

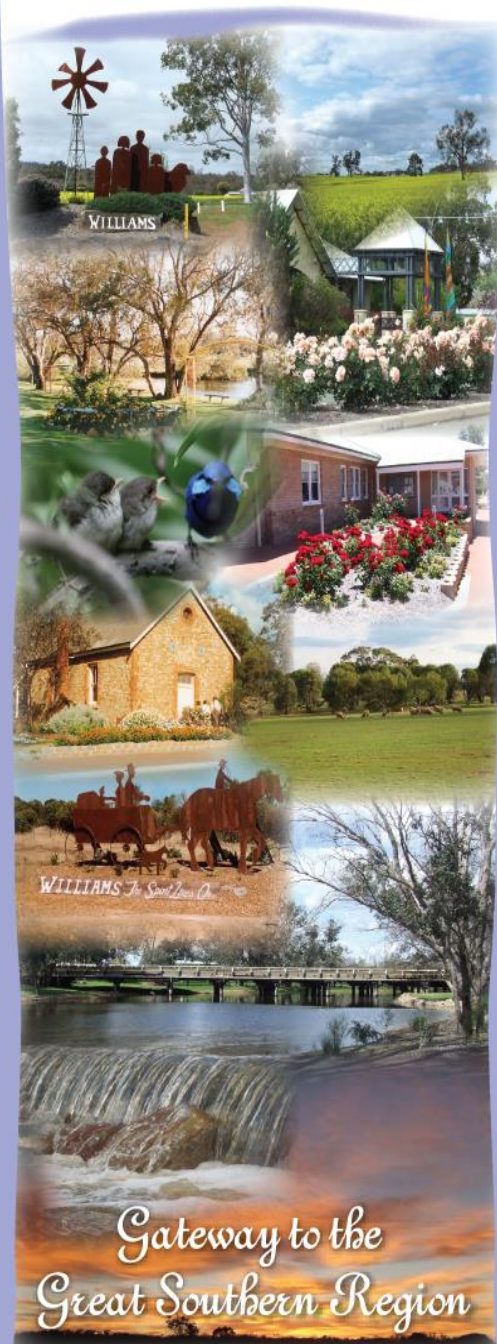
SHIRE OF WILLIAMS

ANNUAL REPORT

10 October 2014

2013/2014

SHIRE OF WILLIAMS



9 Brooking St, Williams
Ph: (08) 98851005
Fax: (08) 98851020
www.williams.wa.gov.au
Map Ref: E5



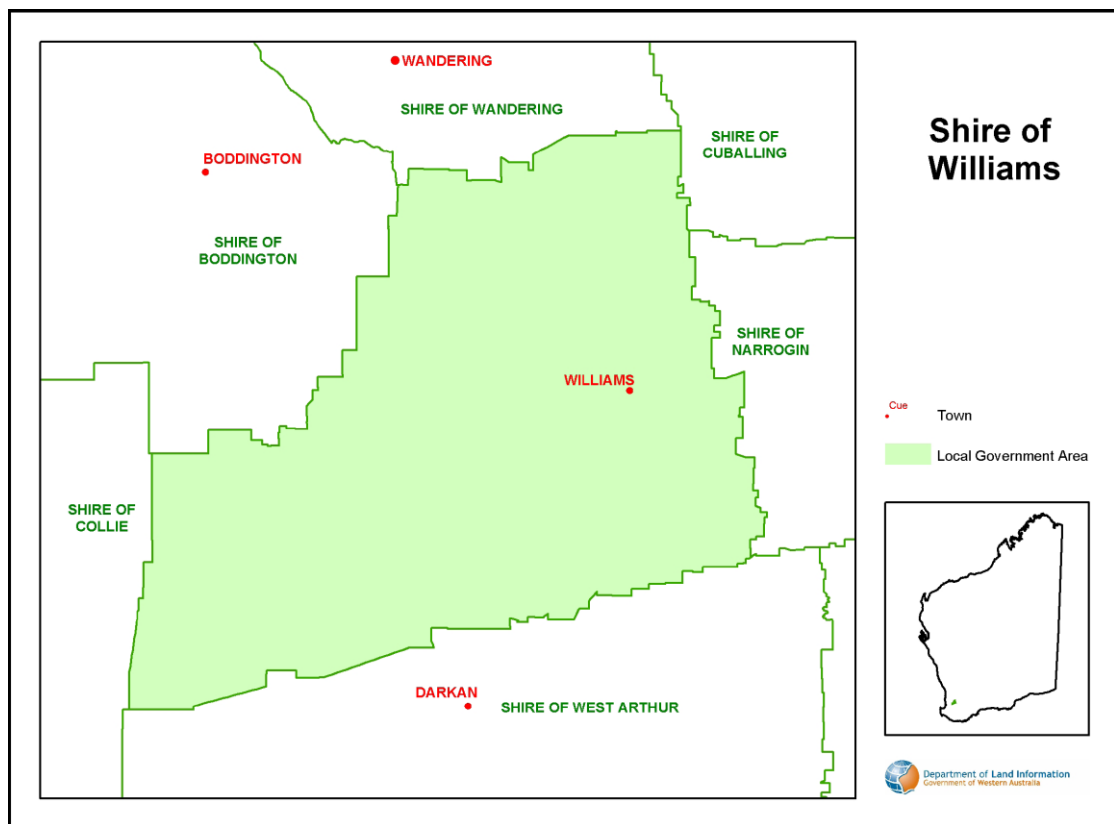
SHIRE OF WILLIAMS

Authority and Legislation

The Williams Shire Council is a statutory organisation responsible to the Minister for Local Government, the Hon. Tony Simpson, MLA. It operates under the provisions of the Local Government Act 1995 (as amended).

Williams Shire Location

Shire Offices and Chambers: Brooking Street, WILLIAMS
Postal Address: PO Box 96, WILLIAMS 6391
Telephone: (08) 9885 1005
Facsimile: (08) 9885 1020
Email: shire@williams.wa.gov.au
Website: www.williams.wa.gov.au
Office Hours: 8:00am – 5:00pm Monday to Friday



The Shire of Williams covers an area of 2295 square kilometres in the Great Southern Region of Western Australia. Williams is the administrative centre of the Shire and lies 161 kilometres south east of Perth on the Albany Highway.

The map above shows the location of the Williams Shire situated at latitude 33°10' South, longitude 116°70' East.

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COMMUNITY STRATEGIC PLAN

Vision and Values

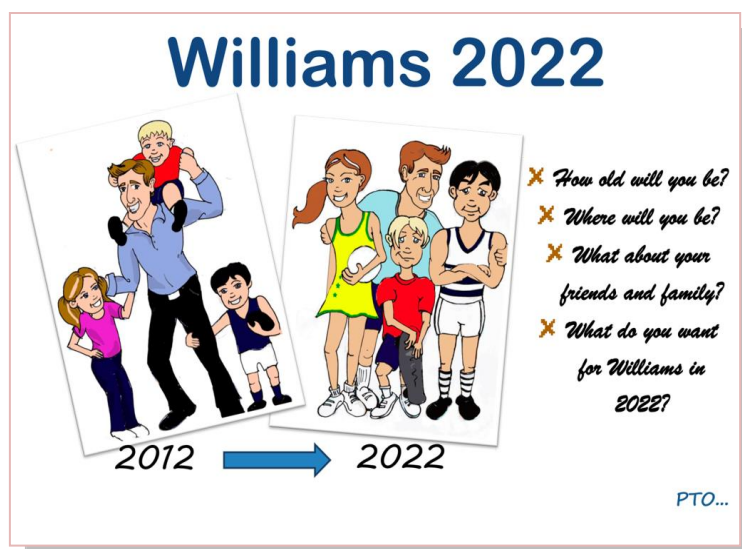
The Shire's Strategic Community Plan "Williams 2022" sets out the Community's vision, values and priorities. The corporate Business Plan aims to fulfill the strategic directions set by Council and progress the Council's vision while keeping with the community's aspirations and values.

Our Vision—

"In 2022 Williams is an independent, growing and vibrant community. This will be achieved by maintaining a balanced and caring approach to its people, economy and environment."

Our Values:

- Community connectedness and great lifestyle
- Friendly people
- Safety
- Location
- Relevant and well maintained facilities



COUNCIL MEMBERS

JES (John) Cowcher – President

Elected to Office in 1993

Retiring 2015

Phone: 9885 6013

Fax: 9885 6067

DS (David) Earnshaw – Deputy President

Elected to Office in 2005

Retiring 2017

Phone: 9885 8070

Fax: 9885 8075

NA (Natalie) Major

Elected to Office in 2009

Retiring 2015

Phone: 9885 1021

Fax: 9885 1084

RF (Richard) Johnstone

Elected to Office in 2005

Retiring 2017

Phone: 9885 1113

Fax: 9885 1413

M (Moya) Carne

Elected to Office in 2003

Retiring 2015

Phone: 9885 1053

Fax: 9885 1053

JW (Jarrad) Logie

Elected to Office in 2009

Retiring 2017

Phone: 9885 1357

Fax: 9885 1357

GM (Greg) Cavanagh

Elected to Office in 2005

Retiring 2015

Phone: 9885 7092

Fax: 9885 7092

GH (Gilbert) Medlen

Elected to Office in 2007

Retiring 2015

Phone: 9885 8077

Fax: 9885 8077

PC (Peter) Paterson

Elected to Office in 2009

Retiring 2017

Phone: 9885 1130

Fax: 9885 1349

COUNCIL STAFF

NUMBER OF EMPLOYEES:	23 (FTEs)
CHIEF EXECUTIVE OFFICER:	RN (Ryan) Duff
MANAGER OF FINANCE :	CL (Cara) Ryan
WORKS SUPERVISOR:	AW (Tony) Kett
ADMINISTRATION OFFICER:	SM (Sharon) Wilkie
ADMINISTRATION OFFICER:	MC (Manuela) Lenehan
ADMINISTRATION OFFICER:	H (Hazel) Harris
ENVIRONMENTAL HEALTH/BUILDING OFFICER:	S (Steve) Friend
ECONOMIC DEVELOPMENT OFFICER:	HJ (Heidi) Cowcher
CHILDCARE CO-ORDINATOR:	S (Suzyo) Kafwariman
SWIMMING POOL MANAGER:	Contracted to Contract Aquatic Services

SHIRE STATISTICS & INFORMATION

Distance from Perth (km)	161
Area (sq km)	2,295
Length sealed roads (km)	166
Length unsealed roads (km)	388
Population	953
Councillors	9
Electors	657
Dwellings	468
Employees (FTE's)	22
Rates (2014)	\$ 1,396,203
Revenue (2014)	\$ 5,055,430

History of Shire:

The District of Williams was first explored in 1831 by Captain Bannister en route from Perth to King George III Sound (Albany). Williams has been a convenient stopping place for travellers on the same route since the 1850's. With the tendering of a reliable mail service around 1853, the road was upgraded and Williams became an important stop over point for passengers and changing of horses. It subsequently developed as the District Centre for Local Government, which was granted in 1877. The small town was subject to increasing floods due to the clearing of the land for intensive farming, therefore the town was relocated to the Perth side of the bridge. The town site was surveyed in 1905 and most of the buildings in the present town site were constructed after that time. Williams is still reliant on wool and coarse grains and caters for about 2,500 vehicles per day. The population has stabilised in the district to around 1,000 with about 400 in the town.

Economy:

The economic activity of the Shire is dominated by agricultural pursuits, including the growing of barley, lupins, peas, canola, wheat, oats, export hay, olives, wine grapes and the rearing of sheep, pigs and cattle. Local industries include grain pellet production, hay processing, holiday farm stays, engineering, retailing and servicing of farm machinery. The average size of agricultural holdings is 800ha and the area of public parks, gardens and play area is 20ha.

