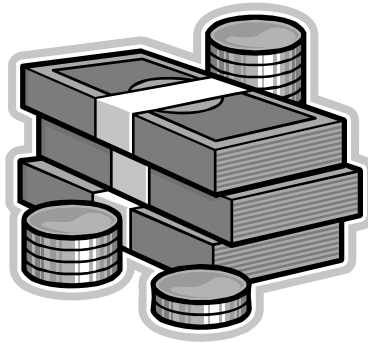




Shire of Corrigin



BUDGET 2011/12

SHIRE OF CORRIGIN
BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

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SHIRE OF CORRIGIN
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 \$
REVENUE				
Rates	8	1,742,427	1,609,855	1,600,894
Operating Grants, Subsidies and Contributions		1,545,595	1,972,737	1,522,409
Fees and Charges	11	642,389	600,357	742,633
Service Charges	10	0	0	0
Interest Earnings	2(a)	139,462	149,792	113,410
Other Revenue		15,100	48,067	100
		<u>4,084,973</u>	<u>4,380,809</u>	<u>3,979,446</u>
EXPENSES				
Employee Costs		-1,645,825	-1,462,495	-1,587,137
Materials and Contracts		-1,140,443	-826,970	-1,119,227
Utility Charges		-224,780	-221,992	-185,420
Depreciation	2(a)	-1,463,540	-1,440,023	-1,438,103
Interest Expenses	2(a)	-52,776	-65,695	-65,695
Insurance Expenses		-210,988	-214,710	-211,286
Other Expenditure		-123,612	-65,149	-90,279
		<u>-4,861,964</u>	<u>-4,297,033</u>	<u>-4,697,147</u>
		-776,991	83,775	-717,702
Non-Operating Grants, Subsidies and Contributions		2,619,738	978,772	1,171,179
Profit on Asset Disposals	4	103,823	5,909	78,697
Loss on Asset Disposals	4	-73,491	-80,323	-65,367
		<u>1,873,078</u>	<u>988,133</u>	<u>466,807</u>
NET RESULT		1,873,078	988,133	466,807
Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>1,873,078</u>	<u>988,133</u>	<u>466,807</u>

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 CORRIGIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2012

NOTE	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
REVENUE (Refer Notes 1,2,8 to 13)			
Governance	8,477	3,987	1,500
General Purpose Funding	2,961,576	3,291,023	2,882,359
Law, Order, Public Safety	34,690	32,210	31,620
Health	295,233	173,042	243,497
Education and Welfare	127,140	87,661	139,753
Housing	93,371	76,598	88,743
Community Amenities	133,538	133,046	128,532
Recreation and Culture	32,590	98,979	31,590
Transport	131,034	125,836	171,261
Economic Services	55,613	96,637	101,188
Other Property and Services	211,710	261,791	248,099
	<u>4,084,973</u>	<u>4,380,808</u>	<u>4,068,142</u>
EXPENSES EXCLUDING			
FINANCE COSTS (Refer Notes 1,2 & 14)			
Governance	-550,903	-426,719	-474,781
General Purpose Funding	-40,454	-32,223	-37,178
Law, Order, Public Safety	-70,291	-82,037	-74,859
Health	-528,605	-445,696	-364,112
Education and Welfare	-240,222	-185,969	-225,392
Housing	-96,737	-95,110	-186,740
Community Amenities	-436,460	-375,781	-404,875
Recreation & Culture	-743,038	-588,051	-643,281
Transport	-1,628,380	-1,253,264	-1,534,983
Economic Services	-217,183	-234,530	-314,042
Other Property and Services	-256,917	-514,365	-395,864
	<u>-4,809,189</u>	<u>-4,233,746</u>	<u>-4,656,107</u>
FINANCE COSTS (Refer Notes 2 & 5)			
Education & Welfare	-3,687	-4,402	
Housing	-10,431	-14,580	-14,398
Community Amenities	-38,658	-43,931	-45,838
Recreation & Culture	0	-374	-374
Economic Services		0	-5,086
	<u>-52,776</u>	<u>-63,287</u>	<u>-65,696</u>
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS			
General Purpose Funding	678,425	30,000	458,425
Law, Order & Public Safety	0	0	10,000
Education & Welfare	0	59,563	
Recreation & Culture	25,000	20,491	39,517
Community Amenities	92,813	20,000	19,000
Economic Services	21,000	611	4,241
Transport	1,802,500	838,915	629,996
Other Property and Services	0	9,193	
	<u>2,619,738</u>	<u>978,772</u>	<u>1,161,179</u>
PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)			
Health	-24,547	-13,463	-19,475
Education & Welfare		-1,833	
Community Amenities			-4,649
Economic Services	3,052	-13,566	
Transport	48,451	-9,642	
Other Property & Services	3,376	-35,911	-16,587
	<u>30,332</u>	<u>-74,414</u>	<u>-40,711</u>
NET RESULT	1,873,078	988,133	466,807
Other Comprehensive Income	0	0	0
TOTAL COMPREHENSIVE INCOME	1,873,078	988,133	466,807

