

SHIRE OF COOROW
BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

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SHIRE OF COOROW
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Revenue				
Rates	8	2,637,050	2,431,759	2,437,088
Operating Grants, Subsidies and Contributions		1,606,245	799,937	1,294,347
Fees and Charges	11	272,080	256,083	372,869
Interest Earnings	2(a)	101,000	114,825	119,761
Other Revenue		1,425,841	887,873	40,900
		<u>6,042,216</u>	<u>4,490,478</u>	<u>4,264,965</u>
Expenses				
Employee Costs		(1,412,189)	(1,481,825)	(1,664,387)
Materials and Contracts		(2,268,100)	(1,891,324)	(2,260,028)
Utility Charges		(328,090)	(346,029)	(276,758)
Depreciation on Non-Current Assets	2(a)	(2,822,545)	(3,119,962)	(2,519,380)
Interest Expenses	2(a)	(23,827)	(15,999)	(11,760)
Insurance Expenses		(197,637)	(183,456)	(170,726)
Other Expenditure		(65,160)	(77,424)	191,642
		<u>(7,117,548)</u>	<u>(7,116,019)</u>	<u>(6,711,397)</u>
		<u>(1,075,332)</u>	<u>(2,625,541)</u>	<u>(2,446,432)</u>
Non-Operating Grants, Subsidies and Contributions		2,995,083	3,118,207	5,686,912
Profit on Asset Disposals	4	78,047	19,071	221,000
Loss on Asset Disposals	4	(555,396)	(2,389,488)	(74,178)
NET RESULT		1,442,402	(1,877,751)	3,387,302
TOTAL COMPREHENSIVE INCOME		<u>1,442,402</u>	<u>(1,877,751)</u>	<u>3,387,302</u>

Notes:

All fair value adjustments relating to remeasurement 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 upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

SHIRE OF COOROW
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Revenue (Refer Notes 1,2,8 to 13)				
Governance		69,150	44,288	15,050
General Purpose Funding		4,108,250	3,224,504	3,404,980
Law, Order, Public Safety		59,460	63,088	1,045,230
Health		2,140	5,167	2,855
Education and Welfare		28,160	38,231	68,660
Housing		604,878	75,492	40,040
Community Amenities		310,115	243,228	234,558
Recreation and Culture		102,984	74,664	2,438,650
Transport		664,484	500,709	1,250,377
Economic Services		28,409	58,812	26,334
Other Property and Services		125,940	167,750	103,440
		6,103,971	4,495,933	8,630,174
Expenses Excluding				
Finance Costs (Refer Notes 1,2 & 14)				
Governance		(557,568)	(509,116)	(539,983)
General Purpose Funding		(262,020)	(305,514)	(256,038)
Law, Order, Public Safety		(393,663)	(409,867)	(305,682)
Health		(159,315)	(134,257)	(151,214)
Education and Welfare		(72,773)	(65,803)	(63,102)
Housing		49,421	250,106	(29,863)
Community Amenities		(807,767)	(689,443)	(700,122)
Recreation & Culture		(1,175,149)	(1,230,336)	(1,009,713)
Transport		(3,461,372)	(3,093,037)	(3,256,063)
Economic Services		(236,130)	(157,810)	(227,715)
Other Property and Services		(79,140)	(764,636)	(160,142)
		(7,155,476)	(7,109,713)	(6,699,637)
Finance Costs (Refer Notes 2 & 5)				
Housing		(19,218)	(9,791)	(5,535)
Community Amenities		(239)	(1,376)	(1,380)
Recreation & Culture		(4,370)	(4,832)	(4,845)
		(23,827)	(15,999)	(11,760)
Non-operating Grants, Subsidies and Contributions				
Law, Order, Public Safety		987,670	0	0
Education and Welfare		0	50,108	0
Housing		0	200,000	400,000
Recreation & Culture		1,196,714	2,083,104	921,702
Transport		810,699	784,996	0
		2,995,083	3,118,207	1,321,702

SHIRE OF COOROW
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Profit/(Loss) On				
Disposal Of Assets (Refer Note 4)				
Governance		16,292	(8,993)	(3,295)
Law, Order, Public Safety		(279,415)	0	(17,965)
Health		0	13,617	(8,950)
Education and Welfare		0	(414)	0
Housing		(42,944)	(243,952)	220,000
Recreation & Culture		0	(1,936,656)	0
Transport		(171,282)	(59,196)	(42,968)
Economic Services		0	(43,163)	0
Other Property and Services		0	(91,659)	0
		<u>(477,349)</u>	<u>(2,370,417)</u>	<u>146,822</u>
NET RESULT		1,442,402	(1,881,989)	3,387,302
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>1,442,402</u>	<u>(1,881,989)</u>	<u>3,387,302</u>

