



SHIRE OF JERRAMUNGUP

BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Statement of Comprehensive Income by Program	3
Statement of Cash Flows	5
Rate Setting Statement	6
Notes to and Forming Part of the Budget	7 -35
Supplementary Information	

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

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
REVENUE				
Rates	8	2,497,242	2,349,591	2,341,544
Operating Grants, Subsidies and Contributions		913,468	1,596,161	1,055,280
Fees and Charges	11	799,509	966,867	865,341
Service Charges	10	-	-	-
Interest Earnings	2(a)	144,545	136,412	151,594
Other Revenue		514,284	483,070	480,080
		<u>4,869,048</u>	<u>5,532,101</u>	<u>4,893,839</u>
EXPENSES				
Employee Costs		(1,962,699)	(1,815,186)	(2,004,227)
Materials and Contracts		(2,941,078)	(2,134,122)	(2,815,977)
Utility Charges		(166,261)	(143,905)	(132,025)
Depreciation	2(a)	(1,350,218)	(1,350,761)	(1,286,739)
Interest Expenses	2(a)	(27,464)	(24,195)	(31,706)
Insurance Expenses		(271,321)	(251,173)	(237,580)
Other Expenditure		102,580	(46,486)	(141,918)
		<u>(6,616,461)</u>	<u>(5,765,828)</u>	<u>(6,650,172)</u>
		<u>(1,747,413)</u>	<u>(233,727)</u>	<u>(1,756,333)</u>
Non-Operating Grants, Subsidies and Contributions		1,667,826	3,412,482	3,339,934
Profit on Asset Disposals	4	133,760	-	-
Loss on Asset Disposals	4	(39,494)	(41,006)	(39,377)
		<u>14,679</u>	<u>3,137,749</u>	<u>1,544,224</u>
NET RESULT		14,679	3,137,749	1,544,224
Other Comprehensive Income		<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>14,679</u>	<u>3,137,749</u>	<u>1,544,224</u>

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

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

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

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

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

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
REVENUE (Refer Notes 1,2,8 to 13)				
Governance		55,195	32,704	13,805
General Purpose Funding		2,947,175	3,049,117	2,862,668
Law, Order, Public Safety		142,671	141,952	137,808
Health		2,600	4,189	8,535
Education and Welfare		50,427	49,852	46,239
Housing		74,418	75,301	72,631
Community Amenities		308,533	306,728	229,521
Recreation and Culture		54,487	103,844	100,559
Transport		491,624	982,082	681,901
Economic Services		20,810	27,811	28,616
Other Property and Services		721,109	758,521	711,556
		<u>4,869,049</u>	<u>5,532,101</u>	<u>4,893,839</u>
EXPENSES EXCLUDING				
FINANCE COSTS (Refer Notes 1,2 & 14)				
Governance		(582,609)	(536,297)	(648,374)
General Purpose Funding		(96,728)	(103,433)	(63,576)
Law, Order, Public Safety		(353,271)	(332,576)	(311,602)
Health		(94,161)	(81,861)	(92,765)
Education and Welfare		(134,825)	(90,147)	(83,948)
Housing		(45,398)	(55,623)	(51,027)
Community Amenities		(709,207)	(791,509)	(689,274)
Recreation & Culture		(823,581)	(720,534)	(832,072)
Transport		(2,427,292)	(2,379,267)	(2,417,487)
Economic Services		(91,470)	(177,395)	(160,626)
Other Property and Services		(1,230,457)	(472,991)	(1,267,715)
		<u>(6,588,998)</u>	<u>(5,741,633)</u>	<u>(6,618,466)</u>
FINANCE COSTS (Refer Notes 2 & 5)				
Housing		(25,087)	(20,912)	(27,732)
Community Amenities		(1,763)	(1,864)	(2,416)
Transport		(614)	(1,419)	(1,558)
		<u>(27,464)</u>	<u>(24,195)</u>	<u>(31,706)</u>
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS				
Law Order and Public Safety		481,055	16,184	-
Education and Welfare		33,682	-	-
Recreation and Culture		142,648	155,906	140,000
Transport		1,010,441	2,317,587	2,277,129
Other Property and Services		-	922,805	922,805
		<u>1,667,826</u>	<u>3,412,482</u>	<u>3,339,934</u>
PROFIT/(LOSS) ON				
DISPOSAL OF ASSETS (Refer Note 4)				
Governance		(7,156)	(1,286)	(311)
Health		(5,586)	(10,969)	(1,041)
Community Amenities		-	(25,110)	(33,531)
Housing		(17,416)	-	-
Transport		124,425	(3,641)	(4,494)
		<u>94,266</u>	<u>(41,006)</u>	<u>(39,377)</u>
NET RESULT				
		14,679	3,137,749	1,544,224
Other Comprehensive Income		-	-	-
TOTAL COMPREHENSIVE INCOME		<u>14,679</u>	<u>3,137,749</u>	<u>1,544,224</u>

