

# BUDGET OVERVIEW & 2013/14 RATES INFORMATION STATEMENT

30th July 2013

# Rates Information Statement 2013/14

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## Rates

Rate yield been increased by 3.9% across the entire Shire with the minimum rate increase \$10 to \$460. The rate increase is expected to yield a net increase in revenue of \$52,384 above last financial year. The rubbish removal service has been increased 3% to \$285 per service and includes a weekly 240lt general waste bin and a fortnightly 240lt recycle bin service.

**It must be noted that because of revaluations by the Valuer General, rate increases will vary, particularly in the rural area where although Council has increased total rates by 3.9% some landholders will have their rates decreased this year meaning other ratepayers will have increases beyond up to 6%.**

**The Revaluation reduced the Unimproved Value of land in Williams by \$7.32 million of 3.5%**

The following rate payment options are offered for cheque, credit card or cash payments:

Payment in full on or before the 6<sup>th</sup> September 2013.

Payment by four (4) instalments dated:

1st instalment due date 6<sup>th</sup> September 2013

2nd quarterly installment due date 8<sup>th</sup> November 2013

3rd quarterly installment due date 10<sup>th</sup> January 2014

4th and final quarterly installment due date 7<sup>th</sup> March 2014

The instalment option will incur an administrative fee of \$25 per assessment and a daily interest rate on each instalment after the first of 0.015%.

To qualify for the instalment option, the first payment must be received prior to 5.00pm FRIDAY 6<sup>th</sup> SEPTEMBER 2013.

## Interest on Overdue Rates

Interest will be charged on all rates not paid by 6<sup>th</sup> September 2013 where the ratepayer has not elected to pay by instalments. Interest on overdue rates will be charged at 0.0301% daily.

## Emergency Services Levy

Included in your rates notice you will see a line item called Emergency Services Levy (ESL). The ESL is a State Government charge that Council collects on behalf of the Fire and Emergency Services Authority (FESA).

All property owners must pay the ESL to help fund the fire and emergency services in Western Australia. Local Government is required to collect the ESL on behalf of the Fire and Emergency Services Authority (FESA) by including it on all Local Government rates notices. Council sends all money collected directly to FESA.

The ESL was introduced by the State Government on 1 July 2003, to fund Western Australia's fire and emergency services. The ESL funds State Government approved operating costs and capital equipment purchases for the Career Fire and Rescue Service; Volunteer Fire and Rescue Service; Bush Fire Brigades; State Emergency Service and multi-service FESA units. Operating costs include running and maintaining buildings and vehicles, personal protective equipment and operational consumables. Capital equipment includes fire-fighting appliances, vehicles and buildings. The ESL also funds training of volunteers, community safety programs, emergency management planning, the Fire and Emergency Service Authority's (FESA's) Emergency Management Services and FESA's corporate support costs.

For further information please refer to the Emergency Services Levy brochure included with your rate notice, phone 1300 136 099 or visit [www.fesa.wa.gov.au](http://www.fesa.wa.gov.au)

## Pensioners and Concession Card Holders

To be eligible for concessions under the Rates and Charges (Rebates and Deferments Act 1992) an applicant must:

be the owner and reside in the property on 1<sup>st</sup> July each year.

If a pensioner either be in receipt of a pension and hold a Pensioner Concession Card or State Concession Card.

Or

Hold both a Seniors Card issued by the Office of Seniors Interests and a Commonwealth Seniors Health Card.

If a Senior, hold a State Seniors Card issued by the Office of Seniors Interests.

Eligible persons must register their entitlement with Council or the Water Corporation to receive a concession.

## Fees and Charges

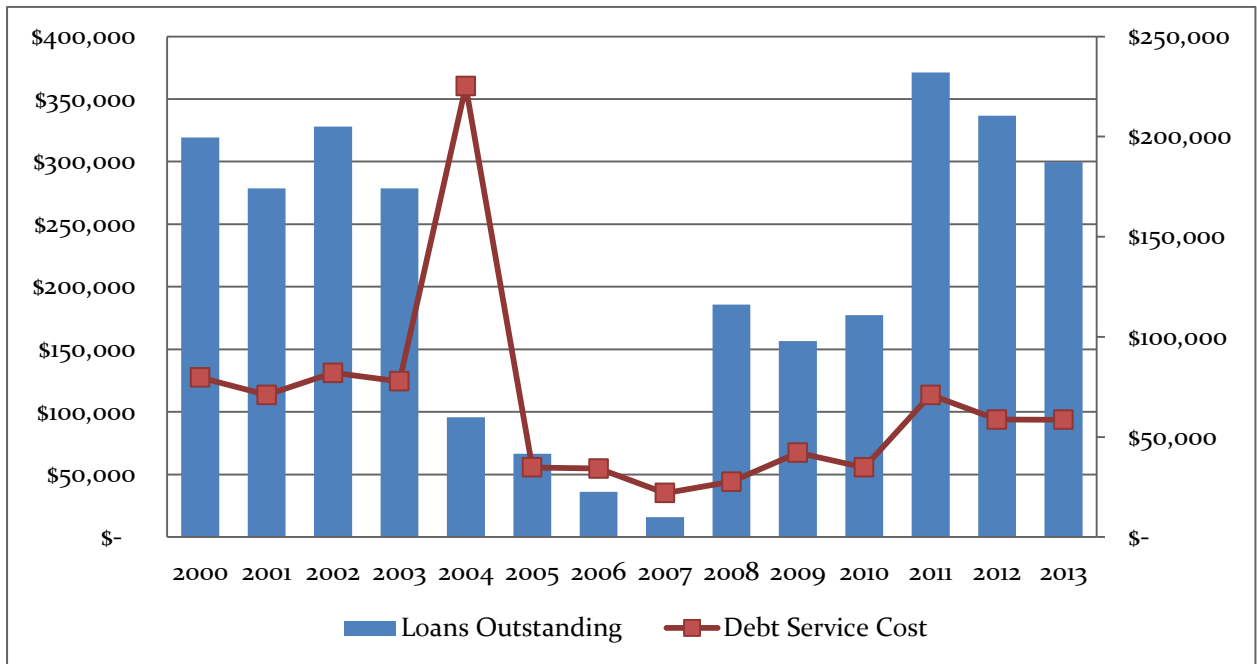
Fees and Charges adopted with the Budget are available for inspection during normal office hours. General fees and charges have increased by 3% in 2013/14.

## Statement of Loan Debt

The Shire of Williams carries very little debt for a shire of our size. Council has a loan debt of \$299,525 which is for the purchase of an excavator (\$48,662) that expires in 2014 and for the purchase of land on Albany Highway (\$250,863) that expires in 2031.

Council's Loan Debt at 30<sup>th</sup> June 2013 was as follows:

- Principle Outstanding            \$299,525



*RN Duff*  
*Chief Executive Officer- 30th July 2013*

# BUSH FIRES ACT 1954

## Shire of Williams Firebreaks Local Law 2007

(as amended June 2008)

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### Provision of firebreaks

All owners or occupiers of land within the district shall have firebreaks during the firebreak period of the dimensions prescribed in this local law.

### Rural land

- (1) During the conduct of any harvesting/straw baling operations, stone raking and slashing activities, an operational independent fire fighting unit containing not less than 750 litres of water with a motorised pump and at least 15 metres of 19 millimetres diameter hose is to be provided in the same paddock or within 50 metres of that paddock.
- (2) All flammable material is to be removed from around buildings and stacks in hay and straw processing plants to a width of 20 metres.