Notes:

All fair value adjustments relating to remeasurement 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 upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

**SHIRE OF COOROW
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,605,717	2,529,215	2,447,088
Operating Grants, Subsidies and Contributions		1,606,245	1,663,914	1,394,347
Fees and Charges		272,080	516,900	447,869
Interest Earnings		101,000	114,825	120,761
Goods and Services Tax		30,000	386,964	400,000
Other Revenue		1,425,841	575,261	40,900
		6,040,883	5,787,079	4,850,965
Payments				
Employee Costs		(1,594,376)	(1,895,486)	(1,689,387)
Materials and Contracts		(1,997,073)	(1,111,831)	(2,365,028)
Utility Charges		(328,090)	(296,029)	(311,758)
Interest Expenses		(23,827)	(15,999)	(170,726)
Insurance Expenses		(197,637)	(183,456)	(11,260)
Goods and Services Tax		(30,000)	(422,097)	(400,000)
Other Expenditure		(65,160)	47,705	191,643
		(4,236,163)	(3,877,193)	(4,756,516)
Net Cash Provided By Operating Activities	15(b)	1,804,720	1,909,886	94,449
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment	3	(3,384,543)	(776,221)	(3,325,979)
Payments for Construction of Infrastructure	3	(3,494,103)	(4,731,777)	(5,120,557)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		2,995,083	3,318,207	5,686,912
Proceeds from Sale of Plant & Equipment	4	733,733	136,000	567,500
Proceeds from Advances		222,000	0	0
Net Cash Used in Investing Activities		(2,927,830)	(2,053,791)	(2,192,124)
Cash Flows from Financing Activities				
Repayment of Debentures	5	(126,359)	(60,195)	(60,195)
Proceeds from Self Supporting Loans		18,191	16,867	31,995
Proceeds from New Debentures	5	175,600	350,000	350,000
Net Cash Provided By (Used In) Financing Activities		67,432	306,672	321,800
Net Increase (Decrease) in Cash Held		(1,055,678)	162,767	(1,775,875)
Cash at Beginning of Year		2,136,528	1,973,761	1,992,046
Cash and Cash Equivalents at the End of the Year	15(a)	1,080,850	2,136,528	216,171

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

**SHIRE OF COOROW
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Revenues	1,2			
Governance		85,442	44,288	15,050
General Purpose Funding		1,471,200	713,370	967,892
Law, Order, Public Safety		1,047,130	63,088	1,045,230
Health		2,140	18,783	2,855
Education and Welfare		28,160	88,339	68,660
Housing		604,878	275,492	660,040
Community Amenities		310,115	243,228	234,558
Recreation and Culture		1,299,698	2,157,768	3,360,352
Transport		1,475,183	1,285,705	1,250,377
Economic Services		28,409	58,812	26,334
Other Property and Services		125,940	167,750	103,440
		6,478,295	5,116,623	7,734,788
Expenses	1,2			
Governance		(557,568)	(518,109)	(543,278)
General Purpose Funding		(262,020)	(305,514)	(256,038)
Law, Order, Public Safety		(673,079)	(409,867)	(323,647)
Health		(159,315)	(134,257)	(160,164)
Education and Welfare		(72,773)	(66,217)	(63,102)
Housing		(12,741)	619	(35,398)
Community Amenities		(808,006)	(690,823)	(701,502)
Recreation & Culture		(1,179,519)	(3,171,837)	(1,014,558)
Transport		(3,632,653)	(3,152,233)	(3,299,031)
Economic Services		(236,130)	(200,974)	(227,715)
Other Property and Services		(79,140)	(856,295)	(160,142)
		(7,672,944)	(9,505,507)	(6,784,575)
Net Operating Result Excluding Rates		(1,194,648)	(4,388,884)	950,214
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	4	477,349	2,370,417	(146,822)
Depreciation on Assets	2(a)	2,822,545	3,119,962	2,519,380
Realisation on Asset Disposals		0	133,182	567,500
Capital Expenditure and Revenue				
Purchase Land and Buildings	3	(1,311,751)	(449,000)	(1,525,859)
Purchase Plant and Equipment	3	(2,034,522)	(280,795)	(1,749,570)
Purchase Furniture and Equipment	3	(13,000)	(20,136)	(22,500)
Purchase Tools	3	(25,270)	(26,290)	(28,050)
Purchase Infrastructure Assets - Roads	3	(1,634,927)	(1,562,093)	(1,903,956)
Purchase Infrastructure Assets - Footpaths	3	(25,604)	0	(25,604)
Purchase Infrastructure Assets - Drainage	3	(216,291)	(5,387)	0
Purchase Infrastructure Assets - Other	3	(1,435,095)	(3,178,776)	(3,190,997)
Proceeds from Disposal of Assets	4	733,733	136,000	567,500
Repayment of Debentures	5	(126,359)	(60,195)	(60,195)
Proceeds from New Debentures	5	175,600	350,000	350,000
Self-Supporting Loan Principal Income		18,191	16,867	31,995
Transfers to Reserves (Restricted Assets)	6	(520,000)	(524,688)	(450,000)
Transfers from Reserves (Restricted Assets)	6	583,783	512,245	413,877
Transfers from Restricted Cash (Unspent Grants)		667,216	364,867	0
Transfers from Trust		222,000	0	0
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	200,000	735,711	1,266,000
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	200,000	0
Amount Required to be Raised from General Rate	8	(2,637,050)	(2,956,993)	(2,437,087)

