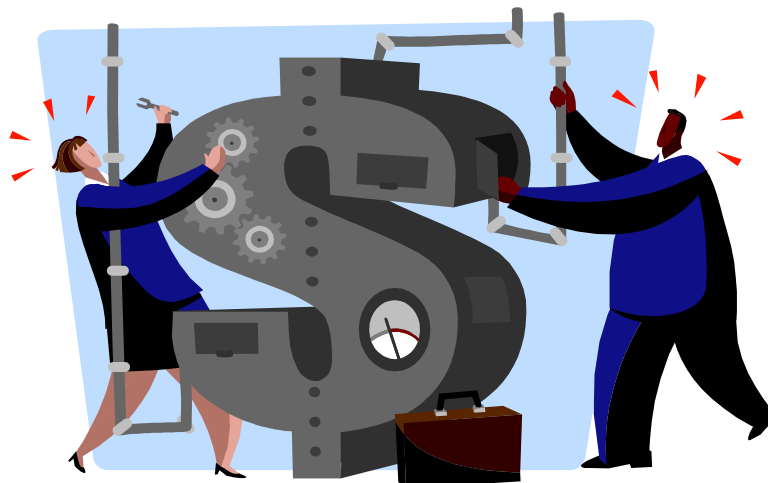


**SHIRE OF WILLIAMS**  
**BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

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**SHIRE OF WILLIAMS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
<b>REVENUE</b>				
Rates	8	1,294,720	1,243,082	1,243,898
Operating Grants, Subsidies and Contributions		468,900	894,236	448,755
Fees and Charges	11	429,150	588,966	368,220
Service Charges	10	0	0	0
Interest Earnings	2(a)	74,800	72,431	74,100
Other Revenue		0	10,653	2,000
		<u>2,267,570</u>	<u>2,809,368</u>	<u>2,136,973</u>
<b>EXPENSES</b>				
Employee Costs		-1,060,956	-1,108,379	-960,100
Materials and Contracts		-564,588	-742,106	-625,143
Utility Charges		-165,000	-165,743	-140,000
Depreciation	2(a)	-571,700	-571,611	-557,480
Interest Expenses	2(a)	-24,536	-12,553	-12,375
Insurance Expenses		-112,000	-111,439	-100,500
Other Expenditure		-22,000	-25,408	-9,500
		<u>-2,520,780</u>	<u>-2,737,239</u>	<u>-2,405,098</u>
		-253,210	72,129	-268,125
Non-Operating Grants, Subsidies and Contributions		1,523,100	1,300,127	1,263,100
Profit on Asset Disposals	4	0	122	0
Loss on Asset Disposals	4	<u>-52,220</u>	<u>-10,294</u>	<u>-5,140</u>
<b>NET RESULT</b>		<b>1,217,670</b>	<b>1,362,084</b>	<b>989,835</b>
<b>Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>1,217,670</u></b>	<b><u>1,362,084</u></b>	<b><u>989,835</u></b>

Please note, Other Comprehensive Income (if any) is impacted upon by external forces and is not able to be reliably estimated.

