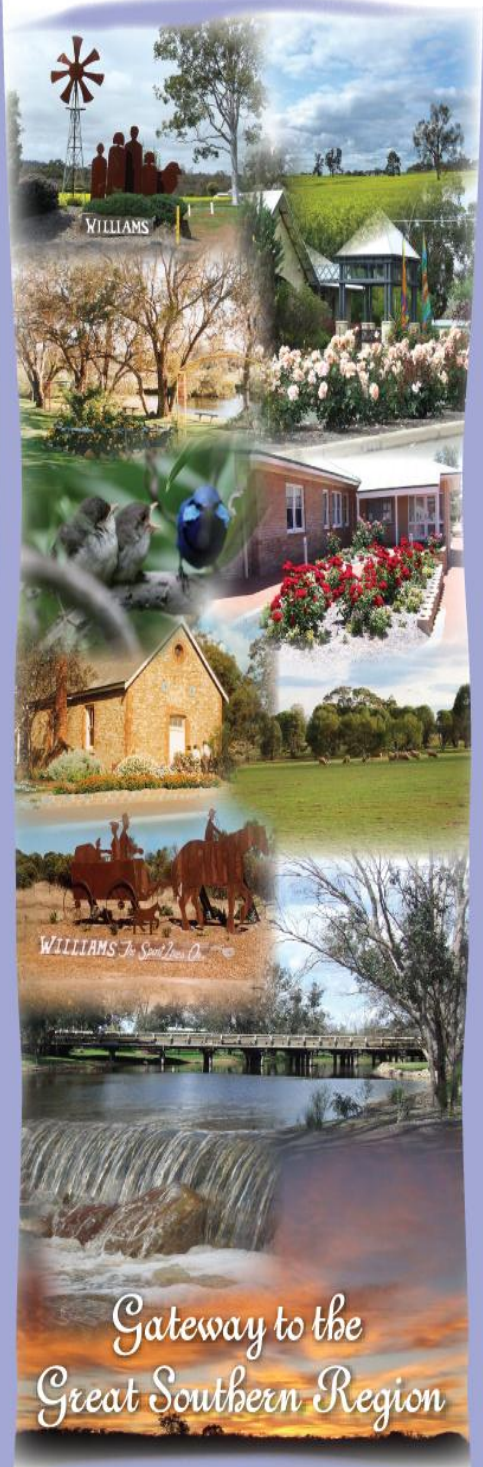


# SHIRE OF WILLIAMS

## SHIRE OF WILLIAMS ADOPTED BUDGET

*2014/2015*



9 Brooking St, Williams

Ph: (08) 98851005

Fax: (08) 98851020

[www.williams.wa.gov.au](http://www.williams.wa.gov.au)



**SHIRE OF WILLIAMS**  
**BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**TABLE OF CONTENTS**

Statement of Comprehensive Income by Nature or Type	2
Statement of Comprehensive Income by Program	3
Statement of Cash Flows	4
Rate Setting Statement	5
Notes to and Forming Part of the Budget	6 to 33
Supplementary Information	34 to 36

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

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>Revenue</b>				
Rates	8	1,461,677	1,392,689	1,396,203
Operating Grants, Subsidies and Contributions		677,083	966,894	394,526
Fees and Charges	11	557,546	601,199	695,043
Service Charges	10	0	0	0
Interest Earnings	2(a)	87,000	81,733	75,930
Other Revenue		27,200	145,212	0
		<u>2,810,506</u>	<u>3,187,727</u>	<u>2,561,702</u>
<b>Expenses</b>				
Employee Costs		(1,321,436)	(1,372,334)	(1,337,507)
Materials and Contracts		(638,413)	(1,312,230)	(639,915)
Utility Charges		(156,950)	(160,858)	(129,050)
Depreciation on Non-Current Assets	2(a)	(552,240)	(551,370)	(568,500)
Interest Expenses	2(a)	(17,155)	(17,892)	(19,960)
Insurance Expenses		(161,835)	(90,354)	(135,390)
Other Expenditure		0	(13,636)	0
		<u>(2,848,029)</u>	<u>(3,518,674)</u>	<u>(2,830,322)</u>
		(37,523)	(330,946)	(268,620)
Non-Operating Grants, Subsidies and Contributions		689,511	1,668,204	1,904,222
Profit on Asset Disposals	4	132,700	144,654	0
Loss on Asset Disposals	4	(42,117)	(986)	(45,000)
<b>NET RESULT</b>		<b>742,571</b>	<b>1,480,926</b>	<b>1,590,602</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of non-current assets		0	0	0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>742,571</u></b>	<b><u>1,480,926</u></b>	<b><u>1,590,602</u></b>