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 2015

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

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.

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. A separate statement of those monies appears at Note 16 to this budget document.

(b) 2013/14 Actual Balances

Balances shown in this budget as 2013/14 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

(d) 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.

(e) Goods and Services Tax (GST)

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.

(f) 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 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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 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 in the statement of financial position.

(h) 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.

Collectability 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.

(i) 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 held for development and sale 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 profit or loss 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 sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(j) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and 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.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

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.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the budget as necessary.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was 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 the other policies detailed in this Note.

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they were revalued along with other items of Land and Buildings at 30 June 2014.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, 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.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

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.

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 such 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

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

Major depreciation periods used for each class of depreciable asset are:

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

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

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 the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(k) Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fair Value of Assets and Liabilities (Continued)

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fair Value of Assets and Liabilities (Continued)

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(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 cost.

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 and any reduction for impairment; and
- (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.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

The effective interest 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 are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in 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.

(iii) Held-to-maturity investments

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

They are subsequently measured at fair value with changes in such fair value (i.e. 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 that 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 (excl. financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Impairment

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 (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, 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 to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. 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 of Assets

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 (e.g. AASB 116) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of Assets (Continued)

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2015.

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

(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

Short-Term Employee Benefits

Provision is made for the Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 until such time as the asset is substantially ready for its intended use or sale.

(q) Provisions

Provisions are recognised when the Council has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and 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 sale where it is held as non-current based on the Council's intentions to release for sale.

(s) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for 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 2015

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result			
The Net Result includes:			
(i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	37,500	37,455	20,500
Other Services	0	0	8,500
Depreciation			
By Program			
Governance	58,500	62,501	58,500
Law, Order, Public Safety	160,030	175,772	80,630
Health	12,675	13,613	3,870
Education and Welfare	14,800	18,603	5,450
Housing	71,200	82,297	34,000
Community Amenities	24,900	27,492	19,240
Recreation and Culture	289,970	336,136	152,340
Transport	1,780,100	1,954,406	1,801,000
Economic Services	7,870	9,156	9,250
Other Property and Services	402,500	439,985	355,100
	<u><u>2,822,545</u></u>	<u><u>3,119,962</u></u>	<u><u>2,519,380</u></u>
By Class			
Buildings	213,290	235,764	190,380
Furniture and Equipment	38,091	42,105	34,000
Plant and Equipment	565,768	625,384	505,000
Tools	12,884	14,241	11,500
Roads	1,877,118	2,074,914	1,675,500
Footpaths	30,809	34,056	27,500
Drainage	28,568	31,579	25,500
Other Infrastructure	56,017	61,919	50,000
	<u><u>2,822,545</u></u>	<u><u>3,119,962</u></u>	<u><u>2,519,380</u></u>
Interest Expenses (Finance Costs)			
- Debentures (<i>refer note 5(a)</i>)	23,827	15,999	11,760
	<u><u>23,827</u></u>	<u><u>15,999</u></u>	<u><u>11,760</u></u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	40,000	47,114	50,000
- Other Funds	35,000	38,523	41,761
Other Interest Revenue (<i>refer note 13</i>)	26,000	29,188	28,000
	<u><u>101,000</u></u>	<u><u>114,825</u></u>	<u><u>119,761</u></u>

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

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, reflected by the Shire's Community Vision, and for each of its broader activities/programs.

COMMUNITY VISION

The Shire of Coorow will be a sustainable, progressive, desirable and caring community, which recognises and values its diversity.

