASSETS (Cont.)	2013/2014 Budget \$
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Community Amenities	
Coastal Transfer Station Development	10,000
Coastal Cemetery Development	80,000
Niche Wall	30,000
Leeman Foreshore Toilets Infrastructure	24,000
Squatters Area Camping Infrastructure	50,000
Recreation and Culture	
Coorow District Hall Upgrade	525,000
Coorow Hockey Club Shelter/Dugout	2,000
Lighting - Coorow Hockey Oval	4,000
Leeman Recreation Centre HWS	3,525
Leeman Recreation Centre Roof Sheetting	1,000
Green Head Community Centre Roofing	1,000
Green Head Sporting Club - Carpets and Shed	18,485
<u>Coorow Swimming Pool</u>	
Toddlers Pool Pump Upgrade	20,000
Replace Butterfly Valves	2,000
Strainer Filter	6,000
Paint Main Pool Bowl	25,000
Install Shade Shelters	15,000
Dynamite bay - 3-Phase power upgrade	15,000
Maley Park Kitchen - Solar HWS	3,700
<u>Maley Park Play Equipment</u>	
Install New Playground	39,749
Lighting of new Playground	14,500
Lighting Existing Playground	1,000
Illyarrie Street Boat Ramp	2,563,995
Lot 601 POS Development - Green Head	172,002
Wann Park Storm Water Harvesting	200,000
Morphett Park Shade Sails	24,000
Coorow Co-Op Heritage Works Contribution	7,500

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014**

3. ACQUISITION OF ASSETS (Cont.)	2013/2014 Budget \$
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Transport	
<u>Roadworks</u>	
Chatfield Clark Road	97,900
White Road	49,799
Hughes Road	49,690
Green Head Road	110,307
Coorow Green Head Road East	237,210
Coorow Green Head Road West	237,189
Buntine Marchagee Road	243,367
Erindoon Road Resheeting	57,480
Teasdale Road	30,000
Tootbardie Road East	95,732
Keighley Road Resheeting	98,563
Carger Road Resheeting	95,540
Ocean View Drive Construction	181,870
Johns Street	71,746
Thomas Street Leeman	92,667
Bristol/Main Street Intersection	53,325
Johns Street Footpath	25,604
Concrete Shed Floor - Leeman Depot	6,000
Dynamite Bay Car Park	101,571
<u>Plant Purchases</u>	
Additional Coastal 6 Wheeler (2nd hand)	100,000
Additional Loader/Backhoe	200,000
Refurbish Side Tip Trailer	25,750
Tractor	95,500
Coastal Leading Hand Vehicle	38,800
Mechanic's Vehicle	59,500
Works Utilities x2	80,000
<u>Sundry Tools</u>	
Rotary Hoe	2,000
Plate Compactor	1,800
Lawn Mower	2,200
Metro Counter	7,500
Jack Hammer	12,000
Chain Saw	1,600
Spreader	950
Economic Services	
<u>Coorow Caravan Park Toilets</u>	
Repointing - External Walls	6,000
Solar HWS	3,700
Other Property and Services	
	8,446,536

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014**

3. ACQUISITION OF ASSETS (Cont.)

**2013/2014
Budget
\$**

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

By Class

Land Held for Resale	
Land and Buildings	1,525,859
Infrastructure Assets - Roads	1,903,956
Infrastructure Assets - Footpaths	25,604
Infrastructure Assets - Other	3,190,997
Plant and Equipment	1,749,570
Furniture and Equipment	22,500
Tools	28,050
	<u>8,446,536</u>