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 CORRIGIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,742,427	1,605,923	1,600,894
Operating Grants, Subsidies and Contributions		1,545,595	1,972,737	1,522,409
Fees and Charges		898,116	475,914	851,919
Service Charges				
Interest Earnings		139,462	149,792	113,410
Goods and Services Tax		100,000	280,409	100,000
Other		15,100	48,067	100
		<u>4,440,700</u>	<u>4,532,843</u>	<u>4,188,731</u>
Payments				
Employee Costs		-1,645,825	-1,416,171	-1,587,136
Materials and Contracts		-1,397,996	-1,032,852	-1,531,733
Utility Charges		-224,780	-221,992	-185,420
Insurance Expenses		-210,988	-214,710	-211,286
Interest Expenses		-52,776	-68,103	-65,695
Goods and Services Tax		-100,000	-299,111	-100,000
Other		-123,613	-65,149	-90,279
		<u>-3,755,978</u>	<u>-3,318,087</u>	<u>-3,771,549</u>
Net Cash Provided By Operating Activities	15(b)	<u>684,722</u>	<u>1,214,755</u>	<u>417,182</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	3	0	-7,770	-5,974
Payments for Purchase of Property, Plant & Equipment	3	-2,244,301	-1,306,939	-1,248,410
Payments for Construction of Infrastructure	3	-2,234,733	-1,537,358	-2,071,525
Advances to Community Groups Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		2,619,738	978,772	1,171,179
Proceeds from Sale of Plant & Equipment	4	446,064	253,333	534,600
Proceeds from Advances				
Net Cash Used in Investing Activities		<u>-1,413,233</u>	<u>-1,619,962</u>	<u>-1,620,130</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	-207,980	-207,776	-207,776
Repayment of Finance Leases				
Proceeds from Self Supporting Loans				
Proceeds from New Debentures	5			
Net Cash Provided By (Used In) Financing Activities		<u>-207,980</u>	<u>-207,776</u>	<u>-207,776</u>
Net Increase (Decrease) in Cash Held		-936,491	-612,983	-1,410,725
Cash at Beginning of Year		2,287,840	2,900,823	2,932,765
Cash and Cash Equivalents at the End of the Year	15(a)	<u><u>1,351,349</u></u>	<u><u>2,287,840</u></u>	<u><u>1,522,040</u></u>

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

**SHIRE OF CORRIGIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
REVENUES	1,2			
Governance		8,477	3,987	1,500
General Purpose Funding		1,897,574	1,711,167	1,739,890
Law, Order, Public Safety		34,690	32,210	41,620
Health		295,233	173,042	243,497
Education and Welfare		127,140	147,224	139,753
Housing		93,371	76,598	88,743
Community Amenities		226,350	153,046	147,532
Recreation and Culture		57,590	119,470	71,107
Transport		2,005,344	964,750	801,257
Economic Services		79,665	97,248	105,429
Other Property and Services		240,671	276,893	248,099
		<u>5,066,107</u>	<u>3,755,634</u>	<u>3,628,427</u>
EXPENSES	1,2			
Governance		-550,903	-426,719	-474,781
General Purpose Funding		-40,454	-32,223	-37,178
Law, Order, Public Safety		-70,291	-82,037	-74,859
Health		-553,152	-459,159	-383,587
Education and Welfare		-243,909	-192,203	-225,392
Housing		-107,168	-109,690	-201,138
Community Amenities		-475,118	-419,712	-455,362
Recreation & Culture		-743,038	-588,425	-643,655
Transport		-1,628,380	-1,262,906	-1,534,983
Economic Services		-240,542	-248,096	-319,128
Other Property and Services		-282,501	-556,183	-412,451
		<u>-4,935,455</u>	<u>-4,377,354</u>	<u>-4,762,514</u>
Net Operating Result Excluding Rates		130,652	-621,720	-1,134,087
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	4	-30,332	74,414	-15,330
Depreciation on Assets	2(a)	1,463,540	1,440,023	1,438,103
Capital Expenditure and Revenue				
Purchase Land Held for Resale	3		-7,770	-5,974
Purchase Land and Buildings	3	-790,586	-684,191	-1,248,410
Purchase Infrastructure Assets - Roads	3	-2,117,348	-1,001,728	-986,384
Purchase Infrastructure Assets - Other	3	-117,386	-535,630	-148,682
Purchase Plant and Equipment	3	-1,439,830	-618,783	-928,959
Purchase Furniture and Equipment	3	-13,885	-3,965	-7,500
Proceeds from Disposal of Assets	4	446,064	253,333	534,600
Repayment of Debentures	5	-207,980	-207,776	-207,776
Proceeds from New Debentures	5	0		
Self-Supporting Loan Principal Income				
Transfers to Reserves (Restricted Assets)	6	-154,287	-226,527	-166,987
Transfers from Reserves (Restricted Assets)	6	646,812	947,287	1,243,344
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	442,138	25,318	33,148
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	442,138	0
Amount Required to be Raised from Rates	8	<u>-1,742,427</u>	<u>-1,609,855</u>	<u>-1,600,894</u>

