

**SHIRE OF LAKE GRACE**  
**BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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**SHIRE OF LAKE GRACE**  
**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 \$
<b>REVENUE</b>				
Rates	8	3,570,982	3,297,328	3,308,890
Operating Grants, Subsidies and Contributions		2,577,196	3,247,341	2,603,262
Fees and Charges	11	421,421	412,541	544,276
Service Charges	10	2,188	24,242	24,241
Interest Earnings	2(a)	121,200	123,041	119,700
Other Revenue		<u>209,918</u>	<u>434,492</u>	<u>339,713</u>
		6,902,905	7,538,985	6,940,082
<b>EXPENSES</b>				
Employee Costs		(2,090,236)	(2,196,694)	(1,704,319)
Materials and Contracts		(2,406,826)	(2,772,849)	(3,055,522)
Utility Charges		(256,250)	(258,628)	(201,129)
Depreciation	2(a)	(2,382,771)	(2,306,699)	(2,301,240)
Interest Expenses	2(a)	(116,041)	(106,941)	(108,360)
Insurance Expenses		(238,102)	(204,136)	(209,684)
Other Expenditure		<u>(76,700)</u>	<u>(88,281)</u>	<u>(88,742)</u>
		<u>(7,566,926)</u>	<u>(7,934,228)</u>	<u>(7,668,996)</u>
		(664,021)	(395,243)	(728,914)
Non-Operating Grants, Subsidies and Contributions		2,517,581	1,623,542	3,387,842
Profit on Asset Disposals	4	39,310	48,962	33,420
Loss on Asset Disposals	4	<u>(13,530)</u>	<u>(3,124)</u>	<u>(7,000)</u>
<b>NET RESULT</b>		<b>1,879,340</b>	<b>1,274,137</b>	<b>2,685,348</b>
<b>Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>1,879,340</u></b>	<b><u>1,274,137</u></b>	<b><u>2,685,348</u></b>

**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 LAKE GRACE**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
<b>REVENUE (Refer Notes 1,2,8 to 13)</b>			
Governance	36,845	64,933	44,560
General Purpose Funding	4,292,716	5,140,233	4,163,691
Law, Order, Public Safety	143,133	72,319	76,480
Health	10,920	257,818	524,515
Education and Welfare	0	0	0
Housing	151,480	180,712	189,710
Community Amenities	268,337	285,808	318,907
Recreation and Culture	1,373,358	1,069,726	1,184,419
Transport	368,532	218,697	225,180
Economic Services	102,044	22,148	65,030
Other Property and Services	155,540	226,591	147,590
	<u>6,902,905</u>	<u>7,538,985</u>	<u>6,940,082</u>
<b>EXPENSES EXCLUDING</b>			
<b>FINANCE COSTS (Refer Notes 1,2 &amp; 14)</b>			
Governance	(646,057)	(837,979)	(744,714)
General Purpose Funding	(455,766)	(435,394)	(401,493)
Law, Order, Public Safety	(330,081)	(170,093)	(202,017)
Health	(276,875)	(456,740)	(351,633)
Education and Welfare	0	0	0
Housing	(165,151)	(166,440)	(200,534)
Community Amenities	(775,697)	(808,060)	(706,868)
Recreation & Culture	(1,235,732)	(1,270,338)	(1,237,437)
Transport	(3,120,864)	(3,150,813)	(2,997,824)
Economic Services	(308,646)	(385,078)	(662,923)
Other Property and Services	(136,016)	(146,352)	(55,193)
	<u>(7,450,885)</u>	<u>(7,827,287)</u>	<u>(7,560,636)</u>
<b>FINANCE COSTS (Refer Notes 2 &amp; 5)</b>			
General Purpose Funding	(3,750)	(2,199)	0
Governance	(24,687)	(25,699)	(25,595)
Law, Order, Public Safety	(498)	0	0
Health	(10,207)	(11,303)	(10,968)
Housing	(16,730)	(19,423)	(19,376)
Community Amenities	(1,259)	(2,054)	(2,049)
Recreation & Culture	(35,235)	(34,613)	(38,910)
Transport	(2,311)	0	0
Economic Services	(21,364)	(11,650)	(11,462)
	<u>(116,041)</u>	<u>(106,941)</u>	<u>(108,360)</u>
<b>NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>			
General Purpose Funding	0	0	473,015
Law, Order & Public Safety	0	20,536	33,640
Health	58,000	65,703	115,580
Housing	1,135,295	246,757	735,504
Community Amenities	11,000	0	0
Recreation & Culture	120,000	225,109	683,433
Transport	773,216	1,065,437	981,670
Economic Services	420,070	0	365,000
	<u>2,517,581</u>	<u>1,623,542</u>	<u>3,387,842</u>
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)</b>			
Governance	11,250	9,996	(1,035)
Law, Order, Public Safety	1,060	0	0
Health	0	6,186	7,000
Recreation & Culture	(13,530)	0	0
Transport	27,000	29,656	20,455
	<u>25,780</u>	<u>45,838</u>	<u>26,420</u>
<b>NET RESULT</b>	<b>1,879,340</b>	<b>1,274,137</b>	<b>2,685,348</b>
<b>Other Comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,879,340</b>	<b>1,274,137</b>	<b>2,685,348</b>

**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 LAKE GRACE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		3,723,512	3,207,767	3,461,420
Operating Grants, Subsidies and Contributions		2,602,396	3,235,835	2,628,462
Fees and Charges		429,421	300,300	552,276
Service Charges		2,188	24,242	24,241
Interest Earnings		121,200	123,041	119,700
Goods and Services Tax		497,975	449,363	497,975
Other		209,918	435,198	339,713
		<u>7,586,610</u>	<u>7,775,746</u>	<u>7,623,787</u>
<b>Payments</b>				
Employee Costs		(2,108,786)	(2,185,465)	(1,637,769)
Materials and Contracts		(2,399,171)	(2,612,899)	(2,961,842)
Utility Charges		(245,045)	(258,628)	(189,924)
Insurance Expenses		(238,102)	(204,136)	(209,684)
Interest Expenses		(116,041)	(91,187)	(108,360)
Goods and Services Tax		(497,520)	(378,338)	(497,520)
Other		(76,700)	(88,281)	(88,742)
		<u>(5,681,365)</u>	<u>(5,818,934)</u>	<u>(5,693,841)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>1,905,245</u>	<u>1,956,812</u>	<u>1,929,946</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	3	0	(5,463)	(10,000)
Payments for Purchase of Property, Plant & Equipment	3	(2,700,158)	(2,175,347)	(3,485,288)
Payments for Construction of Infrastructure	3	(2,714,704)	(2,280,193)	(2,875,850)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		2,517,581	1,623,542	3,387,842
Proceeds from Sale of Plant & Equipment	4	156,850	268,909	313,000
<b>Net Cash Used in Investing Activities</b>		<u>(2,740,431)</u>	<u>(2,568,552)</u>	<u>(2,670,296)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	(162,965)	(123,301)	(124,906)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		6,937	3,315	3,315
Proceeds from New Debentures	5	595,924	47,000	47,000
<b>Net Cash Provided By (Used In) Financing Activities</b>		439,896	(72,986)	(74,591)
<b>Net Increase (Decrease) in Cash Held</b>		(395,290)	(684,726)	(814,941)
Cash at Beginning of Year		1,672,164	2,356,890	2,347,266
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u>1,276,874</u>	<u>1,672,164</u>	<u>1,532,325</u>