### Townsite land

- (1) Where the area of land is 2,024 square metres (or half an acre) or less, all flammable material is to be removed except living standing trees.
- (2) Where the area of land exceeds 2,024 square metres (or half an acre), all flammable material likely to be conducive to an outbreak, spread or extension of fire is to be removed, and the grass is to be maintained to a height no greater than 10 centimetres.
- (3) All flammable material is to be removed from around buildings, fuel dumps and liquid fuel containers to a width of 20 metres.
- (4) All habitable buildings are to include a building protection zone of 20 metres in width.

### Non compliance

Failure to comply with this local law shall be an offence and shall subject the offender to the penalties prescribed in the Bush Fires Act 1954.

In this local law unless the context otherwise requires —

**“building protection zone”** means a low fuel area immediately surrounding a habitable building and is designed to minimise the likelihood of flame contact with other buildings, and must fulfil the following conditions:

- (i) bush fire fuels must be maintained below 10 centimetres in height;
- (ii) trees and branches that may fall onto a house must be removed; and
- (iii) lower branches of the remaining trees must be trimmed;

- **“district”** means the whole local government area of the Shire of Williams;
- **“firebreak”** means ground from which flammable material is to be removed and on which no flammable material is permitted during the firebreak period;
- **“firebreak period”** means the period from 5<sup>th</sup> day of November to the 12<sup>th</sup> day of April in the following year within the district;
- **“flammable material”** means dead grass and timber, boxes, cartons, paper and any combustible material or rubbish, but does not include green standing trees, growing bushes and plants in gardens or lawns;
- **“townsite land”** means all the land within the boundaries of townsites in the district; and
- **“rural land”** means all the land not defined as townsites within the district.

**PROHIBITED BURNING PERIOD**

**1ST NOVEMBER – 14TH FEBRUARY**

**RESTRICTED BURNING PERIOD**

**23RD SEPTEMBER – 29TH MARCH**

# General Council Information

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## Council Meetings

Council's Ordinary Meetings are held on the third Wednesday of each month commencing at 1.00pm with Public Question Time between 1.00pm and 1.15pm. Any correspondence for the meeting must be received on or before the second Wednesday of the month to ensure that it is dealt with.

## Police Licensing (Vehicle, Drivers & Firearms)

Council is a collection agency for Vehicle, Drivers and Firearms Licenses, for which a commission is received. By paying licenses locally, you are helping Council revenue and saving on postage/envelope costs.

## Building and Development Applications

An application form and duplicate plans must be submitted to Council for approval prior to commencement of any new building or alterations in the whole of the Shire (excepting out buildings in the rural area).

## Dog Registrations

Registration is due and renewable on 1 November each year for all dogs three months or older. Please ensure dogs are controlled at all times, as penalties relating to dogs are very severe, particularly for dangerous dogs.

## Cat Registrations

From 1 November 2013, the full implementation of the Cat Act 2011 takes affect and will require all cats that have reached six months of age to be sterilised, microchipped and registered with their relevant local government.

## Rubbish Collections

Council's contractor (Avon Waste) collects the "wheelie" bins every Tuesday morning with the yellow recycling bins being collected every 2nd and 4th Tuesday morning. The Recycling Depot is located next to the Shire Depot and caters for used clothing, glass, newspaper (not colour) and cans. Rubbish Tip opening hours: Wednesday, Saturday & Sunday 9am – 3.00pm

## Administration Staff

Mr Ryan Duff	Chief Executive Officer
Ms Cara Ryan	Manager of Finance
Mr Tony Kett	Works Supervisor
Mrs Sharon Wilkie	Senior Administration Officer
Mrs Manuela Lenehan	Administration Officer
Mr Steve Friend	EHO/Building Surveyor
Mrs Heidi Cowcher	Community Development Officer

## Councillors

	Phone	Term Ends (October)
Cr John Cowcher (Shire President)	9885 6013	2015
Cr David Earnshaw (Deputy Shire President)	9885 8070	2013
Cr Richard Johnstone	9885 1113	2013
Cr Moya Carne	9885 1053	2015
Cr Greg Cavanagh	9885 7092	2015
Cr Gilbert Medlen	9885 8077	2015
Cr Jarrad Logie	9885 1357	2013
Cr Natalie Major	9885 1021	2015
Cr Peter Paterson	9885 1130	2013

# Overview of the Budget for 2013/14

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## Introduction

The 2013/2014 budget has been compiled based on the principles contained in the Strategic Community Plan and the Corporate Business Plan. The 2013/14 draft budget has been prepared in accordance with the presentations made to councillors at the Special Budget meeting held on 17<sup>th</sup> June 2013.

The budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards. The main features of the draft budget include:

- The budget has been prepared with a 3.9% rate yield increase in line with the forward financial plans contained in the Corporate Business Plan to increase rate yield by 3% per annum. The reason for the difference in the increases is due to the revaluation of UV land in which the Valuer Generals Office reduced the valuation by \$7.4 million
- Fees and charges have also been increased by 3% and are itemised in the draft budget.
- Household and commercial waste charges and charges for depositing refuse at the Shire of Williams Refuse Site are proposed to increase by 3% and are itemised separately in the draft budget.
- The recurrent operating budget includes an overall increase in estimated expenditure of 3% (although individual line items may vary from this based on specific factors affecting each of these) and continues the focus on improved service delivery to the community.
- There is no planned increase in staff members as indicated in the Shire of Williams Workforce Plan.
- A capital works programme totalling **\$2,905,006** for investment in infrastructure, land and buildings, plant and equipment and furniture and equipment is planned. Expenditure on road infrastructure is a major component of this **\$503,887** in line with Council's strategy to increase the investment in road and associated assets. An amount of **\$1,769,193** is provided for land and buildings of which **\$1,419,343** is for the Regional Housing Project and **\$409,850** is for the new Industrial Units. A sport and recreation facilities upgrade of **\$621,434** is also contain within this budget.
- An estimated surplus of **\$269,625** is anticipated to be brought forward from 30 June 2013. However this is unaudited and may change. Any change will be addressed as part of a future budget review.

Principal additional grant funding for the year is estimated from:

- Regional Development Council Strategic Projects - **\$715,000**
- Royalties for Regions Regional Funding - **\$597,337**
- Roads to Recovery - **\$128,000**
- Department of Sport & Recreation - **\$40,633**
- Regional Development Australia Fund - **\$35,000**

### Consultation

While no specific consultation has occurred on the draft 2013/14 budget, community consultation has previously occurred on several of the major projects planned. The Community has been involved in extensive consultation with the development of the Strategic Community Plan, *Williams 2022*. Previous Community Surveys has also directed Council on the level of service expected to be delivered by the Shire.

Extensive internal consultation has occurred between all senior employees and through discussions with elected members.

### Statutory Environment

Section 6.2 of the *Local Government Act 1995* requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt, (Absolute Majority required) in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of the *Local Government Act 1995* refer to the setting of budgets and raising of rates and charges. *The Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The draft 2013/14 budget as presented is considered to meet statutory requirements.

## Key Budget and Planning Outcomes

The following is a summary of key points for the 2013/14 Budget:

### Financial Position as at 30<sup>th</sup> June 2013

The Shire of Williams finished last financial year in a satisfactory financial position with a surplus of \$269,625 but as was the case last financial year, much of this surplus was tied grant funds and required to be carried over into this budget to complete the Sport and Recreation Projects and Aged Housing Project. The surplus has been significantly affected by some unexpected expenses in 2012/13 and the continued uncertainty of the WANDRRA storm damage reimbursement from the Shire of Wandering.