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

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

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

**SHIRE OF CORRIGIN
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

Council has adopted the following capitalization thresholds for each classification of property, plant, equipment and infrastructure assets as below;

Land	Nil
Buildings	\$2,000
Plant & Equipment	\$2,000
Furniture & Equipment	\$2,000
Infrastructure - Roads	\$5,000
Infrastructure – Drainage	\$5,000
Infrastructure – Parks & Gardens	\$5,000
Infrastructure – Footpaths and Cycle-ways	\$5,000
Infrastructure – Airports	\$5,000*
Infrastructure – Sewerage	\$5,000
Infrastructure – Other	\$5,000

*Airports have various components, such as building and plant and equipment and the thresholds applicable to these components should be applied to each component.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) 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 CORRIGIN
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 CORRIGIN
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 CORRIGIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012

	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result from Ordinary Activities was arrived at after:			
 (i) Charging as Expenses:			
Auditors Remuneration			
Audit Services	13,250	14,289	13,250
Other Services	5,000	3,000	
 Depreciation			
<u>By Program</u>			
Governance	-6,945	-6,945	-6,945
General Purpose Funding	0	0	0
Law, Order, Public Safety	-1,613	-1,613	-1,614
Health	-13,318	-12,995	-12,947
Education and Welfare	-40,369	-41,063	-42,305
Housing	-76,593	-75,743	-73,221
Community Amenities	-15,628	-13,283	-13,074
Recreation and Culture	-122,440	-113,100	-111,268
Transport	-760,905	-735,647	-733,436
Economic Services	-16,408	-16,268	-15,994
Other Property and Services	-409,321	-423,366	-427,299
	<u>-1,463,540</u>	<u>-1,440,023</u>	<u>-1,438,103</u>
 <u>By Class</u>			
Land and Buildings	-250,179	-246,061	-231,063
Furniture and Equipment	-43,835	-46,725	-49,370
Plant and Equipment	-386,624	-396,948	-417,904
Roads	-749,397	-724,018	-702,938
Infrastructure Other	-33,505	-26,270	-17,132
	<u>-1,463,540</u>	<u>-1,440,023</u>	<u>-1,418,407</u>
 Borrowing Costs (Interest)			
- Finance Lease Charges			
- Debentures (<i>refer note 5(a)</i>)	52,776	65,695	65,695
	<u>52,776</u>	<u>65,695</u>	<u>65,695</u>
 Rental Charges			
- Operating Leases			
	<u></u>	<u></u>	<u></u>
 (ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	122,962	125,917	96,910
- Other Funds	12,000	18,844	12,000
Other Interest Revenue (<i>refer note 13</i>)	4,500	5,031	4,500
	<u>139,462</u>	<u>149,792</u>	<u>113,410</u>

**SHIRE OF CORRIGIN
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

Administration and operation 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

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Supervision of various by-laws, fire prevention, emergency services and animal control.

HEALTH

Food quality and pest control, meat inspection of abattoirs, and administration of the Eastern Districts Regional Health Scheme and provision of various medical facilities.

EDUCATION AND WELFARE

Contributions towards the operation of the Senior Citizens centre and Frail Care Facility , assistance to the Family Day Care Centre, Occasional Day Care Centre and Playgroup as well as donations to other voluntary services.

HOUSING

Maintenance of staff and rental housing.

COMMUNITY AMENITIES

Rubbish collection services, operation of refuse disposal sites, noise control, administration of the town planning scheme, maintenance of the cemetery, maintenance of public conveniences and town water drainage, as well as the community bus.

RECREATION AND CULTURE

Maintenance of halls, swimming pool, recreation centres, various reserves and contracting of the library service.

TRANSPORT

Construction and maintenance of streets, roads, bridges, depot and airstrip, cleaning and lighting of streets, and the provision of police licensing services.