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

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

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
<b>REVENUES</b>	1,2			
Governance		48,095	78,053	50,525
General Purpose Funding		721,734	1,842,905	1,327,816
Law, Order, Public Safety		144,193	92,855	110,120
Health		68,920	329,707	647,095
Education and Welfare		0	0	0
Housing		1,286,775	427,469	925,214
Community Amenities		279,337	285,808	318,907
Recreation and Culture		1,493,358	1,294,835	1,867,852
Transport		1,168,748	1,313,790	1,227,305
Economic Services		522,114	22,148	430,030
Other Property and Services		155,540	226,591	147,590
		<u>5,888,814</u>	<u>5,914,161</u>	<u>7,052,454</u>
<b>EXPENSES</b>	1,2			
Governance		(670,744)	(866,802)	(777,309)
General Purpose Funding		(459,516)	(437,593)	(401,493)
Law, Order, Public Safety		(330,579)	(170,093)	(202,017)
Health		(287,082)	(468,043)	(362,601)
Education and Welfare		0	0	0
Housing		(181,881)	(185,863)	(219,910)
Community Amenities		(776,956)	(810,114)	(708,917)
Recreation & Culture		(1,284,497)	(1,304,951)	(1,276,347)
Transport		(3,123,175)	(3,150,813)	(2,997,824)
Economic Services		(330,010)	(396,728)	(674,385)
Other Property and Services		(136,016)	(146,352)	(55,193)
		<u>(7,580,456)</u>	<u>(7,937,352)</u>	<u>(7,675,996)</u>
<b>Net Operating Result Excluding Rates</b>		(1,691,642)	(2,023,191)	(623,542)
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	4	(25,780)	(45,838)	(26,420)
Movement in Deferred Pensioner Rates/ESL		0	0	0
Movement in Employee Benefit Provisions		0	45,197	0
Rounding Adjustment		0	2	0
Depreciation on Assets	2(a)	2,382,771	2,306,699	2,301,240
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	3	0	(5,463)	(10,000)
Purchase Land and Buildings	3	(2,238,885)	(1,352,598)	(2,706,926)
Purchase Infrastructure Assets - Roads	3	(1,608,580)	(1,856,742)	(2,041,979)
Purchase Infrastructure Assets - Other	3	(1,106,124)	(423,451)	(833,871)
Purchase Plant and Equipment	3	(435,273)	(133,204)	(639,765)
Purchase Furniture and Equipment	3	(26,000)	(689,545)	(138,597)
Proceeds from Disposal of Assets	4	156,850	268,909	313,000
Repayment of Debentures	5	(162,965)	(123,301)	(124,906)
Proceeds from New Debentures	5	595,924	47,000	47,000
Self-Supporting Loan Principal Income		6,937	3,315	3,315
Transfers to Reserves (Restricted Assets)	6	(22,179)	(146,587)	(692,635)
Transfers from Reserves (Restricted Assets)	6	432,704	284,801	1,060,923
Transfers to Restricted Cash - Other	7	0	0	(962)
Transfers from Restricted Cash - Other	7	0	64,575	0
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	171,260	653,353	805,235
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	(0)	171,260	0
<b>Amount Required to be Raised from Rates</b>	8	<u>(3,570,982)</u>	<u>(3,297,328)</u>	<u>(3,308,890)</u>

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

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

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

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 seal	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement gravel sheet	50 years 12 years
Formed roads (unsealed) formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

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

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

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

***Capitalisation Threshold***

Expenditure on items of equipment under \$1,000 is not capitalised.

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

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

**(I) 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 LAKE GRACE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(s) Comparative Figures**

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

**(t) Budget Comparative Figures**

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

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

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
<b>2. REVENUES AND EXPENSES</b>			
<b>(a) Net Result from Ordinary Activities was arrived at after:</b>			
(i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	16,800	13,720	18,000
<b>Depreciation</b>			
<b><u>By Program</u></b>			
Governance	89,685	86,698	102,300
General Purpose Funding	0	0	0
Law, Order, Public Safety	77,340	72,311	58,000
Health	63,205	40,631	34,290
Education and Welfare	0	0	0
Housing	32,596	31,919	31,750
Community Amenities	78,295	78,556	68,500
Recreation and Culture	251,610	246,204	251,200
Transport	1,452,870	1,422,635	1,411,300
Economic Services	16,460	16,081	16,100
Other Property and Services	320,710	311,664	327,800
	<u>2,382,771</u>	<u>2,306,699</u>	<u>2,301,240</u>
<b><u>By Class</u></b>			
Land and Buildings	257,223	249,011	240,000
Furniture and Equipment	33,492	32,423	44,500
Plant and Equipment	472,718	457,626	467,000
Roads	1,418,368	1,373,085	1,359,740
Footpaths	0	0	0
Infrastructure Other	200,970	194,554	190,000
	<u>2,382,771</u>	<u>2,306,699</u>	<u>2,301,240</u>
<b>Borrowing Costs (Interest)</b>			
- Finance Lease Charges	0	0	0
- Interest on Overdraft	3,750	2,199	
- Debentures ( <i>refer note 5(a)</i> )	112,291	104,742	108,360
	<u>116,041</u>	<u>106,941</u>	<u>108,360</u>
<b>Rental Charges</b>			
- Operating Leases	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(ii) Crediting as Revenues:			
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	55,000	63,541	55,000
- Other Funds	20,000	14,628	44,000
Other Interest Revenue ( <i>refer note 13</i> )	46,200	44,872	20,700
	<u>121,200</u>	<u>123,041</u>	<u>119,700</u>

**SHIRE OF LAKE GRACE  
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.

**SHIRE MISSION STATEMENT**

"To remain and grow as a sustainable, economically viable community.

We will do this through:

Being dynamic, effective, credible and visionary leaders

Providing a driving force through the Council of the Shire of Lake Grace to become a regional 'Centre of Excellence'

Delivering targeted community services through a funding model that maintains a community's identity"

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: Rating, General Purpose Government Grants and the earning of interest.

**LAW, ORDER, PUBLIC SAFETY**

Objective: To provide bushfire prevention services and animal (dog) control services.

Activities: Supervision, enforcement of Bushfire Act and Dog Act.