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 - Child Minding Centre
Senior Citizens - Aged Persons Accommodation
Education - Community Resource Centres

HOUSING

Rental accommodation of community housing
Employee Housing

COMMUNITY AMENITIES

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

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

RECREATION AND CULTURE

Halls - Coorow Hall, Maley Park, Green Head Community Centre
Swimming Pools - operation of Coorow Swimming Pool
Other Rec & Sport - Coorow and Leeman ovals, parks, gardens, foreshore reserves
Boat ramps, Leeman Recreation Centre, townscaping, sporting clubs
Libraries - Coorow, Leeman and Green Head
Radio 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 2015

3. ACQUISITION OF ASSETS	2014/15 Budget \$
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Governance	
Laptops - Elected Members	1,500
CEO Vehicle	80,000
Admin Computers	8,000
Coorow Office Furniture	1,000
Leeman Office Furniture	1,000
Landscaping of Coorow Admin Office gardens	10,000
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	41,157
CCTV Infrastructure - Leeman	25,000
Education and Welfare	
<u>Leeman Aged Persons Units:</u>	
Unit 1 - Retile shower recess	5,000
Unit 2 - Replace carpet	5,000
Unit 4 - Erect rear shade patio	15,000
Unit 4 - Retile shower recess	5,000
Housing	
<u>Lot 490 Tamarisk St</u>	
Patio extension	7,000
<u>Lot 49 Nairn St</u>	
Paint front patio	5,000
<u>Lot 5 Bristol St - Coorow</u>	
Repaint bathroom	3,000
New vanity basin	200
Repair front patio	1,000
<u>Lot 103 Bristol St</u>	
Replace vertical blinds	1,000
Front verandah re-decking	2,000
Paint externally	5,000
<u>Lot 520 Tuart St</u>	
Paint externally	20,000
<u>Lot 29 Spain St</u>	
Replace vertical blinds	800
Repaint second bedroom	2,000
<u>9 Morcombe Rd</u>	
Ceiling fans x 3	2,000
Internal sliding doors	4,000
Construction of Brand St houses x 2	420,000
Provision for replacement carpets for Council houses	5,000

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

3. ACQUISITION OF ASSETS (Continued)	2014/15 Budget \$
Community Amenities	
<u>Dynamite Bay Toilets</u>	
Replace door frames	2,000
<u>Coastal Cemetery</u>	
Completion of initial works	56,150
<u>Squatters' Area Camping Infrastructure</u>	
Painting of ablution blocks and lookout	3,000
 Recreation and Culture	
Coorow District Hall Upgrade	669,927
Leeman Country & Sporting Club solar panels	33,600
Coorow Golf Club Ceilings	4,000
<u>Coorow Swimming Pool</u>	
Dosing Regulator	10,000
Access Ladder	5,000
Painting of ablution block	10,000
Plumbing	4,000
 Maley Park playground equipment	 70,724
Illyarrie Street Boat Ramp	908,945
Lot 601 POS Development - Green Head	172,000
Wann Park Storm Water Harvesting	199,250
Leeman Foreshore Infrastructure	52,000
Cliff Park - shelter over concrete pad	5,000
Morphett Park - painting of ablution block	1,000
Dynamite Bay - painting of lookout	1,000
Cliff Park War Memorial - second flagpole	1,750
 Transport	
<u>Roadworks</u>	
Green Head Rd kerbing & drainage	121,420
Thomas St Leeman kerbing & drainage	94,871
Railway Rd gravel resheeting	78,222
Chatfield-Clark Rd gravel resheeting	99,608
White Rd gravel resheeting	59,355
Buntine-Marchagee Rd formwork, drainage & seal widening	239,517
Coorow - Green Head Rd East formwork & seal widening	281,777
Coorow - Green Head Rd West shoulders & culvert widening	242,724
Launer Rd culverts	198,745
Erindoon Rd gravel resheeting	57,480
Brand St gravel construction	24,297
Carger Rd resheeting	95,058
Johns St kerbing	46,471
Thomas St Leeman kerbing	40,076
Tootbardie Rd design and land purchase	70,000
Johns St footpath	25,604
Depot Infrastructure	23,500
Dynamite Bay car park	101,597