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

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014

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)
	2013/2014 BUDGET \$	2013/2014 BUDGET \$	2013/2014 BUDGET \$
Governance			
Dceo Vehicle	32,995	29,700	(3,295)
Law, Order, Public Safety			
Fire Fighting Unit	27,965	10,000	(17,965)
Ranger's Vehicle	18,000	18,000	0
Health			
MRS Vehicle	35,950	27,000	(8,950)
Housing			
Sale of 5 Tuart Street Leeman	180,000	400,000	220,000
Transport			
Tractor	0	1,000	1,000
Coastal Leading Hand Vehicle	30,000	18,000	(12,000)
Mechanic's Vehicle	44,000	29,800	(14,200)
Works Utilities x2	51,768	34,000	(17,768)
	420,678	567,500	146,822

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2013/2014 BUDGET \$	2013/2014 BUDGET \$	2013/2014 BUDGET \$
Land and Buildings	180,000	400,000	220,000
Plant and Equipment	240,678	167,500	(73,178)
	420,678	567,500	146,822

<u>Summary</u>	2013/2014 BUDGET \$
Profit on Asset Disposals	221,000
Loss on Asset Disposals	(74,178)
	146,822

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 01 July 2013	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2013/2014 Budget \$	2012/2013 Actual \$	2013/2014 Budget \$	2012/2013 Actual \$	2013/2014 Budget \$	2012/2013 Actual \$
Staff Housing								
Loan 79 - Leeman Executive Residence	106,415		19,065	18,066	87,350	106,415	5,535	6,537
New Loan - Leeman Executive Residence		350,000			350,000			
Community Amenities								
Loan 77 - CCLI Coorow Hotel (SS)	10,175		10,175	19,550	0	10,175	275	1,337
Loan 81A - CCLI Coorow Roadhouse (SS)	22,538		14,820	14,021	7,718	22,538	1,105	1,899
Recreation and Culture								
Loan 82 - Leeman Bowling Green Upgrade (SS)	18,252		7,000	6,620	11,252	18,252	965	1,343
Loan 85 - Maley Park Changerooms (SAR)	0			33,286		0		1,893
Loan 87 - Maley Park Changerooms	53,201		9,135	8,483	44,066	53,201	3,880	4,486
	210,581	350,000	60,195	100,026	500,386	210,581	11,760	17,495

Loans shown as Self-Supporting (SS) are financed by payments 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 2014

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2013/2014

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
New Loan - Leeman Executive Residence	350,000	WATC	P & I	5	39,650	4.00	350,000	0

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2013 nor is it expected to have unspent debenture funds as at 30th June 2014.

(d) Overdraft

The Shire of Coorow has no overdraft facility.

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

	2013/2014 Budget \$	2012/2013 Actual \$	2012/2013 Budget \$
6. RESERVES			
(a) Leave Reserve			
Opening Balance	178,109	168,970	160,909
Amount Set Aside / Transfer to Reserve	7,000	9,139	60,915
Amount Used / Transfer from Reserve	0	0	0
	<u>185,109</u>	<u>178,109</u>	<u>221,824</u>
(b) Building Reserve			
Opening Balance	75,982	231,148	231,147
Amount Set Aside / Transfer to Reserve	407,000	11,192	529,664
Amount Used / Transfer from Reserve	(32,000)	(166,358)	(166,358)
	<u>450,982</u>	<u>75,982</u>	<u>594,453</u>
(c) Resource Sharing Reserve			
Opening Balance	21,638	20,507	20,507
Amount Set Aside / Transfer to Reserve	1,000	1,132	1,391
Amount Used / Transfer from Reserve	0	0	0
	<u>22,638</u>	<u>21,638</u>	<u>21,898</u>
(d) Plant Reserve			
Opening Balance	517,778	250,602	280,266
Amount Set Aside / Transfer to Reserve	9,000	267,176	19,011
Amount Used / Transfer from Reserve	(101,100)	0	(27,922)
	<u>425,678</u>	<u>517,778</u>	<u>271,355</u>
(e) Waste Management Reserve			
Opening Balance	4,985	4,702	5,702
Amount Set Aside / Transfer to Reserve	400	283	387
Amount Used / Transfer from Reserve	0	0	0
	<u>5,385</u>	<u>4,985</u>	<u>6,089</u>
(f) Green Head Public Open Space Reserve			
Opening Balance	172,002	0	0
Amount Set Aside / Transfer to Reserve	6,000	172,002	0
Amount Used / Transfer from Reserve	(172,002)	0	0
	<u>6,000</u>	<u>172,002</u>	<u>0</u>
(g) Green Head Commercial Parking Reserve			
Opening Balance	25,463	24,132	24,132
Amount Set Aside / Transfer to Reserve	1,000	1,332	1,637
Amount Used / Transfer from Reserve	0	0	0
	<u>26,463</u>	<u>25,463</u>	<u>25,769</u>
(h) Television Rebroadcasting Reserve			
Opening Balance	30,624	11,040	11,041
Amount Set Aside / Transfer to Reserve	1,000	19,584	10,895
Amount Used / Transfer from Reserve	(8,775)	0	0
	<u>22,849</u>	<u>30,624</u>	<u>21,936</u>