**HEALTH**

Objective: To provide for an operational framework for good community health in conjunction with the Health Department of WA.

Activities: Health Inspection Services regarding food quality, pest control etc. and the provision of Doctor and Dental Surgery facilities and Child Health Clinics.

**HOUSING**

Objective: To help to ensure that adequate housing is available to staff and the community.

Activities: Provision and maintenance of Aged Persons units and Community accommodation (Joint Venture and LOGCHOP) units.

**COMMUNITY AMENITIES**

Objective: To provide community amenities and other infrastructure as required by the community.

Activities: Rubbish collection and disposal, maintenance of rubbish tips and chemical drum recycling. Administration of Town Planning Schemes for the four townsites within the Shire and the whole of the Shire including the provision of residential, commercial and industrial land, townscaping facilities and the maintenance of cemeteries for each town.

**RECREATION AND CULTURE**

Objective: To establish and manage efficiently sport and recreation infrastructure and resources which will help the social wellbeing and the health of the various communities of the Shire.

Activities: The provision and maintenance, in conjunction with the various communities, of public halls, recreation grounds, sports pavilions etc, the Lake Grace Swimming Pool and the operation of public libraries in conjunction with the Education Department.

**TRANSPORT**

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

Activities: Construction and maintenance of streets, roads, bridges; the cleaning and lighting of streets and the maintenance of Council depots and aerodromes.

**SHIRE OF LAKE GRACE  
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 activities, building control, noxious weeds and the provision of water standpipes.

**OTHER PROPERTY & SERVICES**

Objective: To provide other services etc. not elsewhere included.

Activities: Private works operations, council plant repairs and operation costs.



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

<b>3. ACQUISITION OF ASSETS</b>	<b>2012/13 Budget \$</b>
The following assets are budgeted to be acquired during the year:	
<b><u>By Program</u></b>	
<b>Governance</b>	
E042549 Council Office Bulding	5,000
E042550 3 x Admin Vehicles	126,000
E042543 Computer Server Upgrades	20,000
<b>Other Law, Order &amp; Public Safety</b>	
E051174 Dunn Rock Appliance	20,000
E053550 CESMO Vehicle	36,833
<b>Health</b>	
E071600 Completion Childcare Playground	19,460
E077250 NGT Medical Centre	50,000
E077500 2 x Generators - Medical Centres	10,000
E077251 Defibrilators	6,000
E077650 Varley Medical Rooms	25,170
<b>Housing</b>	
E091911 Construct Staff Housing - Frank Street, Lake Grace	146,104
E092100 Bennett St/Newdegate Units (CLG R)	1,204,804
<b>Community Amenities</b>	
E101270 Cardboard Baler	13,440
E103163 Upgrade LG Sewerage	145,000
E107256 LG Cemetery Fencing	5,000
<b>Recreation and Culture</b>	
E111450 Lake Grace Hall Improvements	20,000
E111455 Varley Hall Gazebo	2,500
E111457 LK Hall Capital Works	40,000
E112517 LG Swimming Pool Compliance Works	22,250
E113152 LG Sporting Precinct - Pavillion	330,000
E113188 LG Oval Mower/Slasher	29,000
E113192 LK Community Shed	30,395
E113200 NGT Oval Shed	10,000
E113202 Purchase Playground Equipment - Newdegate	33,464
E113203 Purchase Playground Equipment - Lake King	20,000
E113275 Newdegate Rec Centre Capital Works	35,000
E116100 LG Mens Shed	210,000
E116101 RSL Building	5,000
E116103 LK Museum	17,770

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

<b>3. ACQUISITION OF ASSETS (Continued)</b>	<b>Budget</b>
<b><u>By Program (Continued)</u></b>	
<b>Transport</b>	
<u>E121200 Roadworks - Capital Renewal</u>	
08018 Lake King Norseman Road	42,500
08022 Lockart Road	45,000
09002 Magenta Road	80,000
09014 Taylor Road - Gravel Sheeting	45,000
09020 Ace Road - Gravel Sheeting	30,000
10003 LG Kalgarin Road - Gravel Sheeting	375,000
10012 Bairstow Road - Gravel Sheeting	40,000
10015 South Burngup Road - Gravel Sheeting	45,000
10028 Minor Construction Works (Various Roads)	71,080
10029 Town Streets - Various Reseals	90,000
10047 School Bus Routes	50,000
10052 Dyke Road	35,000
10053 Mission Road	35,000
10054 Oake Road	45,000
E121283 Trails - Jam Patch DEC	15,000
<u>E121300 Roadworks - Capital Upgrade</u>	
08024 Lake King Traffic Improvements	165,000
08026 Lake King Footpath Construction	10,000
08028 Newdegate Storm Water Drainage	20,000
09016 Mount Vernon Road - Gravel Resheet	40,000
10007 Aylemore Road - Gravel Resheeting	100,000
10008 Biddy-Buniche Road - Reseal & Patching	100,000
10010 Biddy-Camm Road - Various Upgrade to B Class	80,000
10044 West Kuenda Road	50,000
E123011 Roller, Builders Ute, Heavy Duty Slasher	200,000
<b>Economic Services</b>	
E132501 Hainsworth Major Maint	16,170
E132502 AIM Museum	43,297
E132503 John Holland Statue, NGT/LK Entrance Statements	103,000
E136120 Lake Grace Water Harvest Project	300,000
E136124 Lake Grace Stormwater Detention Dam	87,200
E137260 LG Residential Land	60,000
E137262 Water Connection to Main - Res Land	330,000
E137350 LG Industrial Land	3,000
<b>Other Property and Services</b>	
122707 LG Depot Upgrades	25,425
	<hr/> <b>5,414,862</b> <hr/>

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

**3. ACQUISITION OF ASSETS (Continued)**

**By Class**

Land Held for Resale	0
Land and Buildings	2,238,885
Infrastructure Assets - Roads	1,608,580
Infrastructure Assets - Other	1,106,124
Plant and Equipment	435,273
Furniture and Equipment	26,000
	<u>5,414,862</u>

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

**SHIRE OF LAKE GRACE  
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.

<b>By Program</b>	Net Book Value	Sale Proceeds	Profit(Loss)
	2012/13 BUDGET \$	2012/13 BUDGET \$	2012/13 BUDGET \$
<b>Governance</b>			
Caprice LG 0	34,920	42,000	7,080
Ford G6 LG 139	22,000	24,000	2,000
Ford Territory LG 074	33,830	36,000	2,170
<b>Other Law, Order &amp; Public Safety</b>			
Kluger LG 2898	13,790	14,850	1,060
<b>Recreation</b>			
John Deere Mower 2653B	23,530	10,000	(13,530)
<b>Transport</b>			
Multipac Roller LG 2639	3,000	30,000	27,000
	131,070	156,850	25,780