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

3. ACQUISITION OF ASSETS (Continued)	2014/15 Budget \$
<u>Plant Purchases</u>	
Replace 2006 Iveco 8 x 4 Truck	307,631
Replace 2000 Dyna Gardener's Truck	68,000
MWS vehicle	63,000
Construction Leading Hand vehicle	41,157
Coastal Leading Hand vehicle	41,157
Additional Grader	350,000
Refurbishment of Side Tip Trailer	25,750
<u>Sundry Tools</u>	
Coorow:	
Hydraulic Crimper	4,880
Litter Vacuum	2,840
Chain Saw	1,300
Vertimower	5,800
Upright Rammer	3,100
Leeman:	
Mig Welder	1,850
Lawn Mower	2,200
Pole Chain Saw	1,500
Brush Cutter	1,800
Breathalyser machines x 2	1,500
	6,696,460
 <u>By Class</u>	
Tools	25,270
Buildings	1,311,751
Land	0
Infrastructure Assets - Roads	1,634,927
Infrastructure Assets - Other	1,435,095
Infrastructure - Footpaths	25,604
Infrastructure - Drainage	216,291
Plant and Equipment	2,034,522
Furniture and Equipment	13,000
	6,696,460

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 2015

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)
	2014/15 BUDGET	2014/15 BUDGET	2014/15 BUDGET
	\$	\$	\$
Governance			
CEO vehicle	40,916	60,000	19,084
Notebook PC - Leeman Depot	2,005	0	(2,005)
Notebook PC - Coorow Depot	412	0	(412)
Desktop PC - MWS Leeman	375	0	(375)
Law, Order, Public Safety			
Leeman VBFB Fire Tender	151,854	10,000	(141,854)
Leeman VBFB Urban Tanker	27,008	0	(27,008)
Green Head VBFB Fire Tender	42,144	0	(42,144)
Warradarge VBFB Fire Tender	46,814	0	(46,814)
Ranger vehicle	39,105	17,510	(21,595)
Housing			
Lot 520 Tuart St	494,958	400,000	(94,958)
Lot 103 Bristol St	27,986	80,000	52,014
Transport			
Construction Leading Hand vehicle	31,910	17,510	(14,400)
MWS vehicle	39,259	43,000	3,741
Coastal Leading Hand vehicle	38,693	17,510	(21,183)
8 x 4 Works truck	227,642	82,203	(145,439)
Gardener truck	0	6,000	6,000
	1,211,082	733,733	(477,349)

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2014/15 BUDGET	2014/15 BUDGET	2014/15 BUDGET
	\$	\$	\$
Land	125,000	125,000	0
Buildings	397,944	355,000	(42,944)
Plant & Equipment	685,346	253,733	(431,613)
Furniture & Equipment	2,792	0	(2,792)
	1,211,082	733,733	(477,349)

<u>Summary</u>	2014/15 BUDGET
	\$
Profit on Asset Disposals	78,047
Loss on Asset Disposals	(555,396)
	<u>(477,349)</u>

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

Particulars	Principal 1-Jul-14	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2014/15 Budget \$	2013/14 Actual \$	2014/15 Budget \$	2013/14 Actual \$	2014/15 Budget \$	2013/14 Actual \$
Staff Housing								
Loan 79 - Leeman Executive Residence	87,350	0	20,114	19,065	67,236	87,350	4,484	5,521
Loan 88 - Leeman Executive Residence	350,000	0	65,030	0	284,970	350,000	12,386	4,270
New Loan - Brand St Residences x 2	0	142,000	13,193	0	128,807	0	2,348	0
Community Amenities								
Loan 77 - CCLI Coorow Hotel (SS)	0	0	0	10,175	0	0	0	273
Loan 81A - CCLI Coorow Roadhouse (SS)	7,722	0	7,722	14,820	0	7,718	239	1,103
Recreation and Culture								
Loan 82 - Leeman Bowling Green Upgrade (SS)	11,252	0	7,399	7,000	3,853	11,252	566	965
Loan 87 - Maley Park Changerooms	44,066	0	9,831	9,135	34,235	44,066	3,129	3,867
New Loan - LCSC Solar Panels (SS)	0	33,600	3,070	0	30,530	0	675	0
	500,390	175,600	126,359	60,195	549,631	500,386	23,827	15,999

Loans shown as Self-Supporting (SS) are financed by payments from third parties.
All other debenture repayments are to be financed by general purpose revenue.

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2014/15

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
New Loan - Brand St Residences x 2	142,000	WATC	P&I	5	13,398	3.25	142,000	0
New Loan - LCSC Solar Panels (SS)	33,600	WATC	P&I	5	3,806	4.00	33,600	0

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2014 nor is it expected to have unspent debenture funds as at 30th June 2015.

(d) Overdraft

The Shire of Coorow has no overdraft facility as at 30th June 2014.