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

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

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

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

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

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,497,242	2,349,591	2,341,544
Operating Grants, Subsidies and Contributions		913,468	1,596,161	1,055,280
Fees and Charges		799,509	966,867	947,457
Service Charges		-	-	-
Interest Earnings		144,545	136,412	151,594
Goods and Services Tax		45,000	119,816	44,503
Other		514,284	483,070	480,080
		<u>4,914,048</u>	<u>5,651,917</u>	<u>5,020,458</u>
Payments				
Employee Costs		(1,962,699)	(1,815,186)	(2,004,227)
Materials and Contracts		(2,931,078)	(2,317,707)	(2,883,762)
Utility Charges		(166,261)	(143,905)	(132,025)
Insurance Expenses		(271,321)	(251,173)	(31,706)
Interest Expenses		(27,464)	(24,195)	(237,580)
Goods and Services Tax		(47,565)	(55,064)	(48,000)
Other		102,580	(46,486)	(141,918)
		<u>(5,303,808)</u>	<u>(4,653,716)</u>	<u>(5,479,218)</u>
Net Cash Provided By Operating Activities	15(b)	<u>(389,760)</u>	<u>998,202</u>	<u>(458,760)</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	3	-	-	-
Payments for Purchase of Property, Plant & Equipment	3	(1,386,780)	(613,095)	(526,738)
Payments for Construction of Infrastructure	3	(3,295,248)	(2,913,476)	(3,367,289)
Advances to Community Groups Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		2,426,607	2,646,790	3,339,934
Proceeds from Sale of Plant & Equipment	4	356,816	127,727	229,091
Proceeds from Advances		-	-	-
Net Cash Used in Investing Activities		<u>(1,898,606)</u>	<u>(752,054)</u>	<u>(325,002)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(71,921)	(64,781)	(67,682)
Repayment of Finance Leases		-	-	-
Proceeds from Self Supporting Loans		-	-	-
Proceeds from New Debentures	5	1,000,000	-	-
Net Cash Provided By (Used In) Financing Activities		<u>928,079</u>	<u>(64,781)</u>	<u>(67,682)</u>
Net Increase (Decrease) in Cash Held Cash at Beginning of Year		<u>(1,360,287)</u>	<u>181,367</u>	<u>(851,444)</u>
Cash and Cash Equivalents at the End of the Year	15(a)	<u>2,419,846</u>	<u>2,238,479</u>	<u>2,294,510</u>
		<u>1,059,559</u>	<u>2,419,846</u>	<u>1,443,066</u>