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

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 2012**

	NOTE	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
<b>REVENUE (Refer Notes 1,2,8 to 13)</b>				
Governance		20,370	45,631	18,820
General Purpose Funding		1,647,790	1,659,934	1,569,740
Law, Order, Public Safety		61,060	316,172	51,630
Health		2,700	6,343	1,100
Education and Welfare		65,050	61,960	50,030
Housing		87,910	66,395	63,100
Community Amenities		102,090	123,783	161,680
Recreation and Culture		86,080	76,363	66,690
Transport		51,370	48,702	40,070
Economic Services		37,650	54,515	23,610
Other Property and Services		105,500	349,570	90,500
		<u>2,267,570</u>	<u>2,809,368</u>	<u>2,136,970</u>
<b>EXPENSES EXCLUDING</b>				
<b>FINANCE COSTS (Refer Notes 1,2 &amp; 14)</b>				
Governance		-207,560	-209,454	-178,115
General Purpose Funding		-12,600	-11,351	-10,450
Law, Order, Public Safety		-90,700	-238,344	-88,740
Health		-60,910	-55,389	-59,650
Education and Welfare		-100,600	-99,653	-94,010
Housing		-87,620	-70,087	-62,620
Community Amenities		-204,220	-187,723	-260,860
Recreation & Culture		-601,560	-599,205	-586,360
Transport		-966,170	-916,027	-883,860
Economic Services		-94,810	-109,057	-90,760
Other Property and Services		-69,490	-228,396	-77,300
		<u>-2,496,240</u>	<u>-2,724,686</u>	<u>-2,392,725</u>
<b>FINANCE COSTS (Refer Notes 2 &amp; 5)</b>				
General Purpose Funding		-600	-610	-800
Health		0	-3,110	-2,740
Transport		-7,000	-8,833	-8,830
Other Property & Services		-16,940	0	0
		<u>-24,540</u>	<u>-12,553</u>	<u>-12,370</u>
<b>NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>				
Other Education		220,000		
Housing		419,430		
Community Amenities		0	9,226	9,200
Recreation & Culture		243,000	289,037	411,030
Transport		379,570	929,872	842,870
Other Property & Services		261,100	71,992	0
		<u>1,523,100</u>	<u>1,300,127</u>	<u>1,263,100</u>
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)</b>				
Governance		0	122	-5,140
Governance		0	-10,294	0
Transport		-52,220	0	0
		<u>-52,220</u>	<u>-10,172</u>	<u>-5,140</u>
<b>NET RESULT</b>		<u><b>1,217,670</b></u>	<u><b>1,362,084</b></u>	<u><b>989,835</b></u>
<b>Other Comprehensive Income</b>		0	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>1,217,670</b></u>	<u><b>1,362,084</b></u>	<u><b>989,835</b></u>

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 2012**

	NOTE	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,292,615	1,273,245	1,175,600
Operating Grants, Subsidies and Contributions		470,820	355,692	496,011
Fees and Charges		423,660	379,379	353,108
Service Charges		0	0	0
Interest Earnings		74,800	72,431	74,100
Goods and Services Tax		150,000	154,561	150,000
Other		0	0	0
		<u>2,411,895</u>	<u>2,235,308</u>	<u>2,248,819</u>
<b>Payments</b>				
Employee Costs		-1,060,950	-1,108,379	-960,100
Materials and Contracts		-511,781	-435,200	-627,874
Utility Charges		-165,000	-163,426	-141,826
Insurance Expenses		-112,000	-111,439	-100,500
Interest Expenses		-24,540	-12,553	-12,375
Goods and Services Tax		-150,000	-112,508	-150,000
Other		0	0	0
		<u>-2,024,271</u>	<u>-1,943,505</u>	<u>-1,992,675</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>387,624</u>	<u>291,803</u>	<u>256,144</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	3	-941,000	0	0
Payments for Purchase of Property, Plant & Equipment	3	-1,558,220	-559,373	-730,220
Payments for Construction of Infrastructure	3	-612,364	-1,245,305	-1,362,612
Advances to Community Groups Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,523,100	1,300,127	1,263,100
Proceeds from Sale of Plant & Equipment	4	110,000	14,890	20,000
Proceeds from Advances		0	0	0
<b>Net Cash Used in Investing Activities</b>		<u>-1,478,484</u>	<u>-489,661</u>	<u>-809,732</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	-34,671	-70,992	-29,367
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	45,000	3,375
Proceeds from New Debentures	5	303,000	265,000	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>268,329</u>	<u>239,008</u>	<u>-25,992</u>
<b>Net Increase (Decrease) in Cash Held</b>		-822,531	41,150	-579,580
Cash at Beginning of Year		1,456,724	1,415,574	1,414,890
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u><u>634,193</u></u>	<u><u>1,456,724</u></u>	<u><u>835,310</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 2012**

