



SHIRE OF QUAIRADING

BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

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SHIRE OF QUAIRADING

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

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
REVENUE				
Rates	8	1,617,373	1,508,121	1,519,182
Operating Grants, Subsidies and Contributions		1,162,178	2,350,058	1,386,721
Fees and Charges	11	925,194	721,133	813,334
Interest Earnings	2(a)	140,100	124,983	126,810
Other Revenue		<u>50,308</u>	<u>52,465</u>	<u>46,768</u>
		<u>3,895,153</u>	<u>4,756,760</u>	<u>3,892,815</u>
EXPENSES				
Employee Costs		(2,109,875)	(1,653,817)	(1,771,114)
Materials and Contracts		(1,267,356)	(856,293)	(976,685)
Utility Charges		(204,850)	(175,624)	(184,914)
Depreciation	2(a)	(1,798,483)	(1,704,863)	(1,630,840)
Interest Expenses	2(a)	(16,762)	(17,697)	(18,143)
Insurance Expenses		(177,752)	(192,534)	(166,034)
Other Expenditure		<u>(95,600)</u>	<u>(78,617)</u>	<u>(83,200)</u>
		<u>(5,670,678)</u>	<u>(4,679,445)</u>	<u>(4,830,930)</u>
		<u>(1,775,525)</u>	<u>77,315</u>	<u>(938,115)</u>
Non-Operating Grants, Subsidies and Contributions		4,701,787	1,971,678	2,526,683
Profit on Asset Disposals	4	0	26,913	0
Loss on Asset Disposals	4	<u>0</u>	<u>(20,710)</u>	<u>0</u>
NET RESULT		2,926,262	2,055,196	1,588,568
Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>2,926,262</u>	<u>2,055,196</u>	<u>1,588,568</u>

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

It is anticipated, in all instances, any other comprehensive income will relate to non-cash transactions and as such, have no impact on this budget document.

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

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

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

NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
REVENUE (Refer Notes 1,2,8 to 13)			
Governance	16,268	27,498	17,768
General Purpose Funding	2,452,381	3,343,670	2,634,117
Law, Order, Public Safety	36,165	36,787	29,860
Health	501,478	399,632	447,248
Education and Welfare	154,356	130,676	133,019
Housing	50,270	43,531	45,777
Community Amenities	394,226	424,825	284,664
Recreation and Culture	56,533	54,089	52,597
Transport	120,066	112,265	117,090
Economic Services	71,110	120,513	69,175
Other Property and Services	42,300	63,274	61,500
	<u>3,895,153</u>	<u>4,756,760</u>	<u>3,892,815</u>
EXPENSES EXCLUDING			
FINANCE COSTS (Refer Notes 1,2 & 14)			
Governance	(479,822)	(382,682)	(451,829)
General Purpose Funding	(41,215)	(46,552)	(45,552)
Law, Order, Public Safety	(98,793)	(89,695)	(93,663)
Health	(657,259)	(541,345)	(573,968)
Education and Welfare	(208,854)	(151,481)	(163,108)
Housing	(142,994)	(134,042)	(133,995)
Community Amenities	(1,070,349)	(589,523)	(567,077)
Recreation & Culture	(617,915)	(514,396)	(590,995)
Transport	(1,875,311)	(1,838,772)	(1,803,556)
Economic Services	(430,222)	(340,583)	(334,807)
Other Property and Services	(31,373)	(32,677)	(54,237)
	<u>(5,654,107)</u>	<u>(4,661,748)</u>	<u>(4,812,787)</u>
FINANCE COSTS (Refer Notes 2 & 5)			
Recreation & Culture	(16,571)	(17,697)	(18,143)
	<u>(16,571)</u>	<u>(17,697)</u>	<u>(18,143)</u>
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS			
Law, Order, Public Safety	362,570	0	174,000
Community Amenities	0	9,600	24,634
Recreation & Culture	77,481	0	1,385
Transport	3,646,997	1,457,339	1,547,095
Economic Services	614,739	504,739	779,569
	<u>4,701,787</u>	<u>1,971,678</u>	<u>2,526,683</u>
PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)			
Governance	0	(20,710)	0
Community Amenities	0	26,913	0
Transport	0	0	0
	<u>0</u>	<u>6,203</u>	<u>0</u>
NET RESULT	<u>2,926,262</u>	<u>2,055,196</u>	<u>1,588,568</u>
Other Comprehensive Income	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME	<u><u>2,926,262</u></u>	<u><u>2,055,196</u></u>	<u><u>1,588,568</u></u>

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

It is anticipated, in all instances, any other comprehensive income will relate to non-cash transactions and as such, have no impact on this budget document.