**Notes:**

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

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

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

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

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

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>Revenue (Refer Notes 1,2,8 to 13)</b>				
Governance		49,250	60,614	48,250
General Purpose Funding		1,963,755	1,666,861	1,665,592
Law, Order, Public Safety		29,850	32,037	29,950
Health		100	1,363	2,500
Education and Welfare		258,452	263,042	318,907
Housing		91,728	164,529	70,446
Community Amenities		117,285	118,250	113,945
Recreation and Culture		119,090	49,856	53,550
Transport		63,846	616,129	73,112
Economic Services		30,450	30,137	28,950
Other Property and Services		86,700	239,387	156,500
		<u>2,810,506</u>	<u>3,242,203</u>	<u>2,561,702</u>
<b>Expenses Excluding</b>				
<b>Finance Costs (Refer Notes 1,2 &amp; 14)</b>				
Governance		(246,335)	(228,634)	(193,730)
General Purpose Funding		(24,050)	(11,022)	(11,650)
Law, Order, Public Safety		(59,521)	(68,244)	(74,482)
Health		(65,593)	(66,221)	(67,360)
Education and Welfare		(333,928)	(347,898)	(332,722)
Housing		(82,922)	(73,942)	(66,520)
Community Amenities		(197,930)	(189,272)	(167,430)
Recreation & Culture		(639,056)	(632,250)	(566,134)
Transport		(976,053)	(1,612,651)	(1,082,697)
Economic Services		(88,106)	(105,584)	(117,950)
Other Property and Services		(117,382)	(219,540)	(129,687)
		<u>(2,830,874)</u>	<u>(3,555,258)</u>	<u>(2,810,362)</u>
<b>Finance Costs (Refer Notes 2 &amp; 5)</b>				
General Purpose Funding		(1,000)	0	(1,000)
Transport		(636)	(1,852)	(2,939)
Other Property and Services		(15,519)	(16,040)	(16,021)
		<u>(17,155)</u>	<u>(17,892)</u>	<u>(19,960)</u>
<b>Non-operating Grants, Subsidies and Contributions</b>				
Law, Order, Public Safety		0	5,813	0
Education and Welfare		0	12,809	0
Housing		150,920	974,521	1,312,337
Recreation & Culture		0	159,251	138,273
Transport		538,591	515,811	453,612
		<u>689,511</u>	<u>1,668,204</u>	<u>1,904,222</u>
<b>Profit/(Loss) On</b>				
<b>Disposal Of Assets (Refer Note 4)</b>				
Governance		(1,500)	0	0
Education and Welfare		0	(986)	0
Transport		92,083	144,654	(45,000)
		<u>90,583</u>	<u>143,668</u>	<u>(45,000)</u>
<b>NET RESULT</b>		<b>742,571</b>	<b>1,480,926</b>	<b>1,590,602</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>		<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>742,571</u></b>	<b><u>1,480,926</u></b>	<b><u>1,590,602</u></b>

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 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,461,677	1,392,689	1,396,203
Operating Grants, Subsidies and Contributions		877,083	966,894	394,526
Fees and Charges		557,546	683,576	859,943
Service Charges		0	0	0
Interest Earnings		87,000	81,733	75,930
Goods and Services Tax		126,100	508,893	330,000
Other Revenue		27,200	145,212	0
		<u>3,136,606</u>	<u>3,778,997</u>	<u>3,056,602</u>
<b>Payments</b>				
Employee Costs		(1,538,027)	(1,341,225)	(1,247,761)
Materials and Contracts		(644,559)	(1,485,208)	(940,598)
Utility Charges		(156,950)	(160,858)	(129,050)
Interest Expenses		(18,045)	(17,892)	(19,960)
Insurance Expenses		(161,835)	(90,354)	(135,390)
Goods and Services Tax		(126,100)	(311,213)	(330,000)
Other Expenditure		0	(13,636)	0
		<u>(2,645,516)</u>	<u>(3,420,386)</u>	<u>(2,802,759)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>491,090</u>	<u>358,611</u>	<u>253,843</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	3	0	0	0
Payments for Purchase of Property, Plant & Equipment	3	(1,269,710)	(1,508,890)	(1,789,693)
Payments for Construction of Infrastructure	3	(906,334)	(766,016)	(1,077,671)
Advances to Community Groups Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		0	0	0
Proceeds from Sale of Plant & Equipment	4	310,000	167,000	35,000
Proceeds from Advances		689,511	1,668,204	1,904,222
<b>Net Cash Used in Investing Activities</b>		<u>(1,176,533)</u>	<u>(439,701)</u>	<u>(928,142)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	(25,040)	(39,526)	(39,647)
Proceeds from Self Supporting Loans				
Proceeds from New Debentures	5	476,159	0	149,746
<b>Net Cash Provided By (Used In) Financing Activities</b>		451,119	(39,526)	110,099
<b>Net Increase (Decrease) in Cash Held Cash at Beginning of Year</b>		(234,325)	(120,616)	(564,200)
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u>920,664</u>	<u>1,041,280</u>	<u>1,040,865</u>
		<u>686,339</u>	<u>920,664</u>	<u>476,665</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 2015**