	NOTE	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
<b>REVENUES</b>	1,2			
Governance		20,370	45,753	18,820
General Purpose Funding		354,990	416,852	325,845
Law, Order, Public Safety		61,060	316,172	51,630
Health		2,700	6,343	1,100
Education and Welfare		283,130	61,960	50,030
Housing		507,340	66,395	63,100
Community Amenities		363,190	205,677	170,880
Recreation and Culture		329,080	365,400	477,720
Transport		430,940	978,574	882,940
Economic Services		37,650	54,515	23,610
Other Property and Services		105,500	347,198	90,500
		<u>2,495,950</u>	<u>2,864,839</u>	<u>2,156,175</u>
<b>EXPENSES</b>	1,2			
Governance		-207,560	-218,084	-183,255
General Purpose Funding		-13,200	-11,961	-11,250
Law, Order, Public Safety		-90,700	-238,344	-88,740
Health		-60,910	-58,499	-62,390
Education and Welfare		-100,600	-99,653	-94,010
Housing		-87,620	-70,087	-62,620
Community Amenities		-204,220	-205,148	-260,860
Recreation & Culture		-601,560	-599,205	-586,360
Transport		-1,025,390	-914,860	-892,690
Economic Services		-94,810	-109,057	-90,760
Other Property and Services		-86,430	-210,898	-77,300
		<u>-2,573,000</u>	<u>-2,735,796</u>	<u>-2,410,235</u>
<b>Net Operating Result Excluding Rates</b>		-77,050	129,043	-254,060
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	4	52,220	10,294	5,140
Depreciation on Assets	2(a)	571,700	571,911	557,480
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	3	-941,000	-41,001	0
Purchase Land and Buildings	3	-1,171,420	-463,931	-677,720
Purchase Infrastructure Assets - Roads	3	-518,760	-1,152,036	-1,024,520
Purchase Infrastructure Assets - Parks	3	-155,000	-77,727	-60,000
Purchase Plant and Equipment	3	-371,800	-65,386	-66,500
Purchase Furniture and Equipment	3	-15,000	-7,616	-6,000
Proceeds from Disposal of Assets	4	430,000	14,891	20,000
Repayment of Debentures	5	-34,670	-57,775	-29,370
Proceeds from New Debentures	5	303,000	265,000	0
Self-Supporting Loan Principal Income		0	45,000	3,375
Transfers to Reserves (Restricted Assets)	6	-33,834	-60,485	-44,995
Transfers from Reserves (Restricted Assets)	6	244,120	101,821	120,500
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	427,774	-27,311	217,772
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	5,000	427,774	5,000
<b>Amount Required to be Raised from Rates</b>	8	<u>-1,294,720</u>	<u>-1,243,082</u>	<u>-1,243,898</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 2012**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

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

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

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

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

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

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

**(c) 2010/11 Actual Balances**

Balances shown in this budget as 2010/11 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**

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

**(g) Superannuation**

The Council contributes to a number of superannuation funds on behalf of employees.

**(h) Cash and Cash Equivalents**

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

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

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

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

**(i) Trade and Other Receivables**

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

**(j) Inventories**

***General***

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

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

***Land Held for Resale***

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

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

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

**(k) Fixed Assets**

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

***Initial Recognition***

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

***Revaluation***

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

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases in the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

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.

**SHIRE OF WILLIAMS  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2012**

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

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

***Land Under Roads***

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

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

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

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

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

**Depreciation of Non-Current Assets**

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

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

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

Buildings	2% Straight Line Method
Sewerage piping	2% Straight Line Method
<b>Furniture and Equipment</b>	
Electronic	20% Straight Line Method
Other	5% Straight Line Method
<b>Motor Vehicles</b>	
Light Vehicles	10% Reducing Balance Method
Trucks	12% Reducing Balance Method
Graders and Loaders	9% Reducing Balance Method
Other Licensed Plant	5% Reducing Balance Method
Other Minor Plant	5% Reducing Balance Method
<b>Infrastructure</b>	
Bridges	1.3% Straight Line Method
Major Culverts	2.0% Straight Line Method
Dams	2% Straight Line Method
Drains	1.3% Straight Line Method
Gardens	1.3% Straight Line Method
Irrigation	0.0% Straight Line Method
Kerbs and Channels	2.0% Straight Line Method
Median Strips	2.0% Straight Line Method

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



**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

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

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

**Depreciation of Non-Current Assets (Continued)**

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.

**(l) Financial Instruments**

**Initial Recognition and Measurement**

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

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

**Classification and Subsequent Measurement**

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

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

Amortised cost is calculated as:

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

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

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

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

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

**Classification and Subsequent Measurement (Continued)**

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

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

*(ii) Loans and receivables*

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

*(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.

Held-to-maturity financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which are classified as current assets.

If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

*(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.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months of the end of the reporting period (classified as current assets).

*(v) Financial liabilities*

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

**Impairment**

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

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

**(m) Estimation of Fair Value**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

**(n) 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 estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

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 the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2012.

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

**(o) Trade and Other Payables**

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

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

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

**(p) Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

**(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)**

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Council has a present obligation to pay resulting from employees' services provided to reporting date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

**(ii) Annual Leave and Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**(q) 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.

**(r) 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 to settle the obligation; 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.

Provisions are not recognised for future operating losses.

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

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where 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.