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

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

SHIRE OF QUAIRADING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,622,573	1,497,683	1,524,382
Operating Grants, Subsidies and Contributions		1,312,178	2,192,414	1,386,721
Fees and Charges		1,277,199	746,700	1,165,339
Interest Earnings		140,100	124,983	126,810
Goods and Services Tax		450,000	323,825	471,050
Other		50,308	43,197	46,768
		<u>4,852,358</u>	<u>4,928,802</u>	<u>4,721,070</u>
Payments				
Employee Costs		(2,066,775)	(1,613,526)	(1,714,514)
Materials and Contracts		(1,129,771)	(837,103)	(839,100)
Utility Charges		(193,645)	(175,624)	(173,709)
Insurance Expenses		(177,752)	(192,534)	(166,034)
Interest Expenses		(16,762)	(18,246)	(18,143)
Goods and Services Tax		(447,950)	(315,811)	(447,950)
Other		(95,600)	(78,617)	(83,200)
		<u>(4,128,255)</u>	<u>(3,231,461)</u>	<u>(3,442,650)</u>
Net Cash Provided By Operating Activities	15(b)	<u>724,103</u>	<u>1,697,341</u>	<u>1,278,420</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	3	(63,000)	(31,186)	(82,000)
Payments for Purchase of Property, Plant & Equipment	3	(3,221,150)	(1,347,773)	(1,836,656)
Payments for Construction of Infrastructure	3	(3,959,211)	(1,167,632)	(1,960,919)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		4,701,787	1,872,093	2,526,683
Proceeds from Sale of Plant & Equipment	4	248,000	109,214	197,000
Proceeds from Advances		0	0	0
Net Cash Used in Investing Activities		<u>(2,303,574)</u>	<u>(565,284)</u>	<u>(1,155,892)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(26,449)	(24,459)	(24,460)
Proceeds from Self Supporting Loans		26,449	22,798	24,460
Proceeds from New Debentures	5	10,000	0	0
Net Cash Provided By (Used In) Financing Activities		10,000	(1,661)	0
Net Increase (Decrease) in Cash Held		(1,569,471)	1,130,396	122,528
Cash at Beginning of Year		3,241,137	2,110,741	2,110,741
Cash and Cash Equivalents at the End of the Year	15(a)	<u><u>1,671,666</u></u>	<u><u>3,241,137</u></u>	<u><u>2,233,269</u></u>

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

**SHIRE OF QUAIRADING
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
REVENUES	1,2			
Governance		16,268	27,498	17,768
General Purpose Funding		835,008	1,835,549	1,114,935
Law, Order, Public Safety		398,735	36,787	203,860
Health		501,478	399,632	447,248
Education and Welfare		154,356	130,676	133,019
Housing		50,270	43,531	45,777
Community Amenities		394,226	461,338	309,298
Recreation and Culture		134,014	54,089	53,982
Transport		3,767,063	1,569,604	1,664,185
Economic Services		685,849	625,252	848,744
Other Property and Services		42,300	63,274	61,500
		<u>6,979,567</u>	<u>5,247,230</u>	<u>4,900,316</u>
EXPENSES	1,2			
Governance		(479,822)	(403,392)	(451,829)
General Purpose Funding		(41,215)	(46,552)	(45,552)
Law, Order, Public Safety		(98,793)	(89,695)	(93,663)
Health		(657,259)	(541,345)	(573,968)
Education and Welfare		(208,854)	(151,481)	(163,108)
Housing		(142,994)	(134,042)	(133,995)
Community Amenities		(1,070,349)	(589,523)	(567,077)
Recreation & Culture		(634,486)	(532,093)	(609,138)
Transport		(1,875,311)	(1,838,772)	(1,803,556)
Economic Services		(430,222)	(340,583)	(334,807)
Other Property and Services		(31,373)	(32,677)	(54,237)
		<u>(5,670,678)</u>	<u>(4,700,155)</u>	<u>(4,830,930)</u>
Net Operating Result Excluding Rates		1,308,889	547,075	69,386
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	4	0	(6,203)	0
Movement in Deferred Pensioner Rates (Non-Current)		0	1,633	0
Movement in Employee Benefit Provisions (Non-Current)		0	9,693	0
Movement in LSL Reserve (Added Back)		0	25,779	0
Rounding Adjustment		0	0	0
Depreciation on Assets	2(a)	1,798,483	1,704,863	1,630,840
Capital Expenditure and Revenue				
Purchase Land Held for Resale	3	(63,000)	(31,186)	(82,000)
Purchase Land and Buildings	3	(2,274,630)	(501,942)	(839,157)
Purchase Plant and Equipment	3	(838,945)	(805,622)	(963,999)
Purchase Furniture and Equipment	3	(107,575)	(40,209)	(33,500)
Purchase Infrastructure Assets - Roads	3	(3,885,211)	(1,075,377)	(1,795,419)
Purchase Infrastructure Assets - Footpaths	3	0	0	0
Purchase Infrastructure Assets - Other	3	(74,000)	(92,255)	(165,500)
Proceeds from Disposal of Assets	4	248,000	109,214	197,000
Repayment of Debentures	5	(26,449)	(24,459)	(24,460)
Proceeds from New Debentures	5	10,000	0	0
Advances to Community Groups		(10,000)	0	0
Self-Supporting Loan Principal Income		26,449	24,459	24,460
Transfers to Reserves (Restricted Assets)	6	(509,050)	(999,689)	(990,818)
Transfers from Reserves (Restricted Assets)	6	1,074,186	280,350	281,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	1,705,480	1,071,235	1,172,985
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	1,705,480	0
Amount Required to be Raised from Rates	8	<u>(1,617,373)</u>	<u>(1,508,121)</u>	<u>(1,519,182)</u>

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

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Accounting

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

The budget has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this budget.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 16 to this budget document.