	NOTE	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>Revenues</b>	1,2			
Governance		47,750	60,614	48,250
General Purpose Funding		502,078	274,172	269,389
Law, Order, Public Safety		29,850	37,849	29,950
Health		100	1,363	2,500
Education and Welfare		258,452	274,864	318,907
Housing		242,648	1,139,050	1,382,783
Community Amenities		117,285	118,250	113,945
Recreation and Culture		119,090	209,107	191,823
Transport		602,437	1,276,594	526,724
Economic Services		30,450	30,137	28,950
Other Property and Services		86,700	239,387	156,500
		<u>2,036,840</u>	<u>3,661,386</u>	<u>3,069,721</u>
<b>Expenses</b>	1,2			
Governance		(246,335)	(228,634)	(193,730)
General Purpose Funding		(25,050)	(11,022)	(12,650)
Law, Order, Public Safety		(59,521)	(68,244)	(74,482)
Health		(65,593)	(66,221)	(67,360)
Education and Welfare		(333,928)	(347,898)	(332,722)
Housing		(82,922)	(73,942)	(66,520)
Community Amenities		(197,930)	(189,272)	(167,430)
Recreation & Culture		(639,056)	(632,250)	(566,134)
Transport		(884,606)	(1,614,503)	(1,130,636)
Economic Services		(88,106)	(105,584)	(117,950)
Other Property and Services		(132,901)	(235,580)	(145,708)
		<u>(2,755,946)</u>	<u>(3,573,150)</u>	<u>(2,875,322)</u>
<b>Net Operating Result Excluding Rates</b>		(719,106)	88,237	194,399
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	4	(90,583)	(143,668)	45,000
Depreciation on Assets	2(a)	552,240	551,370	568,500
Movement in Non-Current Staff Leave Provisions		0	(18,738)	0
Movement in Non-Current Receivables		0	(832)	0
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	3	0	0	0
Purchase Land and Buildings	3	(803,551)	(1,478,454)	(1,769,193)
Purchase Infrastructure Assets - Roads	3	(648,820)	(372,961)	(503,887)
Purchase Infrastructure Assets - Parks	3	(257,514)	(393,055)	(573,784)
Purchase Plant and Equipment	3	(430,000)	(12,898)	(5,000)
Purchase Furniture and Equipment	3	(36,159)	(17,538)	(15,500)
Proceeds from Disposal of Assets	4	310,000	167,000	35,000
Repayment of Debentures	5	(25,040)	(39,526)	(39,647)
Proceeds from New Debentures	5	476,159	0	149,746
Self-Supporting Loan Principal Income		0	0	0
Transfers to Reserves (Restricted Assets)	6	(320,000)	(26,080)	(21,462)
Transfers from Reserves (Restricted Assets)	6	220,000	270,000	270,000
<b>ADD</b> Estimated Surplus/(Deficit) July 1 B/Fwd	7	272,457	306,911	269,625
<b>LESS</b> Estimated Surplus/(Deficit) June 30 C/Fwd	7	(38,240)	272,457	0
<b>Amount Required to be Raised from General Rate</b>	8	<u>(1,461,677)</u>	<u>(1,392,689)</u>	<u>(1,396,203)</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 2015**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

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

**The Local Government Reporting Entity**

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

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

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

**(b) 2013/14 Actual Balances**

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

**(c) Rounding Off Figures**

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

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

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

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

**(e) Goods and Services Tax (GST)**

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

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

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

**(f) Superannuation**

The Council contributes to a number of Superannuation Funds on behalf of employees.

All funds to which the Council contributes are defined contribution plans.

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

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

**(g) Cash and Cash Equivalents**

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

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

**(h) Trade and Other Receivables**

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

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

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

**(i) Inventories**

***General***

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

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

***Land Held for Resale***

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

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

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

**(j) Fixed Assets**

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

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

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



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

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

**(j) Fixed Assets (Continued)**

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

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

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

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

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

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

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

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

***Land Under Control***

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

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

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

***Initial Recognition and Measurement between Mandatory Revaluation Dates***

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

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

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

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

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

**(j) Fixed Assets (Continued)**

***Revaluation***

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

***Transitional Arrangement***

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

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

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

***Land Under Roads***

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

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

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

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

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

***Depreciation***

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

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

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

**(j) Fixed Assets (Continued)**

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

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

***Capitalisation Threshold***

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

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

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

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

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

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

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

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

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

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

***Fair Value Hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

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

**Market approach**

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

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

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

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

**Income approach**

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

**Cost approach**

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

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

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

**(l) Financial Instruments**

**Initial Recognition and Measurement**

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

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

**Classification and Subsequent Measurement**

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

Amortised cost is calculated as:

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

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

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

**(I) Financial Instruments (Continued)**

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

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

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

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

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

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

*(v) Financial liabilities*

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

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

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

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

***Impairment***

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

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

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

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

***Derecognition***

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

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

**(m) Impairment of Assets**

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

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

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

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

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

**(m) Impairment of Assets (Continued)**

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

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

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

**(n) Trade and Other Payables**

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

**(o) Employee Benefits**

**Short-Term Employee Benefits**

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

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

**Other Long-Term Employee Benefits**

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

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



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

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

**(p) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

**(q) Provisions**

Provisions are recognised when the Council has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

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

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

**(s) Comparative Figures**

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

**(t) Budget Comparative Figures**

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

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

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>2. REVENUES AND EXPENSES</b>			
(a) <b>Net Result</b>			
The Net Result includes:			
(i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	7,250	12,150	9,500
Other Services	1,000	1,206	1,500
 <b>Depreciation</b>			
<u><b>By Program</b></u>			
Governance	36,775	37,020	29,120
General Purpose Funding	0	0	0
Law, Order, Public Safety	550	560	2,500
Health	3,700	3,684	2,350
Education and Welfare	23,215	23,210	16,850
Housing	10,300	10,368	7,300
Community Amenities	1,550	1,547	1,550
Recreation and Culture	110,900	109,868	97,380
Transport	363,500	363,364	410,000
Economic Services	1,750	1,748	1,450
Other Property and Services	0	0	0
	552,240	551,370	568,500
 <u><b>By Class</b></u>			
Land and Buildings	138,000	137,526	117,500
Furniture and Equipment	6,900	6,814	9,000
Plant and Equipment	146,400	146,256	185,500
Roads	230,000	230,000	230,000
Infrastructure Parks & Reserves	30,940	30,774	26,500
	552,240	551,370	568,500
 <b>Interest Expenses (Finance Costs)</b>			
- Bank Overdraft	1,000	0	1,000
- Debentures ( <i>refer note 5(a)</i> )	16,155	17,892	18,960
	17,155	17,892	19,960
(ii) Crediting as Revenues:			
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	25,000	26,080	35,000
- Other Funds	50,000	43,238	30,000
Other Interest Revenue ( <i>refer note 13</i> )	12,000	12,415	10,930
	87,000	81,733	75,930

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

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

**(b) Statement of Objective**

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

**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.

**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

**COMMUNITY AMENITIES**

Objective: Provision of amenities required by the community.  
Activities: Refuse management, protection of environment, maintenance of cemeteries 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 local heritage register.

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

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

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

**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 2015**

<b>3. ACQUISITION OF ASSETS</b>	<b>2014/15 Budget \$</b>
The following assets are budgeted to be acquired during the year:	
<b><u>By Program</u></b>	
<b>Governance</b>	
Computer Equipment	36,159
Sedan - WL16	45,000
<b>Housing</b>	
Regional Housing Project - 5 units	353,551
<b>Community Amenities</b>	
Regional Waste Site	85,000
Waste Transfer Station	14,192
<b>Recreation and Culture</b>	
Lions Park Furniture	10,000
War Memorial	16,257
Quindanning Hall	3,000
Bowing Club Carpark	9,065
Recreation Facilities Upgrade	120,000
<b>Transport</b>	
Dual Cab Utility	35,000
Grader	350,000
Infrastructure Roads	648,820
<b>Economic Services</b>	
Industrial Land Development	450,000
	<b><u>2,176,044</u></b>
<b><u>By Class</u></b>	
Land Held for Resale	0
Land and Buildings	803,551
Infrastructure Assets - Roads	648,820
Infrastructure Assets - Parks and Ovals	257,514
Plant and Equipment	430,000
Furniture and Equipment	36,159
	<b><u>2,176,044</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 2015**

**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>2014/15 BUDGET</b>	<b>2014/15 BUDGET</b>	<b>2014/15 BUDGET</b>
	\$	\$	\$
<b>Governance</b>			
Ford Sedan - 16WL	16,500	15,000	(1,500)
<b>Transport</b>			
Volvo Grader	135,140	100,000	(35,140)
Vib Roller	40,477	35,000	(5,477)
23 Fry Street	27,300	160,000	132,700
	<b>219,417</b>	<b>310,000</b>	<b>90,583</b>

<b><u>By Class</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	<b>2014/15 BUDGET</b>	<b>2014/15 BUDGET</b>	<b>2014/15 BUDGET</b>
	\$	\$	\$
<b>Plant &amp; Equipment</b>	192,117	150,000	(42,117)
<b>Land &amp; Buildings</b>	27,300	160,000	132,700
	<b>219,417</b>	<b>310,000</b>	<b>90,583</b>