**(t) Comparative Figures**

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

**(u) 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 2012**

	2011/12 Budget \$	2010/11 Actual \$	2010/11 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	8,400	8,000	8,000
Other Services	1,600	5,295	4,750
 <b>Depreciation</b>			
<b><u>By Program</u></b>			
Governance	27,920	27,888	28,250
General Purpose Funding	0	0	0
Law, Order, Public Safety	2,500	2,738	2,500
Health	3,000	2,902	1,350
Education and Welfare	18,800	18,727	18,800
Housing	7,300	7,182	7,300
Community Amenities	1,500	1,495	600
Recreation and Culture	96,180	95,888	87,280
Transport	413,050	413,678	410,000
Economic Services	1,450	1,413	1,400
Other Property and Services	0	0	0
	<u>571,700</u>	<u>571,911</u>	<u>557,480</u>
 <b><u>By Class</u></b>			
Land and Buildings	110,500	110,332	95,000
Furniture and Equipment	14,400	14,387	14,600
Plant and Equipment	187,800	187,853	186,080
Roads	230,000	230,000	230,000
Infrastructure Parks & Reserves	29,000	29,039	31,800
	<u>571,700</u>	<u>571,611</u>	<u>557,480</u>
 <b>Borrowing Costs (Interest)</b>			
- Bank Overdraft	600	610	800
- Debentures ( <i>refer note 5(a)</i> )	23,936	11,943	11,575
	<u>24,536</u>	<u>12,553</u>	<u>12,375</u>
 <b>Rental Charges</b>			
- Operating Leases	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
 (ii) Crediting as Revenues:			
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	33,800	48,739	34,600
- Other Funds	31,200	13,156	30,400
Other Interest Revenue ( <i>refer note 13</i> )	9,800	10,536	9,100
	<u>74,800</u>	<u>72,431</u>	<u>74,100</u>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

**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 Telecentre, payroll administration Williams Telecentre 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 and Sandalwood Court.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

**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 2012**

<b>3. ACQUISITION OF ASSETS</b>	<b>2011/12 Budget \$</b>
The following assets are budgeted to be acquired during the year:	
<b><u>By Program</u></b>	
<b>Governance</b>	
Office Kitchen	25,000
Computer Equipment	15,000
<b>Education and Welfare</b>	
Childcare Centre	220,000
<b>Housing</b>	
Regional Housing Project - 2 Units	650,000
<b>Recreation and Culture</b>	
Williams Hall Upgrade	276,420
Oval Reticulation Upgrade	85,000
Oval Fence	65,000
Recreation Ground Bar Fence	5,000
<b>Transport</b>	
Road Grader	340,000
Works Utility	30,000
Generator Trailer	1,800
Infrastructure Roads	518,760
<b>Other Property and Services</b>	
Industrial Land Development	695,000
Quindanning Townsite Development	246,000
	<b>3,172,980</b>
<b><u>By Class</u></b>	
Land Held for Resale	941,000
Land and Buildings	1,171,420
Infrastructure Assets - Roads	518,760
Infrastructure Assets - Parks and Ovals	155,000
Plant and Equipment	371,800
Furniture and Equipment	15,000
	<b>3,172,980</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 2012**

**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)
	2011/12 BUDGET \$	2011/12 BUDGET \$	2011/12 BUDGET \$
<b>Transport</b>			
Caterpillar 12H Road Grader	135,820	100,000	-35,820
Ford Ranger Utility	26,400	10,000	-16,400
	162,220	110,000	-52,220

<b><u>By Class</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	2011/12 BUDGET \$	2011/12 BUDGET \$	2011/12 BUDGET \$
<b>Plant &amp; Machinery</b>			
Caterpillar 12H Road Grader	135,820	100,000	-35,820
Ford Ranger Utility	26,400	10,000	-16,400
	162,220	110,000	-52,220

**Summary**

	<b>2011/12 BUDGET \$</b>
Profit on Asset Disposals	0
Loss on Asset Disposals	-52,220
	<u>-52,220</u>

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-11	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments		Loan Expires
			2011/12 Budget \$	2010/11 Actual \$	2011/12 Budget \$	2010/11 Actual \$	2011/12 Budget \$	2010/11 Actual \$	
<b>Transport</b>									
Loan #63 Plant	106,273		27,824	25,992	78,449	106,273	7,000	8,833	02-July-2014
<b>Health</b>									
Loan #64 St John Ambulance	0		0	45,000	0	45,000	0	3,110	17-May-2011
<b>Other Property &amp; Services</b>									
Loan #65 Industrial Land	265,000		6,847	0	258,153	265,000	16,936	0	15-April-2031
Loan #66 Land Development		303,000	0	0	303,000	0	0	0	07-January-2032
	371,273	303,000	34,671	70,992	639,602	416,273	23,936	11,943	