(c) 2011/12 Actual Balances

Balances shown in this budget as 2011/12 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(d) Rounding Off Figures

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

(e) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(f) Goods and Services Tax

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

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

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

(g) Superannuation

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

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities on the statement of financial position.

(i) Trade and Other Receivables

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

(j) Inventories

General

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

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

Land Held for Resale

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

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

Land held for resale is classified as current except where it is held as non-current based on Council's intention to release for sale.

(k) Fixed Assets

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

Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

Land Under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst this treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

Depreciation of Non-Current Assets

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

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

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

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

Land	0%
Buildings	2%
Plant and Equipment	
- Heavy (eg. Loaders)	7%
- Medium (eg. Light Trucks)	10%
- Light (eg. Chainsaws)	20%
Furniture & Equipment	10%
Computer and Electronic Equipment	33%
Unsealed Roads	5%
Sealed Roads and Streets -	
Original surfacing and major re-surfacing	
- Aggregate Surfaces	6.7%
- Asphalt Surfaces	5%
- Pavement Surfaces	2.5%
Drainage Systems	1.3%
Clearing and Formation	0%
Culverts / Floodways	2%
Concrete Footpaths	2%
Footpaths Other	4%
Kerbing	2%
Bridges	1.3%

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.

Light Vehicles (sedans, station wagons and utilities) are not depreciated if replacement is scheduled within 40,000km or two years.

Capitalisation Threshold

Expenditure under the thresholds listed below is not capitalised. Rather, it is recorded on an asset inventory listing.

- Land	Nil (All Land Capitalised)
- Buildings	1,000
- Plant & Equipment	1,000
- Furniture & Equipment	1,000
- Infrastructure	2,000

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

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 exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Derecognition

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

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

(m) Impairment

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

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

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

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

(n) Trade and Other Payables

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

(o) Employee Benefits

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

(p) Borrowing Costs

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

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Provisions

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(r) Current and Non-Current Classification

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

(s) Comparative Figures

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

(t) Budget Comparative Figures

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

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result from Ordinary Activities was arrived at after:			
(i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	22,800	18,430	15,000
Other Services	12,000	14,009	12,000
Depreciation			
<u>By Program</u>			
Governance	14,000	11,463	15,600
General Purpose Funding	0	0	0
Law, Order, Public Safety	28,500	26,393	26,300
Health	14,100	7,189	6,100
Education and Welfare	16,360	15,596	14,815
Housing	39,240	38,303	37,670
Community Amenities	61,250	30,973	20,600
Recreation and Culture	83,340	82,434	81,730
Transport	1,268,950	1,227,483	1,211,765
Economic Services	69,210	65,267	31,260
Other Property and Services	203,533	199,762	185,000
	<u>1,798,483</u>	<u>1,704,863</u>	<u>1,630,840</u>
<u>By Class</u>			
Land and Buildings	164,535	156,379	126,568
Furniture and Equipment	15,780	11,851	14,082
Plant and Equipment	283,568	251,726	225,980
Roads	1,205,018	1,218,752	1,206,765
Footpaths	4,450	4,673	4,736
Other	125,132	61,482	52,709
	<u>1,798,483</u>	<u>1,704,863</u>	<u>1,630,840</u>
Borrowing Costs (Interest)			
- Debentures (<i>refer note 5(a)</i>)	16,762	17,697	18,143
	<u>16,762</u>	<u>17,697</u>	<u>18,143</u>
Rental Charges			
- Operating Leases	0	2,980	2,980
	<u>0</u>	<u>2,980</u>	<u>2,980</u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	89,050	72,381	63,510
- Other Funds	42,000	42,650	55,000
Other Interest Revenue (<i>refer note 13</i>)	9,050	9,952	8,300
	<u>140,100</u>	<u>124,983</u>	<u>126,810</u>

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

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

GOVERNANCE

The Governance function accumulates the costs of Members expenses and other costs of Council that relate to the tasks of assisting Councillors and the Ratepayers on matters which do not concern specific Council services. The type of expenses that can be expected under this function/activity are Election expenses; meeting costs; allowances and expenses of members; policy and planning expenses; general information and publicity; audit fees; some aspects of accounting; budgeting and annual reports and public ceremonies/functions. The cost of compliance with the Local Government Act and other legislation is recorded in Other Governance.

GENERAL PURPOSE FUNDING

This function includes rates and general purpose Government grants in the Revenue section. The type of expenses included are the cost of collecting and administering Rates and General Purpose grants, for example: Wages for the Rates Officer, postage and stationery, valuation costs, Grant submissions and a proportion of computer expenses.

