

SHIRE OF KENT

BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

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

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
REVENUE				
Rates	8	1,809,389	1,742,637	1,739,798
Operating Grants, Subsidies and Contributions		758,420	1,275,168	762,000
Fees and Charges	11	641,300	304,514	353,900
Service Charges	10	11,000	10,880	10,472
Interest Earnings	2(a)	117,650	130,347	134,800
Other Revenue		77,200	420,224	304,165
		<u>3,414,959</u>	<u>3,883,770</u>	<u>3,305,135</u>
EXPENSES				
Employee Costs		(1,263,614)	(950,160)	(1,058,351)
Materials and Contracts		(916,760)	(935,751)	(716,054)
Utility Charges		(120,250)	(92,182)	(123,836)
Depreciation	2(a)	(1,039,983)	(1,283,439)	(991,050)
Interest Expenses	2(a)	(41,748)	(44,268)	(45,313)
Insurance Expenses		(118,065)	(100,163)	(101,676)
Other Expenditure		(553,385)	(699,898)	(311,466)
		<u>(4,053,805)</u>	<u>(4,105,861)</u>	<u>(3,347,746)</u>
		<u>(638,846)</u>	<u>(222,091)</u>	<u>(42,611)</u>
Non-Operating Grants, Subsidies and Contributions		1,316,301	1,325,044	1,616,553
Profit on Asset Disposals	4	192,700	49,308	12,673
Loss on Asset Disposals	4	(14,000)	(6,565)	(55,759)
		<u>856,155</u>	<u>1,145,696</u>	<u>1,530,856</u>
NET RESULT		856,155	1,145,696	1,530,856
Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>856,155</u>	<u>1,145,696</u>	<u>1,530,856</u>

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

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

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

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

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

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
REVENUE (Refer Notes 1,2,8 to 13)				
Governance		15,500	10,669	1,750
General Purpose Funding		2,500,779	3,138,055	2,588,398
Law, Order, Public Safety		62,000	59,779	178,972
Education and Welfare		1,200	241	1,200
Housing		80,000	0	0
Community Amenities		60,000	55,338	58,250
Recreation and Culture		52,430	21,639	155,835
Transport		468,500	0	12,673
Economic Services		37,650	32,190	85,000
Other Property and Services		136,901	565,860	235,730
		3,414,960	3,883,771	3,317,808
EXPENSES EXCLUDING				
FINANCE COSTS (Refer Notes 1,2 & 14)				
Governance		(432,580)	(245,512)	(281,841)
General Purpose Funding		(163,560)	(97,347)	(82,801)
Law, Order, Public Safety		(109,391)	(69,975)	(195,624)
Health		(23,112)	(16,558)	(21,080)
Education and Welfare		(16,748)	(15,676)	(18,012)
Housing		(163,633)	0	0
Community Amenities		(210,433)	(191,886)	(295,488)
Recreation & Culture		(629,486)	(730,839)	(495,222)
Transport		(1,927,053)	(1,791,486)	(1,355,217)
Economic Services		(222,156)	(203,789)	(232,199)
Other Property and Services		(113,906)	(698,525)	(337,622)
		(4,012,058)	(4,061,593)	(3,315,106)
FINANCE COSTS (Refer Notes 2 & 5)				
Community Amenities		(2,772)	(2,846)	(2,901)
Other Property and Services		(38,976)	(41,422)	(42,412)
		(41,748)	(44,268)	(45,313)
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS				
General Purpose Funding		658,995	710,986	694,706
Transport		657,306	614,058	778,047
Economic Services		0	0	143,800
		1,316,301	1,325,044	1,616,553
PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)				
Governance		(10,000)		
Housing		192,700		
Transport		(4,000)	44,867	(35,589)
Other Property and Services		0	(2,125)	(7,497)
		178,700	42,742	(43,086)
NET RESULT		856,155	1,145,696	1,530,856
Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		856,155	1,145,696	1,530,856