**SHIRE OF CORRIGIN
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)

ECONOMIC SERVICES

Provision of tourism facilities, area promotion, building control, saleyards, noxious weed control, vermin control, screening plant, standpipes, Development Officer and Community Resource Centre

OTHER PROPERTY & SERVICES

Private Works operations, plant repairs and operation costs.

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

3. ACQUISITION OF ASSETS	2011/12 Budget \$
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Governance	
Doctor Surgery Upgrade	251,479
General Purpose Funding	
Law, Order, Public Safety	
Emergency Power Supply	15,000
Health	
EDRHS Vehicle	33,500
EHO Vehicle	25,000
Education and Welfare	
Resource Centre Storeroom	32,121
BBQ Trailer	10,000
Housing	
House Construction	150,550
Community Amenities	
Mobile Rubbish Trailer	5,000
Glass Crusher	100,000
Main Street Shade Structures	19,200
Community Bus	111,380
Recreation and Culture	
CWA Roof Renovations	6,000
Town Hall Ovens	15,000
Swimming Club Shed	15,276
Swimming Pool Upgrade	289,492
Swimming Pool Shade Structures	39,900
Pavilion Playground shade structure	3,840
Transport	
Yealering-Bulyee Grain Freight Route	1,339,538
Rabbit Proof Fence Road	317,400
Wickepin Corrigin Road	57,600
Bullaring Pingelly Road	163,912
Bullaring Pingelly Road	49,050
Knights Court	163,854
Lynch Street Parking	25,993
Tipper - CR3	96,000
Tipper - CR4	73,000
Tipper - CR5	190,000
Grader - CR11	345,000
Tractor - CR4159	60,000
Spray Trailer	15,000
Tilt Trailer	5,000
Prime Mover - CR7	223,550
Economic Services	
Town Centre Statements	15,970
Rotary Park Information Bay upgrade	8,476
Standpipe Controllers	15,000
Water Storage	15,000

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

3. ACQUISITION OF ASSETS (CONT.)	2011/12 Budget
Other Property and Services	
Utility - CR123	42,000
Utility - CR565	28,000
Small plant > \$3000	12,400
CEO Vehicle - 1CR	50,000
Admin Auto Doors	12,068
Admin Ramp access	18,600
Admin Server	13,885
	<u>4,479,034</u>
 <u>By Class</u>	
Land Held for Resale	
Land and Buildings	790,586
Infrastructure Assets - Roads	2,117,348
Infrastructure Assets - Parks Other	117,386
Plant and Equipment	1,439,830
Furniture and Equipment	13,885
	<u>4,479,034</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:

- plant replacement programme
- Management Capital Detail

SHIRE OF CORRIGIN
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.

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2011/12 BUDGET	2011/12 BUDGET	2011/12 BUDGET
	\$	\$	\$
Health			
EDRHS Vehicle	32,990	16,364	-16,626
Doctor Vehicle	23,921	16,000	-7,921
Economic Services			
Community Bus	41,948	45,000	3,052
Transport			
Isuzu FR550 tipper - CR3	42,099	22,000	-20,099
Hino Tipper - CR4	0	10,000	10,000
Mitsubishi Tipper - CR5	27,262	45,000	17,738
Caterpillar 12G - CR11	0	40,000	40,000
Moore Multityre - CR28	0	0	0
Iseki Tractor - CR4159	22,260	19,000	-3,260
Prime Mover - CR7	41,428	45,500	4,072
Other Property & Services			
Utility - CR123	39,488	28,500	-10,988
Utility - CR565	21,413	17,500	-3,913
Small Plant	0	1,200	1,200
Vehicle - 1CR	50,684	40,000	-10,684
Sale of Land	72,239	100,000	27,761
	415,732	446,064	30,332

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2011/12 BUDGET	2011/12 BUDGET	2011/12 BUDGET
	\$	\$	\$
Plant & Equipment	343,493	346,064	2,571
Sale of land	72,239	100,000	27,761
	415,732	446,064	30,332

<u>Summary</u>	2011/12 BUDGET \$
Profit on Asset Disposals	103,823
Loss on Asset Disposals	-73,491
	<u>30,332</u>