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

	2013/2014 Budget \$	2012/2013 Actual \$	2012/2013 Budget \$
6. RESERVES (Continued)			
(i) Unspent Grants Reserve			
Opening Balance	0	948,660	0
Amount Set Aside / Transfer to Reserve	0	3,323	0
Amount Used / Transfer from Reserve	0	(951,983)	0
	<u>0</u>	<u>0</u>	<u>0</u>
(j) Leeman Public Open Space Reserve			
Opening Balance	306,960	0	0
Amount Set Aside / Transfer to Reserve	13,600	306,960	0
Amount Used / Transfer from Reserve	0	0	0
	<u>320,560</u>	<u>306,960</u>	<u>0</u>
(k) Wann Park Water Reserve			
Opening Balance	122,381	115,980	115,979
Amount Set Aside / Transfer to Reserve	4,000	6,401	7,867
Amount Used / Transfer from Reserve	(100,000)	0	(100,000)
	<u>26,381</u>	<u>122,381</u>	<u>23,846</u>
(l) Community Grant Reserve			
Opening Balance	9,573	9,072	9,072
Amount Set Aside / Transfer to Reserve	0	501	615
Amount Used / Transfer from Reserve	0	0	0
	<u>9,573</u>	<u>9,573</u>	<u>9,687</u>
(m) Leeman Commercial Parking Reserve			
Opening Balance	27,214	25,791	25,790
Amount Set Aside / Transfer to Reserve	0	1,423	1,749
Amount Used / Transfer from Reserve	0	0	0
	<u>27,214</u>	<u>27,214</u>	<u>27,539</u>
(n) Coorow Aged Accommodation Reserve			
Opening Balance	6,589	0	0
Amount Set Aside / Transfer to Reserve	0	6,589	0
Amount Used / Transfer from Reserve	0	0	0
	<u>6,589</u>	<u>6,589</u>	<u>0</u>

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

6. RESERVES (Continued)	2013/2014 Budget \$	2012/2013 Actual \$	2012/2013 Budget \$
(o) Leeman Aged Accommodation Reserve			
Opening Balance	46,537	0	0
Amount Set Aside / Transfer to Reserve	0	50,385	0
Amount Used / Transfer from Reserve	0	(3,848)	0
	<u>46,537</u>	<u>46,537</u>	<u>0</u>
Total Reserves	<u>1,581,958</u>	<u>1,545,835</u>	<u>1,224,396</u>

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

Council have a policy of annual revaluation of road infrastructure. The amount of any revaluation adjustment at 30 June 2014 is not known. Any transfer to or from an asset revaluation reserve will be a non-cash transaction (treated as Other Comprehensive Income) and as such, has no impact on this budget document.