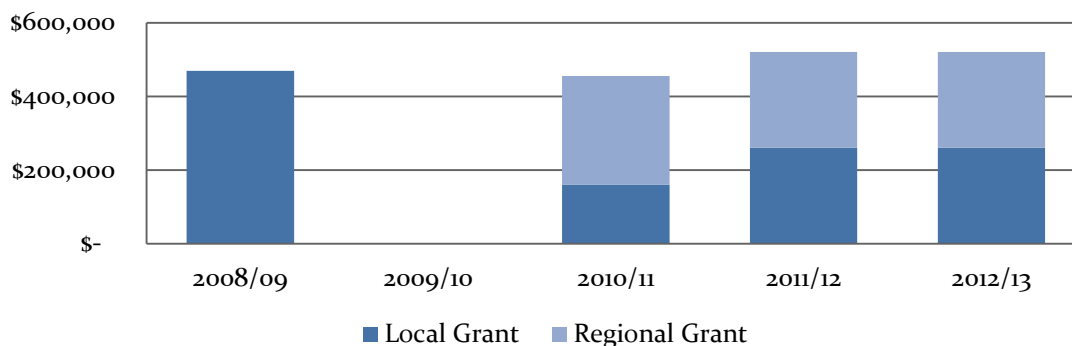
The Shire continues to maintain an adequate Reserve Funds balance of \$725,203 and also maintains minimal debt compared to other Councils of similar size. The Shire of Williams although financial, continues to encounter tight budgets due to grant allocation from the Local Government Grants Commission.

The impact of the Royalties for Regions Country Local Government Fund cannot be understated. Without this significant investment into our community the upgrading of major assets such and the



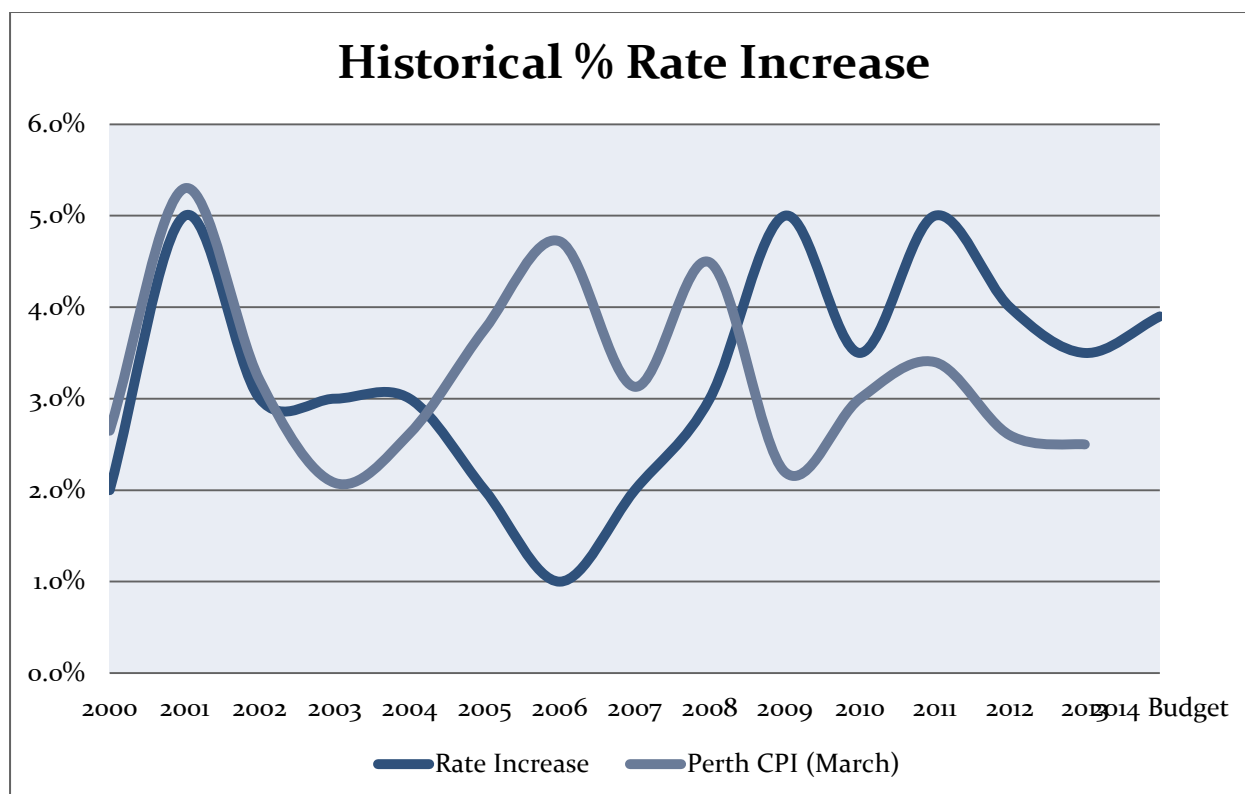
swimming pool and hall complex would not have been done to the high standard that has been achieved over the last two financial years. Whilst Council has received its 2012/13 allocation it remains unspent until such time as the Recreation Upgrade Project commences. The CLGF program was to continue in 2013/14 however there is some uncertainty if this will occur and therefore these funds have not been included in this budget.

## CLGF Funding



### Budget Result and Rates Increase

After providing for increases in income and expenditure and also a range of assumptions, a balanced budget is projected for 2013/14. This budget incorporates a rate yield increase of 3.9%. This rate increase will impact unevenly on rural holdings because the annual valuations carried out by the Valuer General are not consistent throughout the district. The graph below gives a general outline of the Shire of Williams previous rate raising performance,



## Reserve Funds – Cash Backed

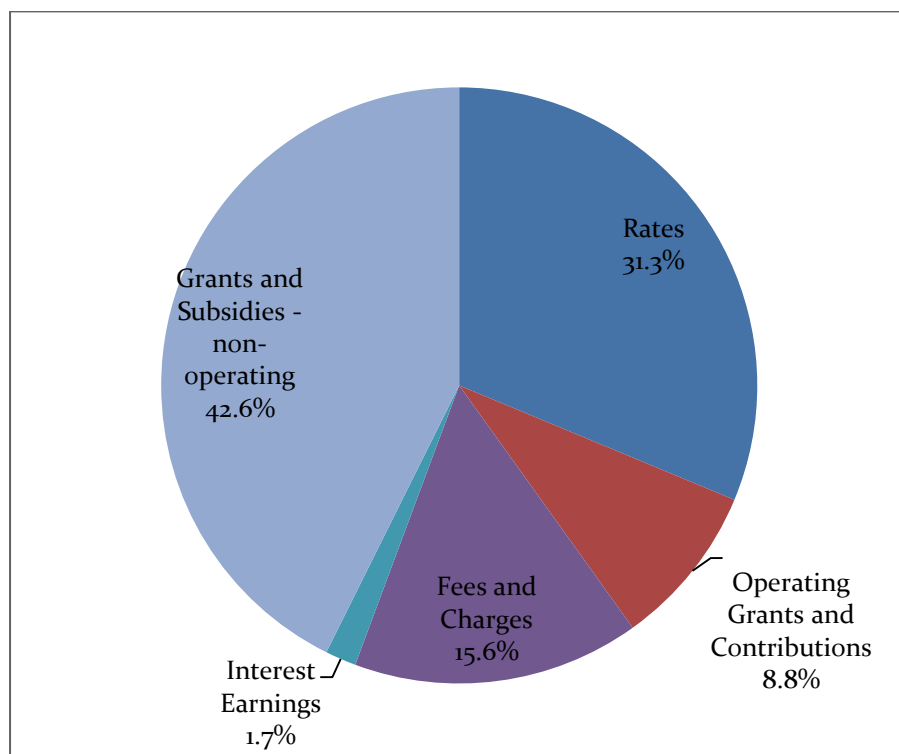
The below table shows the Shire of Williams Reserve account balances. These cash backed reserves are set aside by Council to allow for future projects and to minimise the year to year impact on rates due to large projects or expenditure.