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
6. RESERVES			
(a) Leave Reserve			
Opening Balance	184,861	178,109	178,109
Amount Set Aside / Transfer to Reserve	6,842	6,752	7,000
Amount Used / Transfer from Reserve	0	0	0
	191,703	184,861	185,109
(b) Building Reserve			
Opening Balance	79,436	75,982	75,982
Amount Set Aside / Transfer to Reserve	482,940	3,454	407,000
Amount Used / Transfer from Reserve	(78,000)	0	(32,000)
	484,376	79,436	450,982
(c) Resource Sharing Reserve			
Opening Balance	22,459	21,638	21,638
Amount Set Aside / Transfer to Reserve	831	820	1,000
Amount Used / Transfer from Reserve	0	0	0
	23,290	22,459	22,638
(d) Plant Reserve			
Opening Balance	516,718	517,778	517,778
Amount Set Aside / Transfer to Reserve	19,125	19,840	9,000
Amount Used / Transfer from Reserve	(371,787)	(20,900)	(101,100)
	164,056	516,718	425,678
(e) Waste Management Reserve			
Opening Balance	5,174	4,985	4,985
Amount Set Aside / Transfer to Reserve	192	189	400
Amount Used / Transfer from Reserve	0	0	0
	5,366	5,174	5,385
(f) Green Head Public Open Space Reserve			
Opening Balance	0	0	172,002
Amount Set Aside / Transfer to Reserve	0	174,547	6,000
Amount Used / Transfer from Reserve	0	(174,547)	(172,002)
	0	0	6,000
(g) Green Head Commercial Parking Reserve			
Opening Balance	26,429	25,463	25,463
Amount Set Aside / Transfer to Reserve	978	965	1,000
Amount Used / Transfer from Reserve	0	0	0
	27,407	26,429	26,463
(h) Television Rebroadcasting Reserve			
Opening Balance	31,104	30,624	30,624
Amount Set Aside / Transfer to Reserve	1,151	479	1,000
Amount Used / Transfer from Reserve	(4,108)	0	(8,775)
	28,147	31,104	22,849
Total Reserves C/Fwd	924,344	866,180	1,145,104

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
6. RESERVES (Continued)			
Total Reserves B/Fwd	924,344	866,180	1,145,104
(i) Leeman Public Open Space Reserve			
Opening Balance	0	0	306,960
Amount Set Aside / Transfer to Reserve	0	311,502	13,600
Amount Used / Transfer from Reserve	0	(311,502)	0
	0	0	320,560
(j) Wann Park Water Reserve			
Opening Balance	127,020	122,381	122,381
Amount Set Aside / Transfer to Reserve	4,702	4,640	4,000
Amount Used / Transfer from Reserve	(100,000)	0	(100,000)
	31,722	127,020	26,381
(k) Community Grant Reserve			
Opening Balance	4,626	9,573	9,573
Amount Set Aside / Transfer to Reserve	171	350	0
Amount Used / Transfer from Reserve	0	(5,296)	0
	4,797	4,626	9,573
(l) Leeman Commercial Parking Reserve			
Opening Balance	28,246	27,214	27,214
Amount Set Aside / Transfer to Reserve	1,046	1,032	0
Amount Used / Transfer from Reserve	0	0	0
	29,292	28,246	27,214
(m) Coorow Aged Accommodation Reserve			
Opening Balance	6,706	6,589	6,589
Amount Set Aside / Transfer to Reserve	248	117	0
Amount Used / Transfer from Reserve	(1,343)	0	0
	5,611	6,706	6,589
(n) Leeman Aged Accommodation Reserve			
Opening Balance	47,925	46,537	46,537
Amount Set Aside / Transfer to Reserve	1,774	1,388	0
Amount Used / Transfer from Reserve	(28,545)	0	0
	21,154	47,925	46,537
(o) Unspent Grants Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	0	0	0
Total Reserves	1,016,921	1,080,704	1,581,958

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

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

6. RESERVES (Continued)	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
SUMMARY OF RESERVE TRANSFERS			
Transfers to Reserves			
Leave Reserve	6,842	6,752	7,000
Building Reserve	482,940	3,454	407,000
Resource Sharing Reserve	831	820	1,000
Plant Reserve	19,125	19,840	9,000
Waste Management Reserve	192	189	400
Green Head Public Open Space Reserve	0	174,547	6,000
Green Head Commercial Parking Reserve	978	965	1,000
Television Rebroadcasting Reserve	1,151	479	1,000
Leeman Public Open Space Reserve	0	311,502	13,600
Wann Park Water Reserve	4,702	4,640	4,000
Community Grant Reserve	171	350	0
Leeman Commercial Parking Reserve	1,046	1,032	0
Coorow Aged Accommodation Reserve	248	117	0
Leeman Aged Accommodation Reserve	1,774	0	0
	<u>520,000</u>	<u>524,688</u>	<u>450,000</u>
Transfers from Reserves			
Building Reserve	(78,000)	0	(32,000)
Resource Sharing Reserve	0	0	0
Plant Reserve	(371,787)	(20,900)	(101,100)
Green Head Public Open Space Reserve	0	(174,547)	(172,002)
Television Rebroadcasting Reserve	(4,108)	0	(8,775)
Leeman Public Open Space Reserve	0	(311,502)	0
Wann Park Water Reserve	(100,000)	0	(100,000)
Community Grant Reserve	0	(5,296)	0
Coorow Aged Accommodation Reserve	(1,343)	0	0
Leeman Aged Accommodation Reserve	(28,545)	0	0
	<u>(583,783)</u>	<u>(512,245)</u>	<u>(413,877)</u>
Total Transfer to/(from) Reserves	<u>(63,783)</u>	<u>12,443</u>	<u>36,123</u>