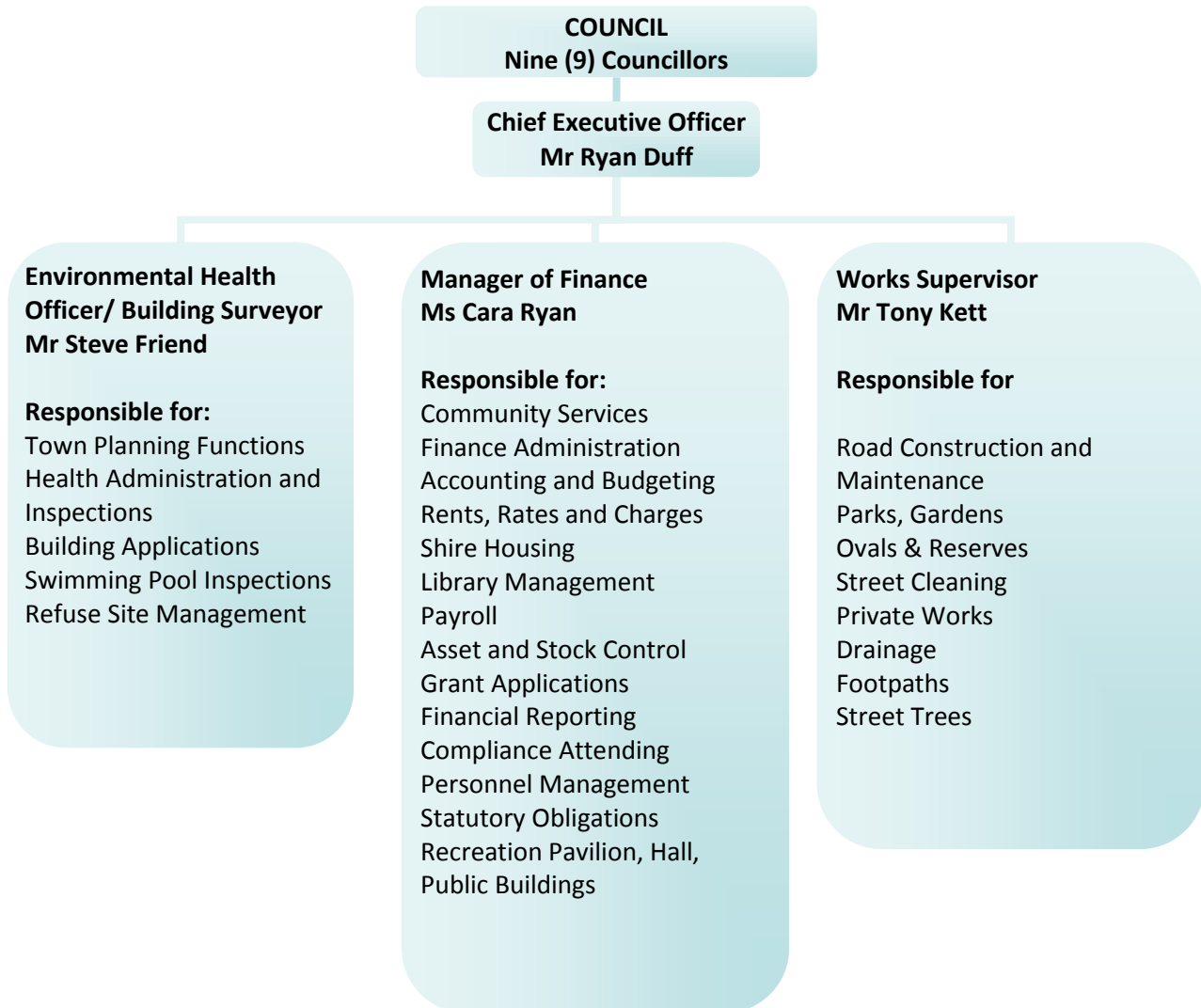
Climate:

The district enjoys a moderate climate characterised by warm dry summers and cool wet winters with average temperatures ranging from a minimum of 3° to a maximum of 25° in winter and a minimum of 20° to a maximum of 35° in summer. The warmest month is January and the average annual rainfall for the Shire of Williams is 550mm.

MANAGEMENT STRUCTURE

The Shire of Williams has developed its Management Structure to achieve greater efficiencies and to provide prompt and effective customer service.

The three line Managers have been vested with specific responsibilities, and enjoy a high level of autonomy in carrying out their functions. This is coupled with direct accountability for their respective areas of management. The Managers share a strong commitment towards ensuring efficient delivery of Local Government services.



COUNCIL FACILITIES

Public Library:

The Library is open Monday to Friday from 9.00am to 5:00pm. The Library is situated in the Community Resource Centre, Brooking Street, Williams. Books may be returned during office hours.

Childcare Centre:

Willi-Wag Tails Childcare Centre is located at on Growse Street. The Centre is open Monday to Friday from 8am to 5.30pm. Offering full day care as well as half day sessions, morning or afternoon, and hourly care (minimum or 2hrs) if places are available.

Sports Pavilion:

Situated at the Williams sports ground. Bookings may be made through the Shire Office. This facility accommodates a variety of sports including basketball, tennis, netball, football, hockey, cricket, touch rugby and inter-school sports. The grassed oval is equipped with lighting. The centre also provides a venue for cabarets, discos, weddings, general meetings and a variety of social gatherings.

Town Hall and RSL Hall:

Situated on the corner of Brooking Street and Growse Street. Bookings may be made through the Shire Office. Trestles, chairs, cutlery and crockery are available for hire from this facility. The Hall is also used for concerts, theatre and music evenings.

Aquatic Centre:

Telephone No. (08) 9885 1096. Situated at the entrance to the Recreation Ground, Pinjarra/ Williams Road. Open for general public use from approximately November to April when the Manager is in attendance. Season and family tickets are available and may be purchased from the Shire Office.

Tourist Information Bay:

Situated at the Lions Park near the bridge on Albany Highway. Information on the board includes Shire and town site maps.

Aged Persons' Facilities:

Situated on New Street and Growse Street, Williams. 4 x 1 bedroom units and 6 x 2 bedroom units are available for accredited senior citizens.

Single Persons' Units:

Situated in Growse Street, Williams. Sandalwood Court houses 4 x 2 bedroom units for accredited single persons.

Chemical Container Compound:

Situated inside the Refuse Site compound in which approved chemical containers may be deposited when the refuse site is open. All chemical containers must be thoroughly washed and drained before leaving at the compound.

Oil Recycling Depot:

Situated near the entrance to the Works Depot compound in which used oil may be placed for collection and recycling.

Recycling Depot:

Collection site for aluminium cans, newspapers and glass containers situated near the entrance to the Works Depot and at the Refuse Disposal Site. Additional recycling facilities including Cardboard collections are located at the Refuse site.

Refuse Disposal Site:

Situated off Narrogin Williams Road 2.5km east of town.

COUNCIL SERVICES

Private Works:

The Shire's range of modern plant and equipment, operated by trained staff, is available for private works hire. Current hire rates for graders, loaders, trucks, backhoe and other plant are available at the Shire Office.

Rubbish Removals:

Williams town removals are carried out every Tuesday by a contractor. Kerbside recycling collections are carried out every 2nd Tuesday.

Dog Registration:

Dog Registrations become due on 1st November each year.

Unsterilised Dog or Bitch	1 year	3 years
	\$30.00	\$75.00
Sterilised Dog or Bitch	1 year	3 years
	\$10.00	\$18.00
Dog used for tending stock: 25% of ordinary fee.		
Dog belonging to pensioner: 50% of ordinary fee.		

Dog Impoundments:

Dog owners have an obligation to keep their dogs under control at all times. Dogs wandering at large present a nuisance and a danger to the public. The Shire carries out dog patrols and responds to complaints. The Dog Act provides heavy penalties for owners whose dogs are impounded.

Drivers, Motor Vehicle, Boat and Firearm Renewals:

Drivers licenses, vehicle licenses, boat licenses and firearm licenses may all be renewed at the Shire Office. Licensing staff are also able to assist with registration of new vehicles, motor vehicle transfers and ordering of personalised number plates.

Health and Building Information:

The Environmental Health Officer incorporating Health, Building and Town Planning can be contacted at the Shire Office for any matters concerning Health and Building. The Environmental Health Officer is employed in a joint scheme with the Shires of Wagin and West Arthur. Williams' allocated day is Friday and alternate Wednesdays; however the EHO is available in special circumstances through arrangement with the Chief Executive Officer.

Mosquito Control:

To assist in controlling mosquitos the following preventative measures should be taken:-

- Ensure that all educt vents to plumbing installations are fitted with a mosquito proof cowl.
- Remove all rubbish, which may hold water from around the yard eg. old drums, tyres and disused containers.
- Ensure that all water tanks have properly fitted lids and treat water with paraffin oil or kerosene in sufficient quantity to provide a film of oil across the surface.
- Council staff fogs the Williams Townsite on regular occasions when conditions are right and adult mosquitos are active.

SHIRE PRESIDENT'S REPORT

Shire President Report 2013/14

The last year has somewhat skipped by once again, and it comes time to present the Annual Report to the electors of Williams. Following the election of Councillors in October 2013, I was fortunate to be elected by my fellow Councillors to be their President, a role that I have now held since 1999. I feel very humbled and privileged to continue to hold this position and lead such a dedicated group of Councillors on behalf of the electors and residents of the Shire of Williams. Cr David Earnshaw was elected to the role of Deputy President, of which I am grateful for his ongoing commitment and support in his role.

Further work on the Integrated Planning requirements were completed in 2013/14 with the adoption of the Workforce Development Plan and the Corporate Business Plan. These were prepared in-house by the Shire CEO and will serve to support the other plans that guide Council's planning and projects for the years to come.

The Shire continues to play an active role in the 4WD/Lakes Regional Aged Housing Project. This project involves 7 local governments (Williams, West Arthur, Wagin, Woodanilling, Dumbleyung, Lake Grace and Kent), proposing to construct at least 32 dedicated aged persons units across the 7 shires. Funding for the project has been secured to date from the Royalties for Regions Country Local Government Fund 2010/11, 2011/12 and 2012/13 (\$5,047,014) to construct 17 units across the region; with a further \$5,023,646 to the project from the Regional Community Services Fund to construct 14 units across the region. Further funding continues to be sought to fund the remaining proposed units. The Shire manages this project on behalf of the 7 local governments involved; including all the reporting required on the expenditure of the funding which is a significant workload on our administration team, but congruently also demonstrates the capacity for smaller local councils to manage significant regional priority projects.

This collaborative approach extends to other regional projects including the Shire's involvement in the Upper Great Southern Regional Refuse Group, a project that is planning for the regional disposal of waste at a site in the Shire of Cuballing which will lead to the Williams Refuse site being downgraded to a transfer station. The Shire is also involved in the Hotham Williams Economic Alliance project which is a collaboration between Williams, Wandering and Boddington and was born out of the Supertowns project that the Shire of Boddington was involved in. This economic development alliance should eventually lead to benefits for all three shires as projects and initiatives are developed further.

Council partnered with Landcorp to undertake the development of the first 6 blocks in the new light industrial subdivision on the Williams-Narrogin Road. The development was completed in late 2013 and the new lots were made available for sale in early 2014. Council purchased Lot 440 Marjidan Way with the intention to build a rental industrial shed. The construction of the shed should commence in mid-2014, with the lessee now confirmed as Prime Ag following a call for expressions of interest from potential lessees interested in relocating their business to our new industrial estate. The Shire has secured Country Local Government Funding to construct the unit. Council has also committed to borrowing additional funds to complete the project. It is hoped that in the future, additional funds may be sourced to build further units on this lot for other tenants who desire to be in this area. This exciting new initiative also resulted in the Business Incentive Policy which was adopted during the year, which will be the basis of further investment and economic development opportunities for the Shire.

The Shire commenced work on the upgrade of the Williams Sport and Recreation precinct, including the refurbishment of the pavilion kitchen, re-sealing and multi-marking for tennis and netball of the 3 bottom tennis courts, lighting of the top 3 tennis courts, re-sealing and multi-marking of the ram shed for netball and basketball and the construction of a new rectangular field (for hockey) between the ram shed and tennis courts. The project is estimated to cost around \$640,000 and has been funded through the Country Local Government Fund, DSR's Community Sport and Recreation Facilities Fund, Tennis Australia's National Court Rebate Scheme, Newmont Boddington Gold, BHP Worsley, Williams Sporting Club cash and in-kind support and a cash and in-

kind contribution by the Shire of Williams. It is the most significant upgrade that the precinct has seen in quite some time and will serve the community well into the future. At the time of writing, all components with exception of the hockey oval are complete and being used by the respective sporting clubs. It is anticipated that the hockey oval will be completed in late 2014 with anticipation of playing hockey on the new field in the 2015 season.

Councillors continue to provide a significant time commitment to their duties to the Shire of Williams, of which the community should be proud. They take the time to commit to so much more than a once a month meeting commitment. Many of the Councillors also represent the Shire on local and regional committees and attend these meetings as part of their commitment to serving the community. I thank them for their efforts and extend my appreciation to their service to our community, which is often above and beyond. Our team is a strong team and one that works hard to serve the community to the best of their ability.

In 2013, Councillors David Earnshaw, Richard Johnstone, Peter Paterson and Jarrad Logie re-nominated for their positions on Council. They were elected unopposed for a four year term. I would like to thank them for continuing with their desire to be involved in Council.

All staff across all areas, from the works crew to the administration staff are a credit to themselves and our community, and are our greatest asset. They work hard to implement the decisions of Council and to ensure that they deliver exceptional work standards and ethics at all times. The works crew, led by Works Supervisor Tony Kett, continue to deliver a significant workload and are committed to making a real tangible difference to the areas they are responsible for.

The small administration team provide an outstanding level of service to our community, and this rivals many larger Councils. Ryan Duff as CEO, leads a strong, dedicated team of Cara Ryan as Manager of Finance, Sharon Wilkie as Senior Administration Officer, Manuela Lenahan & Hazel Harris as Administration Officers, Heidi Cowcher as Economic Development Officer and Steve Friend as Environmental Health/Building Officer.

On behalf of Council, I extend our appreciation to all staff and thank them for providing our community with excellent commitment and dedication to their jobs.

Cr John Cowcher
Shire President



CHIEF EXECUTIVE OFFICER'S REPORT

Upon completion of another financial year I feel that much has been achieved. The major Shire facilities within the town have received some attention and in certain instances a major upgrade has been undertaken which will preclude any future major maintenance within the out year forecasts. The Shire of Williams has been fortunate to receive substantial funding over the last five years through the Country Local Government Fund to refurbish our major assets. It is expected that a period of consolidation will occur in the coming years to recoup and plan future improvement projects for our Community.

Financial Sustainability

The Shire has finished the 2013-14 financial year in a reasonable financial position. With a low rate base, and more to the point a low Financial Assistance Grant, it is becoming increasingly difficult to maintain our service levels and add to infrastructure without external funding sources. The Shire is constantly looking for source grant funding and external private works jobs to increase our revenue base.

The Workcrew continue to provide private works to external sources in an effort to increase Shire revenue and ensure future rate increases remain at reasonable levels. In 2013/2014 extensive private works were done for the Shire of Boddington on the Darkan/Quindanning Rd.

Planning for the future

Continued good progress has been made on the Integrated Planning Framework – a requirement for all local councils introduced by Local Government Minister John Castrilli in 2010. Council has formulated 10 year Capital Works, Financial, Asset Management, and Workforce Plans which feed into a Corporate Business Plan which in turn informs Council's peak document, the Strategic Community Plan.