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 2012**

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

(b) New Debentures - 2011/12

<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>
Loan #66 Land Development	303,000	WATC	Debenture	20	227,580	6.06	303,000	0

(c) Unspent Debentures

Council had unspent debenture funds of \$223,999 as at 30th June 2011, it is not expected to have unspent debenture funds as at 30th June 2012.

(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 2011/12.

SHIRE OF WILLIAMS

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
<b>6. RESERVES</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	26,644	25,205	25,205
Amount Set Aside / Transfer to Reserve	1,066	1,439	1,385
Amount Used / Transfer from Reserve	0	0	0
	<u>27,710</u>	<u>26,644</u>	<u>26,590</u>
<b>(b) Plant Reserve</b>			
Opening Balance	39,174	44,562	44,562
Amount Set Aside / Transfer to Reserve	1,576	2,362	1,108
Amount Used / Transfer from Reserve	-1,800	-7,750	-25,000
	<u>38,950</u>	<u>39,174</u>	<u>20,670</u>
<b>(c) Building Reserve</b>			
Opening Balance	533,163	581,707	581,707
Amount Set Aside / Transfer to Reserve	21,560	31,856	30,043
Amount Used / Transfer from Reserve	-52,320	-80,400	-85,500
	<u>502,403</u>	<u>533,163</u>	<u>526,250</u>
<b>(d) Joint Venture Housing Reserve</b>			
Opening Balance	181,928	160,999	160,999
Amount Set Aside / Transfer to Reserve	7,282	20,929	8,851
Amount Used / Transfer from Reserve	-150,000	0	0
	<u>39,210</u>	<u>181,928</u>	<u>169,850</u>
<b>(e) Recreation Facilities Reserve</b>			
Opening Balance	49,582	46,906	46,906
Amount Set Aside / Transfer to Reserve	1,988	2,676	2,574
Amount Used / Transfer from Reserve	-40,000	0	0
	<u>11,570</u>	<u>49,582</u>	<u>49,480</u>
<b>(f) Sewerage Reserve</b>			
Opening Balance	0	12,933	12,933
Amount Set Aside / Transfer to Reserve	0	738	567
Amount Used / Transfer from Reserve	0	-13,671	-10,000
	<u>0</u>	<u>0</u>	<u>3,500</u>
<b>(g) Art Acquisition Reserve</b>			
Opening Balance	8,988	8,503	8,503
Amount Set Aside / Transfer to Reserve	362	485	467
Amount Used / Transfer from Reserve	0	0	0
	<u>9,350</u>	<u>8,988</u>	<u>8,970</u>
<b>Total Reserves</b>	<u>629,193</u>	<u>839,479</u>	<u>805,310</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 2012 is not known. Any transfer to or from an asset revaluation reserve will be a non-cash transaction 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 2012**

	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>Summary of Transfers</b>			
<b>To Cash Backed Reserves</b>			
<b>Transfers to Reserves</b>			
Leave Reserve	1,066	1,439	1,385
Plant Reserve	1,576	2,362	1,108
Building Reserve	21,560	31,856	30,043
Joint Venture Housing Reserve	7,282	20,929	8,851
Recreation Facilities Reserve	1,988	2,676	2,574
Sewerage Reserve	0	738	567
Art Acquisition Reserve	362	485	467
	33,834	60,485	44,995
<b>Transfers from Reserves</b>			
Leave Reserve	0	0	0
Plant Reserve	-1,800	-7,750	-25,000
Building Reserve	-52,320	-80,400	-85,500
Joint Venture Housing Reserve	-150,000	0	0
Recreation Facilities Reserve	-40,000	0	0
Sewerage Reserve	0	-13,671	-10,000
Art Acquisition Reserve	0	0	0
	-244,120	-101,821	-120,500
<b>Total Transfer to/(from) Reserves</b>	<b>-210,286</b>	<b>-41,336</b>	<b>-75,505</b>

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 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.

**Heritage Reserve**

- to be used to fund projects of a heritage nature.

**Community Homes Reserve**

- to be used to to finance the operation of the Williams Aged Persons Housing in New Street, Williams and to finance the construction of future Community Homes.