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 KENT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,907,907	1,742,637	1,750,298
Operating Grants, Subsidies and Contributions		758,420	1,275,168	762,000
Fees and Charges		641,300	224,292	534,401
Service Charges		11,000	10,880	10,472
Interest Earnings		117,650	130,347	134,800
Goods and Services Tax		0	0	12,000
Other		77,200	420,224	367,315
		<u>3,513,477</u>	<u>3,803,548</u>	<u>3,571,286</u>
Payments				
Employee Costs		(1,245,999)	(935,160)	(1,048,351)
Materials and Contracts		(758,852)	(767,985)	(1,054,355)
Utility Charges		(120,250)	(92,182)	(123,836)
Insurance Expenses		(118,065)	(100,163)	(101,676)
Interest Expenses		(41,748)	(44,268)	(46,313)
Goods and Services Tax		0	0	0
Other		(553,385)	(699,897)	(311,466)
		<u>(2,838,299)</u>	<u>(2,639,655)</u>	<u>(2,685,997)</u>
Net Cash Provided By Operating Activities	15(b)	<u>675,178</u>	<u>1,163,893</u>	<u>885,289</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	3	0	0	0
Payments for Purchase of Property, Plant & Equipment	3	(1,168,870)	(707,481)	(1,332,007)
Payments for Construction of Infrastructure	3	(2,383,004)	(1,478,176)	(1,889,770)
Advances to Community Groups		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,316,301	1,325,044	1,616,553
Proceeds from Sale of Plant & Equipment	4	290,000	234,772	240,000
Proceeds from Advances		0	0	0
Net Cash Used in Investing Activities		<u>(1,945,573)</u>	<u>(625,841)</u>	<u>(1,365,224)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(61,456)	(57,929)	(57,929)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures	5	450,000	0	0
Net Cash Provided By (Used In) Financing Activities		<u>388,544</u>	<u>(57,929)</u>	<u>(57,929)</u>
Net Increase (Decrease) in Cash Held		(881,851)	480,123	(537,864)
Cash at Beginning of Year		2,681,391	2,201,268	2,180,445
Cash and Cash Equivalents at the End of the Year	15(a)	<u><u>1,799,540</u></u>	<u><u>2,681,391</u></u>	<u><u>1,642,581</u></u>

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

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

	NOTE	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
REVENUES	1,2			
Governance		15,500	10,669	1,750
General Purpose Funding		1,350,385	2,106,404	1,543,306
Law, Order, Public Safety		62,000	59,779	178,972
Health		0	0	0
Education and Welfare		1,200	241	1,200
Housing		272,700	0	
Community Amenities		60,000	55,338	58,250
Recreation and Culture		52,430	21,639	155,835
Transport		1,125,806	663,366	790,720
Economic Services		37,650	32,190	228,800
Other Property and Services		136,901	565,860	235,730
		3,114,572	3,515,486	3,194,563
EXPENSES	1,2			
Governance		(442,580)	(245,512)	(281,841)
General Purpose Funding		(163,560)	(97,347)	(82,801)
Law, Order, Public Safety		(109,391)	(69,975)	(195,624)
Health		(23,112)	(16,558)	(21,080)
Housing		(163,633)	0	
Education and Welfare		(16,748)	(15,676)	(18,012)
Community Amenities		(213,205)	(194,732)	(298,389)
Recreation & Culture		(629,486)	(730,839)	(495,222)
Transport		(1,931,053)	(1,795,927)	(1,390,806)
Economic Services		(222,156)	(203,789)	(232,199)
Other Property and Services		(152,882)	(687,484)	(387,531)
		(4,067,806)	(4,057,839)	(3,403,505)
Net Operating Result Excluding Rates		(953,234)	(542,353)	(208,942)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	4	(178,700)	(42,742)	43,086
Depreciation on Assets	2(a)	1,039,983	1,283,439	991,050
Capital Expenditure and Revenue				
Purchase Land Held for Resale	3	0		0
Purchase Land and Buildings	3	(713,005)	(137,829)	(553,507)
Purchase Infrastructure Assets - Roads	3	(1,666,009)	(891,958)	(1,427,518)
Purchase Infrastructure Assets - Parks	3	(716,995)	(586,218)	(462,252)
Purchase Plant and Equipment	3	(454,000)	(555,981)	(767,500)
Purchase Furniture and Equipment	3	(1,865)	(10,671)	(11,000)
Proceeds from Disposal of Assets	4	290,000	234,772	240,000
Repayment of Debentures	5	(61,456)	(57,929)	(57,929)
Proceeds from New Debentures	5	450,000	0	0
Self-Supporting Loan Principal Income		0	0	0
Transfers to Reserves (Restricted Assets)	6	(427,000)	(252,000)	(187,000)
Transfers from Reserves (Restricted Assets)	6	295,700	305,700	220,700
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	1,287,192	798,325	504,164
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	1,287,192	63,150
Amount Required to be Raised from Rates	8	<u>(1,809,389)</u>	<u>(1,742,637)</u>	<u>(1,739,798)</u>