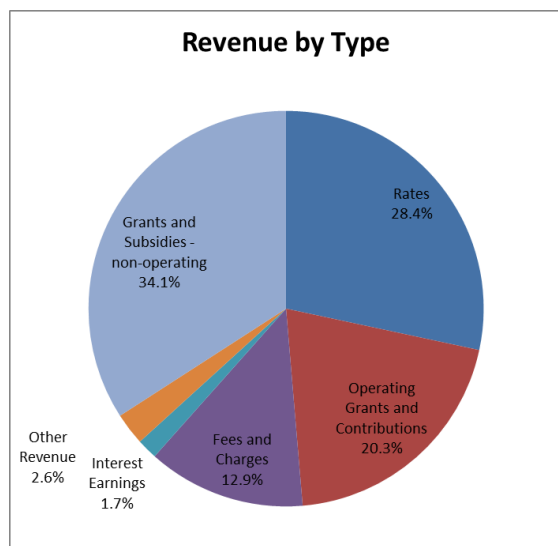
At a glance

- The operating budget for 2013/14 was \$3.58 million (including depreciation).
- Staff costs for 22 permanent and casual employees were \$1.42 million.
- Rates and charges comprised \$2.02 million of total income received (41%).
- Council's grant funding for the year was \$2.6 million.
- A \$2.27 million capital works program was delivered.
- Cash and investments totalled \$957,000.
- Council borrowings remained at low levels of \$260,000 at the end of the year.

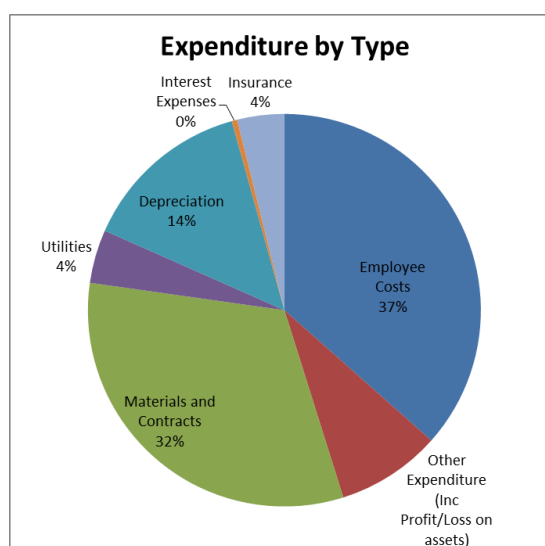
Operating Result

The operating surplus reported for 2013/2014 is \$15,064,794 which included a major revaluation of non-current assets legislated under the Local Government Financial Management Regulations 1996. Without this revaluation the actual surplus would be \$1,151,560. The diagrams below show the break up of revenue and expenditure:

Operating Revenue



Operating Expenditure

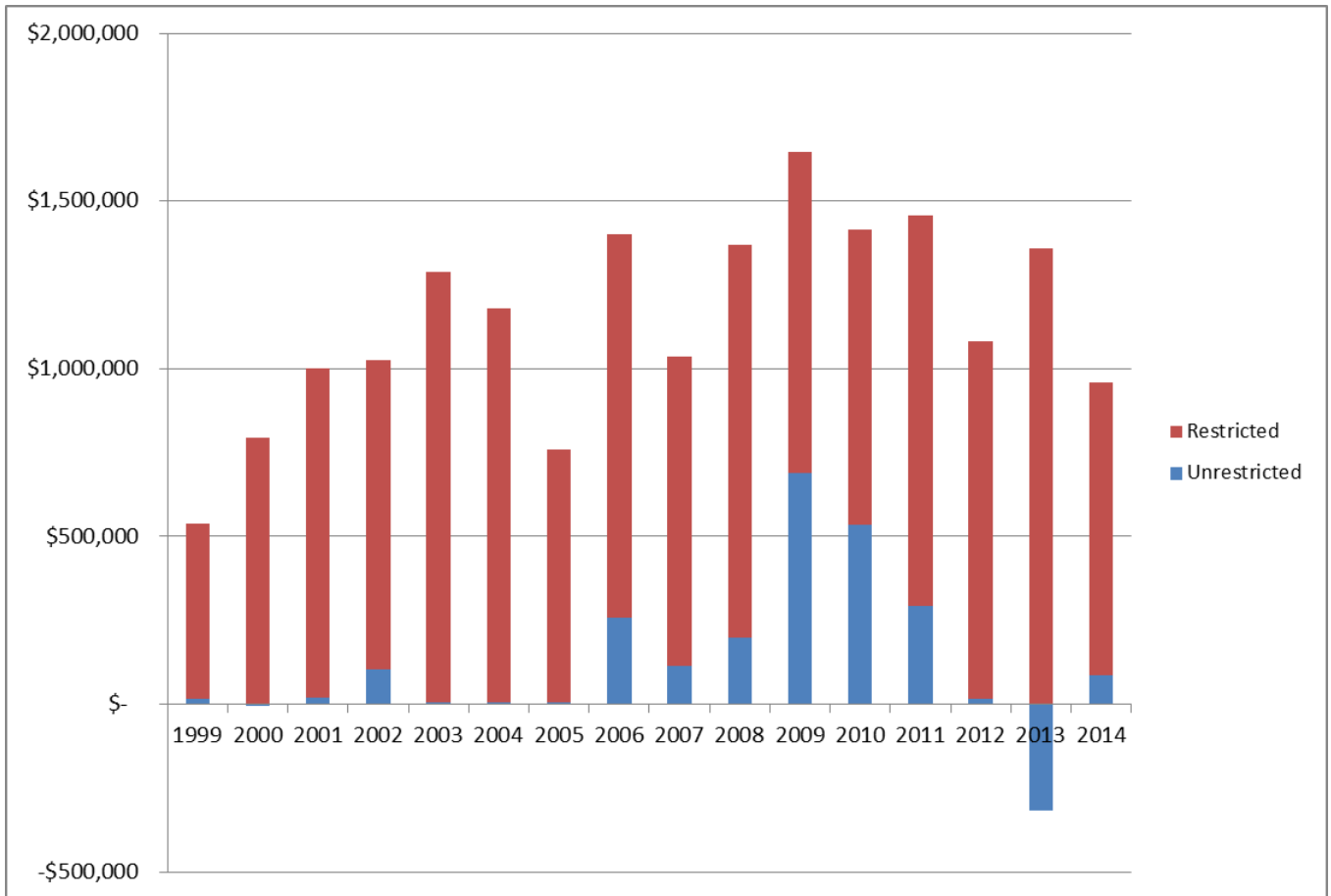


Summary	Actual	Actual	Actual
	2013/2014	2012/2013	2011/2012
Total Operating Revenues	\$ 4,910,776	\$ 3,911,326	\$ 3,930,953
Total Operating Expenditure	\$ 3,583,042	\$ 3,010,049	\$ 3,256,352
Net gain/(loss) on disposal of assets	\$ (176,176)	\$ (35,284)	\$ 31,227
Revaluation of Assets	\$ 13,913,234	\$ (341,865)	
Net Operating Result	\$ 15,064,794	\$ 524,128	\$ 705,828



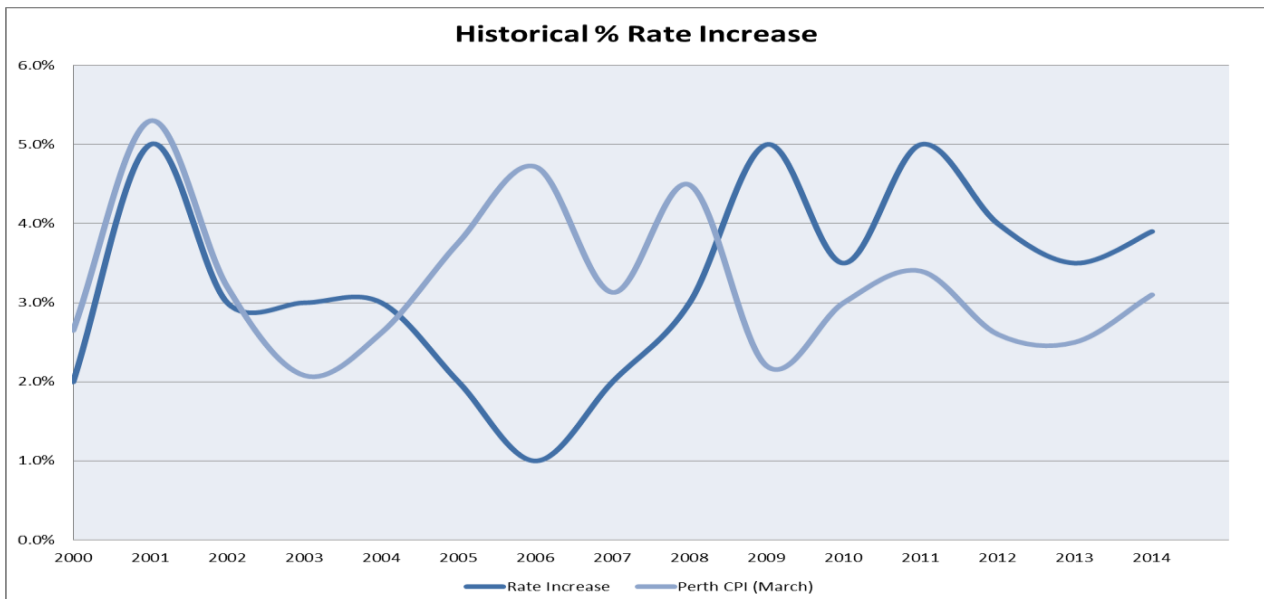
Cash and Reserves

Council had cash holdings of \$957,763 as at the 30th June 2014.



Rates

Council adopted a 3.9% general rate increase in 2013/14. This resulted in a total rate collection of \$1,392,689 compared to \$1,343,510 the previous year. The average rate increase since 2000 has been 3.26% which is slightly below the average CPI increase for the same period.



Capital Expenditure

Council capital expenditure for 2013/14 is listed below:

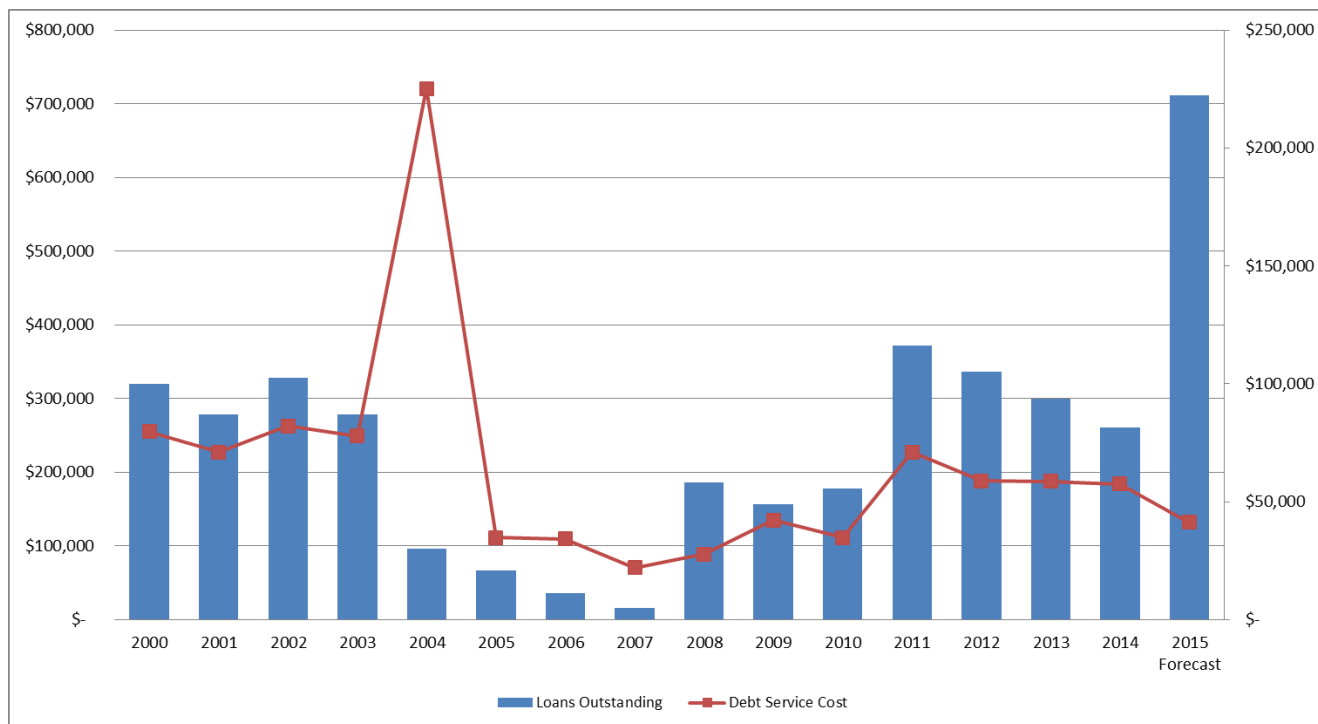
LAND & BUILDINGS		
Industrial Land Development	\$	50,665
Sewer Extension Lot 14 Growse St	\$	22,942
Toy Library Shed	\$	12,582
Regional Housing Project - 5 Units	\$	1,234,894
FURNITURE & EQUIPMENT		
Computer/Office Equipment	\$	5,322
Council Chambers Chairs	\$	4,865
Photocopier (The Williams)	\$	7,333
PLANT & MACHINERY		
Road Counters	\$	7,283
Mini Digger	\$	5,614
ROAD ASSETS		
York Williams Road – Shoulder Widening	\$	198,695
Quindanning/Darkan Rd	\$	7,307
Culbin Boranning Rd - Gravel Sheeting	\$	98,211
Dardadine Rd - Clear Widen and Gravel sheet	\$	30,586
Hardie Road Bridge - materials only	\$	38,160
PARKS AND RESERVES ASSETS		
Bowling Club Improvements Contribution	\$	19,556
Recreation Facilities Upgrade	\$	532,211
TOTAL ASSET PURCHASES	\$	2,276,226



Photo – Re-surfaced Ram Shed has enabled Netball to be held in Williams for the first time in 20 years

Loans

Council's loan liability for the year ended 30th June 2014 was \$260,000 repayable at a weighted average interest rate of 6.41% to the Western Australian Treasury Corporation. The Shire of Williams has extremely low external debt and has additional scope for appropriate borrowings to finance long-lived infrastructure assets and plans to do so as indicated in the Shire of Williams Corporate Business Plan.