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

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

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
REVENUES	1,2			
Governance		55,195	32,704	13,805
General Purpose Funding		449,933	699,526	521,124
Law, Order, Public Safety		652,111	158,136	137,808
Health		2,600	4,189	8,535
Education and Welfare		84,109	49,852	46,239
Housing		74,418	75,301	72,631
Community Amenities		308,533	306,728	229,521
Recreation and Culture		197,135	259,750	240,559
Transport		1,635,825	3,299,669	2,959,030
Economic Services		20,810	27,811	28,616
Other Property and Services		721,109	1,681,326	1,634,363
		<u>4,201,778</u>	<u>6,594,992</u>	<u>5,892,231</u>
EXPENSES	1,2			
Governance		(589,765)	(537,583)	(648,686)
General Purpose Funding		(96,728)	(103,433)	(63,576)
Law, Order, Public Safety		(353,271)	(332,576)	(311,602)
Health		(99,747)	(92,830)	(93,806)
Education and Welfare		(134,825)	(90,147)	(83,948)
Housing		(70,485)	(76,535)	(78,758)
Community Amenities		(710,970)	(818,483)	(725,221)
Recreation & Culture		(823,581)	(720,534)	(832,072)
Transport		(2,437,241)	(2,384,327)	(2,423,539)
Economic Services		(91,470)	(177,395)	(160,625)
Other Property and Services		(1,230,456)	(551,646)	(1,267,715)
		<u>(6,638,539)</u>	<u>(5,885,489)</u>	<u>(6,689,548)</u>
Net Operating Result Excluding Rates		(2,436,761)	709,503	(797,317)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	4	(94,266)	41,006	39,377
Depreciation on Assets	2(a)	1,350,217	1,350,761	1,286,739
Capital Expenditure and Revenue				
Purchase Land Held for Resale	3	-	-	-
Purchase Land and Buildings	3	(230,882)	(113,704)	-
Purchase Infrastructure Assets - Roads	3	(3,305,248)	(2,742,674)	(3,367,289)
Purchase Infrastructure Assets - Parks	3	(256,648)	(191,451)	(205,000)
Purchase Plant and Equipment	3	(897,150)	(304,473)	(321,738)
Purchase Furniture and Equipment	3	(2,100)	(3,467)	(3,500)
Proceeds from Disposal of Assets	4	356,816	127,727	229,091
Repayment of Debentures	5	(71,921)	(64,781)	(67,682)
Proceeds from New Debentures	5	1,000,000	-	-
Self-Supporting Loan Principal Income		-	-	-
Transfers to Reserves (Restricted Assets)	6	(82,477)	(327,366)	(206,350)
Transfers from Reserves (Restricted Assets)	6	362,000	50,000	50,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	1,812,567	931,895	1,032,125
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	1,388	1,812,567	10,000
Amount Required to be Raised from Rates	8	<u>(2,497,242)</u>	<u>(2,349,591)</u>	<u>(2,341,544)</u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) 2011/12 Actual Balances

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

(d) Rounding Off Figures

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

(e) Rates, Grants, Donations and Other Contributions

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

(f) Goods and Services Tax

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

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

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

(g) Superannuation

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Cash and Cash Equivalents

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

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

(i) Trade and Other Receivables

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

(j) Inventories

General

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

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

Land Held for Resale

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

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

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

(k) Fixed Assets

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

Initial Recognition

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Revaluation

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

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

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

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

Land Under Roads

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

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

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

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

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

Depreciation of Non-Current Assets

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

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

Land	Not Depreciated
Buildings	2.00%
Furniture and Internal Equipment	15.00%
-Computers	33.30%
Light Vehicles - replacement due	
- Every Year	5.00%
- Every Two Years	10.00%
- More Than Two Years	15.00%
Light Plant and External Equipment	15.00%
Heavy Plant and External Equipment	10.00%
Sealed Roads and Streets:	
- Clearing and Earthworks	0.00%
- Pavement	2.00%
- Kerb	5.00%
- Seal	3.33%
Unsealed Roads and Streets	
- Clearing and Earthworks	0.00%
- Pavement	3.33%
Footpaths	2.00%
Drainage, Sewerage Fixtures etc	2.00%
Other Infrastructure	2.00%

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

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

Gains and losses on disposals are determined by comparing proceeds with with the carrying amount.

Capitalisation Threshold

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

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

FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the

Financial instruments are initially measured at fair value plus transaction costs, except where the

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective

Fair value represents the amount for which an asset could be exchanged or a liability settled, between

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Impairment

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Derecognition

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

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

(m) Impairment

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

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

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

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

(n) Trade and Other Payables

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

(o) Employee Benefits

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

(p) Borrowing Costs

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Provisions

Provisions are recognised when:

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

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

(r) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the

(s) Comparative Figures

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

(t) Budget Comparative Figures

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

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

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result from Ordinary Activities was arrived at after:			
(i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	10,003	9,330	7,354
Other Services	3,500	3,780	5,000
Depreciation			
<u>By Program</u>			
Governance	35,205	35,021	35,118
General Purpose Funding	0	0	0
Law, Order, Public Safety	11,764	11,749	8,086
Health	11,792	11,777	13,680
Education and Welfare	5,275	5,269	5,268
Housing	22,434	22,406	23,262
Community Amenities	22,676	22,648	22,530
Recreation and Culture	97,884	97,778	94,344
Transport	1,128,114	1,129,049	1,069,406
Economic Services	15,073	15,064	15,046
Other Property and Services	0	0	0
	<u>1,350,217</u>	<u>1,350,761</u>	<u>1,286,739</u>
<u>By Class</u>			
Land and Buildings	195,307	195,307	181,262
Furniture and Equipment	23,599	23,599	23,125
Plant and Equipment	289,521	289,521	238,244
Roads	831,878	832,422	835,761
Footpaths	4,217	4,217	2,962
Drainage	5,696	5,696	5,385
	<u>1,350,217</u>	<u>1,350,761</u>	<u>1,286,739</u>
Borrowing Costs (Interest)			
- Finance Lease Charges	0	0	0
- Debentures (<i>refer note 5(a)</i>)	27,464	24,195	31,706
	<u>27,464</u>	<u>24,195</u>	<u>31,706</u>
Rental Charges			
- Operating Leases	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	56,935	52,325	66,226
- Other Funds	63,655	62,127	60,922
Other Interest Revenue (<i>refer note 13</i>)	23,955	21,960	24,446
	<u>144,545</u>	<u>136,412</u>	<u>151,594</u>

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

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

GOVERNANCE

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 & interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective: To provide services to help ensure a safer community.

Activities: Supervision of various by-laws, fire prevention, emergency services & animal control.

HEALTH

Objective: To provide an operational framework for good community health.

Activities: Food quality and pest control, maintenance and contributions to health services and facilities.

EDUCATION AND WELFARE

Objective: To meet the needs of the community in these areas.

Activities: Operation and provision of retirement units in Jerramungup and Bremer Bay, assistance to Southern AgCare services, pre-school facility, childcare centre and local primary and high schools and other voluntary services.

HOUSING

Objective: Help ensure adequate housing for key community personnel such as police.

Activities: Maintenance of staff and rental housing.

COMMUNITY AMENITIES

Objective: Provide services required by the community.

Activities: Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, control and maintenance of coastal reserves and other community/environmental services.

RECREATION AND CULTURE

Objective: To establish and manage efficiently infrastructure and resources which will help the social and well being of the community.

Activities: Maintenance of halls, sporting complexes, resource centres, Bremer Bay Youth Camp, various parks and associated facilities, provision of library services in Jerramungup & Bremer Bay, maintenance and upgrade of television services.

TRANSPORT

Objective: To provide effective and efficient transport services to the community.

Activities: Construction and maintenance of streets, roads, bridges, cleaning, and lighting of streets, parking facilities, traffic signs, depot maintenance and airstrips maintenance.

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

ECONOMIC SERVICES

Objective: To help promote the shire and improve its economic wellbeing.

Activities: The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control, and water supply including stand pipes.

OTHER PROPERTY & SERVICES

Activities: Private works operations, plant repairs, and operations costs. Also provides for Dept Transport Licensing.

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

3. ACQUISITION OF ASSETS	2012/13 Budget \$
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Governance	87,187
General Purpose Funding	0
Law, Order, Public Safety	481,054
Health	44,709
Education and Welfare	33,682
Housing	0
Community Amenities	0
Recreation and Culture	256,648
Transport	3,788,748
Economic Services	0
Other Property and Services	0
	<u><u>4,692,028</u></u>
<u>By Class</u>	
Land Held for Resale	0
Land and Buildings	230,882
Infrastructure Assets - Roads	3,305,248
Infrastructure Assets - Parks and Ovals	256,648
Plant and Equipment	897,150
Furniture and Equipment	2,100
	<u><u>4,692,028</u></u>

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

- asset acquisition programme
- infrastructure construction programme

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

4. DISPOSALS OF ASSETS

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

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2012/13 BUDGET	2012/13 BUDGET	2012/13 BUDGET
	\$	\$	\$
Governance			
JP00 - Prado	48,493	48,182	(311)
Toyota Kluger	31,843	24,998	(6,845)
Health			
JP0021 - Caprice	41,950	36,364	(5,586)
Housing			
2x Collins Street Lots	67,416	50,000	(17,416)
Transport			
JP001 - Toyota Hilux	44,494	39,273	(5,221)
Cat Grader and Volvo Grader	-	130,000	130,000
Hilux - Buildings	10,240	14,000	3,760
Hilux - Construction Team Leader	18,114	14,000	(4,114)
	262,550	356,816	94,266