LAW, ORDER, PUBLIC SAFETY

This includes fire control which covers the maintenance of bushfire equipment and insurance; animal control, emergency management and supervision of various local laws.

HEALTH

Food quality control, pest control and operation of the Medical Centre and Dental Surgery.

EDUCATION AND WELFARE

Maintenance of Pre-School facility. Provide assistance to the operation of the Frail Aged Lodge, Retirement Village facilities, Youth Programme and the Quairading Youth Centre.

HOUSING

Maintenance of housing rented to staff and non-staff.

COMMUNITY AMENITIES

Rubbish collection and recycling services, operation of rubbish tip, sewerage services and administration of the Town Planning Scheme. Provision of Community Bus service, maintenance of cemetery / public conveniences and Environment Services.

RECREATION AND CULTURE

Maintenance of Halls, Swimming Pool, Community Building and various Reserves and operation of Library.

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

TRANSPORT

Construction and maintenance of roads, drainage works, footpaths, parking facilities, traffic signs and cleaning of streets. Operation of on-line Licensing as a contractor to the Department of Transport.

ECONOMIC SERVICES

Community Development, Tourism and Area Promotion. Control of noxious weeds/plants, pests and Building Control.

OTHER PROPERTY & SERVICES

Public Works Overheads, plant operation costs, allocation of salaries and wages and other financial transactions not included elsewhere.

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

3. ACQUISITION OF ASSETS	2012/13 Budget \$
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Governance	
CEO Vehicle x 1	42,000
Administration Vehicle x 1	36,000
Admin Centre - Painting/ Carpet & Floor	12,700
Main Server Upgrade	20,000
Law, Order, Public Safety	
New Fire Appliances	330,000
New Emergency Siren	10,945
New Appliance Bay & Ablution	32,570
Health	
Doctors Surgery - Various	17,500
Education and Welfare	
Arthur Kelly Village - Carpet & Painting	10,000
Community Transport Vehicle	27,000
Housing	
14 Reid Street - Retaining / Fencing	5,000
Construction of New Residence	400,000
64 Coraling Street - Roof & Gutters	3,500
74 McLennan St - Brick Paving	3,000
8 Dall Street - Curtains/Verticals	5,800
Single Persons Units - Refurbishments x 2	18,900
Doctor's Residence - Various	3,000
Joint Venture Units - Replace Curtains (50B)	4,000
Lot 190 McLennan St - Bathroom	5,000
31 Dall Street - Shed & Blinds	11,500
Community Amenities	
EO Vehicle	33,000
Cemetery Upgrade	2,000
Dum Muster Compound - Landfill	2,500
Toapin Weir Signage and Upgrade	17,000
Purchase of Land - Old School Block	40,000
Purchase of AG Precinct Land	250,000
Land Valuation & Sale Costs	23,000
Page Sub-Total	1,365,915

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

3. ACQUISITION OF ASSETS (Continued)	2012/13 Budget \$
The following assets are budgeted to be acquired during the year:	
Recreation and Culture	
Shire Hall - Electrical / Lighting / Kitchen Planning	250,000
- Aux Power Connection / Doors	13,200
- Crockery / Cutlery	1,000
Cuneata Park Upgrade	10,000
Community Building	
- Various Improvements	64,075
Bowling Club - Sand Finish Render	7,500
Swimming Pool Upgrade	100,000
Drive In Site - Restore Building Structure	9,500
Construction of Park Homes x 4	600,000
Ag Society New Shed/Asphalting	29,560
Tennis Club - Surface Reseal	29,900
Golf Club - Kitchen Upgrade	32,000
Borefield Development	10,000
Oval - Entry Lighting	2,000
RSL Memorial/Lone Pine Upgrade	24,500
Transport	
Manager of Works Vehicle	40,000
Recycling Bailer / Sorting Conveyor	100,000
Side Tipping Trailer	210,000
Minor Plant	10,000
Road Construction	3,885,211
Airport Upgrade	6,000
Economic Services	
Resource Centre - Design/Tender/Construct	88,000
Resource Centre - Furniture & Equipment	5,000
Caravan Park Upgrade	350,000
Total of Acquisitions by Program	<u><u>7,243,361</u></u>
<u>By Class</u>	
Land Held for Resale	63,000
Land and Buildings	2,274,630
Plant and Equipment	838,945
Furniture and Equipment	107,575
Infrastructure Assets - Roads	3,885,211
Infrastructure Assets - Footpaths	0
Infrastructure Assets - Other	74,000
	<u><u>7,243,361</u></u>

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

- plant replacement programme
- other assets

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

4. DISPOSALS OF ASSETS

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

By Program	Net Book Value	Sale Proceeds	Profit(Loss)
	2012/13 BUDGET	2012/13 BUDGET	2012/13 BUDGET
	\$	\$	\$
Governance			
CEO Vehicle - Q0 (x1)	37,000	37,000	0
Admin Vehicle - 0Q (x1)	26,000	26,000	0
Community Amenities			
EO Utility - Q649	18,000	18,000	0
Sale of Edwards Way Lots x 1	50,000	50,000	0
Transport			
Manager Works Utility - Q190	27,000	27,000	0
Low Loader-Q	15,000	15,000	0
Dolly - Q	10,000	10,000	0
UD Truck - Q272	60,000	60,000	0
Economic Services			
Sale of Saleyard Pens	5,000	5,000	0
	248,000	248,000	0