<b>By Class</b>	Net Book Value	Sale Proceeds	Profit(Loss)
	2012/13 BUDGET \$	2012/13 BUDGET \$	2012/13 BUDGET \$
<b>Plant &amp; Equipment</b>			
Caprice LG 0	34,920	42,000	7,080
Ford G6 LG 139	22,000	24,000	2,000
Ford Territory LG 074	33,830	36,000	2,170
Kluger LG 2898	13,790	14,850	1,060
John Deere Mower 2653B	23,530	10,000	(13,530)
Multipac Roller LG 2639	3,000	30,000	27,000
	131,070	156,850	25,780

<b>Summary</b>	2012/13 BUDGET \$
Profit on Asset Disposals	39,310
Loss on Asset Disposals	(13,530)
	<u>25,780</u>

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

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Interest Rate %	Maturity Date	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 \$
<b>Governance</b>										
L175 - CEO's Residence	6.25	30/1/2019	75,492		8,899	8,368	66,593	75,492	4,348	4,844
L181- Office Redevelopment	5.78	1/3/2031	357,046		10,723	10,129	346,323	357,046	20,339	20,855
<b>Law, Order &amp; Public Safety</b>										
L195 - CESMO Vehicle	3.30	31/8/2015	0	20,924	5,039	0	15,885	0	498	0
<b>Health</b>										
L190 - Ngt Medical Centre	5.62	30/6/2020	195,084		18,475	8,861	176,609	195,084	10,207	11,303
<b>Housing</b>										
L176 - Lake Grace J/Venture	6.08	30/1/2014	7,515		3,646	3,434	3,869	7,515	310	521
L177 - Lake King J/Venture	6.08	30/1/2014	7,515		3,646	3,434	3,869	7,515	310	521
L178 - Newdegate J/Venture	6.11	15/4/2015	21,918		6,871	6,470	15,047	21,918	1,149	1,554
L184 - Country Housing Auth	7.51	13/6/2018	68,538		9,425	8,755	59,113	68,538	4,941	8,362
L185 - Country Housing Auth	7.51	13/6/2018	68,538		9,425	8,755	59,113	68,538	4,941	2,881
L191 - Staff Housing	6.12	30/6/2020	88,996		8,262	3,948	80,734	88,996	5,079	5,584
<b>Community Amenities</b>										
L180 - Newdegate Toilet	5.72	1/3/2016	16,398		3,759	3,553	12,639	16,398	818	1,018
L186 - Lake King Toilet	7.69	13/6/2013	8,094		8,094	7,506	0	8,094	441	1,036
<b>Recreation &amp; Culture</b>										
L166 - Lake King Hall	5.92	20/11/2013	20,115		13,214	12,465	6,901	20,115	913	1,642
L173 - Lake Grace Pool	5.74	15/3/2023	136,786		9,222	8,715	127,564	136,786	7,568	7,905
L179 - LG Dam Upgrade	6.11	15/4/2015	16,439		5,153	4,852	11,286	16,439	862	1,180
L182 - LG Sport Precinct	6.33	1/3/2027	237,813		9,887	9,290	227,926	237,813	14,737	15,107
L187 - Varley Bowling Green	7.69	13/6/2013	5,781		5,781	5,361	0	5,781	315	740
L188* - LG Sportmans Club	7.69	30/6/2020	74,724		6,937	3,315	67,787	74,724	4,469	2,364
L192 - LG Bowling Club	6.12	30/6/2020	74,724		6,937	3,315	67,787	74,724	4,264	4,689
L193 - NGT Bowling Club	4.77	27/1/2022	47,000		3,767	0	43,233	47,000	2,107	986
<b>Transport</b>										
L196 - Plant & Roadworks	3.77	1/3/2023	0	245,000	0	0	245,000	0	2,311	0
<b>Economic Services</b>										
L189 - LG Residential Land	6.04	30/6/2030	189,943		5,803	2,775	184,140	189,943	11,238	11,650
L194 - Water Connection	3.77	31/8/2014	0	330,000	0	0	0	0	10,126	0
			1,718,459	595,924	162,965	123,301	1,821,418	1,718,459	112,291	104,742

All debenture repayments are to be financed by general purpose revenue, with the exception of loans 173, 179, 182, 187, 192 and 193, which are funded by specified area rates.

\* Self supporting loan finance by payments from Lake Grace Sportsmans Club.

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

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

(b) New Debentures - 2012/13

Particulars/Purpose	Amount Borrowed	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used	Balance Unspent \$
	Budget						Budget	
L194 - LG Residential Land	330,000	WATC	Debenture	2	345,525	3.77	330,000	0
L195 - CESMO Vehicle	20,924	WATC	Debenture	3	22,098	3.30	20,924	0
L196 - Plant & Roadworks	245,000	WATC	Debenture	5	133,128	3.77	245,000	0

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2012. It is not expected to have unspent debenture funds as at 30th June 2013.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$500,000 with the Westpac Bank does exist. It is anticipated that this facility will be required to be utilised during 2012/13.

## SHIRE OF LAKE GRACE

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
<b>6. RESERVES - CASH BACKED</b>			
<b>(a) Emergency Services Reserve</b>			
Opening Balance	33,794	32,221	32,161
Amount Set Aside / Transfer to Reserve	0	1,573	1,634
Amount Used / Transfer from Reserve	(20,000)	0	0
	<u>13,794</u>	<u>33,794</u>	<u>33,795</u>
<b>(b) Housing Reserve</b>			
Opening Balance	20,080	33,447	33,384
Amount Set Aside / Transfer to Reserve	0	1,633	1,697
Amount Used / Transfer from Reserve	0	(15,000)	(15,000)
	<u>20,080</u>	<u>20,080</u>	<u>20,081</u>
<b>(c) Swimming Pool (Lake Grace) Reserve</b>			
Opening Balance	401	382	382
Amount Set Aside / Transfer to Reserve	0	19	19
Amount Used / Transfer from Reserve	0	0	0
	<u>401</u>	<u>401</u>	<u>401</u>
<b>(d) Land Development Reserve</b>			
Opening Balance	118,361	112,853	112,264
Amount Set Aside / Transfer to Reserve	0	5,508	5,706
Amount Used / Transfer from Reserve	(60,000)	0	0
	<u>58,361</u>	<u>118,361</u>	<u>117,970</u>
<b>(e) Leave Reserve</b>			
Opening Balance	42,249	57,295	57,233
Amount Set Aside / Transfer to Reserve	0	2,796	2,909
Amount Used / Transfer from Reserve	0	(17,842)	0
	<u>42,249</u>	<u>42,249</u>	<u>60,142</u>
<b>(f) Plant Replacement Reserve</b>			
Opening Balance	134,589	299,055	298,594
Amount Set Aside / Transfer to Reserve	0	7,793	8,300
Amount Used / Transfer from Reserve	(130,000)	(172,259)	(172,259)
	<u>4,589</u>	<u>134,589</u>	<u>134,635</u>
<b>(g) Recreation Reserve</b>			
Opening Balance	696	645	644
Amount Set Aside / Transfer to Reserve	0	51	33
Amount Used / Transfer from Reserve	0	0	0
	<u>696</u>	<u>696</u>	<u>677</u>
<b>(h) Works and Services Reserve</b>			
Opening Balance	3,458	3,297	5,165
Amount Set Aside / Transfer to Reserve	0	161	150,263
Amount Used / Transfer from Reserve	0	0	0
	<u>3,458</u>	<u>3,458</u>	<u>155,428</u>
<b>(i) Newdegate Hall Reserve</b>			
Opening Balance	280,793	267,745	266,106
Amount Set Aside / Transfer to Reserve	0	13,048	13,583
Amount Used / Transfer from Reserve	(25,000)	0	(30,000)
	<u>255,793</u>	<u>280,793</u>	<u>249,689</u>
<b>(j) Lake Grace TV Reserve</b>			
Opening Balance	39,223	30,510	21,199
Amount Set Aside / Transfer to Reserve	0	17,984	9,727
Amount Used / Transfer from Reserve	(5,947)	(9,271)	0
	<u>33,276</u>	<u>39,223</u>	<u>30,926</u>