**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.

**Sewerage Reserve**

- to be used to finance construction and long term maintenance to the Williams Sewerage System.

**Art Acquisition Reserve**

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

**Industrial Land Development Reserve**

- to be used to to finance development of land for industrial use.

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

**SHIRE OF WILLIAMS**

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

**FOR THE YEAR ENDED 30TH JUNE 2012**

	<b>Note</b>	<b>2011/12 Budget \$</b>	<b>2010/11 Actual \$</b>
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	15(a)	5,000	617,245
Cash - Restricted Reserves	15(a)	595,360	839,479
Receivables		50,000	588,742
Inventories		<u>20,000</u>	<u>19,090</u>
		670,360	2,064,556
<b>LESS: CURRENT LIABILITIES</b>			
Payables and Provisions		<u>-70,000</u>	<u>-562,698</u>
<b>NET CURRENT ASSET POSITION</b>		600,360	1,501,858
Less: Cash - Restricted Reserves	15(a)	-595,360	-839,479
Less: Cash - Restricted Municipal			-234,605
Add Back: Current Loan Liability	5		
Add Back: Liabilities Supported by Reserves	6		
		<u>5,000</u>	<u>427,774</u>
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>		<u><u>5,000</u></u>	<u><u>427,774</u></u>

The estimated surplus/(deficiency) c/fwd in the 2010/11 actual column represents the surplus (deficit) brought forward as at 1 July 2011.

The estimated surplus/(deficiency) c/fwd in the 2011/12 budget column represents the surplus (deficit) carried forward as at 30 June 2012.

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

**8. RATING INFORMATION - 2011/12 FINANCIAL YEAR**

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2011/12 Budgeted Rate Revenue \$	2011/12 Budgeted Interim Rates \$	2011/12 Budgeted Back Rates \$	2011/12 Budgeted Total Revenue \$	2010/11 Actual \$
Differential General Rate								
GRV Residential	4.05600	46	655,388	26,584			26,584	25,184
GRV Industrial/Commercial	5.04400	20	767,510	38,713			38,713	36,246
UV Rural	0.05152	296	213,310,000	1,098,973			1,098,973	1,056,933
<b>Sub-Totals</b>		362	214,732,898	1,164,270	0	0	1,164,270	1,118,363
<b>Minimum Rates</b>	<b>Minimum \$</b>							
GRV Townsites	450	249	1,676,948	112,050			112,050	107,880
GRV Rural	450	12	596,240	5,400			5,400	4,350
GRV Mining	450	2	80,064	900			900	870
<b>Sub-Totals</b>		263	2,353,252	118,350	0	0	118,350	113,100
Ex-Gratia Rates							1,282,620	1,231,463
Specified Area Rates (Note 9)							12,100	11,619
							0	0
Discounts							1,294,720	1,243,082
<b>Totals</b>							0	0
							1,294,720	1,243,082

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 2011/12 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 2012**

**9. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR**

	Rate in \$	Basis of Rate	Rateable Value	2011/12 Budgeted Revenue \$	Budget Applied to Costs \$	2010/11 Actual \$
Not Applicable						
				0	0	0

**10. SERVICE CHARGES - 2011/12 FINANCIAL YEAR**

	Amount of Charge \$	2011/12 Budgeted Revenue \$	Budget Applied to Costs \$	2010/11 Actual \$
Not Applicable		0	0	0



**SHIRE OF WILLIAMS  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2012**

<b>11. FEES &amp; CHARGES REVENUE</b>	<b>2011/12 Budget \$</b>	<b>2010/11 Actual \$</b>
Governance	14,170	13,588
General Purpose Funding	3,500	2,602
Law, Order, Public Safety	850	1,019
Health	2,700	2,995
Education and Welfare	19,050	10,962
Housing	87,810	66,247
Community Amenities	102,090	91,979
Recreation & Culture	45,080	33,976
Transport	48,350	45,731
Economic Services	22,550	35,745
Other Property & Services	83,000	284,122
	<u>429,150</u>	<u>588,966</u>

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2011/12 FINANCIAL YEAR**

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

**SHIRE OF WILLIAMS  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2012**

**13. INTEREST CHARGES AND INSTALMENTS - 2011/12 FINANCIAL YEAR**

An interest rate of 11% will be charged on all general rate payments that are late. It is estimated that 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 9th September 2011 including all arrears and one quarter of current rates and charges. Second instalment to be received by 11th November 2011, third instalment by 13th January 2012 and fourth instalment by 10th March 2012.