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

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Interest Rate	Maturity Date	Principal 1-Jul-11	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
					2011/12 Budget \$	2010/11 Actual \$	2011/12 Budget \$	2010/11 Actual \$	2011/12 Budget \$	2010/11 Actual \$
Housing										
Loan 98 - GEAH (Education)	6.23%	16/02/2014	135,626		46,673	43,875	88,953	135,626	7,373	10,171
Loan 100 - GEHA (Police)	5.82%	30/03/2014	60,256		20,812	19,644	39,444	60,256	3,058	4,227
							0			
Community Amenities										
Loan 97 - Land Division	6.61%	27/05/2012	52,784		52,785	49,436	-1	52,784	2,199	5,548
Loan 101 - Land Sub Division	6.49%	27/07/2018	594,444		64,373	60,542	530,071	594,444	36,459	40,290
							0	0		0
Recreation & Culture										
Loan 96 - Oval Lighting	6.74%	31/03/2011				12,342	0	-1		374
						0	0	0		0
Education & Welfare										
Loan 99 - Resource Centre	6.23%	16/02/2014	67,814		23,337	21,938	44,477	67,814	3,687	5,086
							0			
							0			
							0			
			910,924	0	207,980	207,776	702,944	910,924	52,776	65,695

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

SHIRE OF CORRIGIN
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

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2011 nor is it 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 National Australia Bank does exist. It is not anticipated that this facility will be required to be utilised during 2011/12.

SHIRE OF CORRIGIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
6. RESERVES			
(a) Community Bus Reserve			
Opening Balance	65,089	56,679	57,455
Amount Set Aside / Transfer to Reserve	6,811	8,410	8,217
Amount Used / Transfer from Reserve	-66,380	0	0
	<u>5,520</u>	<u>65,089</u>	<u>65,671</u>
(b) Employee Entitlements Reserve			
Opening Balance	98,228	101,413	102,937
Amount Set Aside / Transfer to Reserve	5,500	6,101	5,616
Amount Used / Transfer from Reserve	0	-9,286	-10,710
	<u>103,728</u>	<u>98,228</u>	<u>97,844</u>
(c) Plant Replacement Reserve			
Opening Balance	480,702	425,470	430,149
Amount Set Aside / Transfer to Reserve	26,913	75,596	21,225
Amount Used / Transfer from Reserve	-350,000	-20,365	-208,421
	<u>157,615</u>	<u>480,702</u>	<u>242,953</u>
(d) Swimming Pool Reserve			
Opening Balance	5,553	10,076	10,511
Amount Set Aside / Transfer to Reserve	102	478	520
Amount Used / Transfer from Reserve	-5,000	-5,000	-5,000
	<u>655</u>	<u>5,553</u>	<u>6,031</u>
(e) Office Equipment Reserve			
Opening Balance	745	703	789
Amount Set Aside / Transfer to Reserve	42	42	44
Amount Used / Transfer from Reserve	0	0	0
	<u>787</u>	<u>745</u>	<u>834</u>
(f) Roadworks Reserve			
Opening Balance	5,462	5,152	5,230
Amount Set Aside / Transfer to Reserve	306	310	293
Amount Used / Transfer from Reserve	0	0	0
	<u>5,768</u>	<u>5,462</u>	<u>5,523</u>
(g) Land Subdivision Reserve			
Opening Balance	39,724	43,250	44,190
Amount Set Aside / Transfer to Reserve	2,224	2,448	21,656
Amount Used / Transfer from Reserve	0	-5,974	-5,974
	<u>41,948</u>	<u>39,724</u>	<u>59,872</u>
(h) Staff Housing Reserve			
Opening Balance	288,073	364,125	369,597
Amount Set Aside / Transfer to Reserve	9,873	21,906	8,625
Amount Used / Transfer from Reserve	-167,800	-97,958	-279,325
	<u>130,146</u>	<u>288,073</u>	<u>98,897</u>