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2012/13 BUDGET	2012/13 BUDGET	2012/13 BUDGET
	\$	\$	\$
Land and Buildings			
1x Collins Street Lot	67,416	50,000	(17,416)
Plant			
JP00 - Prado	48,493	48,182	(311)
Toyota Kluger	31,843	24,998	(6,845)
JP0021 - Caprice	41,950	36,364	(5,586)
JP001 - Toyota Hilux	44,494	39,273	(5,221)
Cat Grader and Volvo Grader	-	130,000	130,000
Hilux - Buildings	10,240	14,000	3,760
Hilux - Construction Team Leader	18,114	14,000	(4,114)
	262,550	356,816	94,266

Summary

**2012/13
BUDGET
\$**

Profit on Asset Disposals	133,760
Loss on Asset Disposals	(39,494)
	<u>94,266</u>

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

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-12	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2012/13 Budget \$	2011/12 Actual \$	2012/13 Budget \$	2011/12 Actual \$	2012/13 Budget \$	2011/12 Actual \$
Loan 257 - Staff Housing	17,078		17,078	16,135	0	17,078	614	1,558
Loan 258 - JMP Community Centre	33,284		11,658	11,006	21,626	33,284	1,763	2,416
Loan 259 - Key Personnel Housing	401,400		43,186	40,541	358,214	401,400	25,087	27,732
Loan 260 - Bremer Bay Town Centre	0	1,000,000	0	0	0	0	0	0
	451,762	1,000,000	71,922	67,682	379,840	451,762	27,464	31,706

All debenture repayments are to be financed by general purpose revenue. Loan 259 is associated with the Police Housing project - Council receives \$72,280.00 in rent for these properties annually.

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

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2012/2013

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
Loan 260 - Bremer Bay Town Centre	1,000,000	WA Treasury	Debenture	20	513,181	4.46	1,000,000	0

Loan 260 - has been budgeted to facilitate the construction of the Bremer Bay Town Centre. This figure is budgeted as a provision only and the final loan amount will be determined following a detailed business Case being adopted by Council. The first principal and interest repayment will be scheduled for 2013/2014.

(c) Unspent Debentures

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

(d) Overdraft

Council does not have an overdraft facility at 30/06/2012 and does not expect to utilise an overdraft facility in the 2012/2013 budget year.

SHIRE OF JERRAMUNGUP

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
6. RESERVES			
(a) Leave Reserve			
Opening Balance	57,692	30,321	30,321
Amount Set Aside / Transfer to Reserve	2,308	27,371	26,516
Amount Used / Transfer from Reserve	(50,000)		-
	<u>10,000</u>	<u>57,692</u>	<u>56,837</u>
(b) Plant Reserve			
Opening Balance	219,991	98,902	98,902
Amount Set Aside / Transfer to Reserve	8,800	121,089	106,295
Amount Used / Transfer from Reserve	(207,000)		-
	<u>21,791</u>	<u>219,991</u>	<u>205,198</u>
(c) Community Recreation			
Opening Balance	55,073	33,930	33,930
Amount Set Aside / Transfer to Reserve	2,203	21,143	1,697
Amount Used / Transfer from Reserve	-		-
	<u>57,276</u>	<u>55,073</u>	<u>35,627</u>
(d) Bremer Bay Youth Camp Reserve			
Opening Balance	44,516	42,348	42,348
Amount Set Aside / Transfer to Reserve	1,781	2,168	2,117
Amount Used / Transfer from Reserve	-		-
	<u>46,297</u>	<u>44,516</u>	<u>44,465</u>
(e) Building Reserve			
Opening Balance	168,590	170,206	170,206
Amount Set Aside / Transfer to Reserve	6,744	8,384	8,510
Amount Used / Transfer from Reserve		(10,000)	(10,000)
	<u>175,334</u>	<u>168,590</u>	<u>168,717</u>
(f) Bremer Bay Retirement Units Reserve			
Opening Balance	101,736	96,782	96,782
Amount Set Aside / Transfer to Reserve	4,069	4,954	4,839
Amount Used / Transfer from Reserve	(20,000)		-
	<u>85,805</u>	<u>101,736</u>	<u>101,621</u>
(g) JMP Entertainment Centre Reserve			
Opening Balance	7,259	46,204	46,204
Amount Set Aside / Transfer to Reserve	290	1,055	2,310
Amount Used / Transfer from Reserve		(40,000)	(40,000)
	<u>7,549</u>	<u>7,259</u>	<u>8,514</u>