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 \$20.00 per assessment paid by instalments.

The total revenue from the imposition of the interest and administration charges is estimated to be \$7,800 as follows.

Administration Charges	3000
Interest Charges	4800
	7800
	7800

**14. ELECTED MEMBERS REMUNERATION**

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

	<b>2011/12 Budget \$</b>	<b>2010/11 Actual \$</b>
Meeting Fees	17,000	16,067
President's Allowance	3,500	2,675
Deputy President's Allowance	0	0
Travelling Expenses	3,500	3,216
Telecommunications Allowance	0	0
	24,000	21,958

**SHIRE OF WILLIAMS**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2012**

**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>2011/12 Budget \$</b>	<b>2010/11 Actual \$</b>	<b>2010/11 Budget \$</b>
Cash - Unrestricted	5,000	617,245	10,000
Cash - Restricted	629,193	839,479	805,310
	<u>634,193</u>	<u>1,456,724</u>	<u>815,310</u>

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

Leave Reserve	27,710	26,644	26,590
Plant Reserve	38,950	39,174	20,670
Building Reserve	502,403	533,163	526,250
Joint Venture Housing Reserve	39,210	181,928	169,850
Recreation Facilities Reserve	11,570	49,582	49,480
Sewerage Reserve	0	0	3,500
Art Acquisition Reserve	9,350	8,988	8,970
	<u>629,193</u>	<u>839,479</u>	<u>805,310</u>

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

Net Result	1,217,670	1,362,084	989,835
Amortisation	0	0	0
Depreciation	571,700	571,911	557,480
(Profit)/Loss on Sale of Asset	52,220	10,294	5,140
(Increase)/Decrease in Receivables	538,742	-495,514	60,427
(Increase)/Decrease in Inventories	-910	3,912	18,001
Increase/(Decrease) in Payables	-492,698	121,603	-94,863
Increase/(Decrease) in Employee Provisions	24,000	17,640	7,500
Grants/Contributions for the Development of Assets	-1,523,100	-1,300,127	-1,287,376
<b>Net Cash from Operating Activities</b>	<u>387,624</u>	<u>291,803</u>	<u>256,144</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>0</u>	<u>0</u>	<u>0</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>223,999</u>	<u>0</u>

**SHIRE OF WILLIAMS  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2012**

**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-11 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance 30-Jun-12 \$</b>
Housing Bonds	10,246	0	0	10,246
Building Deposits	2,512	0	-2,512	0
Sale of Land for Rates	60,007	0	-60,007	0
Subdivision Bond	49,178	0	0	49,178
Public Open Space Contribution	20,000	0	0	20,000
Recycling Shed Community Fund	1,226	800	0	2,026
	<u>143,169</u>			<u>81,450</u>

**SHIRE OF WILLIAMS  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2012**

**17. MAJOR LAND TRANSACTIONS**

**Quindanning Townsite Residential Development**

(a) Details

Acquisition of unallocated Crown Lots in the Quindanning Townsite from Department of Land Services for amalgamation and subdivision into 12 new lots of approximately 2000m2 each. The transaction is based on an englobo parcel valuation of \$370,000 plus development costs.

	<b>2011/12 Budget \$</b>	<b>2010/11 Actual \$</b>
<b>(b) Current year transactions</b>		
<b>Operating Income</b>		
- Profit on sale	99,090	0
<b>Capital Income</b>		
- Sale Proceeds	320,000	0
<b>Capital Expenditure</b>		
- Purchase of Land	370,000	0
- Development Costs	325,000	0
	<u><b>695,000</b></u>	<u><b>0</b></u>

**SHIRE OF WILLIAMS  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2012**

(c) Expected Future Cash Flows

	2011/12	2012/13	2013/14	2014/15	2015/16	Total
	\$	\$	\$	\$	\$	\$
<b>Cash Outflows</b>						
- Development Costs	-695,000	0	0	0	0	-695,000
- Loan Repayments	0	-26,530	-26,530	-26,530	-26,530	-106,120
	<b>-695,000</b>	<b>-26,530</b>	<b>-26,530</b>	<b>-26,530</b>	<b>-26,530</b>	<b>-801,120</b>
<b>Cash Inflows</b>						
- Loan Proceeds	303,000	0	0	0	0	303,000
- Sale Proceeds	320,000	160,160	160,160	160,160	192,200	992,680
	<b>623,000</b>	<b>160,160</b>	<b>160,160</b>	<b>160,160</b>	<b>192,200</b>	<b>1,295,680</b>
<b>Net Cash Flows</b>	<b>-72,000</b>	<b>133,630</b>	<b>133,630</b>	<b>133,630</b>	<b>165,670</b>	<b>494,560</b>

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

It is not anticipated any trading undertakings or major trading undertakings will occur in 2011/12.