**Summary**

	<b>2014/15 BUDGET</b>
	<b>\$</b>
Profit on Asset Disposals	132,700
Loss on Asset Disposals	(42,117)
	<u>90,583</u>

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

**5. INFORMATION ON BORROWINGS**

**(a) Debenture Repayments**

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

Particulars	Principal 1-Jul-14	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2014/15 Budget \$	2013/14 Actual \$	2014/15 Budget \$	2013/14 Actual \$	2014/15 Budget \$	2013/14 Actual \$
<b>Transport</b>								
Loan #63 Excavator	16,776	0	16,776	31,886	0	16,776	636	1,852
Loan #67 Grader	0	240,000	0	0	240,000	0	0	0
<b>Other Property &amp; Services</b>								
Loan #65 Industrial Land	243,224	0	8,264	7,640	234,960	234,838	15,519	16,040
Loan #66 Industrial Land	0	200,000	0	0	200,000	0	0	0
<b>Governance</b>								
Loan #68 IT Equipment	0	36,159	0	0	36,159	0	0	0
	260,000	476,159	25,040	39,526	711,119	251,614	16,155	17,892

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 2015**

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

(b) New Debentures - 2014/15

Particulars/Purpose	Amount Borrowed	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used	Balance Unspent \$
	Budget						Budget	
Industrial Land Development	200,000	WATC	Debenture	15	Unknown	Unknown	200,000	0
Grader	240,000	WATC	Debenture	7	Unknown	Unknown	240,000	0
IT Equipment	36,159	WATC	Debenture	5	Unknown	Unknown	36,159	0

(c) Unspent Debentures

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

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although 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 2014/15.



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

	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>6. RESERVES</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	379	120	120
Amount Set Aside / Transfer to Reserve	0	259	0
Amount Used / Transfer from Reserve	0	0	0
	<u>379</u>	<u>379</u>	<u>120</u>
<b>(b) Plant Reserve</b>			
Opening Balance	529	511	511
Amount Set Aside / Transfer to Reserve	0	18	21,462
Amount Used / Transfer from Reserve	0	0	0
	<u>529</u>	<u>529</u>	<u>21,973</u>
<b>(c) Building Reserve</b>			
Opening Balance	397,215	499,261	499,261
Amount Set Aside / Transfer to Reserve	320,000	17,954	0
Amount Used / Transfer from Reserve	(190,000)	(120,000)	(120,000)
	<u>527,215</u>	<u>397,215</u>	<u>379,261</u>
<b>(d) Joint Venture Housing Reserve</b>			
Opening Balance	54,146	200,147	200,147
Amount Set Aside / Transfer to Reserve	0	3,999	0
Amount Used / Transfer from Reserve	(30,000)	(150,000)	(150,000)
	<u>24,146</u>	<u>54,146</u>	<u>50,147</u>
<b>(e) Recreation Facilities Reserve</b>			
Opening Balance	18,934	15,276	15,276
Amount Set Aside / Transfer to Reserve	0	3,658	0
Amount Used / Transfer from Reserve	0	0	0
	<u>18,934</u>	<u>18,934</u>	<u>15,276</u>
<b>(f) Art Acquisition Reserve</b>			
Opening Balance	10,080	9,888	9,888
Amount Set Aside / Transfer to Reserve	0	192	0
Amount Used / Transfer from Reserve	0	0	0
	<u>10,080</u>	<u>10,080</u>	<u>9,888</u>
<b>(g) Computer Replacement Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Reserves</b>	<u>581,283</u>	<u>481,283</u>	<u>476,665</u>

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

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

6. RESERVES (Continued)	2014/15 Budget \$	2013/14 Actual \$	2013/14 Budget \$
<b>SUMMARY OF RESERVE TRANSFERS</b>			
<b>Transfers to Reserves</b>			
Leave Reserve	0	259	0
Plant Reserve	0	18	21,462
Building Reserve	320,000	17,954	0
Joint Venture Housing Reserve	0	3,999	0
Recreation Facilities Reserve	0	3,658	0
Art Acquisition Reserve	0	192	0
Computer Replacement Reserve	0	0	0
	<u>320,000</u>	<u>26,080</u>	<u>21,462</u>
<b>Transfers from Reserves</b>			
Leave Reserve	0	0	0
Plant Reserve	0	0	0
Building Reserve	(190,000)	(120,000)	(120,000)
Joint Venture Housing Reserve	(30,000)	(150,000)	(150,000)
Recreation Facilities Reserve	0	0	0
Art Acquisition Reserve	0	0	0
Computer Replacement Reserve	0	0	0
	<u>(220,000)</u>	<u>(270,000)</u>	<u>(270,000)</u>
<b>Total Transfer to/(from) Reserves</b>	<u>100,000</u>	<u>(243,920)</u>	<u>(248,538)</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 Sandalwood 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 Reserve and Joint Venture Reserve is expected to be utilised in 2014/15.