RESERVES - CASH/INVESTMENT BACKED						Forecast
	2009	2010	2011	2012	2013	2014
Leave Reserve	\$ 24,131	\$ 25,205	\$ 26,644	\$28,098	\$ 120	\$ 120
Plant Reserve	\$ 150,006	\$ 44,562	\$ 39,174	\$39,086	\$ 511	\$ 21,973
Building Reserve	\$ 556,788	\$ 581,707	\$ 533,163	\$497,886	\$ 499,261	\$ 379,261
Recreation Facilities Reserve	\$ 52,333	\$ 46,906	\$ 49,582	\$14,643	\$ 15,276	\$ 15,276
Art Acquisition Reserve	\$ 8,140	\$ 8,503	\$ 8,988	\$9,479	\$ 9,888	\$ 9,888
Industrial Land	\$ -	\$ -	\$ -		\$ -	\$ -
Sewerage Reserve	\$ 12,381	\$ 12,933	\$ -		\$ -	\$ -
Joint Venture Housing Reserve	\$ 154,135	\$ 160,999	\$ 181,928	\$191,860	\$ 200,147	\$ 50,147
<b>Total</b>	\$ 957,914	\$ 880,815	\$ 839,479	\$781,052	\$ 725,203	\$ 476,665

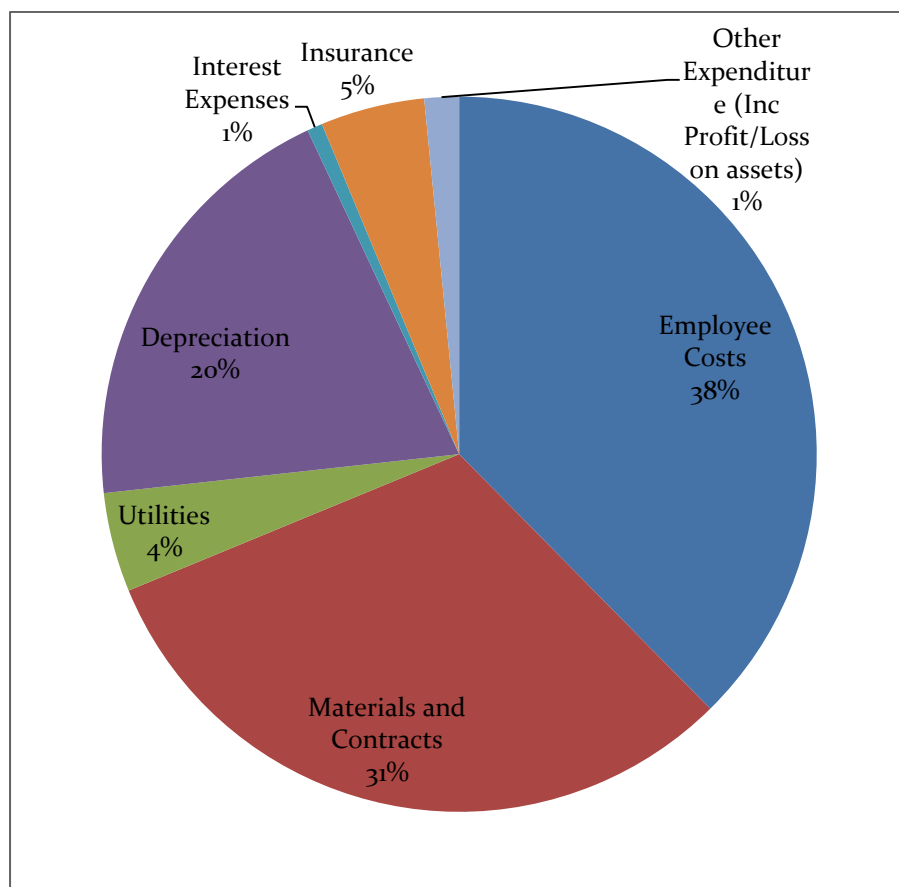
## Budget Revenue and Expenditure

The diagrams below give a summary of Council's revenue and expenditure:

### Revenue Budget



### Expenditure Budget



## Proposed Project Capital Works Budget

The proposed Project and Capital Works expenditure for 2013/14 totals \$2,867,364, which is on par with last year's budget. There are number of carryover project from the previous year's budget and any associated funding has been also been identified and brought into the 2013/14 figures.

Road funding levels remain relatively consistent with previous years and will allow the Council to continue to improve and maintain our existing road network of 554 kilometres.

### *Where is the Budget being expended?*

	Reference Document	2013/2014 BUDGET
<b>LAND &amp; BUILDINGS</b>		
Industrial Land Development	<i>Industrial Units Business Case</i>	409,850
<b>Sewer Extension Lot 14 Growse St</b>		
Regional Housing Project - 5 Units	<i>Aged Housing Project Business Case</i>	1,419,343
less in-kind site works		-70,000
		<b>1,769,193</b>
<b>FURNITURE &amp; EQUIPMENT</b>		
Computer/Office Equipment		10,000
Council Chambers Chairs	<i>11 @ \$500 each</i>	5,500
		<b>15,500</b>
<b>PLANT &amp; MACHINERY</b>		
Dual Cab Utility - WL19	<i>Plant Replacement Program</i>	0
Sedan - WL16	<i>Plant Replacement Program</i>	0
Post Hole Auger		5,000
		<b>5,000</b>
<b>ROAD ASSETS</b>		
York Williams Road - Shoulder Widening	<i>10 Year Road Program 2009-2020</i>	345,887
Rosseloty Street - Reseal	<i>10 Year Road Program 2009-2020</i>	0
Fry Street - Reseal	<i>10 Year Road Program 2009-2020</i>	0
		<b>0</b>
Dardadine Rd - Clear Widen and Gravel sheet	<i>10 Year Road Program 2009-2020</i>	128,000
Hardie Road Bridge - materials only	<i>Shire doing work</i>	30,000
<b>Road Asset Expenditure</b>		<b>503,887</b>
<b>PARKS AND RESERVES ASSETS</b>		
Regional Waste Site		65,000
Bowling Club Improvements Contribution		30,000
Recreation Facilities Upgrade	<i>Sport &amp; Recreation Facilities Plan</i>	621,434
Less in kind - Recreation Facilities Upgrade		-142,650
		<b>573,784</b>
<b>TOTAL ASSET PURCHASES</b>		<b>2,867,364</b>

*Where is the money coming from?*

<b>CONTRIBUTIONS FROM GOVERNMENT FOR DEVELOPMENT OF ASSETS</b>		
Roads to Recovery Program	<i>10 Year Road Program 2009-2020</i>	128,000
Direct Grant for Roadworks		50,855
Road Project Grants	<i>10 Year Road Program 2009-2020</i>	230,591
Grants Commission Special Grant - Hardie Rd Bridge		70,000
Country Local Government Fund - Recreation Facilities Upgrade	<i>Sport &amp; Recreation Facilities Plan</i>	260,100
Country Local Government Fund - Regional Housing Project		597,337
RDC Strategic Projects		715,000
RDA Round 5		35,000
Country Local Government Fund - Industrial Land Development	<i>Industrial Units Business Case</i>	260,104
Department of Sport & Recreation - Recreation Facilities Upgrade		40,633
		<b>2,357,620</b>
<b>CONTRIBUTIONS FROM ORGANISATIONS FOR DEVELOPMENT OF ASSETS</b>		
Sporting Clubs - Recreation Facilities Upgrade	<i>Sport &amp; Recreation Facilities Plan</i>	62,640
		<b>62,640</b>
<b>PROCEEDS FROM FIXED ASSET SALES BY ASSET CLASS</b>		
<b>PLANT &amp; MACHINERY</b>		
Utility - WL19		
Volvo Grader	<i>Plant Replacement Program</i>	
Vib Roller	<i>Plant Replacement Program</i>	35,000
Ford Sedan - WL16	<i>Plant Replacement Program</i>	
Land & Buildings		
		<b>35,000</b>
<b>TOTAL FIXED ASSET INCOME</b>		<b>2,455,260</b>
<b>RESERVE FUND TRANSFERS</b>		
Building Reserve - Pavilion Kitchen Upgrade		120,000
Plant Reserve - Grader		
Plant Reserve -		0
Joint Venture Housing Reserve - Regional Housing Project	<i>Aged Housing Project Business Case</i>	150,000
		<b>270,000</b>
<b>LOAN FUND INCOME</b>		
<b>Industrial Units</b>	<i>Industrial Units Business Case</i>	149,746
		<b>2,875,006</b>

## Conclusion

The 2013/14 financial year will see the implementation of the Council's first Strategic Community Plan (required under new legislation) and the Corporate Business Plan and Long Term Financial Plan which are all crucial documents that will guide Shire works and services over the next ten years.