SHIRE OF CORRIGIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

6. RESERVES (Continued)	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
(i) Townscape Reserve			
Opening Balance	21,785	20,548	20,857
Amount Set Aside / Transfer to Reserve	1,220	1,236	1,168
Amount Used / Transfer from Reserve	-18,160	0	0
	<u>4,844</u>	<u>21,785</u>	<u>22,025</u>
(j) Medical Reserve			
Opening Balance	288	19,116	19,403
Amount Set Aside / Transfer to Reserve	16	649	809
Amount Used / Transfer from Reserve	0	-19,477	-20,213
	<u>305</u>	<u>288</u>	<u>0</u>
(k) Senior Citizen Units Reserve			
Opening Balance	10,000	0	0
Amount Set Aside / Transfer to Reserve	10,560	10,000	10,000
Amount Used / Transfer from Reserve	0	0	0
	<u>20,560</u>	<u>10,000</u>	<u>10,000</u>
(l) LGCHP Housing Reserve			
Opening Balance	13,184	21,569	22,008
Amount Set Aside / Transfer to Reserve	738	1,195	659
Amount Used / Transfer from Reserve	0	-9,580	-11,000
	<u>13,922</u>	<u>13,184</u>	<u>11,667</u>
(m) Community Development Reserve			
Opening Balance	766,178	980,238	991,539
Amount Set Aside / Transfer to Reserve	68,239	79,776	74,015
Amount Used / Transfer from Reserve	0	-293,836	-180,845
	<u>834,417</u>	<u>766,178</u>	<u>884,709</u>
(n) Rockview Land Reserve			
Opening Balance	4,711	3,586	3,613
Amount Set Aside / Transfer to Reserve	264	1,125	1,022
Amount Used / Transfer from Reserve	-4,400	0	-2,500
	<u>574</u>	<u>4,711</u>	<u>2,135</u>
(o) Royalties for Regions			
Opening Balance	1,744	127,145	132,517
Amount Set Aside / Transfer to Reserve	24	3,951	1,817
Amount Used / Transfer from Reserve	-1,767	-129,353	-134,334
	<u>0</u>	<u>1,744</u>	<u>0</u>
(p) Financial Assistance Grants			
Opening Balance	0	354,993	355,022
Amount Set Aside / Transfer to Reserve	0	1,465	-0
Amount Used / Transfer from Reserve	0	-356,458	-355,022
	<u>0</u>	<u>0</u>	<u>-0</u>
(q) RLCIP Grant			
Opening Balance	32,410	30,571	30,579
Amount Set Aside / Transfer to Reserve	895	1,839	1,301
Amount Used / Transfer from Reserve	-33,305	0	-30,000
	<u>-0</u>	<u>32,410</u>	<u>1,880</u>

SHIRE OF CORRIGIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

6. RESERVES (Continued)	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
(r) Centenary Celebration			
Opening Balance	10,000	0	0
Amount Set Aside / Transfer to Reserve	10,560	10,000	10,000
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>20,560</u>	<u>10,000</u>	<u>10,000</u>
(s) Town Hall Reserve			
Opening Balance	0		
Amount Set Aside / Transfer to Reserve	10,000		
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>10,000</u>	<u>0</u>	<u>0</u>
Total Reserves	<u><u>1,351,349</u></u>	<u><u>1,843,874</u></u>	<u><u>1,520,040</u></u>

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

SHIRE OF CORRIGIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

6. RESERVES (Continued)	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
Summary of Transfers To Cash Backed Reserves			
Transfers to Reserves			
Community Bus Reserve	6,811	8,410	8,217
Employee Entitlements Reserve	5,500	6,101	5,616
Plant Replacement Reserve	26,913	75,596	21,225
Swimming Pool Reserve	102	478	520
Office Equipment Reserve	42	42	44
Roadworks Reserve	306	310	293
Land Subdivision Reserve	2,224	2,448	21,656
Staff Housing Reserve	9,873	21,906	8,625
Townscape Reserve	1,220	1,236	1,168
Medical Reserve	16	649	809
Senior Citizen Units Reserve	10,560	10,000	10,000
LGCHP Housing Reserve	738	1,195	659
Community Development Reserve	68,239	79,776	74,015
Rockview Land Reserve	264	1,125	1,022
Royalties for Regions	24	3,951	1,817
Financial Assistance Grants	0	1,465	-0
RLCIP Grant	895	1,839	1,301
Centenary Celebration	10,560	10,000	10,000
Town Hall Reserve	10,000		
	<u>154,287</u>	<u>226,526</u>	<u>166,987</u>
Transfers from Reserves			
Community Bus Reserve	-66,380	0	0
Employee Entitlements Reserve	0	-9,286	-10,710
Plant Replacement Reserve	-350,000	-20,365	-208,421
Swimming Pool Reserve	-5,000	-5,000	-5,000
Office Equipment Reserve	0	0	0
Roadworks Reserve	0	0	0
Land Subdivision Reserve	0	-5,974	-5,974
Staff Housing Reserve	-167,800	-97,958	-279,325
Townscape Reserve	-18,160	0	0
Medical Reserve	0	-19,477	-20,213
Senior Citizen Units Reserve	0	0	0
LGCHP Housing Reserve	0	-9,580	-11,000
Community Development Reserve	0	-293,836	-180,845
Rockview Land Reserve	-4,400	0	-2,500
Royalties for Regions	-1,767	-129,353	-134,334
Financial Assistance Grants	0	-356,458	-355,022
RLCIP Grant	-33,305	0	-30,000
Centenary Celebration	0	0	0
Town Hall Reserve	0		
	<u>-646,812</u>	<u>-947,287</u>	<u>-1,243,344</u>
Total Transfer to/(from) Reserves	<u>-492,525</u>	<u>-720,761</u>	<u>-1,076,357</u>

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

Community Bus Reserve

- to be used to fund the continual purchase of a community bus.

Employee Entitlements Reserve

- to be used to fund Employee Entitlement Requirements.