## SHIRE OF LAKE GRACE

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

## 6. RESERVES - CASH BACKED (Continued)

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
<b>(k) Newdegate TV Reserve</b>			
Opening Balance	8,258	5,372	1,958
Amount Set Aside / Transfer to Reserve	0	6,297	3,599
Amount Used / Transfer from Reserve	(4,157)	(3,411)	0
	<u>4,101</u>	<u>8,258</u>	<u>5,557</u>
<b>(l) Lake King TV Reserve</b>			
Opening Balance	2,890	1,948	533
Amount Set Aside / Transfer to Reserve	0	2,357	1,582
Amount Used / Transfer from Reserve	(2,890)	(1,415)	0
	<u>0</u>	<u>2,890</u>	<u>2,115</u>
<b>(m) Varley Sullage Reserve</b>			
Opening Balance	1,524	1,453	1,450
Amount Set Aside / Transfer to Reserve	0	71	74
Amount Used / Transfer from Reserve	0	0	0
	<u>1,524</u>	<u>1,524</u>	<u>1,524</u>
<b>(n) Lake Grace Sewerage Scheme Reserve</b>			
Opening Balance	564,237	527,602	526,664
Amount Set Aside / Transfer to Reserve	0	36,635	
Amount Used / Transfer from Reserve	(131,950)	0	(526,664)
	<u>432,287</u>	<u>564,237</u>	<u>0</u>
<b>(o) Lake Grace Recreation &amp; Culture Specified Area Rate Reserve</b>			
Opening Balance	165	157	157
Amount Set Aside / Transfer to Reserve	0	8	8
Amount Used / Transfer from Reserve	0	0	0
	<u>165</u>	<u>165</u>	<u>165</u>
<b>(p) Newdegate Recreation &amp; Culture Specified Area Rate Reserve</b>			
Opening Balance	1,416	47,064	0
Amount Set Aside / Transfer to Reserve	0	1,416	0
Amount Used / Transfer from Reserve	(1,416)	(47,064)	0
	<u>0</u>	<u>1,416</u>	<u>0</u>
<b>(q) Varley Recreation &amp; Culture Specified Area Rate Reserve</b>			
Opening Balance	23,480	1,539	0
Amount Set Aside / Transfer to Reserve	0	23,480	0
Amount Used / Transfer from Reserve	(23,480)	(1,539)	0
	<u>0</u>	<u>23,480</u>	<u>0</u>
<b>(r) Water Connection Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	483,531
Amount Used / Transfer from Reserve	0	0	(300,000)
	<u>0</u>	<u>0</u>	<u>183,531</u>
<b>(s) Computer System Upgrade Reserve</b>			
Opening Balance	6,474	18,066	18,032
Amount Set Aside / Transfer to Reserve	0	408	916
Amount Used / Transfer from Reserve	(6,474)	(12,000)	(12,000)
	<u>0</u>	<u>6,474</u>	<u>6,948</u>
<b>(t) Office Redevelopment Reserve</b>			
Opening Balance	440	420	419
Amount Set Aside / Transfer to Reserve	0	20	21
Amount Used / Transfer from Reserve	(440)	0	0
	<u>0</u>	<u>440</u>	<u>440</u>



## SHIRE OF LAKE GRACE

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

## 6. RESERVES - CASH BACKED (Continued)

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
<b>(u) Photocopier Upgrade Reserve</b>			
Opening Balance	5,265	5,020	5,011
Amount Set Aside / Transfer to Reserve	0	245	255
Amount Used / Transfer from Reserve	(5,265)	0	0
	<u>0</u>	<u>5,265</u>	<u>5,266</u>
<b>(v) Newdegate Sports Dam Reserve</b>			
Opening Balance	5,000	0	0
Amount Set Aside / Transfer to Reserve	5,000	5,000	5,000
Amount Used / Transfer from Reserve	0	0	0
	<u>10,000</u>	<u>5,000</u>	<u>5,000</u>
<b>(w) Newdegate Stadium Floor Reserve</b>			
Opening Balance	20,000	16,156	16,875
Amount Set Aside / Transfer to Reserve	0	3,844	3,125
Amount Used / Transfer from Reserve	0	0	0
	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
<b>(x) Community Water Supply Reserve</b>			
Opening Balance	10,962	15,407	15,396
Amount Set Aside / Transfer to Reserve	0	555	653
Interest Transferred to Reserve	0	(5,000)	(5,000)
Opening Balance	<u>10,962</u>	<u>10,962</u>	<u>11,049</u>
<b>(y) Lake King Recreation &amp; Culture Specified Area Rate Reserve</b>			
Opening Balance	15,685	0	1,137
Amount Set Aside / Transfer to Reserve	0	15,685	0
Interest Transferred to Reserve	(15,685)	0	0
Opening Balance	<u>0</u>	<u>15,685</u>	<u>1,137</u>
<b>(z) Newdegate Ground Keeping SAR Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	5,000	0	0
Interest Transferred to Reserve	0	0	0
Opening Balance	<u>5,000</u>	<u>0</u>	<u>0</u>
<b>(aa) Office Furniture &amp; Equipment Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	12,179	0	0
Interest Transferred to Reserve	0	0	0
Opening Balance	<u>12,179</u>	<u>0</u>	<u>0</u>
<b>Total Reserves</b>	<u>928,914</u>	<u>1,339,439</u>	<u>1,046,476</u>