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

SHIRE OF KENT

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 KENT

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 KENT

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 KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

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

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.

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

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

Capitalisation Threshold

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

(l) Financial Instruments

Initial Recognition and Measurement

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

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

Initial Recognition and Measurement (Continued)

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
- (d) 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.

(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

SHIRE OF KENT

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)

(iii) Held-to-maturity investments (Continued)

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.

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

(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

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.

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.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

(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.

(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.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

2.	REVENUES AND EXPENSES	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
	(a) Net Result from Ordinary Activities was arrived at after:			
	(i) Charging as Expenses:			
	Auditors Remuneration			
	Audit Services	14,000	13,025	12,000
	Other Services	0	0	0
	Depreciation			
	<u>By Program</u>			
	Governance	30,350	327	500
	Law, Order, Public Safety	5,100	4,837	5,100
	Health	700	625	800
	Community Amenities	26,250	23,455	24,700
	Recreation and Culture	39,950	56,434	44,050
	Transport	600,000	797,897	550,000
	Economic Services	17,133	16,102	19,400
	Other Property and Services	320,500	383,762	346,500
		<u>1,039,983</u>	<u>1,283,439</u>	<u>991,050</u>
	<u>By Class</u>			
	Land and Buildings	95,287	107,111	106,000
	Furniture and Equipment	7,500	41,747	42,700
	Plant and Equipment	327,196	317,290	280,350
	Roads	610,000	817,291	562,000
		<u>1,039,983</u>	<u>1,283,439</u>	<u>991,050</u>
	Borrowing Costs (Interest)			
	- Finance Lease Charges	0	0	0
	- Debentures (<i>refer note 5(a)</i>)	41,748	44,268	45,313
		<u>41,748</u>	<u>44,268</u>	<u>45,313</u>
	Rental Charges			
	- Operating Leases	<u>0</u>	<u>0</u>	<u>0</u>
	(ii) Crediting as Revenues:			
	Interest Earnings			
	Investments			
	- Reserve Funds	66,400	80,114	80,800
	- Other Funds	45,000	50,233	48,500
	Other Interest Revenue (<i>refer note 13</i>)	6,250	5,334	5,500
		<u>117,650</u>	<u>135,681</u>	<u>134,800</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

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

GOVERNANCE

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

Rates, general purpose government grants and interest income.

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

Food quality and pest control, immunisation services, operation of child health clinic.

EDUCATION AND WELFARE

Operation of pre-school facilities, assistance to playgroups and other voluntary services.

COMMUNITY AMENITIES

Rubbish collection services, operation of tips, administration of the town planning scheme, maintenance of cemeteries and townsite sewerage schemes.

RECREATION AND CULTURE

Maintenance of hall, recreation centres and various reserves; operation of library.

TRANSPORT

Construction and maintenance of streets, roads; cleaning and lighting of streets, depot maintenance.

ECONOMIC SERVICES

The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control and standpipes.