Plant Replacement Reserve

- to be used for the purchase of major plant items.

Swimming Pool Reserve

- to be used for the construction and maintenance of the swimming pool.

Office Equipment Reserve

- to be used for the purchase of office equipment.

Senior Citizen Units Reserve

- to be used to fund the construction of Senior Citizen Units

Land Subdivision Reserve

- to be used to fund the installation of infrastructure in a land subdivision.

Staff Housing Reserve

- to be used for the construction and maintenance of the staff housing.

Townscape Reserve

- to be used for the continual upgrade of facilities as per the townscape plan.

Medical Reserve

- to be used for the continual upgrade of medical facilities within the Shire of Corrigin.

Roads to Recovery Reserve

- to be used to fund the construction of roads within the Shire of Corrigin funded by roads to recovery federal government funding.

LGCHP Housing Reserve

- to be used to fund the long term maintenance of the joint venture housing the Shire of Corrigin owns with Homewest.

Community Development Reserve

- to be used for the continual upgrade of various community facilities in Corrigin.

Royalties for Regions

- To be used to fund identified Royalties for Regions projects as adopted

Financial Assistance Grants

- to be used in accordance to the Local Government Grants Commission for funding of operating and Capital requirements

RLCIP Grant

- to be used to fund identified RLCIP funded projects

Centenary Celebration

- To be used to fund future projects in conjunction of Corrigin Centenary Celebration

Public Open Space

- To be used to fund development of Public Open Space, Parks & Reserves

Town Hall Reserve

- To be used for the maintenance and upgrade of the Corrigin Town Hall building, fixtures and fittings

With the exception of the Roads to Recovery Reserve, RLCIP and R4R, all reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

SHIRE OF CORRIGIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

	Note	2011/12 Budget \$	2010/11 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)		443,965
Cash - Restricted Reserves	15(a)	1,351,349	1,843,874
Receivables		30,000	285,727
Inventories		30,000	38,927
		1,411,349	2,612,493
LESS: CURRENT LIABILITIES			
Payables and Provisions		-60,000	-326,481
NET CURRENT ASSET POSITION		1,351,349	2,286,013
Less: Cash - Restricted Reserves	15(a)	-1,351,349	-1,843,874
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		0	442,138

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 CORRIGIN
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								
Non Rateable		142	147,687					
GRV Value	0.082420	409	3,258,802	287,563			287,563	270,260
UV	0.011243	334	133,825,006	1,504,595			1,504,595	1,382,153
Sub-Totals		885	137,231,495	1,792,158	0	0	1,792,158	1,652,413
Minimum Rates	Minimum \$							
GRV - Corrigin	325	50	74,145	16,250			16,250	17,225
GRV - Other	150	13	3,038	1,950			1,950	1,500
UV	325	16	153,927	5,200			5,200	5,200
Sub-Totals		79	231,110	23,400	0	0	23,400	23,925
							1,815,558	1,676,338
							1,815,558	1,676,338
Discounts							-73,131	- 66,483
Totals							1,742,427	1,609,855

All land except exempt land in the Shire of Corrigin 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 CORRIGIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2012**

9. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

Council does not charge specified area rates

10. SERVICE CHARGES - 2011/12 FINANCIAL YEAR

Council does not charge any service charges

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

11. FEES & CHARGES REVENUE	2011/12 Budget \$	2010/11 Actual \$
Governance	900	514
General Purpose Funding	19,772	20,768
Law, Order, Public Safety	6,370	6,960
Health	65,895	44,813
Education and Welfare	39,590	37,545
Housing	92,171	76,598
Community Amenities	130,486	131,476
Recreation & Culture	29,140	25,188
Transport	30,400	30,059
Economic Services	48,665	58,772
Other Property & Services	179,000	167,664
	<u>642,389</u>	<u>600,357</u>

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

A discount of 5% off the current rates levied (Excluding service charges) will be offered to ratepayers that pay of the full amount owing, including arrears, within 35 days of the date of service appearing on the rate notice

This discount will also apply to interim rates issued after the billing dates. The total value of the discount is expected to be \$73,131

Photocopy charges are waived for certain community groups such as the Senior Citizens and the Corrigin Agricultural Society. Council considers the support of these groups necessary for the overall benefit of the community

**SHIRE OF CORRIGIN
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 charges on all rate payments which are overdue. It is estimated that this will generate an income of \$2500. Two separate option plans will be available to ratepayers for the payment of their rates;

Option 1 (Full Payment)

Full amount of rates and charges including arrears to be paid on or before 35 days after the 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 on or before 35 days after the date of service appearing on the rate notice.