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

	Note	2014/15 Budget \$	2013/14 Actual \$
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	15(a)	105,056	439,381
Cash - Restricted Reserves	15(a)	581,283	481,283
Receivables		258,713	458,713
Inventories		16,000	14,318
		961,052	1,393,695
<b>LESS: CURRENT LIABILITIES</b>			
Payables and Provisions		(418,009)	(640,335)
<b>NET CURRENT ASSET POSITION</b>		543,043	753,360
Less: Cash - Restricted Reserves	15(a)	(581,283)	(481,283)
Add: Cash Backing Provisions		380	380
<b>ESTIMATED (DEFICIENCY) C/FWD</b>		(38,240)	272,457

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

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

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

**8. RATING INFORMATION - 2014/15 FINANCIAL YEAR**

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2014/15 Budgeted Rate Revenue \$	2014/15 Budgeted Interim Rates \$	2014/15 Budgeted Back Rates \$	2014/15 Budgeted Total Revenue \$	2013/14 Actual \$
<b>Differential General Rate/General Rate</b>								
GRV Industrial/Commercial	0.05404	19	757,630	40,942	0	0	40,942	38,993
GRV Residential	0.05404	193	1,921,922	103,861	0	0	103,861	97,908
UV Rural/Mining	0.00600	328	205,312,500	1,231,875	0	0	1,231,875	1,171,495
<b>Sub-Totals</b>		540	207,992,052	1,376,678	0	0	1,376,678	1,308,396
<b>Minimum Payment</b>		<b>Minimum \$</b>						
GRV Industrial/Commercial	485	18	64,920	8,730	0	0	8,730	8,280
GRV Residential	485	111	388,594	53,835	0	0	53,835	49,487
UV Rural/Mining	485	17	597,499	8,245	0	0	8,245	13,343
<b>Sub-Totals</b>		146	1,051,013	70,810	0	0	70,810	71,110
Ex Gratia							14,189	13,183
<b>Total Amount Raised from General Rate</b>							1,461,677	1,392,689
Specified Area Rates (Note 9)							0	0
<b>Total Rates</b>							1,461,677	1,392,689

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 2014/15 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

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

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

**OBJECTIVES AND REASONS FOR DIFFERENTIAL RATING**

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

**GRV - Residential**

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

**GRV Residential Vacant**

Vacant properties located within the townsite boundaries excepting land zoned as Commercial and Industrial. The rate for this category is designed to encourage land owners to develop their vacant land and also reflects the different method used for the valuation of vacant residential land by the Valuer General.

**GRV Commercial**

Properties used for commercial and industrial purposed and non - residential land. The higher rate reflects the additional cost of servicing commercial activity including car parking, landscaping and other amenities.

**UV Rural**

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

**UV Commercial Rural**

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

**Minimum Rates**

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

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

**9. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR**

Council does not impose Specified Area Rate.

**10. SERVICE CHARGES - 2014/15 FINANCIAL YEAR**

Council does not impose Service Charges

<b>11. FEES &amp; CHARGES REVENUE</b>	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>
Governance	49,050	25,919
General Purpose Funding	4,250	5,308
Law, Order, Public Safety	2,250	2,403
Health	100	1,167
Education and Welfare	116,000	151,273
Housing	91,728	68,997
Community Amenities	115,285	113,921
Recreation & Culture	29,833	32,398
Transport	57,100	11,690
Economic Services	29,450	17,742
Other Property & Services	62,500	170,381
	<u>557,546</u>	<u>601,199</u>

**12. RATE PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS  
- 2014/15 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 2015**

**13. INTEREST CHARGES AND INSTALMENTS - 2014/15 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 note 12 for discount provisions under this option.

**Option 2 (Instalments)**

First instalment to be received by 5 September 2014 including all arrears and one quarter of current rates and charges. Second instalment to be received by 7 November 2014, third instalment by 9 January 2015 and fourth instalment by 13 March 2015.

The cost to the ratepayer of the instalment plan will comprise simple interest of 5.5% pa calculated on the

The total revenue from the imposition of the interest and administration charges is estimated to be \$15,250 as follows.