SHIRE OF JERRAMUNGUP

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

(h) Effluent Reserve			
Opening Balance	349,578	298,170	298,170
Amount Set Aside / Transfer to Reserve	42,897	51,408	41,822
Amount Used / Transfer from Reserve	-	-	-
	<u>392,475</u>	<u>349,578</u>	<u>339,992</u>
(i) Point Henry Fire Levy Reserve			
Opening Balance	54,136	39,835	39,835
Amount Set Aside / Transfer to Reserve	2,165	14,301	1,992
Amount Used / Transfer from Reserve	-	-	-
	<u>56,301</u>	<u>54,136</u>	<u>41,827</u>
(j) Jerramungup Retirement Units Reserve			
Opening Balance	99,261	94,428	94,428
Amount Set Aside / Transfer to Reserve	3,970	4,833	4,721
Amount Used / Transfer from Reserve	(20,000)	-	-
	<u>83,231</u>	<u>99,261</u>	<u>99,149</u>
(k) Fishery Beach Boat Ramp Reserve			
Opening Balance	97,363	92,622	92,622
Amount Set Aside / Transfer to Reserve	3,895	5,059	4,631
Amount Used / Transfer from Reserve	-	(318)	-
	<u>101,258</u>	<u>97,363</u>	<u>97,253</u>
(l) Capital Works Reserve			
Opening Balance	76,957	11,375	11,375
Amount Set Aside / Transfer to Reserve	3,078	65,582	569
Amount Used / Transfer from Reserve	(65,000)	-	-
	<u>15,035</u>	<u>76,957</u>	<u>11,944</u>
(m) Swimming Pool Reserve			
Opening Balance	6,930	6,593	6,593
Amount Set Aside / Transfer to Reserve	277	337	330
Amount Used / Transfer from Reserve	-	-	-
	<u>7,207</u>	<u>6,930</u>	<u>6,922</u>
Total Reserves	<u>1,059,559</u>	<u>1,339,082</u>	<u>1,218,066</u>

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

Council have a policy of regularly revaluing 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 JERRAMUNGUP

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

6. RESERVES (Continued)	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Summary of Transfers To Cash Backed Reserves			
Transfers to Reserves			
Leave Reserve	2,308	27,371	26,516
Plant Reserve	8,800	121,089	106,295
Community Recreation	2,203	21,143	1,697
Bremer Bay Youth Camp Reserve	1,781	2,168	2,117
Building Reserve	6,744	8,384	8,510
Bremer Bay Retirement Units Reserve	4,069	4,954	4,839
JMP Entertainment Centre Reserve	290	1,055	2,310
Effluent Reserve	42,897	51,408	41,822
Point Henry Fire Levy Reserve	2,165	14,301	1,992
Jerramungup Retirement Units Reserve	3,970	4,833	4,721
Fishery Beach Boat Ramp Reserve	3,895	5,059	4,631
Capital Works Reserve	3,078	65,582	569
Swimming Pool Reserve	277	337	330
	<u>82,477</u>	<u>327,684</u>	<u>206,350</u>
Transfers from Reserves			
Leave Reserve	(50,000)	-	-
Plant Reserve	(207,000)	-	-
Community Recreation	-	-	-
Bremer Bay Youth Camp Reserve	-	-	-
Building Reserve	-	(10,000)	(10,000)
Bremer Bay Retirement Units Reserve	(20,000)	-	-
JMP Entertainment Centre Reserve	-	(40,000)	(40,000)
Effluent Reserve	-	-	-
Point Henry Fire Levy Reserve	-	-	-
Jerramungup Retirement Units Reserve	(20,000)	-	-
Fishery Beach Boat Ramp Reserve	-	(318)	-
Capital Works Reserve	(65,000)	-	-
Swimming Pool Reserve	-	-	-
	<u>(362,000)</u>	<u>(50,318)</u>	<u>(50,000)</u>
Total Transfer to/(from) Reserves	<u>(279,523)</u>	<u>277,366</u>	<u>156,350</u>

SHIRE OF JERRAMUNGUP

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

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 major plant.

Community Recreation Reserve

- to be used to assist local sporting groups to upgrade their facilities.

Bremer Bay Youth Camp Reserve

- for the ongoing management and future upgrade of the reserve land on
Lot 70 Borden Bremer Bay Road

Building Reserve

- to be used for the construction of new Council buildings.