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

Council have a policy of annual revaluation of road infrastructure. The amount of any revaluation adjustment at 30 June 2013 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 LAKE GRACE**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>Summary of Transfers</b>			
<b>To Cash Backed Reserves</b>			
<b>Transfers to Reserves</b>			
Emergency Services Reserve	0	1,573	1,634
Housing Reserve	0	1,633	1,697
Swimming Pool (Lake Grace) Reserve	0	19	19
Land Development Reserve	0	5,508	5,706
Leave Reserve	0	2,796	2,909
Plant Replacement Reserve	0	7,793	8,300
Recreation Reserve	0	51	33
Works and Services Reserve	0	161	150,263
Newdegate Hall Reserve	0	13,048	13,583
Lake Grace TV Reserve	0	17,984	9,727
Newdegate TV Reserve	0	6,297	3,599
Lake King TV Reserve	0	2,357	1,582
Varley Sullage Reserve	0	71	74
Lake Grace Sewerage Scheme Reserve	0	36,635	0
Lake Grace Recreation & Culture Specified Area	0	8	8
Newdegate Recreation & Culture Specified Area	0	1,416	0
Varley Recreation & Culture Specified Area Rate	0	23,480	0
Water Connection Reserve	0	0	483,531
Computer System Upgrade Reserve	0	408	916
Office Redevelopment Reserve	0	20	21
Photocopier Upgrade Reserve	0	245	255
Newdegate Sports Dam Reserve	5,000	5,000	5,000
Newdegate Stadium Floor Reserve	0	3,844	3,125
Community Water Supply Reserve	0	555	653
Lake King Recreation & Culture Specified Area I	0	15,685	0
Newdegate Ground Keeping SAR Reserve	5,000	0	0
Office Furniture & Equipment Reserve	12,179	0	0
	<u>22,179</u>	<u>146,587</u>	<u>692,635</u>
<b>Transfers from Reserves</b>			
Emergency Services Reserve	(20,000)	0	0
Housing Reserve	0	(15,000)	(15,000)
Swimming Pool (Lake Grace) Reserve	0	0	0
Land Development Reserve	(60,000)	0	0
Leave Reserve	0	(17,842)	0
Plant Replacement Reserve	(130,000)	(172,259)	(172,259)
Recreation Reserve	0	0	0
Works and Services Reserve	0	0	0
Newdegate Hall Reserve	(25,000)	0	(30,000)
Lake Grace TV Reserve	(5,947)	(9,271)	0
Newdegate TV Reserve	(4,157)	(3,411)	0
Lake King TV Reserve	(2,890)	(1,415)	0
Varley Sullage Reserve	0	0	0
Lake Grace Sewerage Scheme Reserve	(131,950)	0	(526,664)
Lake Grace Recreation & Culture Specified Area	0	0	0
Newdegate Recreation & Culture Specified Area	(1,416)	(47,064)	0
Varley Recreation & Culture Specified Area Rate	(23,480)	(1,539)	0
Water Connection Reserve	0	0	(300,000)
Computer System Upgrade Reserve	(6,474)	(12,000)	(12,000)
Office Redevelopment Reserve	(440)	0	0
Photocopier Upgrade Reserve	(5,265)	0	0
Newdegate Sports Dam Reserve	0	0	0
Newdegate Stadium Floor Reserve	0	0	0
Community Water Supply Reserve	0	(5,000)	(5,000)
Lake King Recreation & Culture Specified Area I	(15,685)	0	0
Newdegate Ground Keeping SAR Reserve	0	0	0
Office Furniture & Equipment Reserve	0	0	0
	<u>(432,704)</u>	<u>(284,801)</u>	<u>(1,060,923)</u>
<b>Total Transfer to/(from) Reserves</b>	<u>(410,525)</u>	<u>(138,215)</u>	<u>(368,288)</u>

SHIRE OF LAKE GRACE

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

6. RESERVES (Continued)

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

Emergency Services Reserve

- to be used to fund volunteer bush fire brigade and other emergency services.

Housing Reserve

- to be used for additions and/or renovations of existing Council staff houses and the acquisition of new houses

Swimming Pool (Lake Grace) Reserve

- to be used for the repair and improvement of the swimming pool and associated plant.

Land Development Reserve

- to be used for the development of new residential, commercial and industrial land.

Leave Reserve

- to be used to fund accrued leave entitlements of employees.

Plant Replacement Reserve

- to be used to for the replacement of major items of roadmaking plant.

Recreation Reserve

- to be used for the development of sport and recreation facilities.

Works and Services Reserve

- to be used for the expenditure associated with road and street works, including drainage.

Newdegate Hall Reserve

- to be used for the repair, renovation, addition to and improvements of the Newdegate Town Hall.

Lake King Recreation and Culture Specified Area Rate Reserve

- to be used to meet expenditure associated with sport and recreation costs in the Lake King Specified Area.

Lake Grace TV Reserve

- to be used for the maintenance and upgrade of television and radio services in the Lake Grace townsite.

Newdegate TV Reserve

- to be used for the maintenance and upgrade of television and radio services in the Newdegate townsite.

Lake King TV Reserve

- to be used for the maintenance and upgrade of television and radio services in the Lake King townsite.

Varley Sullage Reserve

- to be used for the expenditure associated with the servicing of loan and operations of the Varley Sullage Scheme.

Lake Grace Sewerage Scheme Reserve

- to be used for the renovation, addition and improvements of the Lake Grace Sewerage System.

Lake Grace Recreation & Culture Specified Area Rate Reserve

- to be used to meet expenditure associated with sport and recreation costs in the Lake Grace Specified Area.

SHIRE OF LAKE GRACE

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

**6. RESERVES (Continued)**

Newdegate Recreation & Culture Specified Area Rate Reserve

- to be used to meet expenditure associated with sport and recreation costs in the Newdegate Specified Area.

Varley Recreation & Culture Specified Area Rate Reserve

- to be used to meet expenditure associated with sport and recreation costs in the Varley Specified Area.

Water Connection Reserve

- Funding for water connection bond payment transferred from the sewerage reserve, to revert back to the sewerage reserve in 2012/13 upon refunding of the bond.

Computer System Upgrade Reserve

- to be used to upgrade Council's IT Hardware and Software Systems.

Office Redevelopment Reserve

- to be used to upgrade Council Chambers and Administration Centre in Lake Grace.

Photocopier Replacement Reserve

- to be used to fund the replacement of Council's photocopier.

Newdegate Sports Dam Reserve

- a contribution of \$5,000 per year (to be capped at \$20,000) for upgrade works to the Newdegate Sports Dam.

Newdegate Stadium Floor Reserve

- a contribution of \$5,000 per year (to be capped at \$20,000) for upgrade works to the Newdegate Stadium Floor.

Community Water Supply Reserve

- to be used to meet the future commitments with the construction and maintenance of community water supplies.

Lake King Recreation and Culture Specified Area Rate Reserve

- to be used to meet expenditure associated with sport and recreation costs in the Lake King Specified Area.