**SHIRE OF WILLIAMS**

**SUPPLEMENTARY INFORMATION FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2012**

**2011/2012  
BUDGET**

**FIXED ASSET PURCHASES BY ASSET BY CLASS**

**LAND & BUILDINGS**

Office Kitchen	25,000
Childcare Centre	220,000
Quindanning Townsite Development	695,000
Industrial Land Development	246,000
Williams Hall Upgrade	276,420
Regional Housing Project - 2 Units	650,000

**2,112,420**

**FURNITURE & EQUIPMENT**

Computer/Office Equipment	15,000
	<b>15,000</b>

**PLANT & MACHINERY**

Road Grader	340,000
Works Supervisor Vehicle	30,000
Generator Trailer	1,800

**371,800**

**INFRASTRUCTURE ASSET PURCHASES BY INFRASTRUCTURE ASSET CLASS**

**ROAD ASSETS**

**Project Grant Expenditure - \$240,620**

Quindanning Darkan Road	Widen & Seal	241,100
		<b>241,100</b>

**Direct Grant Expenditure - \$46,670**

Glenfield Road	Culvert Extension	8,258
Glenfield Road	Widening	12,540
Fry Street	Seal 400m	25,872
		<b>46,670</b>

**Roads to Recovery Expenditure - \$143,670**

Tarwonga Dardadine Road	Clear, Widen & Gravel Sheet 4.5km	71,826
Hurley Road	Clear, Widen & Gravel Sheet 5.5km	39,748
Culbin Boranning Road	Clear, Widen & Gravel Sheet 2km	32,096
		<b>143,670</b>

**Own Resources Expenditure**

Clayton Road	Bridge Widening (2010/2011)	30,000
Growse/Richardson Street	Extend Concrete Footpath	57,320
		<b>87,320</b>

**PARKS AND RESERVES ASSETS**

Oval Fence	65,000
Oval Reticulation Upgrade	85,000
Recreation Ground Bar Fence	5,000
	<b>155,000</b>

**TOTAL ASSET PURCHASES** **3,172,980**

**SHIRE OF WILLIAMS**

**SUPPLEMENTARY INFORMATION FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDED 30TH JUNE 2012**

**CONTRIBUTIONS FROM GOVERNMENT FOR DEVELOPMENT OF ASSETS**

Roads to Recovery Program	143,670
Direct Grant for Roadworks	46,670
Road Project Grants	160,730
Country Pathways Grant	28,500
Department of Sport & Recreation - Oval Reticulation & Fence Upgrade	50,000
Country Local Government Fund - Regional Housing Project	419,430
Country Local Government Fund - Industrial Land Development	261,100
Lotterywest Funds - Town Hall	193,000
Lotterywest Funds - Childcare Centre	100,000
Wheatbelt Regional Grants Scheme - Childcare Centre	100,000
Foundation for Rural & Regional Renewal - Childcare Centre	20,000
	<b>1,523,100</b>

**CONTRIBUTIONS FROM ORGANISATIONS FOR DEVELOPMENT OF ASSETS**

**0**

**PROCEEDS FROM FIXED ASSET SALES BY ASSET CLASS**

**PLANT & MACHINERY**

Ford Ranger Utility WL:19	10,000
Cat 12H Grader WL:61	100,000

**Land & Buildings**

Sale of Land - Quindanning Townsite	320,000
	<b>430,000</b>

**TOTAL FIXED ASSET INCOME**

**1,953,100**

**RESERVE FUND TRANSFERS**

Building Reserve - Williams Hall Upgrade	27,320
Building Reserve - Office Kitchen	25,000
Recreation Reserve - Oval Reticulation Upgrade	40,000
Plant Reserve - Generator Trailer	1,800
Joint Venture Housing Reserve - Regional Housing Project	150,000
	<b>244,120</b>

**LOAN FUND INCOME**

Quindanning Townsite Development	303,000
	<b>303,000</b>

**TOTAL INCOME**

**2,500,220**