Bremer Bay Retirement Units Reserve

- to be used for the provisions required at the units.

Jerramungup Entertainment Centre Reserve

- to be used for capital building improvements.

Effluent Reserve

- to be used to maintain the efficient running of the facility.

Point Henry Fire Levy Reserve

- to be used for the provision, maintenance and construction of strategic fire prevention activities within the Point Henry Peninsula.

Jerramungup Retirement Units Reserve

- to be used for the provisions required at the units.

Fishery Beach Boat Ramp Reserve

- to be used to upgrade and maintain the boat ramp facility at Fisheries Beach in Bremer Bay

Capital Works Reserve

- to be used to supplement future capital works programs.

Swimming Pool Reserve

- to preserve any surplus funds from the Jerramungup Swimming Pool's operations for future financial requirements of the Jerramungup Swimming Pool and associated facilities.

The following reserves are expected to be utilised in 2012/13

Leave Reserve

Capital Works Reserve

Plant Reserve

Jerramungup Retirement Units Reserve

Bremer Bay Retirement Units Reserve

SHIRE OF JERRAMUNGUP

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	Note	2012/13 Budget \$	2011/12 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)	400,000	1,080,764
Cash - Restricted Reserves	15(a)	1,059,559	1,339,082
Receivables		150,000	958,885
Inventories		30,000	26,134
		<u>1,639,559</u>	<u>3,404,865</u>
LESS: CURRENT LIABILITIES			
Payables and Provisions		<u>(578,612)</u>	<u>(253,216)</u>
NET CURRENT ASSET POSITION		1,060,947	3,151,649
Less: Cash - Restricted Reserves	15(a)	(1,059,559)	(1,339,082)
Less: Cash - Restricted Municipal		-	-
Add Back: Current Loan Liability	5	-	-
Add Back: Liabilities Supported by Reserves	6	-	-
		<u>1,388</u>	<u>1,812,567</u>
ESTIMATED SURPLUS C/FWD		<u>1,388</u>	<u>1,812,567</u>

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

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

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

8. RATING INFORMATION - 2012/13 FINANCIAL YEAR

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2012/13 Budgeted Rate Revenue \$	2012/13 Budgeted Interim Rates \$	2012/13 Budgeted Back Rates \$	2012/13 Budgeted Total Revenue \$	2011/12 Actual \$
Differential General Rate								
Gross Rental Value	9.0500	407	4,604,784	416,733	0	0	416,733	361,478
Unimproved Value	1.0620	392	110,569,938	1,791,233	0	0	1,791,233	1,746,751
Sub-Totals		799	115,174,722	2,207,966	0	0	2,207,966	2,108,229
Minimum Rates	Minimum \$							
Gross Rental Value	630	377	1,975,687	237,510	23,310	0	260,820	219,785
Unimproved Value	630	42	58,904,192	26,460	0	0	26,460	18,645
Sub-Totals		419	60,879,879	263,970	23,310	0	287,280	238,430
Other Rates Charges							2,495,246	2,346,659
							1,996	2,932
Discounts							2,497,242	2,349,591
Totals							2,497,242	2,349,591

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

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

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

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

9. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Minimum Rate	2012/13 Budgeted Revenue \$	Budget Applied to Costs \$	2011/12 Actual \$
Effluent Area Rate JMP Non Rateable First Fixture Addiotnal Fixture Non Rateable	3.7025	GRV	242.13	41,374	13,484	41,811
			273.00	273		260
			130.51	392		372
				42,039	13,484	42,443

The balance of funds raised from the Effluent Area Rate is transferred to the Jerramungup Effluent Reserve.

10. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

	Amount of Charge \$	2012/13 Budgeted Revenue \$	Budget Applied to Costs \$	2011/12 Actual \$
Nil		0	0	0

There are no service charges for the Shire of Jerramungup in the 2012/2013 financial year.

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

11. FEES & CHARGES REVENUE	2012/13 Budget \$	2011/12 Actual \$
Governance	8,175	7,616
General Purpose Funding	7,750	3,200
Law, Order, Public Safety	21,888	23,954
Health	2,600	2,600
Education and Welfare	49,186	48,527
Housing	74,418	75,213
Community Amenities	305,446	286,085
Recreation & Culture	23,903	23,223
Transport	49,747	193,944
Economic Services	15,460	20,652
Other Property & Services	240,936	281,853
	<u>799,509</u>	<u>966,867</u>

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

An allowance of \$557 has been allowed in the 2012/2013 budget for the writing off of small rates balances associated with minor interest charges.