**Summary of Transfers
To Cash Backed Reserves**

Transfers to Reserves

Leave Reserve	7,000	9,139	60,915
Building Reserve	407,000	11,192	529,664
Resource Sharing Reserve	1,000	1,132	1,391
Plant Reserve	9,000	267,176	19,011
Waste Management Reserve	400	283	387
Green Head Public Open Space Reserve	6,000	172,002	0
Green Head Commercial Parking Reserve	1,000	1,332	1,637
Television Rebroadcasting Reserve	1,000	19,584	10,895
Unspent Grants Reserve	0	3,323	0
Leeman Public Open Space Reserve	13,600	306,960	0
Wann Park Water Reserve	4,000	6,401	7,867
Community Grant Reserve	0	501	615
Leeman Commercial Parking Reserve	0	1,423	1,749
Coorow Aged Accommodation Reserve	0	6,589	0
Leeman Aged Accommodation Reserve	0	50,385	0
	<u>450,000</u>	<u>857,421</u>	<u>634,131</u>

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

6. RESERVES (Continued)	2013/2014 Budget \$	2012/2013 Actual \$	2012/2013 Budget \$
Transfers from Reserves			
Leave Reserve	0	0	0
Building Reserve	(32,000)	(166,358)	(166,358)
Resource Sharing Reserve	0	0	0
Plant Reserve	(101,100)	0	(27,922)
Waste Management Reserve	0	0	0
Green Head Public Open Space Reserve	(172,002)	0	0
Green Head Commercial Parking Reserve	0	0	0
Television Rebroadcasting Reserve	(8,775)	0	0
Unspent Grants Reserve	0	(951,983)	0
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
Coorow Aged Accommodation Reserve	0	0	0
Leeman Aged Accommodation Reserve	0	(3,848)	0
	<u>(413,877)</u>	<u>(1,122,189)</u>	<u>(294,280)</u>
Total Transfer to/(from) Reserves	<u>36,123</u>	<u>(264,768)</u>	<u>339,851</u>

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

	2013/2014 Budget \$	2012/2013 Actual \$	2012/2013 Budget \$
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

Radio & Television Rebroadcasting Reserve

- To be used to maintain/upgrade equipment at radio 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 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

Leeman Aged Accommodation Reserve

- To be used for the maintenance and further development of the Aged Persons Units in Leeman

Coorow Aged Accommodation Reserve

- To be used for the maintenance and further development of the Aged Persons Units in Coorow

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

The Building Reserve is expected to be utilised in 2013/14.

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

	Note	2013/2014 Budget \$	2012/2013 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)	(1,365,788)	726,346
Cash - Restricted Unspent Grants		0	0
Cash - Restricted Unspent Loans		0	0
Cash - Restricted Reserves	15(a)	1,581,958	1,265,700
Rates - Current		250,000	174,300
Sundry Debtors		1,315,788	296,900
Less Provision for Doubtful Debts		(10,000)	
GST Receivable		50,000	
Accrued Income		500,000	591,700
Prepayments		0	0
Inventories		100,000	59,200
		<u>2,421,958</u>	<u>3,114,146</u>
LESS: CURRENT LIABILITIES			
Sundry Creditors		(655,109)	(474,446)
Payroll Liability		(35,000)	(26,800)
GST Liability		(20,000)	0
Accrued Expenditure		(50,000)	(45,400)
Accrued Interest on Debentures		0	0
Accrued Salaries and Wages		(45,000)	0
Current Employee Benefits Provision		(220,000)	(213,000)
Current Loan Liability		(125,000)	(63,000)
		<u>(1,150,109)</u>	<u>(822,646)</u>
NET CURRENT ASSET POSITION		1,271,849	2,291,500
Less: Cash - Restricted Reserves	15(a)	(1,581,958)	(1,265,700)
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		185,109	177,200
Add Back : Current Loan Liability		125,000	63,000
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		<u><u>0</u></u>	<u><u>1,266,000</u></u>

The estimated surplus/(deficiency) c/fwd in the 2012/2013 actual column represents the surplus (deficit) brought forward as at 1 July 2013.