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

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.

SHIRE OF COOROW

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2015

	Note	2014/15 Budget \$	2013/14 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)	63,929	388,608
Cash - Restricted Reserves	15(a)	1,016,921	1,747,920
Receivables		295,523	264,190
Inventories		(0)	135,841
		<u>1,376,373</u>	<u>2,536,559</u>
LESS: CURRENT LIABILITIES			
Payables and Provisions		<u>(359,452)</u>	<u>(406,452)</u>
		(359,452)	(406,452)
NET CURRENT ASSET POSITION		1,016,921	2,130,107
Less: Cash - Restricted Reserves	15(a)	(1,016,921)	(1,080,704)
Less: Cash - Restricted Municipal		<u>0</u>	<u>(667,216)</u>
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		<u>(0)</u>	<u>382,187</u>

The estimated surplus/(deficiency) c/fwd in the 2013/14 actual column represents the surplus (deficit) brought forward as at 1 July 2014.

The estimated surplus/(deficiency) c/fwd in the 2014/15 budget column represents the surplus (deficit) carried forward as at 30 June 2015.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

8. RATING INFORMATION - 2014/15 FINANCIAL YEAR

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2014/15 Budgeted Rate Revenue \$	2014/15 Budgeted Interim Rates \$	2014/15 Budgeted Back Rates \$	2014/15 Budgeted Total Revenue \$	2013/14 Actual \$
Differential General Rate								
UV - Agricultural & Mining		0	0	0	0	0	0	1,530,419
UV - Agricultural	1.5580	202	103,340,000	1,610,035	0	0	1,610,035	
GRV - Townsites	10.5620	712	7,874,274	831,670	500	0	832,170	790,315
UV - Mining	14.9490	21	660,791	101,625	0	0	101,625	
Sub-Totals		935	111,875,065	2,543,330	500	0	2,543,830	2,320,734
Minimum Payment	Minimum \$							
UV - Agricultural & Mining		0	0	0	0	0	0	38,500
UV - Agricultural	735	9	91,300	6,615	0	0	6,615	
GRV - Townsites	735	214	984,282	157,290	0	0	157,290	151,900
UV - Mining	735	19	28,366	13,965	0	0	13,965	
Sub-Totals		242	1,103,948	177,870	0	0	177,870	190,400
Discounts (Note 12)							(91,500)	(86,975)
Rates Written Off							(1,000)	(241)
Total Amount Raised from General Rate							2,629,200	2,423,918
Ex Gratia Rates							7,850	7,842
Total Rates							2,637,050	2,431,759

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 2014/15 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 2015**

**8(a). RATING INFORMATION - 2014/15 FINANCIAL YEAR
(continued)**

OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of Differential Rating.

GRV - Residential

Properties within the townsite boundaries with a predominant residential use. This is considered to be the base rate by which all other GRV rated properties are assessed.

UV Rural

Consists of properties exclusively for rural use. This is considered the base rate for which all other UV rated properties are assessed.

UV Mining

Consists of properties having a mining use. This category is rated higher to reflect the higher infrastructure maintenance to Council.

Minimum Rates

The setting of minimum rates within the categories is an important method of ensuring all properties contribute an equitable rate amount.

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

9. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

There are no Specified Area Rates planned for the 2014/15 financial year.
 Note: Maley Park Changerooms SAR finalised 2012/13.

10. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

There are no Service Charges planned for the 2014/15 financial year.