OTHER PROPERTY & SERVICES

Private works operations, plant repairs and operation costs.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

ACQUISITION OF ASSETS	2012/13 Budget \$
3. The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Governance	
Plant & Equipment	111,000
Furniture & Equipment	865
Health	
Land & Buildings	63,005
Housing	
Land & Buildings	450,000
Recreation and Culture	
Infrastructure	716,995
Land & Buildings	40,000
Transport	
Plant & Equipment	343,000
Infrastructure	1,666,009
Furniture & Equipment	1,000
Economic Services	
Land & Buildings	160,000
	<u>3,551,874</u>
<u>By Class</u>	
Land Held for Resale	0
Land and Buildings	713,005
Infrastructure Assets - Roads	1,666,009
Infrastructure Assets - Parks and Ovals	716,995
Plant and Equipment	454,000
Furniture and Equipment	1,865
	<u>3,551,874</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
- other assets
- road replacement programme
- other infrastructure

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

4. DISPOSALS OF ASSETS

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

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2012/13 BUDGET	2012/13 BUDGET	2012/13 BUDGET
	\$	\$	\$
GOVERNANCE			
Toyota Prado (0KT)	47,000	40,000	(7,000)
Mitsubishi Outlander (40KT)	23,000	20,000	(3,000)
			0
HOUSING			0
Sale of 5 George St, Nyabing	800	100,000	99,200
Sale of 74 Reid St, Pingrup	6,500	100,000	93,500
			0
TRANSPORT			0
Mitsubishi Triton Utility - Wks Mgr (50KT)	34,000	30,000	(4,000)
Panel Steel Roller (KT032)	0	0	0
Isecki Outdeck Slasher/Mower	0	0	0
			0
	111,300	290,000	178,700

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2012/13 BUDGET	2012/13 BUDGET	2012/13 BUDGET
	\$	\$	\$
PLANT & EQUIPMENT			
Toyota Prado (0KT)	47,000	40,000	(7,000)
Mitsubishi Outlander (40KT)	23,000	20,000	(3,000)
Mitsubishi Triton Utility - Wks Mgr (50KT)	34,000	30,000	(4,000)
Panel Steel Roller (KT032)	0	0	0
Isecki Outdeck Slasher/Mower	0	0	0
LAND & BUILDINGS			
Sale of 5 George St, Nyabing	800	100,000	99,200
Sale of 74 Reid St, Pingrup	6,500	100,000	93,500
	111,300	290,000	178,700

Summary

Profit on Asset Disposals
Loss on Asset Disposals

**2012/13
BUDGET
\$**

192,700
(14,000)
178,700

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-12	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2012/13 Budget	2011/12 Actual	2012/13 Budget	2011/12 Actual	2012/13 Budget	2011/12 Actual
			\$	\$	\$	\$	\$	\$
Community Amenities								
Loan 54, Nyabing Effluent	31,524	0	1,556	1,426	29,968	31,524	2,772	2,846
Other Property Services								
Loan 88, Nyabing Store	46,902	0	3,960	3,710	42,942	46,902	3,000	3,235
Loan 90 Principal Housing, Pingrup	23,969	0	23,972	22,777	(3)	23,969	935	2,091
Loan 91, Various Duplexes	555,376	0	31,968	30,016	523,408	555,376	35,041	36,096
Loan 92, Principal/CEO Housing	0	450,000	0	0	450,000	0	0	0
	657,771	450,000	61,456	57,929	1,046,315	657,771	41,748	44,268

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

SHIRE OF KENT

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	Estimated Amount to be Borrowed	Institution	Loan Type	Term (years)	Total Interest & Charges	Interest Rate	Amount Used	Balance Unspent
	Budget						Budget	
Other Property Services Loan 92, Principal/CEO Housing	450,000	Unknown	Debenture	Unknown	Unknown	Unknown	450,000	0