The estimated surplus/(deficiency) c/fwd in the 2013/2014 budget column represents the surplus (deficit) carried forward as at 30 June 2014.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014

8. RATING INFORMATION - 2013/2014 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2013/2014 Budgeted Rate Revenue \$	2013/2014 Budgeted Interim Rates \$	2013/2014 Budgeted Back Rates \$	2013/2014 Budgeted Total Revenue \$	2012/2013 Actual \$
Differential General Rate								
UV - Agricultural & Mining	1.4429	207	106,679,052	1,539,250	0	0	1,539,250	
UV - Agricultural								1,461,095
GRV - Townsites	10.0590	711	7,856,794	790,300	500	0	790,800	820,527
UV - Mining								98,284
Sub-Totals		918	114,535,846	2,329,550	500	0	2,330,050	2,379,906
Minimum Rates	Minimum \$							
UV - Agricultural & Mining	700	55	506,108	38,500	0	0	38,500	
UV - Agricultural								4,200
GRV - Townsites	700	217	965,755	151,900	0	0	151,900	56,400
UV - Mining								17,400
Sub-Totals		272	1,471,863	190,400	0	0	190,400	78,000
Discounts (Note 12)							(89,000)	(87,658)
Rates Written Off							(1,000)	0
Total Amount of General Rates							2,430,450	2,370,248
Specified Area Rates (Note 9)							0	25,279
Ex-Gratia Rates							6,638	6,365
Total Rates							2,437,088	2,395,527

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 2013/2014 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 2014

9. SPECIFIED AREA RATE - 2013/2014 FINANCIAL YEAR

There are no Specified Area Rates planned for the 2013/2014 financial year.

Note: Maley Park Changerooms SAR finalised 2012/2013.

10. SERVICE CHARGES - 2013/2014 FINANCIAL YEAR

There are no Service Charges planned for the 2013/2014 financial year.

11. FEES & CHARGES REVENUE

	2013/2014	2012/2013
	Budget	Actual
	\$	\$
Governance	50	0
General Purpose Funding	5,410	4,851
Law, Order, Public Safety	5,900	10,930
Health	1,855	2,005
Education and Welfare	27,560	26,260
Housing	40,040	43,517
Community Amenities	223,178	206,799
Recreation & Culture	16,402	22,352
Transport	0	0
Economic Services	18,834	25,863
Other Property & Services	33,640	18,321
	<u>372,869</u>	<u>360,900</u>

12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2013/2014 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 \$89,000.

This equates to approx. 75% of ratepayers paying by the due date.

The discount is not available on the Emergency Services Levy or Rubbish Removal charges.

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 2014

13. INTEREST CHARGES AND INSTALMENTS - 2013/2014 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 \$22,000.
 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.

The second instalment is 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.

The second, third and fourth instalments to be at two month intervals thereafter.

Two Instalment Option

1st Instalment Due	11 September 2013
2nd Instalment Due	13 January 2014

Four Instalment Option

1st Instalment Due	11 September 2012
2nd Instalment Due	11 November 2013
3rd Instalment Due	13 January 2014
4th Instalment Due	13 March 2014

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 (\$6,000) and administration charge (\$2,310) under this option is estimated at \$8,310.

14. ELECTED MEMBERS REMUNERATION

The following fees, expenses and allowances were paid to Council members and/or the President.