A Busy 12 months ahead

The next 12 months is going to be extremely busy in the Shire office and in the Community. The upcoming ANZAC Centenary will see an enormous amount of additional traffic flowing through Williams on their way to Albany. The Community Resource Centre has come up with some great initiatives that will showcase the contribution Williams's people made to World War One. A new War Memorial is expected to be built within the RSL Hall Courtyard through the provision of grant funding and will be in place for the 2015 ANZAC Day Ceremony.

Other upcoming projects are:

- Light Industrial Complex
- Construction of 1 x Aged Housing Unit (Continuing Project)
- Regional Waste site project investigations (Continuing Project)
- Continuing Road Infrastructure Improvement Program

Upon completion of these projects no new projects are planned unless substantial grant funding is received as the planning of new projects will take place so that in the future if funding arises the Shire of Williams will have researched, priced and designed projects ready to go.

Councillors and Staff

Once again I would like to record my utmost appreciation to my fellow staff for their hard work and support during the year. A big thank you also to our dedicated and competent Councillors for their efforts in continuing to provide the community with leadership and direction.

RN Duff

Chief Executive Officer

9th October 2014

STATUTORY REPORTING

Report on disability access and inclusion plan

Access and Inclusion Plan

The Shire of Williams is committed to ensuring that the community is accessible for and inclusive of people with disabilities, their families and careers.

The Shire of Williams interprets an accessible and inclusive community as one in which all council functions, facilities and services (both in-house and contracted) are open, available and accessible to people with disabilities, providing them with the same opportunities, rights and responsibilities as other people in the community.

The Shire of Williams believes that people with disabilities, their families and careers who live in country areas should be supported to remain in the community of their choice.

The Shire of Williams is committed to consulting with people with disabilities, their families and careers and where required disability organisations to ensure that barriers to access are addressed appropriately.

The Shire of Williams is committed to achieving the following outcomes:

Outcome 1

Existing functions, facilities and services are adopted to meet the needs of people with disabilities.

- Council will endeavour to be adaptable in responding to the barriers experienced by people with various disabilities, including people with physical, sensory, cognitive and psychiatric disabilities.
- Council will ensure that all policies and practices that govern the operation of council facilities, functions and services are consistent with Council's policy on access.

Outcome 2

Access to building and facilities is improved.

- Council will undertake to incorporate the priorities regarding access for people with disabilities, identified during public consultation, into its capital works program where practical. Further modifications will be made as funds are made available.
- Council will undertake to liaise with developers to increase their awareness of the access requirements of people with disabilities.

Outcome 3

Information about functions, facilities and services is provided in formats, functions which meet the communication requirements of people with disabilities.

- Council will produce all of its information on Council facilities, functions and services using clear, concise language.
- Council will advise the community that, subject to demand, information about functions, facilities and services can be made available in alternative formats, such as large print, electronically, audio and email.

Outcome 4

Staff awareness of the needs of people with disabilities and skills in delivering advice and services are improved.

- Council will undertake to ensure that all staff are aware of the key access needs of residents with disabilities and people who visit the local government area in relation to the provision of all services.
- Where required, council will seek expert advice from the relevant disability service organisations on how to meet the access needs of people with disabilities.

Outcome 5

Opportunities for people with disabilities to participate in public consultations, grievance mechanisms and decision making processes are provided.

- Council will ensure that information is available in clear, concise language on how residents can participate in decision making processes, public consultations and grievance mechanisms.
- Council will advise the community that the information can be made in alternative formats on request.
- Council will also undertake to support people with disabilities to attend meetings of Council.

Equal Opportunity

The Shire of Williams is committed to providing a workplace where every individual is treated with respect in an environment free from discrimination and harassment.

During 2013-14 the Shire reviewed its obligations under the *Western Australian Equal Opportunity Act 1984*. In addition, the Shire's processes for resolving EEO grievances and complaints were reviewed.

National Competition Policy

The Competition Principles Agreement (CPA) is a contractual agreement between Federal Government and all States and Territory Governments. The CPA aims to ensure that all public enterprises operate in a transparent manner in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure that they have no competitive advantage or disadvantages as a result of their public status.

Competitive Neutrality (under the CPA)

During the financial year the Shire met its obligations under the National Competition Policy, competitive neutrality addresses potential advantages and disadvantages that public enterprises may have compared to businesses operating within the private sector. Local Government is only required to implement these principles to the extent that the benefits to be realised from implementation far outweigh the costs in respect of individual activities exceeding \$500,000 in income. The Shire of Williams did not have any major undertakings reportable under CPA in the 2013/14 Financial Year.

Complaints of Minor Breaches

In accordance with Sections 5.53(2) and 5.121 of the *Local Government Act 1995*, the Annual Report is required to disclose the number of complaints of minor breaches received each year.

No. of complaints 2013-14	Outcome	Action taken
Nil.		

Report on record keeping plan

As required under the *State Records Act 2000* Council adopted a Record Keeping Plan in February 2004. Principle 6 requires Council to ensure that employees comply with the Record Keeping Plan. The following activities have been undertaken to ensure staff awareness and compliance:

1. Presentations of the record keeping program to staff on a regular basis
2. In house and external training has been conducted for staff
3. Staff information sessions have been held as required.
4. No induction programs were required as there was no staff turnover.

A new Record Keeping Plan was adopted and approved in February 2011.

Employees Remuneration

The *Local Government (Administration) Regulation 19B* requires the annual report to contain details of the number of employees of the local government entitled to an annual salary of \$100,000 or more in bands of \$10,000 for each such band over \$100,000.

Salary Range	2013	2014
\$100,000 - \$110,000	1	1

RN Duff

Chief Executive Officer

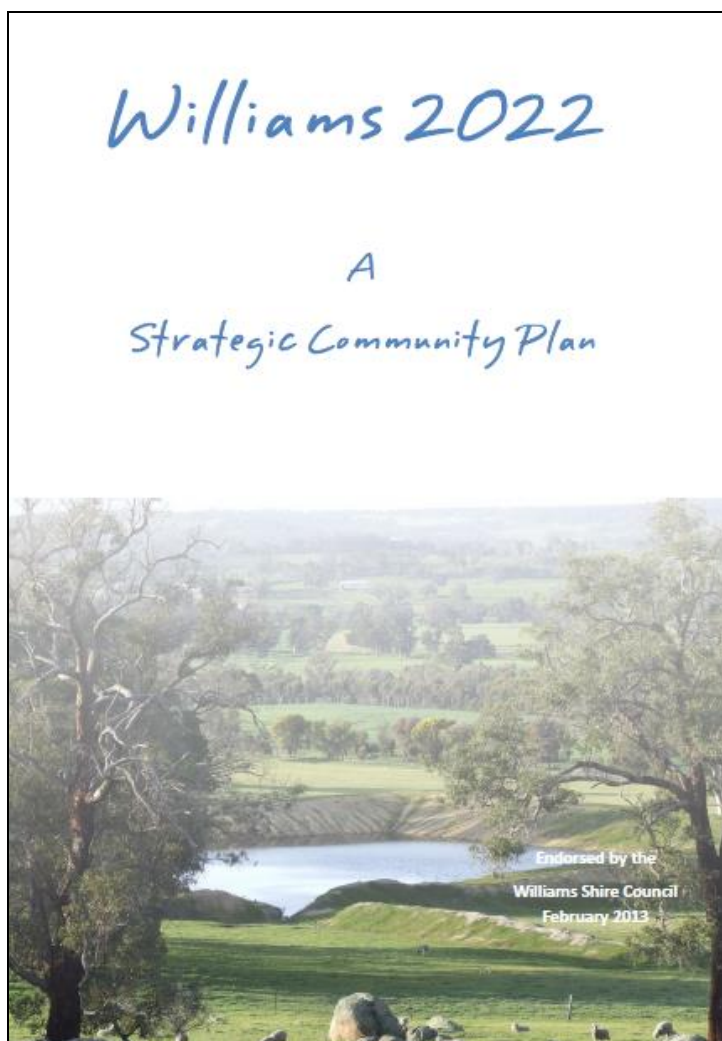
9th October 2014



COMMUNITY PLAN STRATEGIES & OUTCOMES

Community engagement is a term relatively new for local government where consulting citizens in the past has meant surveying opinion and running the odd community meeting. Engagement is more – it means involving citizens in meaningful conversations that leads to democratic decision making and planning for all.

Development of the Strategic Community Plan (“Williams 2022”) was based on that principle and as the outcomes of this plan unfold and people within our community witness the power of these conversations, they will further realise the potential of planning and working collaboratively with local government to achieve what matters.



Objective: To support industry and business development success towards 2022.

Strategy Ref	Proposed Strategy	Proposed Outcome
ED 1.1	Develop the industrial estate to offer affordable and appropriately serviced allotments.	Affordable and serviced industrial blocks available incrementally over the next ten years.
ED 1.2	Market Williams as an attractive place to do business for new investment and encourage existing businesses to invest in improving their businesses for the future sustainability of our town.	New investment in the town and existing business investing in their own improvement and future.
ED 1.3	Alleviate any shortcomings the building of the by-pass may bring to our businesses by developing and investing in a playground attraction that encourages travellers to pull off the Albany Highway and visit our town.	Numbers of visitors increase and using businesses in the town during their stay.
ED 1.4	Establish a Chamber of Commerce that creates a network of support for business in the town. The Chamber can meet with the Shire on a regular basis.	Businesses supporting each other developing innovative business solutions.

ED 1.5	Develop and promote tourism in Williams to ensure ongoing visitors to our town.	Number of visitors increase. Business turnover improves.
ED 1.6	Develop a strategy as a community to encourage employees (short and long term) to work and stay in Williams.	Larger labour pool for work.
Objective: To have appropriate levels of housing to attract people to stay and or work in Williams		
ED 2.1	Offer land for residential development at a reasonable cost and consider the development of housing for professionals and trades people needed to service Williams.	Land is affordable for development, plans for or completed project housing for visiting professionals or trades people.
ED 2.2	Plan and deliver relevant aged housing for our ageing population (linked to SCD 1.1).	Our aged community is staying in Williams and are satisfied with the outcome.
ED 2.3	Seek out investors to develop accommodation for young people and casual workers to encourage them to stay and work in our town. (Linked to ED 1.5).	Investors purchasing land and accommodation units built.
ED 2.4	Encourage the use of sustainable practices in housing development.	New builds are in a sustainable style and construction.
Objective: To ensure people who choose to spend their senior years in our community are supported in a caring and productive manner		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 1.1	Ensure development of aged housing plans take into consideration the numbers of people wanting to personally invest and ensure that they are planned and constructed with the needs of these people in mind. (Linked with ED 2.2).	Relevant planning and construction of aged housing.
SCD 1.2	Oversee the support service needs of our aging community to ensure that these services are appropriate. Act where these are under threat.	Seniors feel supported and their wellbeing needs are understood.
SCD 1.3	Continue the Community Resource Centres involvement in senior activities to create an environment where our aging community can remain connected with each other and the community at large.	The people in this demographic feel stimulated from events and activities run by the CRC, feel they are contributing and consider themselves connected with each other.
SCD 1.4	Investigate the opportunities for employment to attract people in the care of our aging community.	More people employed and possibly living in Williams as a consequence.
Objective: To have appropriate medical services in Williams to support our aging demographic and the growing number of young families who choose to work and live in our community		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 2.1	Retain and expand our current medical and health services to meet the needs of our community by developing a new and relevant medical and health facility in a location that is multipurpose, accessible and central.(Linked to SCD 4.3).	Medical and Health Services meeting the needs of our community.
SCD 2.2	Attract and sponsor a long term family doctor to visit the town on a more regular basis.	Contract signed and a family doctor service available in the community for a minimum of 2 days per week.
SCD 2.3	Expand our allied health services at the medical facility (SCD 2.1) to include pathology, pharmacy, dental services and health education services.	Expanded services available to the community.
SCD 2.4	Collectively develop a strategy to ensure suitable resourcing (staffing) for our health and medical needs (including volunteers).	Suitable numbers of employed and volunteer resources supporting the health of our community.
SCD 2.5	Investigate the plausibility of establishing a pharmacy or pharmacy services for Williams	Pharmacy service available in the interim as an external service and then as part of the possible new medical centre.
Objective: To have our children and youth engaged with the community		

Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 3.1	Provide development opportunities for our children and youth that teaches life skills, leadership and a community consciousness to support their own future and the future of our town.	Well adjusted, skilled young leaders and volunteers learning new skills and supporting the longevity of our community.
SCD 3.2	Create relevant activities for youth by asking them what they want.	Activities match what is asked for.
SCD 3.3	Create a space for youth to meet in town.	A place is made available for youth to meet and undertake meaningful activities. The place should be part of a multi-purpose arrangement.
SCD 3.4	Continue to engage with our youth via various mediums to foster a sense of belonging and a sense that they are being heard and understood.	Communication mediums are established such as Face Book, Twitter ... to keep them informed.
SCD 3.5	Continue to maintain and upgrade facilities for use by young families and children (e.g. Willi Wag Tails to remain open and by upgrading the baby pool).	A planned approach to the upgrade of facilities is known to the community, it is happening and they are able to contribute to the plans.
SCD 3.6	Encourage the bringing together of young people of both genders into the town (balancing the genders).	Equalising of genders living in the town particularly younger people.
SCD 3.7	Increase the level of community policing in the town so that there is a partnership developed between the police and the community in keeping our town safe and secure.	Increased level of partnering with police at events and in the development of community information and campaigns.
SCD 3.8	Partner with the school to introduce programs for children of primary school age.	More partnering in health, leadership development, community policing, emergency volunteers etc.
SCD 3.9	Invest in a community bus for use by the various groups in town (particularly the young and the aged).	A community bus purchased and used in the community.
Objective: To have a high level facilities that service our growing community's needs and social wellbeing.		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 4.1	Add to or expand on current facilities that are relevant to community needs and to make them attractive for the majority to use.	Shire is aware of people's suggestions and where appropriate including as part of the asset management plan.
SCD 4.2	Create an attraction to encourage people into the town after the Bypass has been established (linked to ED 1.3 and LU&E 2.1).	Number of people visiting the town is increased and attraction benefits the social wellbeing of our community.
SCD 4.3	Investigate and create a Medical and Aged facility that is appropriate for the needs of our community, is multipurpose and centrally located (Linked to SCD 1.1 and SCD 2.1).	Medical and aged facility appropriate to needs, centrally located and multi- purpose.
SCD 4.4	Build a facility to promote Williams – cultural centre/tourism.	A facility is in place that guides visitors about our town.
SCD 4.5	Enhance the shopping precinct in our town to attract more investment by our community and visitors.	Shopping precinct in centre of Williams is enhanced, functional and has more people using the facilities.
Objective: To enhance our community connectedness		
Strategy Ref	Proposed Strategy	Proposed Outcome
SCD 5.1	Keep people informed and communicating with each other through a sound communications strategy for the community – expand the frontiers of “The Williams”. (Linked to SCD 3.1)	People feel connected and informed.
SCD 5.2	Create a connection with other communities to help develop our arts appreciation in Williams.	Road trips and cross town exhibitions and activities.

SCD 5.3	Encourage people to stay in touch with those that are working or studying away from Williams to expand our community definition and to make them feel a part of it.	A flexible community that stays in touch and cares wherever community members might be.
Objective: To have a sustainable environment that is cared for in a balanced way by those that live within it		
Strategy Ref	Proposed Strategy	Proposed Outcome
LU&E 1.1	Educate and share ideas on how to care for our Williams environment.	Community have a higher appreciation of how to live amongst and care for the unique Williams environment.
LU&E 1.2	Maintain a program to ensure our town is clean and tidy, free of unnecessary pollution and rubbish, particularly our townscape and the river.	Town (including the river, road verges and townscape) is clean and free of pollution and rubbish.
LU&E 1.3	Maintain a vigilant control over pests and weeds in our town (feral animals, noxious weeds and a balanced insect control).	Pests and weeds are kept to an acceptable level.
LU&E 1.4	Reintroduce NRMO to the District.	Coordinated approach to land care
LU&E 1.5	Introduce the most appropriate way to maintain our verges so that there is a balance of safety and care for the natural vegetation and fauna.	Shire investigates the challenge and new processes introduced.
LU&E 1.6	Develop programs that focus on the sustainability of our water in the town including its quality for the benefit of all (town water supply, shire planting programs and the river).	Program developed and in place.
LU&E 1.7	Ensure that burning and clearing is conscious of future environmental effects.	Burning and clearing is conducted with sustainability in mind.
LU&E 1.8	Maintain a well vegetated landscape for environmental and aesthetic purposes.	Our community is well vegetated for environmental, social and aesthetic reasons.
LU&E 1.9	Continue to be aware of sustainability in agriculture.	Continued awareness and practice.
Objective: To have safe and well maintained roads that support our economy and our wellbeing		
Strategy Ref	Proposed Strategy	Proposed Outcome
LU&E 2.1	Keep people informed on the progress of the By Pass construction and facilitate a project with the shire, community and Main Roads in partnership to establish an attraction that compensates and value adds to the Lion Park having to be moved. (Linked to ED 1.3 and SCD 4.2).	People are informed and know what to expect and can contribute to the construction of a new attraction to encourage people to visit our town once the By-Pass is in place.
LU&E 2.2	Construct and maintain our local roads to ensure their safety and lobby Main Roads in partnership with other Albany Highway communities to upgrade the Albany Highway to be either dual carriageway or to have more over taking lanes.	Our roads both locally and regionally are safe.
LU&E 2.3	Continue to audit and maintain roads throughout the whole of the shire to ensure they are maintained in a skilled manner with quality resources.	Safe and well maintained roads throughout the whole of the Shire.
LU&E 2.4	Maintain verges conscious of a balanced safety, flora and fauna approach.(Linked to LU&E 1.5)	Verges maintained well.
LU&E 2.5	Update research on the safety aspects of the Albany Highway to assist in lobbying for dual carriageways or more passing lane s (Linked to LU&E 2.2).	Those lobbying have up to date knowledge.
LU&E 2.6	Improve footpaths in the town.	Footpaths are safe and accessible.
LU&E 2.7	Develop and maintain cycle and walker friendly roads.	Cyclists and walkers feel safe – no incidents.
Objective: To have visionary leadership within our elected members and to have continued quality service delivery from our Shire staff.		
Strategy Ref	Proposed Strategy	Proposed Outcome
OP 1.1	Monitor feedback from community on service delivery.	Feedback received and analysed for the purpose of quality improvement.

OP 1.2	Keep the community engaged on subjects or decisions that directly impact.	Community engagement follows policy and community members are actively involved.
OP 1.3	Have a communication plan that works for the majority.	Community and Shire have an infrastructure that works in a timely way.
OP 1.4	Retain and develop skilled staff.	Well skilled and knowledgeable staff happy in their jobs.
Objective: To ultimately not be amalgamated		
Strategy Ref	Proposed Strategy	Proposed Outcome
OP 2.1	Continue to keep updated on the amalgamation subject, keep community informed and do whatever we can to avoid it.	Council, shire administration and community informed and actively working towards remaining independent.
OP 2.2	Have a contingency plan if we do amalgamate.	Contingency plan in place.

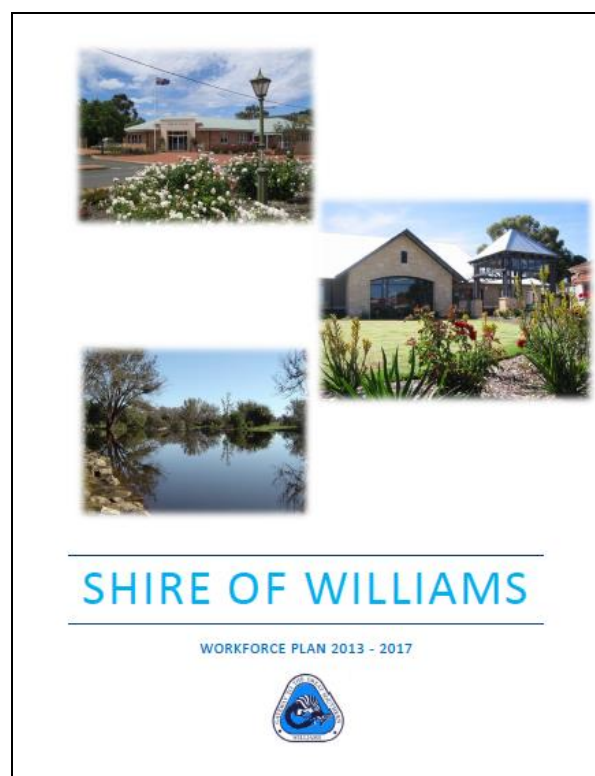
Corporate Business Plan

The Shire of Williams Corporate Business Plan 2013 - 2017 is part of a network of plans that outlines the shire's activities over the next four years. The plan not only identifies our immediate and longer term operational needs, and services provided, but also provides information on the major projects identified by the community.



Workforce Plan

The makeup of the workforce both the public and private sectors has taken on greater importance. It requires greater attention and planning to achieve the necessary and appropriate knowledge and skills to ensure the delivery of efficient and effective quality services. Organisations must now plan to shape their workforce recognising the current and future organisation goals, objectives and direction. This workforce plan is an informing strategy to the Shire of Williams Corporate Business Plan and is integral to the continuous improvement program the Shire is undertaking to plan for our future.



SHIRE OF WILLIAMS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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Principal place of business: 9 Brooking Street Williams WA 6391	

**SHIRE OF WILLIAMS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Williams being the annual financial report and other information for the financial year ended 30 June 2014 are in my opinion properly drawn up to present fairly the financial position of the Shire of Williams at 30th June 2014 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 3 day of September 2014



Ryan Duff
Chief Executive Officer

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

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
Rates	22	1,392,689	1,396,203	1,347,613
Operating Grants, Subsidies and Contributions	28	996,942	394,526	685,718
Fees and Charges	27	634,833	695,043	587,752
Interest Earnings	2(a)	82,101	75,930	59,449
Other Revenue		129,286	0	0
		<u>3,235,851</u>	<u>2,561,702</u>	<u>2,680,532</u>
Expenses				
Employee Costs		(1,426,810)	(1,337,507)	(1,347,198)
Materials and Contracts		(1,252,584)	(639,915)	(760,984)
Utility Charges		(171,868)	(129,050)	(181,975)
Depreciation on Non-Current Assets	2(a)	(548,129)	(568,500)	(561,282)
Interest Expenses	2(a)	(17,892)	(19,960)	(21,431)
Insurance Expenses		(150,851)	(135,390)	(137,179)
Other Expenditure		(14,908)	0	0
		<u>(3,583,042)</u>	<u>(2,830,322)</u>	<u>(3,010,049)</u>
		(347,191)	(268,620)	(329,517)
Non-Operating Grants, Subsidies and Contributions	28	1,674,925	1,904,222	1,230,794
Loss on Revaluation of Fixed Assets	2(a)	0	0	(341,865)
Profit on Asset Disposals	20	144,654	0	10,302
Loss on Asset Disposals	20	<u>(320,828)</u>	<u>(45,000)</u>	<u>(45,586)</u>
NET RESULT		1,151,560	1,590,602	524,128
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	12	13,913,234	0	0
Total Other Comprehensive Income		<u>13,913,234</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>15,064,794</u></u>	<u><u>1,590,602</u></u>	<u><u>524,128</u></u>

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

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

	NOTE	2014 \$	2014 Budget \$	2013 \$
Revenue				
Governance		60,614	48,250	44,491
General Purpose Funding		1,667,230	1,665,592	1,774,775
Law, Order, Public Safety		37,849	29,950	33,486
Health		1,363	2,500	3,016
Education and Welfare		255,936	318,907	266,171
Housing		70,777	70,446	63,596
Community Amenities		118,250	113,945	120,541
Recreation and Culture		49,856	53,550	98,729
Transport		704,454	73,112	80,876
Economic Services		30,137	28,950	38,607
Other Property and Services		239,386	156,500	156,244
	2(a)	3,235,852	2,561,702	2,680,532
Expenses				
Governance		(236,369)	(193,730)	(229,020)
General Purpose Funding		(11,022)	(11,650)	(10,391)
Law, Order, Public Safety		(68,244)	(74,482)	(103,417)
Health		(69,772)	(67,360)	(66,290)
Education and Welfare		(347,915)	(332,722)	(323,555)
Housing		(70,701)	(66,520)	(74,385)
Community Amenities		(189,272)	(167,430)	(195,586)
Recreation & Culture		(632,261)	(566,134)	(600,707)
Transport		(1,614,471)	(1,082,697)	(1,243,348)
Economic Services		(105,584)	(117,950)	(102,820)
Other Property and Services		(219,540)	(129,687)	(39,099)
	2(a)	(3,565,151)	(2,810,362)	(2,988,618)
Financial Costs				
General Purpose Funding		0	(1,000)	(1,012)
Transport		(1,852)	(2,939)	(4,023)
Other Property and Services		(16,040)	(16,021)	(16,396)
	2(a)	(17,892)	(19,960)	(21,431)
Non-Operating Grants, Subsidies and Contributions				
Education and Welfare		19,915	0	130,000
Housing		1,068,273	1,312,337	147,631
Community Amenities		0	0	33,661
Recreation & Culture		159,251	138,273	0
Transport		427,486	453,612	659,398
Other Property and Services		0	0	260,104
		1,674,925	1,904,222	1,230,794
Loss on Revaluation of Fixed Assets				
Other Property & Services		0	0	(341,865)
Profit/(Loss) on Disposal of Assets				
Governance		0	0	(2,748)
Health		0	0	(534)
Education and Welfare		(986)	0	(6,283)
Recreation & Culture		(18,620)	0	(824)
Transport		144,654	(45,000)	(24,895)
Economic Services		(301,222)	0	0
		(176,174)	(45,000)	(35,284)
Net Result		1,151,560	1,590,602	524,128
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	13,913,234	0	0
Total Other Comprehensive Income		13,913,234	0	0
Total Comprehensive Income		15,064,794	1,590,602	524,128