Second Instalment to be made on or before 95 days after the date of service appearing on the rate notice

Third Instalment to be made on or before 155 days after the date of service appearing on the rate notice

Fourth Instalment to be made on or before 215 days after the date of service appearing on the rate notice

The cost of the instalment plan will comprise of simple interest of 5.5% p.a calculated from the date of the first instalment is due. An administration fee of \$10 per assessment will also be charged.

The total revenue from the imposition of interest charge is estimated at \$2500

The total revenue from the imposition of instalments charges is estimated at \$2000

14. ELECTED MEMBERS REMUNERATION	2011/12 Budget \$	2010/11 Actual \$
The following fees, expenses and allowances were paid to elected members and/or the president.		
Meeting Fees	21,709	25,200
President's Allowance	5,000	5,000
Deputy President's Allowance	1,250	1,250
Travelling Expenses	2,001	1,346
Telecommunications Allowance	29,960	32,796
	29,960	32,796

SHIRE OF CORRIGIN
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:

	2011/12 Budget \$	2010/11 Actual \$	2010/11 Budget \$
Cash - Unrestricted		424,966	2,000
Cash - Restricted	1,351,349	1,862,874	1,520,040
	<u>1,351,349</u>	<u>2,287,840</u>	<u>1,522,040</u>

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

Community Bus Reserve	5,520	65,089	65,671
Employee Entitlements Reserve	103,728	98,228	97,844
Plant Replacement Reserve	157,615	480,702	242,953
Swimming Pool Reserve	655	5,553	6,031
Office Equipment Reserve	787	745	834
Roadworks Reserve	5,768	5,462	5,523
Land Subdivision Reserve	41,948	39,724	59,872
Staff Housing Reserve	130,146	288,073	98,897
Townscape Reserve	4,844	21,785	22,025
Medical Reserve	305	288	0
Senior Citizen Units Reserve	20,560	10,000	10,000
LGCHP Housing Reserve	13,922	13,184	11,667
Community Development Reserve	834,417	766,178	884,709
Rockview Land Reserve	574	4,711	2,135
Royalties for Regions	0	1,744	0
Financial Assistance Grants	0	0	-0
RLCIP Grant	-0	32,410	1,880
Centenary Celebration	20,560	10,000	10,000
Town Hall Reserve	10,000		0
Dry Season Funding		19,000	
Other Funding			
	<u>1,351,349</u>	<u>1,862,874</u>	<u>1,520,040</u>

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

Net Result	1,873,078	988,133	466,807
Amortisation			
Depreciation	1,463,540	1,440,023	1,438,103
(Profit)/Loss on Sale of Asset	-30,332	74,414	-13,330
(Increase)/Decrease in Receivables	255,727	-138,381	109,286
(Increase)/Decrease in Inventories	8,927	-3,797	32,724
Increase/(Decrease) in Payables	-266,481	-212,525	-445,229
Increase/(Decrease) in Employee Provisions		45,660	
Grants/Contributions for the Development of Assets	-2,619,738	-978,772	-1,171,179
Net Cash from Operating Activities	<u>684,722</u>	<u>1,214,755</u>	<u>417,182</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	100,000	100,000	100,000
Bank Overdraft at Balance Date			
Credit Card limit	15,000	15,000	15,000
Credit Card Balance at Balance Date			
Total Amount of Credit Unused	<u>115,000</u>	<u>115,000</u>	<u>115,000</u>

Loan Facilities

Loan Facilities in use at Balance Date	<u>702,944</u>	<u>910,924</u>	<u>910924</u>
Unused Loan Facilities at Balance Date	<u> </u>	<u> </u>	<u> </u>

**SHIRE OF CORRIGIN
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:

Detail	Balance 1-Jul-11 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-12 \$
B.C.I.T.F	0	4,000	-4,000	0
BRB	70	1,200	-1,270	0
Bus Ticketing	241	3,500	-3,400	341
Police Licensing	7,088	612,000	-600,000	19,088
Single Persons Units - Bonds	308		-308	0
Event Ticket Collection				0
Facilities Bonds				0
Corrigin Community Development Fund	11,673			11,673
Housing Bonds Other				0
Friends of the Cemetery	2,510			2,510
Edna Stevenson Educational Trust	848,571	32,000	-20,000	860,571
Vasse Civil & Drainage				0
Corrigin Disaster Fund	10,929			10,929
Council Nomination Bonds				0
Building Bonds				0
Adventure Park Fund				0
	<u>881,390</u>			<u>905,112</u>

Items Held in Trust on behalf of the Edna Stevenson Educational Trust

1 Pearl Necklace
8 Silver Pendants
163 Opals Stones

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

17. MAJOR LAND TRANSACTIONS

It is not anticipated that any major land transactions will occur in 2011/12

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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