Newdegate Ground Keeping SAR Reserve

- to be used to meet all expenditure relating to preparation of grounds and purchase and replacement of related plant and equipment.

Office Furniture & Equipment Reserve

- to replace furniture, office, electrical and computer equipment at the Lake Grace Administration Centre.

## SHIRE OF LAKE GRACE

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2012

	Note	2012/13 Budget \$	2011/12 Actual \$
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	15(a)	149,622	134,632
Cash - Restricted Unspent Grants		150,000	149,755
Cash - Restricted Unspent Loans		0	0
Cash - Restricted LOGCHOP Housing		43,365	43,365
Cash - Restricted Lake Village Housing		0	0
Cash - Restricted Joint Venture Housing		0	0
Cash - Restricted Rural Towns Program		0	0
Cash - Restricted Lakes LCDC		4,973	4,973
Cash - Restricted Reserves	15(a)	928,914	1,339,439
Rates - Current		142,677	294,682
Sundry Debtors		186,536	219,736
Accrued Income/Payments in Advance		0	0
GST Receivable		22,025	0
ESL Control		3,070	3,595
Provision For Doubtful Debts		(2,295)	(2,295)
Inventories		35,997	48,047
		<u>1,664,884</u>	<u>2,235,929</u>
<b>LESS: CURRENT LIABILITIES</b>			
Sundry Creditors		(574,796)	(592,486)
Accrued Expenditure		0	0
Income Received in Advance		0	0
PAYG Payable		(6,000)	0
Payroll Creditors		0	0
GST Payable		(22,480)	0
FBT Payable		3,423	3,423
ESL Levied		600	550
Accrued Interest on Debentures		(34,932)	(34,932)
Accrued Salaries and Wages		(53,447)	(53,447)
Current Employee Benefits Provision		(246,358)	(246,358)
Current Loan Liability		0	0
		<u>(933,990)</u>	<u>(923,250)</u>
NET CURRENT ASSET POSITION		730,894	1,312,679
Less: Cash - Restricted Reserves	15(a)	(928,914)	(1,339,439)
Less: Cash - Restricted Municipal		(48,338)	(48,338)
Add Back : Current Employee Provisions		246,358	246,358
Add Back : Current Loan Liability		0	0
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		<u>(0)</u>	<u>171,260</u>

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

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

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

**8. RATING INFORMATION - 2012/13 FINANCIAL YEAR**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>2012/13 Budgeted Rate Revenue \$</b>	<b>2012/13 Budgeted Interim Rates \$</b>	<b>2012/13 Budgeted Back Rates \$</b>	<b>2012/13 Budgeted Total Revenue \$</b>	<b>2011/12 Actual \$</b>
<b>General Rate</b>								
Gross Rental Value	7.9337	373	3,829,468	303,818	300	0	304,118	284,962
Unimproved Value	0.7543	594	266,285,648	2,008,593	4,700	0	2,013,293	1,881,200
							0	
<b>Sub-Totals</b>		967	270,115,116	2,312,411	5,000	0	2,317,411	2,166,162
<b>Minimum Rates</b>	<b>Minimum \$</b>							
Gross Rental Value	360	48	85,023	17,280	0	0	17,280	15,510
Unimproved Value	360	77	740,072	27,720	0	0	27,720	21,120
							0	
<b>Sub-Totals</b>		125	825,095	45,000	0	0	45,000	36,630
Ex-Gratia Rates							2,362,411	2,202,792
Specified Area Rates (Note 9)							46,027	43,016
							1,154,638	1,059,425
Movement in Excess Rates							3,563,076	3,305,233
Discounts							7,906	(7,905)
							0	0
<b>Totals</b>							<b>3,570,982</b>	<b>3,297,328</b>

All land except exempt land in the Shire of Lake Grace 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 LAKE GRACE  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2013**

**9. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR**

	<b>Rate in \$ or \$ Charge</b>	<b>Basis of Rate</b>	<b>Rateable Value</b>	<b>2012/13 Budgeted Revenue \$</b>	<b>Budget Applied to Costs \$</b>	<b>2011/12 Actual \$</b>
<b>Lake Grace Sewerage</b>						
Residential Minimum	4.0046	GRV	1,956,050	78,344	78,344	26,177
Commercial Minimum	4.0046	GRV	618,713	24,777	24,777	76,763
Vacant Land Minimum	4.0046	GRV	100,511	4,025	4,025	4,703
1st Major Fixture	195.70	GRV		5,871	5,871	5,565
Additional Fixtures	86.10	GRV		3,875	3,875	3,672
<b>Sport &amp; Recreation</b>						
Varley	2.8067	GRV	116,719	3,276	3,276	5,836
Varley	0.1410	UV	30,873,500	43,532	43,532	77,556
Lake King	3.3550	GRV	240,731	8,077	8,077	6,715
Lake King	0.2496	UV	50,690,400	126,523	126,523	105,197
Newdegate	6.3070	GRV	690,819	43,570	43,570	35,090
Newdegate	0.2494	UV	99,027,500	246,975	246,975	198,916
Lake Grace	6.0743	GRV	2,886,886	175,358	175,358	159,063
Lake Grace	0.4544	UV	85,923,300	390,435	390,435	354,172
				<b>1,154,638</b>	<b>1,154,638</b>	<b>1,059,425</b>

The Specified Area Rates for Sewerage are levied to cover sewerage charges in Lake Grace. The Shire of Lake Grace is responsible for the operation and maintenance of the sewerage scheme. The proceeds of the rate are applied to the maintenance of the scheme, with the balance transferred into the Lake Grace Sewerage Scheme Reserve.

The Specified Area Rates for Sport & Recreation are levied so that each locality is responsible for the net expenses associated with Sport & Recreation within that locality.

The proceeds of the rate are applied in full to the Sport & Recreation expenses in the locality for which they are raised, therefore no transfer to or from reserve accounts will occur.

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

**10. SERVICE CHARGES - 2012/13 FINANCIAL YEAR**

	Amount of Charge \$	2012/13 Budgeted Revenue \$	Budget Applied to Costs \$	2011/12 Actual \$
<b>TV Charges</b>				
Lake Grace	0.00	0	0	13,054
Newdegate	0.00	0	0	5,813
Lake King	87.52	2,188	2,188	5,375
		2,188	2,188	24,242

The service charges are for the provision of television and radio rebroadcasting services. The charges are applicable to all owners and occupiers within the applicable townsites.

The proceeds of the service charges are applied to the costs of maintenance and operation of these facilities, with the balance transferred to reserve for future upgrade expenditure.

No reserve transfers are anticipated as all service charge income is expected to be expended.

An interest rate of 11% will be charged on all service charge payments which are late.