	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>
<b>14. ELECTED MEMBERS REMUNERATION</b>		
The following fees, expenses and allowances were paid to council members and/or the president.		
Meeting Fees	15,450	14,500
President's Allowance	4,000	3,700
Travelling Expenses	3,500	3,300
	22,950	21,500

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

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

**(a) Reconciliation of Cash**

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

	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>	<b>2013/14 Budget \$</b>
Cash - Unrestricted	105,056	439,381	0
Cash - Restricted	581,283	481,283	476,665
	<u>686,339</u>	<u>920,664</u>	<u>476,665</u>

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

Leave Reserve	379	125	120
Plant Reserve	529	529	21,973
Building Reserve	527,215	397,215	379,261
Joint Venture Housing Reserve	24,146	54,146	50,147
Recreation Reserve	18,934	18,934	15,276
Art Acquisition Reserve	10,080	10,334	9,888
Computer Reserve	0	0	0
	<u>581,283</u>	<u>481,283</u>	<u>476,665</u>

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

Net Result	742,571	1,480,926	1,590,602
Depreciation	552,240	551,370	568,500
(Profit)/Loss on Sale of Asset	(90,583)	(143,668)	45,000
(Increase)/Decrease in Receivables	200,000	86,450	164,900
(Increase)/Decrease in Inventories	(1,682)	(109)	(791)
Increase/(Decrease) in Payables	(5,354)	20,737	(43,781)
Increase/(Decrease) in Employee Provisions	(216,591)	31,109	(166,365)
Grants/Contributions for the Development of Assets	(689,511)	(1,668,204)	(1,904,222)
<b>Net Cash from Operating Activities</b>	<u>491,090</u>	<u>358,611</u>	<u>253,843</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>711,119</u>	<u>251,614</u>	<u>409,624</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 2015**

**16. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 1-Jul-14 \$</b>	<b>Estimated Amounts Received \$</b>	<b>Estimated Amounts Paid (\$)</b>	<b>Estimated Balance 30-Jun-15 \$</b>
Housing Bonds	11,812	0	(11,812)	0
Building Deposits	0			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	6,254	1,600		7,854
4WD Regional Housing Project	2,533,876		(2,533,876)	0
	<u>2,681,128</u>	<u>1,600</u>	<u>(2,605,696)</u>	<u>77,032</u>

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

**17. MAJOR LAND TRANSACTIONS**

**Aged Care Land Development - New Street**

**(a) Details**

The Shire of Williams have subdivided four (4) residential lots into a total of thirteen (13) lots. The lots will be used for Aged Housing Units which five (5) will be rented out initially but potentially sold off at a later date. The remaining eight (8) lots will remain vacant for the short term with the potential to construct further units for sale. The costs listed below are only for the subdivision of land.

<b>(b) Current year transactions</b>	<b>2014/15 Budget \$</b>	<b>2013/14 Actual \$</b>
<b>Operating Revenue</b>		
- Profit on sale	0	0
<b>Capital Revenue</b>		
- Sale Proceeds	0	0
<b>Capital Expenditure</b>		
- Purchase of Land	0	0
- Development Costs	0	379,834
	<u>0</u>	<u>379,834</u>

**(c) Expected Future Cash Flows**

	<b>2014/15 \$</b>	<b>2015/16 \$</b>	<b>2016/17 \$</b>	<b>2017/18 \$</b>	<b>2018/19 \$</b>	<b>Total \$</b>
<b>Cash Outflows</b>						
- Development Costs	0	0	0	0	0	0
- Loan Repayments	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Inflows</b>						
- Loan Proceeds	0	0	0	0	0	0
- Sale Proceeds	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Cash Flows</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

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

**SHIRE OF WILLIAMS  
SUPPLEMENTARY INFORMATION FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2015**

	Reference Document	2014/2015 BUDGET		2013/2014 BUDGET
<b>LAND &amp; BUILDINGS</b>				
Industrial Land Development	<i>Industrial Units Business Case</i>	450,000	1	409,850
Sewer Extension Lot 14 Growse St				10,000
Regional Housing Project - 5 Units	<i>Aged Housing Project Business Case</i>	353,551	2	1,419,343
less inkind siteworks				-70,000
		<b>803,551</b>		<b>1,769,193</b>
<b>FURNITURE &amp; EQUIPMENT</b>				
Computer/Office Equipment		36,159	3	10,000
Council Chambers Chairs	<i>11 @ \$500 each</i>			5,500
		<b>36,159</b>		<b>15,500</b>
<b>PLANT &amp; MACHINERY</b>				
Dual Cab Utility - WL19	<i>Plant Replacement Program</i>	35,000		
Sedan - WL16	<i>Plant Replacement Program</i>	45,000		
Post Hole Auger				5,000
Grader	<i>Plant Replacement Program</i>	350,000	4	
		<b>430,000</b>		<b>5,000</b>
<b>ROAD ASSETS</b>				
<b>Project Grant Expenditure - \$407,204</b>				
York Williams Road - Shoulder Widening	<i>10 Year Road Program 2009-2020</i>	358,316		345,887
York Williams Road - Shoulder Widening	<i>2013/2014 Carry Over</i>	48,888		
		<b>407,204</b>		<b>345,887</b>
<b>Direct Grant Expenditure - \$39,238</b>				
Brooking St - Right of Way	<i>10 Year Road Program 2009-2020</i>	39,238		
		<b>39,238</b>		<b>0</b>
<b>Roads to Recovery Expenditure - \$146,379</b>				
Dardadine Road Gravel Sheeting		146,379		
Dardadine Rd - Clear Widen and Gravel sheet	<i>10 Year Road Program 2009-2020</i>			128,000
		<b>146,379</b>		<b>128,000</b>
<b>Special Grant Expenditure - \$56,000</b>				
Dardadine Rd - Bridge	<i>Main Roads recoup</i>	56,000		
Hardie Road Bridge - materials only	<i>Shire doing work</i>			30,000
		<b>56,000</b>		<b>30,000</b>
<b>Own Resources Expenditure - \$</b>				
		0	5	0
		0		0
		<b>0</b>		<b>0</b>
<b>Road Asset Expenditure</b>		<b>648,821</b>		<b>503,887</b>