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

**SHIRE OF WILLIAMS
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2014**

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	957,763	1,041,279
Trade and Other Receivables	4	445,371	530,729
Inventories	5	12,488	14,209
TOTAL CURRENT ASSETS		1,415,622	1,586,217
NON-CURRENT ASSETS			
Other Receivables	4	4,244	3,412
Property, Plant and Equipment	6	18,988,950	6,891,944
Infrastructure	7	13,132,361	9,931,203
TOTAL NON-CURRENT ASSETS		32,125,555	16,826,559
TOTAL ASSETS		33,541,177	18,412,776
CURRENT LIABILITIES			
Trade and Other Payables	8	459,762	387,739
Current Portion of Long Term Borrowings	9	25,040	39,647
Provisions	10	216,591	166,484
TOTAL CURRENT LIABILITIES		701,393	593,870
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	234,960	259,879
Provisions	10	23,540	42,538
TOTAL NON-CURRENT LIABILITIES		258,500	302,417
TOTAL LIABILITIES		959,893	896,287
		32,581,284	17,516,489
EQUITY			
Retained Surplus		17,272,810	15,877,699
Reserves - Cash Backed	11	481,652	725,203
Revaluation Surplus	12	14,826,821	913,587
TOTAL EQUITY		32,581,283	17,516,489

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

**SHIRE OF WILLIAMS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2012		15,297,722	781,052	913,587	16,992,361
Comprehensive Income					
Net Result		524,128	0	0	524,128
Other Comprehensive Income					
Changes on Revaluation of Non-Current Assets	12	0	0	0	0
Total Comprehensive Income		524,128	0	0	524,128
Transfers from/(to) Reserves		55,849	(55,849)	0	0
Balance as at 30 June 2013		15,877,699	725,203	913,587	17,516,489
Comprehensive Income					
Net Result		1,151,560	0	0	1,151,560
Other Comprehensive Income					
Changes on Revaluation of Non-Current Assets	12	0	0	13,913,234	13,913,234
Total Comprehensive Income		1,151,560	0	13,913,234	15,064,794
Transfers from/(to) Reserves		243,551	(243,551)	0	0
Balance as at 30 June 2014		17,272,810	481,652	14,826,821	32,581,283

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

**SHIRE OF WILLIAMS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2014 \$	2014 Budget \$	2013 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,376,936	1,396,203	1,317,527
Operating Grants, Subsidies and Contributions		996,942	394,526	685,718
Fees and Charges		731,970	859,943	546,171
Interest Earnings		82,101	75,930	59,449
Goods and Services Tax		285,017	330,000	324,416
Other Revenue		129,286	0	0
		<u>3,602,252</u>	<u>3,056,602</u>	<u>2,933,281</u>
Payments				
Employee Costs		(1,395,701)	(1,247,761)	(1,354,338)
Materials and Contracts		(1,177,650)	(940,598)	(480,421)
Utility Charges		(171,868)	(129,050)	(181,975)
Interest Expenses		(19,082)	(19,960)	(22,543)
Insurance Expenses		(150,851)	(135,390)	(137,179)
Goods and Services Tax		(281,875)	(330,000)	(325,110)
Other Expenditure		(14,908)	0	0
		<u>(3,211,935)</u>	<u>(2,802,759)</u>	<u>(2,501,566)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>390,317</u>	<u>253,843</u>	<u>431,715</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(1,563,591)	(1,789,693)	(644,463)
Payments for Construction of Infrastructure		(712,641)	(1,077,671)	(1,071,754)
Non-Operating Grants, Subsidies and Contributions		1,674,925	1,904,222	1,230,794
Proceeds from Sale of Fixed Assets		167,000	35,000	50,302
Net Cash Provided by (Used in) Investment Activities		<u>(434,307)</u>	<u>(928,142)</u>	<u>(435,121)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(39,526)	(39,647)	(37,076)
Proceeds from New Debentures		0	149,746	0
Net Cash Provided By (Used In) Financing Activities		<u>(39,526)</u>	<u>110,099</u>	<u>(37,076)</u>
Net Increase (Decrease) in Cash Held		<u>(83,516)</u>	<u>(564,200)</u>	<u>(40,482)</u>
Cash at Beginning of Year		1,041,279	1,040,865	1,081,761
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>957,763</u></u>	<u><u>476,665</u></u>	<u><u>1,041,279</u></u>

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

**SHIRE OF WILLIAMS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2014 Actual \$	2014 Budget \$	2013 Actual \$
Revenue				
Governance		60,614	48,250	44,491
General Purpose Funding		274,541	269,389	427,161
Law, Order, Public Safety		37,849	29,950	33,486
Health		1,363	2,500	3,016
Education and Welfare		275,851	318,907	396,171
Housing		1,139,050	1,382,783	211,227
Community Amenities		118,250	113,945	154,202
Recreation and Culture		209,107	191,823	98,729
Transport		1,276,594	526,724	750,576
Economic Services		30,137	28,950	38,607
Other Property and Services		239,386	156,500	416,348
		<u>3,662,742</u>	<u>3,069,721</u>	<u>2,574,014</u>
Expenses				
Governance		(236,369)	(193,730)	(231,768)
General Purpose Funding		(11,022)	(12,650)	(11,403)
Law, Order, Public Safety		(68,244)	(74,482)	(103,417)
Health		(69,772)	(67,360)	(66,824)
Education and Welfare		(348,901)	(332,722)	(329,838)
Housing		(70,701)	(66,520)	(74,385)
Community Amenities		(189,272)	(167,430)	(195,586)
Recreation and Culture		(650,881)	(566,134)	(601,531)
Transport		(1,616,323)	(1,130,636)	(1,282,568)
Economic Services		(406,806)	(117,950)	(102,820)
Other Property and Services		(235,580)	(145,708)	(397,360)
		<u>(3,903,871)</u>	<u>(2,875,322)</u>	<u>(3,397,500)</u>
Net Result Excluding Rates		(241,129)	194,399	(823,486)
Adjustments for Cash Budget Requirements:				
(Profit)/Loss on Asset Disposals	20	176,174	45,000	35,284
Movement in Deferred Pensioner Rates (Non-Current)		(832)	0	(788)
Movement in Employee Benefit Provisions (Non-current)		(18,998)	0	(13,022)
Decrement on Property Plant & Equipment			0	336,009
Decrement on Furniture & Equipment			0	5,856
Depreciation and Amortisation on Assets	2(a)	548,129	568,500	561,282
Capital Expenditure and Revenue				
Purchase Land and Buildings	6(a)	(297,471)	(1,769,193)	(436,348)
Purchase Furniture and Equipment	6(a)	(17,521)	(15,500)	(1,090)
Purchase Plant and Equipment	6(a)	(12,898)	(5,000)	(207,025)
Purchase Work in Progress - Non Specialised Buildings	6(a)	(1,235,701)		
Purchase Roads	7(a)	(372,960)	(503,887)	(901,159)
Purchase Infrastructure - Parks & Gardens	7(a)	(178,725)	(573,784)	(170,595)
Purchase Work in Progress - Infrastructure Parks & Garder	7(a)	(160,956)		
Proceeds from Disposal of Fixed Assets	20	167,000	35,000	50,302
Repayment of Debentures	21(a)	(39,526)	(39,647)	(37,076)
Proceeds from New Debentures	21(a)	0	149,746	0
Transfers to Reserves (Restricted Assets)	11	(26,449)	(21,462)	(10,792)
Transfers from Reserves (Restricted Assets)	11	270,000	270,000	66,641
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	306,911	269,625	505,305
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	257,737	0	306,911
Total Amount Raised from General Rate	22(a)	<u>(1,392,689)</u>	<u>(1,396,203)</u>	<u>(1,347,613)</u>

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments 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 financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report 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.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 financial report.

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 19. to these financial statements.

(b) 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.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and 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 reported as short term borrowings in current liabilities in the statement of financial position.

(d) 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.

(e) 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 Sale

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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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.

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 financial report 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, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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 at the next anniversary date in accordance with the mandatory measurement framework detailed above.

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 Arrangements

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.

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and 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 the statement of comprehensive income in the period in which they arise.

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

Capitalisation Threshold

Expenditure purchased below the following thresholds are not capitalised. Rather, it is recorded on an asset inventory listing.

Land	\$1
Buildings	\$10,000
Furniture & Equipment	\$2,000
Plant & Equipment	\$2,000
Infrastructure	\$5,000

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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.

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 (i.e. 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 WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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.

(h) 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 (i.e. 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.

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.□

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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(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. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. 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. 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 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 non-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 (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) 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 will have 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 to 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.

(i) 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 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.

(j) 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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) 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 of 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.

(l) 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.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions

Provisions are recognised when the Council has a present 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.

(n) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(o) Investment in Associates

An associate is an entity over which the Council has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(q) 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.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to 'those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

(r) 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.

(s) 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.

(t) Rounding Off Figures

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

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

1. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(v) Budget Comparative Figures

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

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 – Financial Instruments	December 2013	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 2010 -7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	December 2013	1 January 2018	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]			

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iii)	AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128. It is not expected to have a significant impact on Council.
(iv)	AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	1 January 2014	This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. This Standard is not expected to significantly impact the Council's financial statements.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(v)	AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	<p>This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.</p> <p>It is not expected to have a significant impact on Council.</p>
(vi)	AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]	October 2013	1 January 2014	<p>This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities.</p> <p>It is not expected to have a significant impact on Council.</p>
(vii)	AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title column	<p>Part A of this standard makes various editorial corrections to Australian Accounting Standards.</p> <p>Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031.</p> <p>Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.</p> <p>As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.</p>

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 - 2
AASB 11	AASB 2011 - 7	AASB 2012 - 3
AASB 12	AASB 2011 - 9	AASB 2012 - 5
AASB 119	AASB 2011 - 10	AASB 2012 - 10
AASB 127		

Most of the standards adopted had a minimal effect on the accounting and reporting practices of the Council as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

2. REVENUE AND EXPENSES		2014	2013
		\$	\$
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit of the annual financial report		9,250	8,800
- Financial Management Review		2,900	3,200
Depreciation			
Non-Specialised Buildings		26,370	91,354
Specialised Buildings		97,230	37,325
Furniture and Equipment		6,814	9,140
Plant and Equipment		146,256	166,255
Roads		230,000	230,000
Footpaths		9,861	0
Infrastructure - Parks & Gardens		31,598	27,208
		<u>548,129</u>	<u>561,282</u>
Interest Expenses (Finance Costs)			
Debentures (refer Note 21.(a))		17,892	20,419
Overdraft Interest			1,012
		<u>17,892</u>	<u>21,431</u>
(ii) Crediting as Revenue:			
Other Revenue			
Reimbursements and Recoveries		129,286	0
		<u>129,286</u>	<u>0</u>
	2014	2014	2013
	Actual	Budget	Actual
	\$	\$	\$
Interest Earnings			
- Reserve Funds	26,448	35,000	33,151
- Other Funds	43,238	30,000	15,176
Other Interest Revenue (refer note 26)	<u>12,415</u>	<u>10,930</u>	<u>11,122</u>
	<u>82,101</u>	<u>75,930</u>	<u>59,449</u>

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Williams is dedicated to providing high quality service to the community through the various service orientated programs which it has established.

COMMUNITY VISION

In 2022 Williams is an independent, growing and vibrant community. This will be achieved by maintaining a balanced and caring approach to its people, economy and environment.

Council operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GOVERNANCE

Objective:

To provide a decision making process for the efficient allocation of scarce resources.

Activities:

Administration and operation of facilities and service to member of Council; other costs that relate to the tasks of assisting elected member and ratepayers on matter which do not concern specific Council Services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to ensure a safer community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Health inspection and advisory services, analytical services, mosquito control and collection agent for Williams St John Ambulance subscriptions.

EDUCATION AND WELFARE

Objective:

To provide a framework that enables community needs in these areas to be met.

Activities:

Provision and maintenance of premises for Williams Community Resource Centre and Willi Wagtails Childcare Centre. Provide payroll administration for Williams Community Resource Centre and full administration services for Willi Wagtails Childcare Centre.

HOUSING

Objective:

To help ensure the availability of adequate housing for community needs.

Activities:

Management, administration and maintenance of Williams Community Homes, Sandalwood Court and Wandoo Cottages.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Rubbish collection services, refuse site maintenance, litter control, protection of the environment and administration of cemetery and public conveniences.

RECREATION AND CULTURE

Objective:

To establish and manage efficiently infrastructure and resources which will meet the recreational and cultural needs of the community.

Activities:

Maintenance of halls, recreational facilities and reserves, operation of library, compilation and maintenance of the local heritage register.

TRANSPORT

Objective:

To provide safe, effective and efficient transport services to the community

Activities:

Construction and maintenance of street, roads, bridges, cleaning and lighting of streets, depot maintenance and on-line agent for Department of Transport collections.

ECONOMIC SERVICES

Objective:

Promotion of Williams and improvement of the economic wellbeing of the district and it's inhabitants.

Activities:

Tourism services, area promotion, implementation of building controls, provision of standpipe water, maintenance and management of the Williams Stud Breeders Pavilion.

OTHER PROPERTY AND SERVICES

Objective:

Efficient utilisation of Council resources, plant repairs and operations, management of Williams Town Planning Scheme.