By Class	Net Book Value	Sale Proceeds	Profit(Loss)
	2012/13 BUDGET	2012/13 BUDGET	2012/13 BUDGET
	\$	\$	\$
Plant and Equipment			
CEO Vehicle - Q0 (x1)	37,000	37000	0
Admin Vehicle - 0Q (x1)	26,000	26000	0
EO Utility - Q649	18,000	18000	0
Manager Works Utility - Q190	27,000	27000	0
Low Loader-Q	15,000	15000	0
Dolly - Q	10,000	10000	0
UD Truck - Q272	60,000	60000	0
Land Held For Resale			
Sale of Edwards Way Lots x 1	50,000	50000	0
Land & Buildings			
Sale of Saleyard Pens	5,000	5000	0
	248,000	248,000	0

Summary

	2012/13 BUDGET
	\$
Profit on Asset Disposals	0
Loss on Asset Disposals	0
	<u>0</u>
	<u>0</u>

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Interest Rate %	Maturity Date	Principal 1-Jul-12	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
					2012/13 Budget	2011/12 Actual	2012/13 Budget	2011/12 Actual	2012/13 Budget	2011/12 Actual
					\$	\$	\$	\$	\$	\$
Recreation & Culture										
Loan 111 - Golf Club *	5.80	14/10/2013	1,970	0	1,295	1,223	675	1,970	101	157
Loan 114 - Tennis Club *	5.80	4/2/2013	3,370	0	3,370	3,182	0	3,370	159	271
Loan 115 - Bowling Club*	6.39	1/7/2021	260,369	0	21,367	20,054	239,002	260,369	16,311	17,269
Loan 116 - Tennis Club *	3.76		0	10,000	417	0	9,583	0	191	0
			265,709	10,000	26,449	24,459	249,260	265,709	16,762	17,697

(* Self supporting loans financed by payments from third parties.

(b) New Debentures - 2012/13

Particulars/Purpose	Amount Borrowed	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used	Balance Unspent
	Budget						Budget	\$
Loan 116 - Tennis Club	10,000	WATC	Debenture	10	2,146	3.76	10,000	0

(c) Unspent Debentures

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

(d) Overdraft

Council has no expectation to utilise overdraft facilities during the financial year.

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
6. RESERVES			
(a) Building Reserve			
Opening Balance	261,984	153,369	153,369
Amount Set Aside / Transfer to Reserve	109,100	108,615	112,423
Amount Used / Transfer from Reserve	(350,000)	0	0
	<u>21,084</u>	<u>261,984</u>	<u>265,792</u>
(b) Furniture, Fittings & Equipment Reserve			
Opening Balance	12,602	26,006	26,006
Amount Set Aside / Transfer to Reserve	1,450	1,450	1,686
Amount Used / Transfer from Reserve	(14,052)	(14,854)	(15,000)
	<u>0</u>	<u>12,602</u>	<u>12,692</u>
(c) Plant Reserve			
Opening Balance	312,764	287,274	287,274
Amount Set Aside / Transfer to Reserve	16,100	223,383	217,473
Amount Used / Transfer from Reserve	(200,000)	(197,893)	(182,000)
	<u>128,864</u>	<u>312,764</u>	<u>322,747</u>
(d) Health Reserve			
Opening Balance	568	24,605	24,605
Amount Set Aside / Transfer to Reserve	20,050	1,368	1,942
Amount Used / Transfer from Reserve	0	(25,405)	(15,000)
	<u>20,618</u>	<u>568</u>	<u>11,547</u>
(e) Swimming Pool Reserve			
Opening Balance	653,489	524,137	524,137
Amount Set Aside / Transfer to Reserve	330,100	129,352	125,700
Amount Used / Transfer from Reserve	0	0	0
	<u>983,589</u>	<u>653,489</u>	<u>649,837</u>
(f) Long Service Leave Reserve			
Opening Balance	157,535	131,756	131,756
Amount Set Aside / Transfer to Reserve	7,500	27,377	25,973
Amount Used / Transfer from Reserve	0	(1,598)	0
	<u>165,035</u>	<u>157,535</u>	<u>157,729</u>
(g) Sustainable Environment Reserve			
Opening Balance	148,276	84,148	84,148
Amount Set Aside / Transfer to Reserve	4,800	104,728	102,872
Amount Used / Transfer from Reserve	(150,000)	(40,600)	(65,000)
	<u>3,076</u>	<u>148,276</u>	<u>122,020</u>
(h) Town Planning & Development			
Opening Balance	144,390	42,007	42,007
Amount Set Aside / Transfer to Reserve	2,500	102,383	102,299
Amount Used / Transfer from Reserve	(100,000)	0	0
	<u>46,890</u>	<u>144,390</u>	<u>144,306</u>