	2013/2014 Budget \$	2012/2013 Actual \$
Meeting Fees	21,600	8,900
President's Allowance	10,000	11,000
Deputy President's Allowance	2,500	2,750
Travelling Expenses	10,000	1,500
Telecommunications Allowance	4,800	4,400
	<u>48,900</u>	<u>28,550</u>

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014

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:

	2013/2014 Budget \$	2012/2013 Actual \$	2012/2013 Budget \$
Cash - Unrestricted	(1,365,788)	726,346	12,476
Cash - Restricted	1,581,958	1,265,700	1,374,396
	<u>216,170</u>	<u>1,992,046</u>	<u>1,386,872</u>

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

Leave Reserve	185,109	178,109	221,824
Building Reserve	450,982	75,982	594,453
Resource Sharing Reserve	22,638	21,638	21,898
Plant Reserve	425,678	517,778	271,355
Waste Management Reserve	5,385	4,985	6,089
Green Head Public Open Space Reserve	6,000	172,002	0
Green Head Commercial Parking Reserve	26,463	25,463	25,769
Television Rebroadcasting Reserve	22,849	30,624	21,936
Unspent Grants Reserve	0	0	0
Leeman Public Open Space Reserve	320,560	306,960	0
Wann Park Water Reserve	26,381	122,381	23,846
Community Grant Reserve	9,573	9,573	9,687
Leeman Commercial Parking Reserve	27,214	27,214	27,539
Coorow Aged Accommodation Reserve	6,589	6,589	0
Leeman Aged Accommodation Reserve	46,537	46,537	0
Unspent Grants (Restricted Cash Account)	0	0	150,000
Unspent Loans	0	0	0
	<u>1,581,958</u>	<u>1,545,835</u>	<u>1,374,396</u>

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

Net Result	3,387,302	628,275	3,490,195
Depreciation	2,519,380	2,533,309	2,260,250
(Profit)/Loss on Sale of Asset	(146,822)	14,424	(398,367)
(Increase)/Decrease in Receivables	(50,000)	(273,947)	310,222
(Increase)/Decrease in Inventories	0	34,675	2,050
Increase/(Decrease) in Payables	100,000	(62,351)	289,410
Increase/(Decrease) in Employee Provisions	(28,500)	51,883	(46,127)
Grants/Contributions for the Development of Assets	(5,686,911)	(1,229,111)	(4,681,639)
Non-Current Assets recognised due to change in Legislative Requirements	0	0	0
Net Cash from Operating Activities	<u>94,449</u>	<u>1,697,155</u>	<u>1,225,994</u>

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014

15. NOTES TO THE STATEMENT OF CASH FLOWS (Cont.)

(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	0	1,728	0
Total Amount of Credit Unused	<u>15,000</u>	<u>16,728</u>	<u>15,000</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 2014

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 01 July 2013 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2014 \$
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	0	0	0	0
House Bond-Lot 490 Tamerisk Street	0	0	0	0
Aged Unit Bond-Commercial St	600	0	0	600
Leeman Aged Units surplus	42,703	0	(42,703)	0
Coorow Aged Units surplus	712	0	(712)	0
LGCHP Surplus	47,818	0	(32,000)	15,818
BCITF Levy	(2,802)	5,000	(2,198)	0
BRB Levy	(1,513)	2,000	(487)	0
DoT Licensing	0	330,000	(330,000)	0
RSL Thailand Competition	185	0	0	185
Kerbing Deposits	12,100	1,000	(2,100)	11,000
Nomination Deposits	0	400	(400)	0
Maley Park Committee	0	0	0	0
Coorow Christmas Tree	456	0	0	456
Coorow Bushfire Brigade	2,025	0	0	2,025
CCLI Number Plate Funds	800	200	0	1,000
Leeman Number Plates	2,000	400	0	2,400
Green Head Number Plates	300	100	0	400
Warradarge Bushfire Brigade	1,350	0	0	1,350
Leeman Bushfire Brigade	3,033	0	0	3,033
Snag Island Coastal Kids	0	0	0	0
Refuse Site Key Bond	1,600	200	(400)	1,400
Public Open Space	316,490	0	(316,490)	0
Standpipe Card Bond	280	140	(140)	280
Bonds-Other	5,973	5,000	(6,000)	4,973
	435,610	344,440	(733,630)	46,420

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2014**

17. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2013/2014.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2013/2014.