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

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

An interest rate of 11% will be charged on all rate payments which are paid late. The revenue expected from late payment interest is \$11,064.

There are three options for the payment of rates for Shire of Jerramungup land owners:

Option 1 - Full Payment

Full amount of rates and charges including any amounts in arrears to be paid on or before 14 September 2012 or 35 days after the date of service appearing on the rates notice, whichever is the latter.

Option 2 - Two Instalments

The first instalment will be due on 14 September 2012 or 35 days after the date of service appearing on the rates notice, whichever is the latter and is to include all arrears and half of the current rates and charges. The second payment is to be paid four months after the due date of the first instalment.

Option 3 - Four Instalments

The first instalment will be due on 14 September 2012 or 35 days after the date of service appearing on the rates notice, whichever is the latter and is to include all arrears and a quarter of the current rates and charges. The second, third and fourth payments are to be made in two monthly intervals thereafter.

The total estimated revenue expected from instalment interest is \$12,569.

Instalment Interest - 5% Simple Interest
Administration Charge - \$5 per instalment

14. ELECTED MEMBERS REMUNERATION

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

	2012/13 Budget \$	2011/12 Actual \$
Meeting Fees	56,000	56,000
President's Allowance	12,000	12,000
Deputy President's Allowance	3,000	3,000
Travelling Expenses	3,000	1,060
Telecommunications Allowance	7,000	7,000
	81,000	79,060

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

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Cash - Unrestricted	400,000	1,080,764	225,000
Cash - Restricted	1,059,559	1,339,082	1,218,066
	<u>1,459,559</u>	<u>2,419,846</u>	<u>1,443,066</u>

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

Leave Reserve	10,000	57,692	56,837
Plant Reserve	21,791	219,991	205,198
Community Recreation Reserve	57,276	55,073	35,627
Bremer Bay Youth Camp Reserve	46,297	44,516	44,465
Building Reserve	175,334	168,590	168,717
Bremer Bay Retirement Units Reserve	85,805	101,736	101,621
Jerramungup Entertainment Centre Reserve	7,549	7,259	8,514
Effluent Reserve	392,475	349,578	339,992
Point Henry Fire Levy Reserve	56,301	54,136	41,827
Jerramungup Retirement Units Reserve	83,231	99,261	99,149
Fishery Beach Ramp Reserve	101,258	97,363	97,253
Capital Works Reserve	15,035	76,957	11,944
Swimming Pool Reserve	7,207	6,930	6,922
	<u>1,059,559</u>	<u>1,339,082</u>	<u>1,218,066</u>

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

Net Result	14,679	3,137,749	1,544,224
Amortisation	-	-	-
Depreciation	1,350,218	1,350,761	1,286,739
(Profit)/Loss on Sale of Asset	(94,266)	41,006	39,377
(Increase)/Decrease in Receivables	758,781	(765,692)	82,116
(Increase)/Decrease in Inventories	10,000	12,783	(1,694)
Increase/(Decrease) in Payables	20,000	(367,169)	(66,091)
Increase/(Decrease) in Employee Provisions			
Grants/Contributions for the Development of Assets	(1,667,826)	(3,412,482)	(3,339,934)
Net Cash from Operating Activities	<u>391,586</u>	<u>(3,044)</u>	<u>(455,263)</u>

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

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	0	0	0
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	15000	15000	15000
Credit Card Balance at Balance Date	0	0	0

Total Amount of Credit Unused	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
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Loan Facilities

Loan Facilities in use at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>
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Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>
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SHIRE OF JERRAMUNGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2013

16. TRUST FUNDS

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

Detail	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
Youth Advisory Council	595			595
Fire Fighting Fund	5,581			5,581
Building Bonds	10,000	10,000	(10,000)	10,000
JEC Key Bonds	350			350
Housing Bonds	5,684	400	(400)	5,684
Subdivision Bonds	48,415		(48,415)	-
Other Bonds	22,181			22,181
Hall and Shire Property Bonds	1,250			1,250
Footpath Bonds	11,499			11,499
	<u>105,555</u>			<u>57,140</u>

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

17. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2012/13.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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