(c) Unspent Debentures

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

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$100,000 with the Commonwealth Bank of Australia does exist. It is not anticipated that this facility will be required to be utilised during 2012/13.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
6. RESERVES			
(a) Employee Entitlements Reserve			
Opening Balance	141,964	134,451	134,451
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	7,500	7,513	8,500
Amount Used / Transfer from Reserve	0	0	0
	<u>149,464</u>	<u>141,964</u>	<u>142,951</u>
(b) Plant Reserve			
Opening Balance	288,454	264,956	264,955
Amount Set Aside / Transfer to Reserve	175,000	170,000	130,000
Transfer of Interest to Reserve	10,500	13,499	11,500
Amount Used / Transfer from Reserve	(120,000)	(160,000)	(120,000)
	<u>353,954</u>	<u>288,455</u>	<u>286,455</u>
(c) Land & Buildings Reserve			
Opening Balance	265,218	274,860	274,860
Amount Set Aside / Transfer to Reserve	200,000	25,000	0
Transfer of Interest to Reserve	11,000	15,358	15,500
Amount Used / Transfer from Reserve	(125,000)	(50,000)	(25,000)
	<u>351,218</u>	<u>265,218</u>	<u>265,360</u>
(d) Nyabing Recreation Reserve			
Opening Balance	44,854	36,798	36,798
Amount Set Aside / Transfer to Reserve	6,000	6,000	6,000
Transfer of Interest to Reserve	1,500	2,056	1,750
Amount Used / Transfer from Reserve	0	0	0
	<u>52,354</u>	<u>44,854</u>	<u>44,548</u>
(e) Pingrup Recreation Reserve			
Opening Balance	7,791	45,305	45,305
Amount Set Aside / Transfer to Reserve	6,000	6,000	6,000
Transfer of Interest to Reserve	700	1,487	2,000
Amount Used / Transfer from Reserve	0	(45,000)	0
	<u>14,491</u>	<u>7,792</u>	<u>53,305</u>
(f) Cemetery Reserve			
Opening Balance	15,546	14,723	14,723
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	700	823	750
Amount Used / Transfer from Reserve	0	0	0
	<u>16,246</u>	<u>15,546</u>	<u>15,473</u>
(g) Water Supply Reserve			
Opening Balance	25,131	23,801	23,801
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	1,000	1,330	1,200
Amount Used / Transfer from Reserve	0	0	0
	<u>26,131</u>	<u>25,131</u>	<u>25,001</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
6. RESERVES			
(h) Sewage Reserve			
Opening Balance	104,687	99,147	99,147
Amount Set Aside / Transfer to Reserve	10,000	0	0
Transfer of Interest to Reserve	4,000	5,540	5,000
Amount Used / Transfer from Reserve	0	0	(25,000)
	<u>118,687</u>	<u>104,687</u>	<u>79,147</u>
(i) Computer Equipment Reserve			
Opening Balance	1,475	1,396	1,397
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	0	78	100
Amount Used / Transfer from Reserve	0	0	0
	<u>1,475</u>	<u>1,474</u>	<u>1,497</u>
(j) Admin Vehicle Reserve			
Opening Balance	45,967	50,171	50,170
Amount Set Aside / Transfer to Reserve	30,000	45,000	45,000
Transfer of Interest to Reserve	2,500	1,497	4,000
Amount Used / Transfer from Reserve	(50,700)	(50,700)	(50,700)
	<u>27,767</u>	<u>45,968</u>	<u>48,470</u>
(k) Refuse Disposal Facility Reserve			
Opening Balance	93,297	88,360	88,359
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	4,000	4,937	4,500
Amount Used / Transfer from Reserve	0	0	0
	<u>97,297</u>	<u>93,297</u>	<u>92,859</u>
(l) Road Reserve			
Opening Balance	491,239	465,243	465,243
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	23,000	25,996	26,000
Amount Used / Transfer from Reserve	0	0	0
	<u>514,239</u>	<u>491,239</u>	<u>491,243</u>
Total Reserves	<u>1,723,323</u>	<u>1,525,625</u>	<u>1,546,309</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 (treated as Other Comprehensive Income) and as such, has no impact on this budget document.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