<b>11. FEES &amp; CHARGES REVENUE</b>	<b>2012/13 Budget \$</b>	<b>2011/12 Actual \$</b>
Governance	10,700	3,378
General Purpose Funding	14,800	8,278
Law, Order, Public Safety	3,850	2,500
Health	5,920	(1,437)
Education and Welfare	0	0
Housing	151,480	180,712
Community Amenities	132,995	123,127
Recreation & Culture	57,516	58,341
Transport	0	(312)
Economic Services	7,620	3,362
Other Property & Services	36,540	34,592
	<u>421,421</u>	<u>412,541</u>

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

No discounts, incentives or write-offs are budgeted in 2012/13 in respect to rates.



**SHIRE OF LAKE GRACE  
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 late. It is estimated this will generate income of \$33,000.

Three separate option plans will be available to ratepayers for payment of their rates.

**Option 1 (Full Payment)**

Full payment of rates and charges including arrears to be paid on or before 5 October 2012 or 35 days after the date of service appearing on the rate notice, whichever is the later.

**Option 2 (2 Instalments)**

First instalment to be received on or before 5 October 2012 or 35 days after the date of service appearing in the rate notice, whichever is the later, including all arrears and half of the current rates and charges. The second and final payment is due 5 February 2013. The cost of instalment will comprise of simple interest of 5.5% p.a. calculated from the date the instalment is due, together with an administration fee of \$11.00 for the instalment notice.

**Option 3 (4 Instalments)**

First instalment to be received on or before 5 October 2012 or 35 days after the date of service appearing on the rate notice, whichever is the later, including all arrears and one quarter of the current rates and service charges. The second instalment is due on 5 December 2012, third instalment due 5 February 2013 and the final instalment is due on 5 April 2013. The cost of the instalment will comprise of simple interest of 5.5% p.a. calculated from the date the instalment is due, together with an administration fee of \$11.00 for each instalment notice.

The total revenue from the imposition of the interest and administration charges under these options is estimated at \$21,000 and is dissected as follows:

	<b>2012/13 Budget</b>
	<b>\$</b>
Administration Charges	7,800
Interest Charges	13,200
	<u>21,000</u>

**14. ELECTED MEMBERS REMUNERATION**

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

	<b>2012/13 Budget</b>	<b>2011/12 Actual</b>
	<b>\$</b>	<b>\$</b>
Meeting Fees	21,000	20,440
President's Allowance	13,000	9,750
Deputy President's Allowance	2,800	2,100
Travelling Expenses	16,500	20,022
Telecommunications Allowance	0	0
	<u>53,300</u>	<u>52,312</u>

**SHIRE OF LAKE GRACE  
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:

	<b>2012/13 Budget \$</b>	<b>2011/12 Actual \$</b>	<b>2011/12 Budget \$</b>
Cash - Unrestricted	149,622	134,632	221,974
Cash - Restricted	1,127,252	1,537,532	1,310,351
	<u>1,276,874</u>	<u>1,672,164</u>	<u>1,532,325</u>

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

**Reserve Accounts**

Emergency Services Reserve	13,794	33,794	33,795
Housing Reserve	20,080	20,080	20,081
Swimming Pool (Lake Grace) Reserve	401	401	401
Land Development Reserve	58,361	118,361	117,970
Leave Reserve	42,249	42,249	60,142
Plant Replacement Reserve	4,589	134,589	134,635
Recreation Reserve	696	696	677
Works and Services Reserve	3,458	3,458	155,428
Newdegate Hall Reserve	255,793	280,793	249,689
Lake Grace TV Reserve	33,276	39,223	30,926
Newdegate TV Reserve	4,101	8,258	5,557
Lake King TV Reserve	0	2,890	2,115
Varley Sullage Reserve	1,524	1,524	1,524
Lake Grace Sewerage Scheme Reserve	432,287	564,237	0
Lake Grace Recreation & Culture Specified Area Rate R	165	165	165
Newdegate Recreation & Culture Specified Area Rate R	0	1,416	0
Varley Recreation & Culture Specified Area Rate Reserv	0	23,480	0
Water Connection Reserve	0	0	183,531
Computer System Upgrade Reserve	0	6,474	6,948
Office Redevelopment Reserve	0	440	440
Photocopier Upgrade Reserve	0	5,265	5,266
Newdegate Sports Dam Reserve	10,000	5,000	5,000
Newdegate Stadium Floor Reserve	20,000	20,000	20,000
Community Water Supply Reserve	10,962	10,962	11,049
Lake King Recreation & Culture Specified Area Rate Re:	0	15,685	1,137
Newdegate Ground Keeping SAR Reserve	5,000	0	0
Office Furniture & Equipment Reserve	12,179	0	0

**Restricted Cash**

LOGCHOP Housing	43,365	43,365	61,250
Joint Venture Housing	0	0	13,025
Lakes Village Housing	0	0	26,025
Lakes LCDC	4,973	4,973	5,025
Unspent Grant - Rural Towns Program	0	0	8,550
Unspent Grants (General)	150,000	149,755	150,000
Unspent Loans	0	0	0
	<u>1,127,252</u>	<u>1,537,532</u>	<u>1,310,351</u>

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

**15. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)**

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

Net Result	1,879,340	1,274,137	2,685,348
Depreciation	2,382,771	2,306,699	2,301,240
(Profit)/Loss on Sale of Asset	(25,780)	(45,838)	(26,420)
(Increase)/Decrease in Receivables	163,705	(137,777)	163,705
(Increase)/Decrease in Inventories	12,050	(40,585)	12,050
Increase/(Decrease) in Payables	4,740	178,521	175,865
Increase/(Decrease) in Employee Provisions	6,000	45,197	6,000
Grants/Contributions for the Development of Assets	<u>(2,517,581)</u>	<u>(1,623,542)</u>	<u>(3,387,842)</u>
<b>Net Cash from Operating Activities</b>	<u><u>1,905,245</u></u>	<u><u>1,956,812</u></u>	<u><u>1,929,946</u></u>

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

Bank Overdraft limit	500,000	500,000	100,000
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	10,000	10,000	10,000
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Amount of Credit Unused</b>	<u><u>510,000</u></u>	<u><u>510,000</u></u>	<u><u>110,000</u></u>

**Loan Facilities**

Loan Facilities in use at Balance Date	<u><u>1,821,418</u></u>	<u><u>1,718,459</u></u>	<u><u>1,715,858</u></u>
Unused Loan Facilities at Balance Date	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

**SHIRE OF LAKE GRACE  
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 \$
Hall Bond Deposits	4,650	1,000	(1,000)	4,650
Housing Bond Deposits	11,176	2,000	(1,800)	11,376
BRB Leives	626	1,000	(1,000)	626
BCITF Levies	971	2,500	(2,500)	971
Miscellaneous Deposits	880	500	(1,000)	380
Police Licensing	0	705,900	(705,900)	0
Standpipe Bonds	650		(650)	0
	<u>18,953</u>			<u>18,003</u>

**17. MAJOR LAND TRANSACTIONS**

There are no major land transactions planned for 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.