**Ryan Duff, Chief Executive Officer**

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

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

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>REVENUE</b>				
Rates	8	1,396,203	1,343,819	1,343,510
Operating Grants, Subsidies and Contributions		394,526	673,132	427,130
Fees and Charges	11	695,043	590,194	565,740
Service Charges	10			0
Interest Earnings	2(a)	75,930	57,486	75,930
Other Revenue		<u>0</u>		<u>0</u>
		<u>2,561,702</u>	<u>2,664,630</u>	<u>2,412,310</u>
<b>EXPENSES</b>				
Employee Costs		(1,081,396)	(1,347,384)	(1,272,400)
Materials and Contracts		(896,026)	(784,449)	(696,945)
Utility Charges		(129,050)	(181,984)	(128,050)
Depreciation	2(a)	(568,500)	(561,755)	(568,500)
Interest Expenses	2(a)	(19,960)	(22,540)	(22,535)
Insurance Expenses		(135,390)	(137,179)	(135,390)
Other Expenditure		<u>0</u>		<u>(52,840)</u>
		<u>(2,830,322)</u>	<u>(3,035,290)</u>	<u>(2,876,660)</u>
		(268,620)	(370,660)	(464,350)
Non-Operating Grants, Subsidies and Contributions		1,904,222	1,230,794	1,923,505
Profit on Asset Disposals	4	0	10,302	14,000
Loss on Asset Disposals	4	<u>(45,000)</u>	<u>(35,197)</u>	<u>(52,840)</u>
<b>NET RESULT</b>		<b>1,590,602</b>	<b>835,238</b>	<b>1,420,315</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of non-current assets		<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>1,590,602</u></b>	<b><u>835,238</u></b>	<b><u>1,420,315</u></b>

**Notes:**

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

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

It is anticipated, in all instances, any changes in revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

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



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

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>REVENUE (Refer Notes 1,2,8 to 13)</b>				
Governance		48,250	34,491	20,250
General Purpose Funding		1,665,592	1,769,017	1,593,820
Law, Order, Public Safety		29,950	33,486	26,950
Health		2,500	3,016	2,700
Education and Welfare		318,907	266,171	300,140
Housing		70,446	63,596	74,810
Community Amenities		113,945	120,541	124,070
Recreation and Culture		53,550	101,343	86,650
Transport		73,112	80,704	50,270
Economic Services		28,950	38,607	23,150
Other Property and Services		156,500	153,657	109,500
		<u>2,561,702</u>	<u>2,664,630</u>	<u>2,412,310</u>
<b>EXPENSES EXCLUDING</b>				
<b>FINANCE COSTS (Refer Notes 1,2 &amp; 14)</b>				
Governance		(193,730)	(224,889)	(227,920)
General Purpose Funding		(11,650)	(10,386)	(13,650)
Law, Order, Public Safety		(74,482)	(103,417)	(78,080)
Health		(67,360)	(63,829)	(82,180)
Education and Welfare		(332,722)	(323,508)	(338,730)
Housing		(66,520)	(74,385)	(74,440)
Community Amenities		(167,430)	(195,588)	(199,080)
Recreation & Culture		(566,134)	(604,232)	(602,750)
Transport		(1,082,697)	(1,243,764)	(1,034,925)
Economic Services		(117,950)	(100,027)	(90,060)
Other Property and Services		(129,687)	(68,723)	(112,310)
		<u>(2,810,362)</u>	<u>(3,012,750)</u>	<u>(2,854,125)</u>
<b>FINANCE COSTS (Refer Notes 2 &amp; 5)</b>				
General Purpose Funding		(1,000)	(1,009)	(1,000)
Transport		(2,939)	(5,038)	(5,040)
Other Property & Services		(16,021)	(16,493)	(16,495)
		<u>(19,960)</u>	<u>(22,540)</u>	<u>(22,535)</u>
<b>NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>				
Other Education		0	130,000	130,000
Housing		1,312,337	147,631	419,430
Recreation & Culture		138,273	33,661	480,370
Transport		453,612	659,398	647,705
Other Property & Services		0	260,104	246,000
		<u>1,904,222</u>	<u>1,230,794</u>	<u>1,923,505</u>
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)</b>				
Governance				(11,240)
Transport		(45,000)	(35,197)	(41,600)
Transport			10,302	14,000
		<u>(45,000)</u>	<u>(24,895)</u>	<u>(38,840)</u>
<b>NET RESULT</b>		<b>1,590,602</b>	<b>835,238</b>	<b>1,420,315</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of non-current assets				
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>1,590,602</u></u>	<u><u>835,238</u></u>	<u><u>1,420,315</u></u>

Notes:

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

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,396,203	1,343,819	1,350,260
Operating Grants, Subsidies and Contributions		394,526	673,132	563,153
Fees and Charges		859,943	537,897	865,660
Service Charges		0	0	0
Interest Earnings		75,930	57,486	79,244
Goods and Services Tax		330,000	323,161	150,000
Other		0	0	0
		<u>3,056,602</u>	<u>2,935,495</u>	<u>3,008,317</u>
<b>Payments</b>				
Employee Costs		(1,247,761)	(1,354,524)	(1,272,400)
Materials and Contracts		(940,598)	(482,859)	(778,708)
Utility Charges		(129,050)	(181,984)	(128,050)
Insurance Expenses		(135,390)	(137,179)	(135,390)
Interest Expenses		(19,960)	(22,540)	(22,535)
Goods and Services Tax		(330,000)	(325,109)	(150,000)
Other		0	0	0
		<u>(2,802,759)</u>	<u>(2,504,195)</u>	<u>(2,487,083)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>253,843</u>	<u>431,300</u>	<u>521,234</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	3			0
Payments for Purchase of Property, Plant & Equipment	3	(1,789,693)	(644,463)	(1,459,900)
Payments for Construction of Infrastructure	3	(1,077,671)	(1,071,754)	(1,401,004)
Advances to Community Groups Non- Operating Grants, Subsidies and Contributions used for the Development of Assets		1,904,222	1,230,794	1,923,505
Proceeds from Sale of Plant & Equipment	4	35,000	50,302	75,500
Proceeds from Advances		0	0	0
<b>Net Cash Used in Investing Activities</b>		<u>(928,142)</u>	<u>(435,121)</u>	<u>(861,899)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	(39,647)	(37,076)	(37,077)
Repayment of Finance Leases				0
Proceeds from Self Supporting Loans				0
Proceeds from New Debentures	5	149,746		0
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>110,099</u>	<u>(37,076)</u>	<u>(37,077)</u>
<b>Net Increase (Decrease) in Cash Held</b>		(564,199)	(40,897)	(377,742)
Cash at Beginning of Year		1,040,865	1,081,762	1,083,862
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u><u>476,665</u></u>	<u><u>1,040,865</u></u>	<u><u>706,120</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	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>REVENUES</b>	1,2			
Governance		48,250	34,491	20,250
General Purpose Funding		269,389	425,198	250,310
Law, Order, Public Safety		29,950	33,486	26,950
Health		2,500	3,016	2,700
Education and Welfare		318,907	396,171	430,140
Housing		1,382,783	211,227	494,240
Community Amenities		113,945	120,541	124,070
Recreation and Culture		191,823	135,004	567,020
Transport		526,724	750,404	711,975
Economic Services		28,950	38,607	23,150
Other Property and Services		156,500	413,761	355,500
		<u>3,069,721</u>	<u>2,561,907</u>	<u>3,006,305</u>
<b>EXPENSES</b>	1,2			
Governance		(193,730)	(224,889)	(239,160)
General Purpose Funding		(12,650)	(11,395)	(14,650)
Law, Order, Public Safety		(74,482)	(103,417)	(78,080)
Health		(67,360)	(63,829)	(82,180)
Education and Welfare		(332,722)	(323,508)	(338,730)
Housing		(66,520)	(74,385)	(74,440)
Community Amenities		(167,430)	(195,588)	(199,080)
Recreation & Culture		(566,134)	(604,232)	(602,750)
Transport		(1,130,636)	(1,284,000)	(1,081,565)
Economic Services		(117,950)	(100,027)	(90,060)
Other Property and Services		(145,708)	(85,216)	(128,805)
		<u>(2,875,322)</u>	<u>(3,070,487)</u>	<u>(2,929,500)</u>
<b>Net Operating Result Excluding Rates</b>		194,399	(508,580)	76,805
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
Initial Recognition of Assets due to change in Regulations				
- Land				
- Easements				
Movement in non-current Employee Provisions			(13,023)	
(Profit)/Loss on Asset Disposals	4	45,000	24,895	38,840
Depreciation on Assets	2(a)	568,500	561,755	568,500
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	3	0	0	0
Purchase Land and Buildings	3	(1,769,193)	(436,348)	(1,188,075)
Purchase Infrastructure Assets - Roads	3	(503,887)	(901,159)	(840,890)
Purchase Infrastructure Assets - Parks	3	(573,784)	(170,595)	(540,110)
Purchase Plant and Equipment	3	(5,000)	(207,025)	(281,825)
Purchase Furniture and Equipment	3	(15,500)	(1,090)	(10,000)
Proceeds from Disposal of Assets	4	35,000	50,302	75,500
Repayment of Debentures	5	(39,647)	(37,076)	(37,080)
Proceeds from New Debentures	5	149,746	0	0
Self-Supporting Loan Principal Income			0	0
Transfers to Reserves (Restricted Assets)	6	(21,462)	(10,792)	(134,048)
Transfers from Reserves (Restricted Assets)	6	270,000	66,641	210,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	269,625	507,901	727,893
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	269,625	9,020
<b>Total Amount Raised from General Rate</b>	8	<u>(1,396,203)</u>	<u>(1,343,818)</u>	<u>(1,343,510)</u>

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

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

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

**(b) The Local Government Reporting Entity**

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

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

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

**(c) 2012/13 Actual Balances**

Balances shown in this budget as 2012/13 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**(d) Rounding Off Figures**

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

**(e) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**(f) Goods and Services Tax**

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

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

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

**(g) Superannuation**

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Cash and Cash Equivalents**

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

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

**(i) Trade and Other Receivables**

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

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

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

**(j) Inventories**

***General***

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

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

***Land Held for Resale***

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

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Fixed Assets**

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

***Mandatory Requirement to Revalue Non-Current Assets***

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

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

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

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

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

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

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

***Land Under Control***

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

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

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

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

***Initial Recognition***

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Fixed Assets (Continued)**

***Revaluation***

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

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

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

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

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

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

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

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

***Transitional Arrangement***

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

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Fixed Assets (Continued)**

***Early Adoption of AASB 13 - Fair Value Measurement***

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

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

***Land Under Roads***

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

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

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

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

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



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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Fixed Assets (Continued)**

**Depreciation of Non-Current Assets**

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

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

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

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

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

Gains and losses on disposals are determined by comparing proceeds with with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**Capitalisation Threshold**

Expenditure on items of equipment under \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(l) Financial Instruments**

**Initial Recognition and Measurement**

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

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

**Classification and Subsequent Measurement**

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

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

Amortised cost is calculated as:

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

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

*(ii) Loans and receivables*

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(l) Financial Instruments (Continued)**

**Classification and Subsequent Measurement (Continued)**

*(iii) Held-to-maturity investments*

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

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

*(iv) Available-for-sale financial assets*

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

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

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

*(v) Financial liabilities*

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

**Impairment**

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

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

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

**Derecognition**

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Impairment**

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

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

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

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

**(n) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**(o) Employee Benefits**

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

**(p) Borrowing Costs**

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

**(q) Provisions**

Provisions are recognised when:

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(r) Current and Non-Current Classification**

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

**(s) Comparative Figures**

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

**(t) Budget Comparative Figures**

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

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

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>2. REVENUES AND EXPENSES</b>			
<b>(a) Net Result from Ordinary Activities was arrived at after:</b>			
 (i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	9,500	8,800	9,500
Other Services	1,500	2,450	1,500
 <b>Depreciation</b>			
<b><u>By Program</u></b>			
Governance	29,120	29,470	29,120
General Purpose Funding	0	0	0
Law, Order, Public Safety	2,500	2,337	2,500
Health	2,350	2,261	2,350
Education and Welfare	16,850	18,025	16,850
Housing	7,300	7,497	7,300
Community Amenities	1,550	1,642	1,550
Recreation and Culture	97,380	107,710	97,380
Transport	410,000	391,065	410,000
Economic Services	1,450	1,748	1,450
Other Property and Services	0	0	0
	<u>568,500</u>	<u>561,755</u>	<u>568,500</u>
 <b><u>By Class</u></b>			
Land and Buildings	117,500	128,679	117,500
Furniture and Equipment	9,000	9,161	9,000
Plant and Equipment	185,500	166,707	185,500
Roads	230,000	230,000	230,000
Infrastructure Parks & Reserves	26,500	27,208	26,500
	<u>568,500</u>	<u>561,755</u>	<u>568,500</u>
 <b>Borrowing Costs (Interest)</b>			
- Bank Overdraft	1,000	1,009	1,000
- Debentures ( <i>refer note 5(a)</i> )	18,960	21,531	21,535
	<u>19,960</u>	<u>22,540</u>	<u>22,535</u>
 <b>Rental Charges</b>			
- Operating Leases			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
 (ii) Crediting as Revenues:			
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	35,000	33,151	39,048
- Other Funds	30,000	15,176	25,952
Other Interest Revenue ( <i>refer note 13</i> )	10,930	9,159	10,930
	<u>75,930</u>	<u>57,486</u>	<u>75,930</u>

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

**2. REVENUES AND EXPENSES (Continued)**

**(b) Statement of Objective**

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

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

**GOVERNANCE**

Objective: To provide a decision making process for the efficient allocation of scarce resources.  
Activities: Administration and operation of facilities and services to members of Council; Other costs that relate to the tasks of assisting elected members and ratepayers on matters 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 local laws, fire prevention and suppression activities and animal control.

**HEALTH**

Objective: To provide an operational framework for good 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 & Willi Wagtails Childcare Centre. Provide payroll administration for Williams Community Resource Centre and Willi Wagtails Childcare Centre and provision of scholarships.

**HOUSING**

Objective: To help ensure the availability of adequate housing for community needs.  
Activities: Management, administration and maintenance of Williams Community Homes, Sandalwood Court, Wandoo Cottages and JamTree Lane Units

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

**2. REVENUES AND EXPENSES (Continued)**

**(b) Statement of Objective (Continued)**

**COMMUNITY AMENITIES**

Objective: Provision of amenities required by the community.