Activities:

Provision of private works to public, maintenance of Council plant, approvals and monitoring of town planning activities.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening Balance ⁽¹⁾ 1/07/12 \$	Received ⁽²⁾ 2012/13 \$	Expended ⁽³⁾ 2012/13 \$	Closing Balance ⁽¹⁾ 30/06/13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance 30/06/14 \$
Grant/Contribution	Function/ Activity							
Roads to Recovery	Transport	(1,309)	214,960	(85,415)	128,236	128,236	(128,798)	127,674
CLGF - Quindanning Townsite	Op & Services	11,522	0	(11,522)	0	0	0	0
Department of Agriculture	Community	4,153	0	(780)	3,373	0	0	3,373
Wheatbelt Regional - Childcare	Education	10,168	30,000	(40,168)	0	0	0	0
CLGF - Recreation Facilities	Recreation	260,104	0	(17,500)	242,604	0	(242,604)	0
CLGF - Industrial Subdivision	Economic	0	260,104	0	260,104	0	(806)	259,298
Total		284,638	505,064	(155,385)	634,317	128,236	(372,208)	390,345

Notes:

- (1)** - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2)** - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3)** - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	Note	2014 \$	2013 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		85,766	(318,241)
Restricted		871,997	1,359,520
		<u>957,763</u>	<u>1,041,279</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	11	125	120
Plant Reserve	11	529	511
Building Reserve	11	397,469	499,261
Joint Venture Housing Reserve	11	54,248	200,147
Recreation Facilities Reserve	11	18,942	15,276
Art Acquisition Reserve	11	10,339	9,888
Unspent Grants	2(c)	390,345	634,317
		<u>871,997</u>	<u>1,359,520</u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates Outstanding		55,111	40,190
Sundry Debtors		403,602	501,733
GST Receivable		931	4,073
Provision for Doubtful Debts		(14,273)	(15,267)
		<u>445,371</u>	<u>530,729</u>
Non-Current			
Rates Outstanding - Pensioners		4,244	3,412
		<u>4,244</u>	<u>3,412</u>
5. INVENTORIES			
Current			
Fuel and Materials		11,313	14,113
History Books		1,175	96
		<u>12,488</u>	<u>14,209</u>
Non-Current			
Land Held for Resale - Cost			
Cost of Acquisition		0	0
Development Costs		0	0
		<u>0</u>	<u>0</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2013 \$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014	2,025,000	0
- Cost	0	481,251
	<u>2,025,000</u>	<u>481,251</u>
Total Land	<u>2,025,000</u>	<u>481,251</u>
Non-Specialised Buildings at:		
- Independent Valuation 2014	1,775,000	0
- Cost	0	1,078,385
Less: Accumulated Depreciation	0	(222,163)
	<u>1,775,000</u>	<u>856,222</u>
Specialised Buildings at:		
- Independent Valuation 2014	12,501,406	0
- Cost	0	5,345,826
Less: Accumulated Depreciation	0	(1,205,190)
	<u>12,501,406</u>	<u>4,140,636</u>
Total Buildings	<u>14,276,406</u>	<u>4,996,858</u>
Total Land and Buildings	<u>16,301,406</u>	<u>5,478,109</u>
Furniture and Equipment at:		
- Management Valuation 2013	96,714	97,700
- Additions after Valuation - Cost	17,521	0
Less Accumulated Depreciation	(6,814)	0
	<u>107,421</u>	<u>97,700</u>
Plant and Equipment at:		
- Management Valuation 2013	27,500	27,500
- Independent Valuation 2013	1,288,635	1,288,635
- Additions after Valuation - Cost	12,898	0
Less Accumulated Depreciation	(146,256)	0
	<u>1,182,777</u>	<u>1,316,135</u>
Work in Progress - Non Specialised Buildings at:		
- Cost	1,397,346	0
Less Accumulated Depreciation	0	0
	<u>1,397,346</u>	<u>0</u>
	<u>18,988,950</u>	<u>6,891,944</u>

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and Buildings:

The Shires land and buildings were revalued at 30 June 2014 by independent valuers.

Land and Non-Specialised Buildings, valuations were made on the basis of observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use (Level 2 inputs in the fair value hierarchy).

Specialised Buildings were valued using the cost approach. The approach estimated the replacement cost for each building by componentising the building into significant parts with different useful lives and taking into account a range of factors. These include the average cost of construction and consumption score for each component. As these are supported by observable market evidence they have been classified as Level 2 inputs. The unobservable inputs, such as residual values and remaining useful life impacted significantly on the final determination of fair value and as such the overall fair value measurement were deemed to be valued at Level 3 inputs.

The revaluation of these assets resulted in an overall increase of \$11,599,520 in the net value of the Shire's land and buildings. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12) and was recognised as Changes on Revaluation of non- current Assets in the Statement of Comprehensive Income.

Furniture and Equipment

Plant and Equipment:

The Shires furniture & equipment and plant & equipment were revalued in 2013.

Whilst the additions since that time are shown at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. Thus, the value is considered in accordance with Local Government Financial Management (Regulation) 17A (2) which requires these assets to be shown at fair value.

These assets will be revalued year ended 30 June 2016 in accordance with the mandatory asset measurement framework detailed at Note 1(f).

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

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

		Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Transfer of Asset Class \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Freehold Land	(Level 2)	481,251	72,801	(303,667)		1,774,615	0	0	2,025,000
Total Land		481,251	72,801	(303,667)	0	1,774,615	0	0	2,025,000
Non-Specialised Buildings	(Level 2)	856,222	0	(9,429)		954,577	0	(26,370)	1,775,000
Specialised Buildings	(Level 3)	4,140,636	224,670	(17,841)	(619,157)	8,870,328	0	(97,230)	12,501,406
Total Buildings		4,996,858	224,670	(27,270)	(619,157)	9,824,905	0	(123,600)	14,276,406
Total Land and Buildings		5,478,109	297,471	(330,937)	(619,157)	11,599,520	0	(123,600)	16,301,406
Furniture and Equipment	(Level 3)	97,700	17,521	(986)		0	0	(6,814)	107,421
Plant and Equipment	(Level 2)	1,316,135	12,898	0		0	0	(146,256)	1,182,777
Work in Progress - Non Specialised Buildings		0	1,235,701	0	161,645	0	0	0	1,397,346
Total Property, Plant and Equipment		6,891,944	1,563,591	(331,923)	(457,512)	11,599,520	0	(276,670)	18,988,950

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

Transfer of Asset Class

During the process of fair value by independent valuers on Land and Buildings and Infrastructure Parks, Gardens it was identified that assets classed as Land & Buildings were Infrastructure. The net decrease of \$457,512 is reflected in Note 7(a) Infrastructure.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014	2013
	\$	\$
7. INFRASTRUCTURE		
Roads		
- Cost	16,325,196	15,952,236
Less Accumulated Depreciation	<u>(7,261,192)</u>	<u>(7,031,192)</u>
	9,064,004	8,921,044
 Footpaths		
- Cost	493,053	0
Less Accumulated Depreciation	<u>(111,510)</u>	<u>0</u>
	381,543	0
 Infrastructure - Parks & Gardens		
- Independent Valuation 2014	3,515,858	0
- Additions after Valuation - Cost	0	1,403,954
- Cost	0	(393,795)
Less Accumulated Depreciation	<u>0</u>	<u>0</u>
	3,515,858	1,010,159
 Work in Progress - Infrastructure Parks & Gardens		
- Cost	170,956	0
Less Accumulated Depreciation	<u>0</u>	<u>0</u>
	170,956	0
	<u><u>13,132,361</u></u>	<u><u>9,931,203</u></u>

Other Infrastructure:

The Shires Infrastructure Parks & Gardens were revalued at 30 June 2014 by independent valuers.

These assets were valued having regard for their current replacement costs utilising both observable and unobservable inputs. These include the average cost of construction and consumption score for each component. As these are supported by observable market evidence they have been classified as Level 2 inputs. The unobservable inputs, such as residual values and remaining useful life impacted significantly on the final determination of fair value and as such

The revaluation of these assets resulted in an overall increase of \$2,313,714 in the net value of the Shire's Infrastructure - Parks & Gardens. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12) and was recognised as Changes on Revaluation of non- current

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

7. INFRASTRUCTURE (Continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Transfer of Asset Class \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Roads	8,921,044	372,960	0		0	0	(230,000)	9,064,004
Footpaths	0	0	0	391,404	0	0	(9,861)	381,543
Infrastructure - Parks & Gardens (Level 3)	1,010,159	178,725	(11,250)	56,108	2,313,714	0	(31,598)	3,515,858
Work in Progress - Infrastructure Parks & Gardens	0	160,956	0	10,000	0	0	0	170,956
Total	9,931,203	712,641	(11,250)	457,512	2,313,714	0	(271,459)	13,132,361

7. INFRASTRUCTURE (Continued)

(a) Movements in Carrying Amounts

Transfer of Asset Class

During the process of fair value by independent valuers on Land and Buildings and Infrastructure Parks, Gardens it was identified that assets classed as Land & Buildings were Infrastructure. The net increase of \$457,512 is reflected in Note 6 (a) Property Plant and Equipment.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2013 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	455,869	382,656
Accrued Interest on Debentures	3,893	5,083
	<u>459,762</u>	<u>387,739</u>

9. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge Debentures	25,040	39,647
	<u>25,040</u>	<u>39,647</u>
Non-Current		
Secured by Floating Charge Debentures	234,960	259,879
	<u>234,960</u>	<u>259,879</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions

Current	216,591	166,484
Non-Current	23,540	42,538
	<u>240,131</u>	<u>209,022</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2013	85,544	123,478	209,022
Additional provision	110,116	35,098	145,214
Amounts used	(90,652)	(23,453)	(114,105)
Balance at 30 June 2014	<u>105,008</u>	<u>135,123</u>	<u>240,131</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014 \$	2014 Budget \$	2013 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	120	120	28,098
Amount Set Aside / Transfer to Reserve	5	0	0
Amount Used / Transfer from Reserve	0	0	(27,978)
	<u>125</u>	<u>120</u>	<u>120</u>
(b) Plant Reserve			
Opening Balance	511	511	39,086
Amount Set Aside / Transfer to Reserve	18	21,462	88
Amount Used / Transfer from Reserve	0	0	(38,663)
	<u>529</u>	<u>21,973</u>	<u>511</u>
(c) Building Reserve			
Opening Balance	499,261	499,261	497,886
Amount Set Aside / Transfer to Reserve	18,208	0	1,375
Amount Used / Transfer from Reserve	(120,000)	(120,000)	0
	<u>397,469</u>	<u>379,261</u>	<u>499,261</u>
(d) Joint Venture Housing Reserve			
Opening Balance	200,147	200,147	191,860
Amount Set Aside / Transfer to Reserve	4,101	0	8,287
Amount Used / Transfer from Reserve	(150,000)	(150,000)	0
	<u>54,248</u>	<u>50,147</u>	<u>200,147</u>
(e) Recreation Facilities Reserve			
Opening Balance	15,276	15,276	14,643
Amount Set Aside / Transfer to Reserve	3,666	0	633
Amount Used / Transfer from Reserve	0	0	0
	<u>18,942</u>	<u>15,276</u>	<u>15,276</u>
(f) Art Acquisition Reserve			
Opening Balance	9,888	9,888	9,479
Amount Set Aside / Transfer to Reserve	451	0	409
Amount Used / Transfer from Reserve	0	0	0
	<u>10,339</u>	<u>9,888</u>	<u>9,888</u>
TOTAL RESERVES	<u>481,652</u>	<u>476,665</u>	<u>725,203</u>
 Total Opening Balance	725,203	725,203	781,052
Total Amount Set Aside / Transfer to Reserve	26,449	21,462	10,792
Total Amount Used / Transfer from Reserve	(270,000)	(270,000)	(66,641)
TOTAL RESERVES	<u>481,652</u>	<u>476,665</u>	<u>725,203</u>

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

11. RESERVES - CASH BACKED (continued)

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

- (a) Leave Reserve**
 - to be used to fund annual and long service leave requirements.
- (b) Plant Reserve**
 - to be used for the purchase of plant items as per Councils Plant Replacement Program.
- (c) Building Reserve**
 - to be used for the construction, acquisition and major asset maintenance of buildings.
- (d) Joint Venture Housing Reserve**
 - to be used finance long term maintenance requirement of Sandalwood Crt and Wandoo Crt and to finance new housing construction.
- (e) Recreation Facilities Reserve**
 - to be used to finance capital improvements of existing recreation facilities and to fund acquisition of future recreation facilities.
- (f) Art Acquisition Reserve**
 - to be used for the purchase of art pieces for the Williams Art Collection.

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

The Building and Joint Venture Reserves are expected to be utilised in 2014/2015.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

12. REVALUATION SURPLUS

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

(a) Land & Buildings

Opening Balance	890,381	891,189
Revaluation Increment	11,599,520	(808)
Revaluation Decrement		
	<u>12,489,901</u>	<u>890,381</u>

(b) Roads

Opening Balance	22,398	22,398
Revaluation Increment	0	0
Revaluation Decrement		
	<u>22,398</u>	<u>22,398</u>

(c) Infrastructure - Parks & Gardens

Opening Balance	808	808
Revaluation Increment	2,313,715	(0)
Revaluation Decrement		
	<u>2,314,522</u>	<u>808</u>

TOTAL ASSET REVALUATION SURPLUS	<u><u>14,826,821</u></u>	<u><u>913,587</u></u>
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SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

13. 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. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2014 \$	2014 Budget \$	2013 \$
Cash and Cash Equivalents	<u>957,763</u>	<u>476,665</u>	<u>1,041,279</u>

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

Net Result	1,151,560	1,590,602	524,128
Depreciation	548,129	568,500	561,282
(Profit)/Loss on Sale of Asset	176,174	45,000	35,284
(Increase)/Decrease in Receivables	84,526	164,900	(72,360)
(Increase)/Decrease in Inventories	1,721	(791)	11,864
Increase/(Decrease) in Payables	72,023	(43,781)	267,586
Increase/(Decrease) in Employee Provisions	31,109	(166,365)	(7,140)
Grants Contributions for the Development of Assets	(1,674,925)	(1,904,222)	(1,230,794)
Non-Current Assets recognised due to changes in legislative requirements	<u>0</u>	<u>0</u>	<u>341,865</u>
Net Cash from Operating Activities	<u>390,317</u>	<u>253,843</u>	<u>431,715</u>

	2014 \$	2013 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Overdraft limit	100,000	10,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	10,000	20,000
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>
Total Amount of Credit Unused	<u>110,000</u>	<u>30,000</u>
Loan Facilities		
Loan Facilities - Current	25,040	39,647
Loan Facilities - Non-Current	<u>234,960</u>	<u>259,879</u>
Total Facilities in Use at Balance Date	<u>260,000</u>	<u>299,526</u>
Unused Loan Facilities at Balance Date	<u>NIL</u>	<u>NIL</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

14. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2014.