**SHIRE OF WILLIAMS**  
**SUPPLEMENTARY INFORMATION FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Reference Document	2014/2015 BUDGET	2013/2014 BUDGET
<b>PARKS AND RESERVES ASSETS</b>			
Regional Waste Site		85,000	65,000
Lions Park Furniture		10,000	
Waste Transfer Station		14,192	6
War Memorial		16,257	7
Quindanning Hall		3,000	
Bowling Club Carpark		9,065	
Bowling Club Improvements Contribution			30,000
Recreation Facilities Upgrade	<i>Sport &amp; Recreation Facilities Plan</i>	120,000	8 621,434
Less in kind - Recreation Facilities Upgrade			-142,650
		<b>257,514</b>	<b>573,784</b>
<b>TOTAL ASSET PURCHASES</b>		<b>2,176,045</b>	<b>2,867,364</b>
<b>CONTRIBUTIONS FROM GOVERNMENT FOR DEVELOPMENT OF ASSETS</b>			
Roads to Recovery Program	<i>10 Year Road Program 2009- 2020</i>	143,000	128,000
Direct Grant for Roadworks		59,500	50,855
Road Project Grants	<i>10 Year Road Program 2009- 2020</i>	233,965	230,591
Grants Commission Special Grant - Dardadine Rd Bridge		56,000	
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		81,344	597,337
RDC Strategic Projects		68,627	715,000
Waste Authority Grant			35,000
RDA Round 5			35,000
Country Local Government Fund - Industrial Land Development	<i>Industrial Units Business Case</i>	260,104	260,104
Soluting their Service	<i>War Memorial</i>	3,000	
Anzac Centenary	<i>War Memorial</i>	3,000	
Lotterywest	<i>War Memorial</i>	8,257	
Department of Sport & Recreation - Recreation Facilities Upgrade			40,633
		<b>916,797</b>	<b>2,387,620</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>0</b>	<b>62,640</b>

**SHIRE OF WILLIAMS**  
**SUPPLEMENTARY INFORMATION FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Reference Document	2014/2015 BUDGET	2013/2014 BUDGET
<b>PROCEEDS FROM FIXED ASSET SALES BY ASSET CLASS</b>			
<b>PLANT &amp; MACHINERY</b>			
Utility - WL19			10,000
Volvo Grader	<i>Plant Replacement Program</i>	100,000	
Vib Roller	<i>Plant Replacement Program</i>	35,000	35,000
Ford Sedan - WL16	<i>Plant Replacement Program</i>	15,000	15,000
<b>Land &amp; Buildings</b>			
23 Fry street		160,000	
		<b>310,000</b>	<b>60,000</b>
<b>TOTAL FIXED ASSET INCOME</b>		<b>1,226,797</b>	<b>2,510,260</b>
<b>RESERVE FUND TRANSFERS</b>			
Building Reserve - Pavilion Kitchen Upgrade			120,000
Building Reserve - Regional Housing Project		175,000	
Building Reserve - Recreation House		15,000	0
Joint Venture Housing Reserve - Regional Housing Project	<i>Aged Housing Project Business Case</i>	30,000	150,000
		<b>220,000</b>	<b>270,000</b>
<b>LOAN FUND INCOME</b>			
Grader purchase		240,000	
Office Computer Finance		36,159	
Industrial Units	<i>Industrial Units Business Case</i>	200,000	149,746
		<b>476,159</b>	<b>149,746</b>
		<b>1,922,956</b>	<b>2,930,006</b>
<b>Municipal Fund</b>		<b>253,089</b>	<b>-62,642</b>