11. FEES & CHARGES REVENUE	2014/15 Budget \$	2013/14 Actual \$
Governance	50	0
General Purpose Funding	5,500	6,120
Law, Order, Public Safety	6,200	7,149
Health	2,140	3,390
Community Amenities	237,281	220,522
Recreation & Culture	10,000	7,181
Economic Services	10,909	11,722
	<u>272,080</u>	<u>256,083</u>

12. RATE PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS
- 2014/15 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 \$91,500.
 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 2015**

13. INTEREST CHARGES AND INSTALMENTS - 2014/15 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.

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	10 September 2014
2nd Instalment Due	12 January 2015

Four Instalment Option

1st Instalment Due	10 September 2014
2nd Instalment Due	10 November 2014
3rd Instalment Due	12 January 2015
4th Instalment Due	12 March 2015

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 (\$2,400) under this option is estimated at \$8,400

14. ELECTED MEMBERS REMUNERATION

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

	2014/15 Budget \$	2013/14 Actual \$
Meeting Fees	21,600	19,800
President's Allowance	10,000	10,000
Deputy President's Allowance	2,500	2,500
Travelling Expenses	5,000	903
Telecommunications Allowance	4,800	4,800
	<u>43,900</u>	<u>38,003</u>

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

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:

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
Cash - Unrestricted	63,929	388,608	(1,365,788)
Cash - Restricted	1,016,921	1,747,920	1,581,958
	<u>1,080,850</u>	<u>2,136,528</u>	<u>216,170</u>

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

Restricted Cash a/c - Unspent Grants	0	667,216	0
Leave Reserve	191,703	184,861	185,109
Building Reserve	484,376	79,436	450,982
Resource Sharing Reserve	23,290	22,459	22,638
Plant Reserve	164,056	516,718	425,678
Waste Management Reserve	5,366	5,174	5,385
Green Head Public Open Space Reserve	0	0	6,000
Green Head Commercial Parking Reserve	27,407	26,429	26,463
Television Rebroadcasting Reserve	28,147	31,104	22,849
Leeman Public Open Space Reserve	0	0	320,560
Wann Park Water Reserve	31,722	127,020	26,381
Community Grant Reserve	4,797	4,626	9,573
Leeman Commercial Parking Reserve	29,292	28,246	27,214
Coorow Aged Care Reserve	5,611	6,706	6,589
Leeman Aged Care Reserve	21,154	47,925	46,537
	<u>1,016,921</u>	<u>1,747,920</u>	<u>1,581,958</u>

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

Net Result	1,442,402	(1,881,989)	3,387,302
Depreciation	2,822,545	3,119,962	2,519,380
(Profit)/Loss on Sale of Asset	477,349	2,370,417	(146,822)
(Increase)/Decrease in Receivables	(31,333)	625,856	(50,000)
(Increase)/Decrease in Inventories	135,841	135,636	0
Increase/(Decrease) in Payables	(47,000)	559,478	100,000
Increase/(Decrease) in Employee Provisions	0	94,495	(28,500)
Grants/Contributions for the Development of Assets	(2,995,083)	(3,118,207)	(5,686,911)
Net Cash from Operating Activities	<u>1,804,721</u>	<u>1,905,647</u>	<u>94,449</u>

SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015

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

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit Card limit	15,000	15,000	15,000
Credit Card Balance at Balance Date	<u>0</u>	<u>784</u>	<u>0</u>
Total Amount of Credit Unused	<u>15,000</u>	<u>15,784</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 2015

16. TRUST FUNDS

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

Detail	Balance 1-Jul-14 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-15 \$
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 St	0	0	0	0
House Bond - Lot 490 Tamarisk St	0	0	0	0
Aged Unit Bond - Commercial St	600	0	0	600
Leeman Aged Units Surplus	0	0	0	0
Coorow Aged Units Surplus	0	0	0	0
LGCHP Surplus	49,201	0	(9,305)	39,896
BCITF Levy	250	5,000	(5,250)	0
BRB Levy	685	2,000	(2,685)	0
Police Licensing	0	0	0	0
Standpipe Card Bond	1,050	140	(140)	1,050
RSL Thailand Competition	185	0	0	185
Kerbing Deposits	12,600	1,000	(2,000)	11,600
Maley Park Committee	0	0	0	0
Coorow Christmas Tree	276	0	0	276
Coorow Bushfire Brigade	2,025	0	0	2,025
CCLI Number Plate Funds	1,200	200	0	1,400
Leeman Number Plate Funds	2,700	400	0	3,100
Green Head Number Plate Funds	600	100	0	700
Warradarge Bushfire Brigade	1,350	0	0	1,350
Leeman Bushfire Brigade	3,033	0	0	3,033
Refuse Site Key Bond	1,400	200	(400)	1,200
Public Open Space	478,962	0	0	478,962
Bonds - Other	13,648	5,000	(5,000)	13,648
	571,265	14,040	(24,780)	560,525

**SHIRE OF COOROW
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2015**

17. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2014/15.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2014/15.