	2014	2013
	\$	\$

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Shire did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	923,551	867,720
- plant & equipment purchases	0	0

Payable:

- not later than one year	0	0
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The capital expenditure projects outstanding at the end of the current reporting period represents the construction of the 5 x Aged Care Units for \$353,551 located on New Street, the completion of the construction of a Hockey Field of \$120,000 and construction of an Industrial unit of \$450,000.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

16. JOINT VENTURE ARRANGEMENTS

The Shire has a joint venture arrangement with Homeswest for the provision of housing at Sandalwood Crt and Wandoo Cottages in Growse Street, Williams. The assets are land and 8 x 2 bedroom units. The ownership of the assets is determined by an equity agreement and Councils share of the assets are included in the Land & Buildings as follows:

	2014	2013
	\$	\$
Non-Current Assets		
Land & Buildings	0	213,392
- Independent Valuation 2014	1,712,422	0
Less: Accumulated Depreciation	0	(53,616)
	<u>1,712,422</u>	<u>159,776</u>

The Shire together with the Shire of Boddington has an arrangement for the supply of a vehicle for the medical service. The only assets are a motor vehicle. Councils share of the asset is included in the Plant & Equipment as follows:

Non-Current Assets		
Plant & Equipment		
- Management Valuation 2014	6,000	6,000
Less: Accumulated Depreciation	(1,999)	0
	<u>4,001</u>	<u>6,000</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2014	2013
	\$	\$
Governance	2,046,917	1,486,373
General Purpose Funding	59,410	43,602
Law, Order, Public Safety	41,735	8,033
Health	907,150	71,598
Education and Welfare	1,717,420	955,753
Housing	3,201,482	648,409
Community Amenities	97,014	41,093
Recreation and Culture	8,577,187	3,476,338
Transport	12,197,165	10,481,390
Economic Services	4,220,309	463,405
Other Property and Services	13,550	420,706
Unallocated	461,838	316,076
	<u>33,541,177</u>	<u>18,412,776</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014	2013	2012
18. FINANCIAL RATIOS			
Current Ratio	0.78	0.38	1.44
Asset Sustainability Ratio	1.41	1.45	1.37
Debt Service Cover Ratio	0.74	3.72	7.72
Operating Surplus Ratio	(0.22)	(0.35)	(0.05)
Own Source Revenue Coverage Ratio	0.61	0.59	0.70
The above ratios are calculated as follows:			
Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$		
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$		
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$		
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$		
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$		

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 60 of this document.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

19. TRUST FUNDS

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

	Balance 1 July 2013 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2014 \$
Housing Bonds	9,912	1,900	0	11,812
Building Deposits	2,012		(2,012)	0
Sale of Land for Rates	60,008			60,008
Subdivision Bonds	49,178			49,178
Public Open Space Contribution	20,000			20,000
Recycling Shed Community Fund	4,662	1,592		6,254
CLGF Regional Funding	1,197,710	807,050	(1,441,837)	562,923
RDC Regional Funding	0	3,548,497	(1,577,544)	1,970,953
	<u>1,343,482</u>			<u>2,681,128</u>

20. DISPOSALS OF ASSETS - 2013/14 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Education and Welfare						
Disposal & Write Offs	986	0	0	0	(986)	0
Economic Services						
Industrial Land	264,897	0	0	0	(264,897)	0
Disposal & Write Offs	36,325				(36,325)	0
Recreation and Culture						
Disposal & Write Offs	18,620	0	0	0	(18,620)	0
Transport						
Sale of 22 Piesse Street	22,346	0	167,000	0	144,654	0
Vib Roller	0	80,000	0	35,000	0	(45,000)
	<u>343,174</u>	<u>80,000</u>	<u>167,000</u>	<u>35,000</u>	<u>(176,174)</u>	<u>(45,000)</u>

Profit	144,654	0
Loss	(320,828)	(45,000)
	<u>(176,174)</u>	<u>(45,000)</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2013 \$	New Loans \$	Principal Repayments		Principal 30 June 2014		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Transport								
Loan #63 Plant	48,663		31,886	31,886	16,777	16,776	1,852	2,939
Other Property and Services								
Loan #65 Industrial Land	250,863		7,640	7,761	243,223	243,102	16,040	16,021
	299,526	0	39,526	39,647	260,000	259,878	17,892	18,960

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

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2013/14

The Shire did not take up any new debentures during the year ended 30 June 2014.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2014.

(d) Overdraft

Council established an overdraft facility of \$100,000 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2013 and 30 June 2014 was \$Nil.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

22. RATING INFORMATION - 2013/14 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV Residential	0.051467	178	1,968,754	101,326	(4,070)	0	97,256	101,326	0	0	101,326
GRV Industrial/Commercial	0.051467	19	757,630	38,993	0	0	38,993	38,993	0	0	38,993
UV Rural/Mining	0.005714	307	205,899,500	1,175,755	970	0	1,176,725	1,175,653	0	0	1,175,653
Unimproved Value Valuations											
Sub-Totals		504	208,625,884	1,316,074	(3,100)	0	1,312,974	1,315,972	0	0	1,315,972
Minimum Payment	Minimum \$										
GRV Residential	460	109	359,132	50,140	0	0	50,140	50,140	0	0	50,140
GRV Industrial/Commercial	460	18	64,920	8,280	0	0	8,280	8,280	0	0	8,280
UV Rural/Mining	460	18	628,060	8,280	(168)	0	8,112	8,740	0	0	8,740
Unimproved Value Valuations											
Sub-Totals		145	1,052,112	66,700	(168)	0	66,532	67,160	0	0	67,160
Ex-Gratia Rates							1,379,506				1,383,132
Discounts (refer note 25.)							13,183				13,071
							0				0
Total Amount Raised From General Rate							1,392,689				1,396,203
Specified Area Rate (refer note 23.)							0				0
Totals							1,392,689				1,396,203

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

22. RATING INFORMATION - 2013/14 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward

	2014 (30 June 2014 Carried Forward) \$	2014 (1 July 2013 Brought Forward) \$	2013 (30 June 2013 Carried Forward) \$
Surplus/(Deficit) 1 July 13 Brought Forward	<u><u>257,737</u></u>	<u><u>306,911</u></u>	<u><u>306,911</u></u>
<u>Comprises:</u>			
Cash and Cash Equivalents			
Unrestricted	476,111	316,076	316,076
Restricted	481,652	725,203	725,203
Receivables			
Rates Outstanding	55,111	40,190	40,190
Sundry Debtors	403,602	501,733	501,733
GST Receivable	931	4,073	4,073
Provision for Doubtful Debts	(14,273)	(15,267)	(15,267)
Inventories			
Fuel and Materials	11,313	14,113	14,113
History Books	1,175	96	96
<u>Less:</u>			
Trade and other Payables			
Sundry Creditors	(455,869)	(382,656)	(382,656)
Accrued Interest on Debentures	(3,893)	(5,083)	(5,083)
Current Portion of Long Term Borrowings			
Secured by Floating Charge Debentures	(25,040)	(39,647)	(39,647)
Provisions			
Provision for Annual Leave	(105,008)	(85,544)	(85,544)
Provision for Long Service Leave	(111,583)	(80,940)	(80,940)
<u>Net Current Assets</u>	<u><u>714,229</u></u>	<u><u>992,347</u></u>	<u><u>992,347</u></u>
Less:			
Reserves - Restricted Cash	(481,652)	(725,203)	(725,203)
Add:			
Secured by Floating Charge Debentures	25,040	39,647	39,647
Leave entitlements Cash Backed	120	120	120
Surplus/(Deficit)	<u><u>257,737</u></u>	<u><u>306,911</u></u>	<u><u>306,911</u></u>

Difference

There was no difference between the Surplus/(Deficit) 1 July 2013 Brought Forward position used in the 2014 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2013 audited financial report.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

23. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

24. SERVICE CHARGES - 2013/14 FINANCIAL YEAR

The Shire did not impose any service charges.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS

- 2013/14 FINANCIAL YEAR

No discount on rates is available.

26. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		5,488	5,000
Interest on Instalments Plan	5.50%		6,927	5,930
Charges on Instalment Plan		25	3,375	3,250
			15,790	14,180

Ratepayers had the option of paying rates in four equal instalments, due on 6th September 2013, 8th November 2013, 10th January 2014 and 7th March 2014. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2014 \$	2013 \$
Governance	21,338	13,223
General Purpose Funding	5,308	4,412
Law, Order, Public Safety	2,403	1,723
Health	91	3,016
Education and Welfare	152,123	159,681
Housing	68,997	63,596
Community Amenities	113,921	102,541
Recreation and Culture	32,571	41,571
Transport	49,959	51,810
Economic Services	17,740	21,201
Other Property and Services	170,382	124,978
	634,833	587,752

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

28. GRANT REVENUE

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

	2014	2013
	\$	\$
By Nature or Type:		
Operating Grants, Subsidies and Contributions	996,942	685,718
Non-Operating Grants, Subsidies and Contributions	1,674,925	1,230,794
	<u>2,671,867</u>	<u>1,916,512</u>
By Program:		
Governance	23,897	31,269
General Purpose Funding	187,131	363,301
Law, Order, Public Safety	35,446	31,764
Education and Welfare	69,935	236,490
Housing	1,068,273	147,631
Community Amenities	4,329	18,000
Recreation and Culture	164,588	90,818
Transport	1,080,994	688,464
Economic Services	12,398	17,406
Other Property and Services	24,876	291,370
	<u>2,671,867</u>	<u>1,916,513</u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>23</u>	<u>23</u>
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30. ELECTED MEMBERS REMUNERATION

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

	2014	2014	2013
	\$	Budget	\$
		\$	
Meeting Fees	14,730	15,000	13,549
President's Allowance	3,700	3,700	3,500
Travelling Expenses	4,215	3,500	2,978
	<u>22,645</u>	<u>22,200</u>	<u>20,027</u>

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2013/14.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2013/14 financial year.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

33. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2014	2013	2014	2013
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	957,763	316,076	957,763	316,076
Receivables	449,615	534,141	449,615	534,141
	<u>1,407,378</u>	<u>850,217</u>	<u>1,407,378</u>	<u>850,217</u>
Financial Liabilities				
Payables	459,762	387,739	459,762	387,739
Borrowings	260,000	299,526	216,930	255,125
	<u>719,762</u>	<u>687,265</u>	<u>676,692</u>	<u>642,864</u>

Fair value is determined as follows: □

- Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.
- Borrowings, Held to Maturity Investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets - based on quoted market prices at the reporting date or independent valuation.

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only investing in registered commercial banks. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2014	2013
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	11,521	11,220
- Statement of Comprehensive Income	11,521 ⁽²⁾	11,220 ^(*)

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

⁽²⁾ Maximum impact.

**SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	2014	2013
Percentage of Rates and Annual Charges		
- Current	6%	0%
- Overdue	94%	100%
Percentage of Other Receivables		
- Current	95%	12%
- Overdue	5%	88%

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2014</u>					
Payables	459,762	0	0	459,762	459,762
Borrowings	41,194	95,128	285,384	421,706	260,000
	<u>500,956</u>	<u>95,128</u>	<u>285,384</u>	<u>881,468</u>	<u>719,762</u>
<u>2013</u>					
Payables	387,739	0		387,739	387,739
Borrowings	76,019	95,128	309,166	480,313	299,526
	<u>463,758</u>	<u>95,128</u>	<u>309,166</u>	<u>868,052</u>	<u>687,265</u>

SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (Continued)

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<u>Year Ended 30 June 2014</u>								
Borrowings								
Fixed Rate								
Debentures	25,162	8,798	9,368	9,974	10,620	196,078	260,000	6.41%
Weighted Average Effective Interest Rate	6.74%	6.37%	6.37%	6.37%	6.37%	6.37%		
<u>Year Ended 30 June 2013</u>								
Borrowings								
Fixed Rate								
Debentures	48,662					250,863	299,525	6.46%
Weighted Average Effective Interest Rate	6.93%					6.37%		

INDEPENDENT AUDITOR'S REPORT TO THE SHIRE OF WILLIAMS

Report on the Financial Report

We have audited the accompanying financial report of Shire of Williams, which comprises the statement of financial position as at 30 June 2014 and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by chief executive officer.

Council's Responsibility for the Financial Report

Council is responsible for the preparation of the financial report which gives a true and fair view in accordance with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the financial report which gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Proactive ▸ Quality ▸ Supportive

Auditor's Opinion

In our opinion, the financial report of Shire of Williams is in accordance with the underlying records of the Council, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Emphasis of Matter

Without modifying our opinion, we draw attention to page 61 of the financial report "Supplementary Ratio Information", which describes certain ratio information relating to the financial report. Management's calculation of the asset consumption ratio and asset renewal funding ratio does not form part of the audited financial report. As a result, we do not express an opinion on management's calculation of these ratios.

Other matters

We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act (1995) (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

In accordance with the Local Government (audit) Regulations 1996, we also report that:

- a) There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) All information and explanations required were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director
Perth
Date: 7 October 2014

**SHIRE OF WILLIAMS
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2014**

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report

	2014	2013	2012
Asset Consumption Ratio	0.707	0.601	N/A
Asset Renewal Funding Ratio	0.910	1.000	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

N/A - In keeping with amendments to Local Government (Financial Management) Regulations 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.