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
6. RESERVES (Continued)			
(i) HomesWest Joint Venture Housing			
Opening Balance	17,606	16,674	16,674
Amount Set Aside / Transfer to Reserve	950	932	450
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(4,000)</u>
	<u>18,556</u>	<u>17,606</u>	<u>13,124</u>
(j) Road Infrastructure			
Opening Balance	300,101	0	0
Amount Set Aside / Transfer to Reserve	16,500	300,101	300,000
Amount Used / Transfer from Reserve	<u>(260,134)</u>	<u>0</u>	<u>0</u>
	<u>56,467</u>	<u>300,101</u>	<u>300,000</u>
Total Reserves	<u><u>1,444,179</u></u>	<u><u>2,009,315</u></u>	<u><u>1,999,794</u></u>

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

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

6. RESERVES (Continued)	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Summary of Transfers To Cash Backed Reserves			
Transfers to Reserves			
Building Reserve	109,100	108,615	112,423
Furniture, Fittings & Equipment Reserve	1,450	1,450	1,686
Plant Reserve	16,100	223,383	217,473
Health Reserve	20,050	1,368	1,942
Swimming Pool Reserve	330,100	129,352	125,700
Long Service Leave Reserve	7,500	27,377	25,973
Sustainable Environment Reserve	4,800	104,728	102,872
Town Planning & Development Reserve	2,500	102,383	102,299
HomesWest Joint Venture Housing Reserve	950	932	450
Road Infrastructure Reserve	16,500	300,101	300,000
	<u>509,050</u>	<u>999,689</u>	<u>990,818</u>
Transfers from Reserves			
Building Reserve	(350,000)	0	0
Furniture, Fittings & Equipment Reserve	(14,052)	(14,854)	(15,000)
Plant Reserve	(200,000)	(197,893)	(182,000)
Health Reserve	0	(25,405)	(15,000)
Swimming Pool Reserve	0	0	0
Long Service Leave Reserve	0	(1,598)	0
Sustainable Environment Reserve	(150,000)	(40,600)	(65,000)
Town Planning & Development Reserve	(100,000)	0	0
HomesWest Joint Venture Housing Reserve	0	0	(4,000)
Road Infrastructure Reserve	(260,134)	0	0
	<u>(1,074,186)</u>	<u>(280,350)</u>	<u>(281,000)</u>
Total Transfer to/(from) Reserves	<u>(565,136)</u>	<u>719,339</u>	<u>709,818</u>

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

6. RESERVES (Continued)

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

Building Reserve

- To assist in funding the construction of new Council buildings and to provide for future maintenance and upgrading of Council commercial and residential properties.

Furniture, Fittings & Equipment Reserve

- To be used in funding the various furniture, fittings and equipment installed in Council buildings.

Plant Reserve

- To be used to assist in funding the purchase of major plant items.

Health Reserve

- To be used to assist in funding the improvement of Medical Services & Facilities.

Swimming Pool Upgrade Reserve

- To be used to assist in funding future major capital/upgrade works at the Quairading Memorial Swimming Pool.

Long Service Leave Reserve

- To be used to fund future Long Service Leave requirements.

Sustainable Environment Reserve

- To be used to assist in funding projects and initiatives which foster a sustainable environment. Such areas include waste management, recycling, water usage, gravel supplies, energy conservation and environmentally sustainable projects.

Town Planning & Development Reserve

- To be used to assist in funding of planning and implementation of the development of Council land and the purchase of land for future development.

HomesWest Joint Venture Housing Reserve

- To be used to assist with compliance with Councils Joint Venture Agreement held with the State Housing Commission and to provide funds for the maintenance, management and improvement of the Joint Venture Units.

Road Infrastructure Reserve

- To be used to towards road infrastructure projects including replacement of culverts and bridges.

The Reserves are not expected to be used within a set period as further transfers to the Reserve Accounts are expected as funds are utilised.

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	Note	2012/13 Budget \$	2011/12 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)	127,487	745,306
Cash - Restricted Unspent Grants	15(a)	100,000	486,516
Cash - Restricted Unspent Loans	15(a)	0	0
Cash - Restricted Reserves		1,444,179	2,009,315
Sundry Debtors		347,664	849,669
Rates Debtors - Current		42,720	47,920
Accrued Income		9,046	9,046
Prepayments		1,764	1,764
Less: Provision for Doubtful Debts		(2,131)	(2,131)
GST Receivable		0	0
Inventories		5,032	7,082
		<u>2,075,761</u>	<u>4,154,487</u>
LESS: CURRENT LIABILITIES			
Sundry Creditors		(420,567)	(223,227)
Taxation Liability		(62,357)	(60,307)
Other Liability		0	0
ESL Liability		3,144	3,144
Accrued Interest on Loans		(4,133)	(4,133)
Accrued Salaries and Wages		(57,742)	(57,742)
Current Employee Benefits Provision		(254,962)	(254,962)
Current Loan Liability		(26,031)	(26,031)
		<u>(822,648)</u>	<u>(623,258)</u>
NET CURRENT ASSET POSITION		1,253,113	3,531,229
Less: Cash - Restricted Reserves	15(a)	(1,444,179)	(2,009,315)
Less: Cash - Restricted Municipal		0	0
Add Back : Liabilities Supported by Reserves - Lesser of Leave Provision and Leave Reserve		165,035	157,535
Add Back : Current Loan Liability		26,031	26,031
		<u>0</u>	<u>1,705,480</u>
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		<u>0</u>	<u>1,705,480</u>