Activities: Refuse management, protection of environment, maintenance of cemeteries and public conveniences. Administrative support to Williams - Narrogin Community Landcare Coordinator.

**RECREATION AND CULTURE**

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

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

**TRANSPORT**

Objective: To provide 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 & 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 BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**3. ACQUISITION OF ASSETS**

**2013/14  
Budget  
\$**

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

**By Program**

**Governance**

Computer/Office Equipment	10,000
Council Chamber Chairs	5,500

**Housing**

Regional Housing Project - 5 Units	1,349,343
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**Recreation and Culture**

Regional Waste Site	65,000
Bowling Club Improvements Contribution	30,000
Recreation Facilities Upgrade	478,784

**Transport**

Sewer Extension Lot 14 Growse Street	10,000
Post Hole Auger	5,000
Infrastructure Roads	503,887

**Other Property and Services**

Industrial Land Development	409,850
-----------------------------	---------

**2,867,364**

**By Class**

Land Held for Resale	0
Land and Buildings	1,769,193
Infrastructure Assets - Roads	503,887
Infrastructure Assets - Parks and Ovals	573,784
Plant and Equipment	5,000
Furniture and Equipment	15,500
	<b><u>2,867,364</u></b>

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

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

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

**4. DISPOSALS OF ASSETS**

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

<b><u>By Program</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	<b>2013/14 BUDGET</b>	<b>2013/14 BUDGET</b>	<b>2013/14 BUDGET</b>
	\$	\$	\$
<b>Transport</b> -Vib Roller	80,000	35,000	(45,000)
	80,000	35,000	(45,000)

<b><u>By Class</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	<b>2013/14 BUDGET</b>	<b>2013/14 BUDGET</b>	<b>2013/14 BUDGET</b>
	\$	\$	\$
<b>Plant &amp; Equipment</b>	80,000	35,000	(45,000)
	80,000	35,000	(45,000)

**Summary**

Profit on Asset Disposals  
Loss on Asset Disposals

**2013/14  
BUDGET  
\$**

(45,000)  
(45,000)

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

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-13	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2013/14 Budget \$	2012/13 Actual \$	2013/14 Budget \$	2012/13 Actual \$	2013/14 Budget \$	2012/13 Actual \$
<b>Transport</b>								
Loan #63 Plant	48,662		31,886	29,786	16,776	48,662	2,939	5,038
<b>Other Property &amp; Services</b>								
Loan #65 Industrial Land	250,863		7,761	7,290	243,102	250,863	16,021	16,493
Loan #66 Industrial Land		149,746	0	0	149,746	0	0	0
	299,525	149,746	39,647	37,076	409,624	299,525	18,960	21,531

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

**SHIRE OF WILLIAMS**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2014**

**5. INFORMATION ON BORROWINGS (Continued)**

(b) New Debentures - 2013/14

<b>Particulars/Purpose</b>	<b>Amount Borrowed Budget</b>	<b>Institution</b>	<b>Loan Type</b>	<b>Term (Years)</b>	<b>Total Interest &amp; Charges</b>	<b>Interest Rate %</b>	<b>Amount Used Budget</b>	<b>Balance Unspent \$</b>
Industrial Land Development	149,746	WATC	Debenture	20	Unknown	Unknown	149,746	0

(c) Unspent Debentures

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

(d) Overdraft

Council has utilised an overdraft facility during the financial year. An overdraft facility of \$100,000 with the ANZ Bank does exist. It is not anticipated that this facility will be required to be utilised during 2013/14.

## SHIRE OF WILLIAMS

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2014

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>6. RESERVES</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	120	28,098	28,098
Amount Set Aside / Transfer to Reserve	0	0	21,402
Amount Used / Transfer from Reserve	0	(27,978)	0
	<u>120</u>	<u>120</u>	<u>49,500</u>
<b>(b) Plant Reserve</b>			
Opening Balance	511	39,086	39,086
Amount Set Aside / Transfer to Reserve	21,462	88	51,954
Amount Used / Transfer from Reserve	0	(38,663)	(40,000)
	<u>21,973</u>	<u>511</u>	<u>51,040</u>
<b>(c) Building Reserve</b>			
Opening Balance	499,261	497,886	497,886
Amount Set Aside / Transfer to Reserve	0	1,375	24,894
Amount Used / Transfer from Reserve	(120,000)	0	(20,000)
	<u>379,261</u>	<u>499,261</u>	<u>502,780</u>
<b>(d) Joint Venture Housing Reserve</b>			
Opening Balance	200,147	191,860	191,860
Amount Set Aside / Transfer to Reserve	0	8,287	9,590
Amount Used / Transfer from Reserve	(150,000)	0	(150,000)
	<u>50,147</u>	<u>200,147</u>	<u>51,450</u>
<b>(e) Recreation Facilities Reserve</b>			
Opening Balance	15,276	14,643	14,643
Amount Set Aside / Transfer to Reserve	0	633	737
Amount Used / Transfer from Reserve	0	0	0
	<u>15,276</u>	<u>15,276</u>	<u>15,380</u>
<b>(f) Art Acquisition Reserve</b>			
Opening Balance	9,888	9,479	9,479
Amount Set Aside / Transfer to Reserve	0	409	471
Amount Used / Transfer from Reserve	0	0	0
	<u>9,888</u>	<u>9,888</u>	<u>9,950</u>
<b>(g) Computer Replacement Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	25,000
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>25,000</u>
<b>Total Reserves</b>	<u>476,665</u>	<u>725,203</u>	<u>705,100</u>

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

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

**SHIRE OF WILLIAMS**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2014**

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>Summary of Transfers To Cash Backed Reserves</b>			
<b>Transfers to Reserves</b>			
Leave Reserve	0	0	21,402
Plant Reserve	21,462	88	51,954
Building Reserve	0	1,375	24,894
Joint Venture Housing Reserve	0	8,287	9,590
Recreation Facilities Reserve	0	633	737
Art Acquisition Reserve	0	409	471
Computer Replacement Reserve	0	0	25,000
	<u>21,462</u>	<u>10,792</u>	<u>134,048</u>
<b>Transfers from Reserves</b>			
Leave Reserve	0	(27,978)	0
Plant Reserve	0	(38,663)	(40,000)
Building Reserve	(120,000)	0	(20,000)
Joint Venture Housing Reserve	(150,000)	0	(150,000)
Recreation Facilities Reserve	0	0	0
Art Acquisition Reserve	0	0	0
Computer Replacement Reserve	0	0	0
	<u>(270,000)</u>	<u>(66,641)</u>	<u>(210,000)</u>
<b>Total Transfer to/(from) Reserves</b>	<u>(248,538)</u>	<u>(55,850)</u>	<u>(75,952)</u>

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

**Leave Reserve**

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

**Plant Reserve**

- to be used for the purchase of plant items as per Council's Plant Replacement Program

**Building Reserve**

- to be used for the construction and acquisition of buildings

**Joint Venture Housing Reserve**

- to be used to finance long term maintenance requirements of Sandal wood Court and to finance new joint venture housing construction

**Recreation Facilities Reserve**

- to be used to finance capital improvements of existing recreation facilities and to fund acquisition of future recreation facilities.