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

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

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

8. RATING INFORMATION - 2012/13 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2012/13 Budgeted Rate Revenue \$	2012/13 Budgeted Interim Rates \$	2012/13 Budgeted Back Rates \$	2012/13 Budgeted Total Revenue \$	2011/12 Actual \$
Differential General Rate								
GRV - Residential	11.8714	304	2,001,523	237,610			237,610	231,431
GRV - Industrial	11.8714	18	209,411	24,860			24,860	20,489
GRV - Commercial	11.8714	10	227,551	27,013			27,013	21,466
UV - Rural	0.9996	390	129,671,000	1,296,190			1,296,190	1,234,860
Sub-Totals		722	132,109,485	1,585,673	0	0	1,585,673	1,508,246
Minimum Rates	Minimum \$							
GRV - Residential	445	74	94,563	32,930			32,930	33,072
GRV - Industrial	445	9	14,925	4,005			4,005	4,664
GRV - Commercial	445	1	2,288	445			445	424
UV - Rural	445	26	501,752	11,570			11,570	11,448
Sub-Totals		110	613,528	48,950	0	0	48,950	49,608
Ex-Gratia Rates							1,634,623	1,557,854
Specified Area Rates (Note 9)							8,450	8,230
							0	0
Discounts							1,643,073	1,566,084
Rate Write-offs							(25,000)	(47,660)
Movement in Excess Rates							(700)	(125)
							0	(10,178)
Totals							1,617,373	1,508,121

All land except exempt land in the Shire of Quairading is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2012/13 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

9. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

Council did not Budget to raise a Specified Area Rate in the 2012/13 Financial Year.

10. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

The Shire of Quairading does not intend to raise any Service Charges during 2012/13.

11. FEES & CHARGES REVENUE	2012/13 Budget \$	2011/12 Actual \$
Governance	450	160
General Purpose Funding	6,150	5,636
Law, Order, Public Safety	2,100	1,560
Health	500,678	399,631
Education and Welfare	28,100	26,880
Housing	46,670	40,572
Community Amenities	219,746	112,339
Recreation & Culture	28,380	30,196
Transport	0	0
Economic Services	68,920	72,448
Other Property & Services	24,000	31,711
	<u>925,194</u>	<u>721,133</u>

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

A discount of 2.0% of the current rates levied (excluding Rubbish and ESL) will be offered to rate payers whose payment of the full amount owing, including arrears, and service charges is received on or before Friday 19th October 2012 or 35 days after the date of service appearing on the rate notice, whichever is the later.

The discount will not apply to interim rates after the billing date. The total value of the discount is estimated to be \$25,000.

Requests to waive or write off debts are dealt with when received and resolved by an Absolute Majority decision of Council.

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

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

An interest rate of 11% will be charged on all rate payments which are late. It is estimated this will generate income of \$5,600. Three separate payment option plans will be available to ratepayers for payment of their rates.

Option 1 (Full Payment)

Full amount of rates and charges including arrears to be paid on or before Friday 19th October 2012 or 35 days after the date of service appearing on the rates notice, whichever is the later.

See Note 12 for discount provisions under this option

Option 2 (Two Instalments)

First instalment to be received on or before Friday 19th October 2012 or 35 days after the date of service appearing on the rate notice, whichever is the later. This payment is to include all arrears and half of the current rates and service charges.

The second and final instalment is to be made by Tuesday 19th February 2013.

Option 3 (Four Instalments)

First instalment to be received on or before Friday 19th October 2012 or 35 days after the date of service appearing on the rate notice, whichever is the later. This payment is to include all arrears and one quarter of the current rates and service charges. Second, third and fourth instalments are to be made at two monthly intervals thereafter, being Wednesday 9th December 2012, Tuesday 19th February 2013 and Friday 19th April 2013.

Costs of Instalment Options

The cost of the instalment plans will comprise if simple interest of 5.5% per annum, calculated daily from the date the first instalment is due, together with an administration fee of \$5.00 for each instalment notice. (ie. \$5.00 for Option 2 and \$15.00 for Option 3).