**Art Acquisition Reserve**

- to be used for the purchase of art pieces for the Williams Art Collection

**Computer Reserve**

- to be used to ensure that the administration computer system is maintained

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 Homes Reserves are expected to be utilised in 2013/2014

**SHIRE OF WILLIAMS**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2014**

	Note	2013/14 Budget \$	2012/13 Actual \$
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
 <b>CURRENT ASSETS</b>			
Cash - Unrestricted	15(a)	0	315,662
Cash - Restricted Reserves	15(a)	476,665	725,203
Cash - CLF Funding		0	1,215,530
Receivables		366,365	531,265
Inventories		15,000	14,209
		858,030	2,801,869
 <b>LESS: CURRENT LIABILITIES</b>			
Payables and Provisions		(381,365)	(591,631)
<b>NET CURRENT ASSET POSITION</b>		476,665	2,210,238
Less: Cash - Restricted Reserves	15(a)	(476,665)	(725,203)
Less: Cash - CLF Funding		0	(1,215,530)
Add: Cash Backing Provisions		120	120
<b>ESTIMATED SURPLUS C/FWD</b>		0	269,625

The estimated surplus/(deficiency) c/fwd in the 2012/13 actual column represents the surplus (deficit) brought forward as at 1 July 2013.

The estimated surplus/(deficiency) c/fwd in the 2013/14 budget column represents the surplus (deficit) carried forward as at 30 June 2014.

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

**8. RATING INFORMATION - 2013/14 FINANCIAL YEAR**

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2013/14 Budgeted Rate Revenue \$	2013/14 Budgeted Interim Rates \$	2013/14 Budgeted Back Rates \$	2013/14 Budgeted Total Revenue \$	2012/13 Actual \$
General Rate								
GRV Industrial/Commercial	0.051467	19	757,630	38,993			38,993	40,126
GRV Residential	0.051467	178	1,968,754	101,326			101,326	81,361
UV Rural/Mining	0.005714	305	205,749,500	1,175,653			1,175,653	1,135,394
<b>Sub-Totals</b>		502	208,475,884	1,315,971	0	0	1,315,972	1,256,881
<b>Minimum Rates</b>	<b>Minimum \$</b>							
GRV Industrial/Commercial	460	18	64,920	8,280			8,280	8,100
GRV Residential	460	109	359,132	50,140			50,140	59,850
UV Rural/Mining	460	19	656,270	8,740			8,740	6,300
<b>Sub-Totals</b>		146	1,080,322	67,160	0	0	67,160	74,250
Ex-Gratia Rates							13,071	12,688
<b>Total Amount of General Rates</b>							1,396,203	1,343,819
Specified Area Rates (Note 9)								
<b>Total Rates</b>							1,396,203	1,343,819

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

The general rates detailed above for the 2013/14 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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



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

**9. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR**

Council does not impose Specified Area Rate.

**10. SERVICE CHARGES - 2013/14 FINANCIAL YEAR**

Council does not impose Service Charges.

<b>11. FEES &amp; CHARGES REVENUE</b>	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>
Governance	48,050	4,412
General Purpose Funding	4,250	13,223
Law, Order, Public Safety	2,200	1,723
Health	2,500	3,016
Education and Welfare	212,252	159,681
Housing	70,346	63,596
Community Amenities	113,945	102,541
Recreation & Culture	30,550	44,186
Transport	67,100	51,638
Economic Services	13,850	21,201
Other Property & Services	130,000	124,978
	<u>695,043</u>	<u>590,194</u>

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2013/14 FINANCIAL YEAR**

No discounts, incentive or write offs are offered by Council.

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

**13. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAR**

An interest rate of 11% will be charged on all general rate payments that are late. It is estimated this will generate income of \$5,000.00. Two separate option plans will be available to ratepayers for payment of rates.

**Option 1 (Full Payment)**

Full payment of rates and charges including arrears to be paid within 35 days after date of service appearing on the rate notice. See not 12 for discount provisions under this option.

**Option 2 (Instalments)**

First instalment to be received by 6 September 2013 including all arrears and one quarter of current rates and charges. Second instalment to be received by 8 November 2013, third instalment by 10 January 2014 and fourth instalment by 7 March 2014.

The cost to the ratepayer of the instalment plan will comprise simple interest of 5.5% pa calculated on the balance of general rates outstanding from the date the first instalment is due plus administration fee of \$25.00 per assessment paid by instalments

The total revenue from the imposition of the interest and administration charges is estimated to be \$14,180 as follows.

Administration Charges	3,250
Interest Charges	10,930
	14,180

**14. ELECTED MEMBERS REMUNERATION**

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

	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>
Meeting Fees	15,000	14,516
President's Allowance	3,700	3,605
Travelling Expenses	3,500	3,322
Telecommunications Allowance	0	0
	22,200	21,442

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

**15. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>	<b>2012/13 Budget \$</b>
Cash - Unrestricted	0	315,662	1,020
Cash - Restricted	476,665	725,203	705,100
	<u>476,665</u>	<u>1,040,865</u>	<u>706,120</u>

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

Leave Reserve	120	120	49,500
Plant Reserve	21,973	511	51,040
Building Reserve	379,261	499,261	502,780
Joint Venture Housing Reserve	50,147	200,147	51,450
Recreation Facilities Reserve	15,276	15,276	15,380
Art Acquisition Reserve	9,888	9,888	9,950
Computer Replacement Reserve	0	0	25,000
	<u>476,665</u>	<u>725,203</u>	<u>705,100</u>

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

Net Result	1,590,602	835,238	1,420,315
Amortisation			568,500
Depreciation	568,500	561,755	38,840
(Profit)/Loss on Sale of Asset	45,000	24,895	454,566
(Increase)/Decrease in Receivables	164,900	(54,245)	16,074
(Increase)/Decrease in Inventories	(791)	11,865	(53,556)
Increase/(Decrease) in Payables	(43,781)	289,725	0
Increase/(Decrease) in Employee Provisions	(166,365)	(7,140)	
Grants/Contributions for the Development of Assets	(1,904,222)	(1,230,794)	(1,923,505)
Non-Current Assets recognised due to change in Legislative Requirements			
<b>Net Cash from Operating Activities</b>	<u>253,843</u>	<u>431,300</u>	<u>521,234</u>

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

Bank Overdraft limit	100,000	100,000	100,000
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	10,000	10,000	10,000
Credit Card Balance at Balance Date	0	0	0
<b>Total Amount of Credit Unused</b>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>

**Loan Facilities**

Loan Facilities in use at Balance Date	<u>409,624</u>	<u>299,525</u>	<u>299,525</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

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

**16. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 1-Jul-13 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance 30-Jun-14 \$</b>
Housing Bonds	9,912	3,000	(1,000)	11,912
Building Deposits	2,012		(2,012)	0
Sale of Land for Rates	60,008		(60,008)	0
Subdivision Bond	49,178			49,178
Public Open Space Contribution	20,000			20,000
Recycling Shed Community Fund	4,663	1,500		6,163
				0
	<u>145,773</u>			<u>87,253</u>

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

**17. MAJOR LAND TRANSACTIONS**

**Aged Care Land Development - New Street**

(a) Details

The Shire of Williams proposes to subdivide 4 residential lots into a total of 13 lots. The lots will be used for Aged Housing Units which will be rent out initially but potentially sold off at a later date. The costs list below are only for the subdivision of land.

	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>
<b>(b) Current year transactions</b>		
<b>Operating Income</b>		
- Profit on sale	0	0
<b>Capital Income</b>		
- Sale Proceeds	0	0
<b>Capital Expenditure</b>		
- Purchase of Land	0	0
- Development Costs	379,834	0
	<b>379,834</b>	<b>0</b>
	<b>379,834</b>	<b>0</b>

(c) Expected Future Cash Flows

	2013/14 \$	2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	Total \$
<b>Cash Outflows</b>						
- Development Costs	(379,834)					(379,834)
- Loan Repayments						0
	(379,834)	0	0	0	0	(379,834)
<b>Cash Inflows</b>						
- Capital Grants	379,834					379,834
- Sale Proceeds						0
	379,834	0	0	0	0	379,834
<b>Net Cash Flows</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated any trading undertakings or major trading undertakings will occur in 2013/14.