The total revenue from the imposition of the administration charge is estimated at \$1,650

	Interest Rate %	Admin Charge \$	Budgeted Revenue \$	Actual Revenue \$
Interest on Unpaid Rates	11		5,600	6,235
Interest on Instalments Plan	5.5		2,900	2,896
Interest on Deferred Rates	11		550	585
Interest on ESL	11		0	236
Charges on Instalment Plan		5	1,650	1,635

14. ELECTED MEMBERS REMUNERATION

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

	2012/13 Budget \$	2011/12 Actual \$
Meeting Fees	28,500	25,060
President's Allowance	0	0
Deputy President's Allowance	0	0
Travelling Expenses	0	0
	<u>28,500</u>	<u>25,060</u>

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Cash - Unrestricted	127,487	745,306	133,475
Cash - Restricted	<u>1,544,179</u>	<u>2,495,831</u>	<u>2,099,794</u>
	<u><u>1,671,666</u></u>	<u><u>3,241,137</u></u>	<u><u>2,233,269</u></u>

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

Building Reserve	21,084	261,984	265,792
Furniture, Fittings & Equipment Reserve	0	12,602	12,692
Plant Reserve	128,864	312,764	322,747
Health Reserve	20,618	568	11,547
Swimming Pool Reserve	983,589	653,489	649,837
Long Service Leave Reserve	165,035	157,535	157,729
Sustainable Environment Reserve	3,076	148,276	122,020
Town Planning & Development Reserve	46,890	144,390	144,306
HomesWest Joint Venture Housing Reserve	18,556	17,606	13,124
Road Infrastructure Reserve	56,467	300,101	300,000
Unspent Grants	100,000	486,516	100,000
Unspent Loans	0	0	0
	<u>1,544,179</u>	<u>2,495,831</u>	<u>2,099,794</u>

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

Net Result	2,926,262	2,055,196	1,588,568
Depreciation	1,798,483	1,704,863	1,630,840
(Profit)/Loss on Sale of Asset	0	(6,203)	0
(Increase)/Decrease in Receivables	507,205	(251,471)	378,255
(Increase)/Decrease in Inventories	2,050	3,399	2,050
Increase/(Decrease) in Payables	185,890	8,506	199,390
Increase/(Decrease) in Employee Provisions	6,000	55,144	6,000
Grants/Contributions for the Development of Assets	<u>(4,701,787)</u>	<u>(1,872,093)</u>	<u>(2,526,683)</u>
Net Cash from Operating Activities	<u><u>724,103</u></u>	<u><u>1,697,341</u></u>	<u><u>1,278,420</u></u>

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

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

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank Overdraft limit	0	0	0
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	0	0	0
Credit Card Balance at Balance Date	0	0	0
Total Amount of Credit Unused	<u>0</u>	<u>0</u>	<u>0</u>
 Loan Facilities			
Loan Facilities in use at Balance Date	<u>249,260</u>	<u>265,709</u>	<u>265,708</u>
 Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

16. TRUST FUNDS

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

Detail	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
Factory Unit Bonds	1,000	500	0	1,500
CRC Rental	540	200	(200)	540
Police Licensing	5,966	620,000	(625,000)	966
Hall Hire Bonds	1,250	7,000	(7,000)	1,250
Barrack Bonds	100	500	(500)	100
Bus Hire Bond	100	1,000	(1,000)	100
Cottage Bond	300	700	(700)	300
AK Village	0	250	(250)	0
Cat Trap Bond	0	20	(20)	0
Housing Bond	0	1,000	(1,000)	0
Building Reg	35	700	(700)	35
BCITF	0	6,000	(6,000)	0
QARRAS - Luncheon	2,503	1,000	(1,000)	2,503
Nomination Fees	0	0	0	0
Stay on Your Feet	0	50	(50)	0
Footpath Bonds	500	500	(500)	500
	<u>12,294</u>			<u>7,794</u>

17. MAJOR LAND TRANSACTIONS

It is not anticipated that any major land transactions will occur in the 2012/13 financial year.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

Cash Flow Movements Used in Budget

Nature and Type

	Sundry Debtors	Rates Debtors	Provision Doubtful Debts	GST Receivable	Total	
Receipts						
Rates		5,200			5,200	Add to SoCF
Operating Grants, Subsidies and Contributions	150,000				150,000	Add to SoCF
Fees and Charges	352,005		0		352,005	Add to SoCF
Service Charges					0	Add to SoCF
Interest Earnings					0	Add to SoCF
Goods and Services Tax				0	0	Add to SoCF
Other					0	Add to SoCF
	502,005	5,200	0	0	507,205	

Deduct Note 7

Add Note 15 Movements

	Sundry Creditors	Taxation Liability	Other Liability	ESL Liability	Inventories	Movement Leave Reserve/ Provisions	Employee Benefits	Total	
Payments									
Employee Costs	42,550		0	0	2,050	(7,500)	6,000	43,100	Add to SoCF
Materials and Contracts	137,585							137,585	Add to SoCF
Utility Charges	11,205							11,205	Add to SoCF
Insurance Expenses								0	Add to SoCF
Interest Expenses								0	Add to SoCF
Goods and Services Tax		2,050						2,050	Add to SoCF
Other								0	Add to SoCF
	191,340	2,050	0	0	2,050	(7,500)	6,000	193,940	

Deduct Note 7

Add Note 15 Movements