6. RESERVES (Continued)	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Summary of Transfers			
To Cash Backed Reserves			
Transfers to Reserves			
Employee Entitlements Reserve	0	0	0
Plant Reserve	175,000	170,000	130,000
Land & Buildings Reserve	200,000	25,000	0
Nyabing Recreation Reserve	6,000	6,000	6,000
Pingrup Recreation Reserve	6,000	6,000	6,000
Cemetery Reserve	0	0	0
Water Supply Reserve	0	0	0
Sewage Reserve	10,000	0	0
Computer Equipment Reserve	0	0	0
Admin Vehicle Reserve	30,000	45,000	45,000
Refuse Disposal Facility Reserve	0	0	0
Road Reserve	0	0	0
	<u><u>427,000</u></u>	<u><u>252,000</u></u>	<u><u>187,000</u></u>
Transfers from Reserves			
Employee Entitlements Reserve	0	0	0
Plant Reserve	(120,000)	(160,000)	(120,000)
Land & Buildings Reserve	(125,000)	(50,000)	(25,000)
Nyabing Recreation Reserve	0	0	0
Pingrup Recreation Reserve	0	(45,000)	0
Cemetery Reserve	0	0	0
Water Supply Reserve	0	0	0
Sewage Reserve	0	0	(25,000)
Computer Equipment Reserve	0	0	0
Admin Vehicle Reserve	(50,700)	(50,700)	(50,700)
Refuse Disposal Facility Reserve	0	0	0
Road Reserve	0	0	0
	<u><u>(295,700)</u></u>	<u><u>(305,700)</u></u>	<u><u>(220,700)</u></u>
Total Transfer to/(from) Reserves	<u><u>131,300</u></u>	<u><u>(53,700)</u></u>	<u><u>(33,700)</u></u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

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

Employee Entitlements Reserve

This reserve is to be used to fund employee leave requirements.

Plant Reserve

This reserve is for the purchase of major plant and equipment.

Land and Buildings Reserve

Funds set aside for the Construction and/or Capital Maintenance of Building Infrastructure and for land acquisition and development.

Nyabing Recreation Reserve

This reserve is for the upgrading of Sporting facilities in Nyabing.

Pingrup Recreation Reserve

This reserve is for the upgrading of Sporting facilities in Pingrup.

Reseal Reserve

Used to provide supplementary funding for Council's Reseal Program.

Cemetery Reserve

This reserve is for upgrading the Nyabing and Pingrup cemeteries.

Water Supply Reserve

This reserve is for providing water services to rural areas of the Shire.

Sewerage Reserve

Used for the upgrading and/or major maintenance of townsite sewerage schemes.

Computer Equipment Reserve

This reserve is for upgrading the main administration computer system and software. This will be used for a computer upgrade.

Administration Vehicles Reserve

This reserve is for future vehicle changeovers for the CEO, DCEO and Works Supervisors.

Refuse Disposal Facilities Reserve

This reserve is for a transfer disposal station to be placed at the Pingrup Rubbish Site.

Road Reserve

This reserve is for capital works on roads within the Shire of Kent for future years.

The Employee Entitlements, Plant, Building, Nyabing Recreation, Pingrup Recreation, Reseal, Cemetery, Water Supply, Sewerage, Administration Vehicles, Refuse Disposal Facilities and Roads 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 KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	Note	2012/13 Budget \$	2011/12 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	15(a)	76,217	1,155,766
Cash - Restricted Reserves	15(a)	1,723,323	1,525,625
Receivables		135,000	233,518
Inventories		40,000	57,840
		<u>1,974,540</u>	<u>2,972,749</u>
LESS: CURRENT LIABILITIES			
Payables and Provisions		<u>(251,217)</u>	<u>(159,932)</u>
NET CURRENT ASSET POSITION		1,723,323	2,812,817
Less: Cash - Restricted Reserves	15(a)	(1,723,323)	(1,525,625)
Less: Cash - Restricted Municipal		<u>0</u>	<u>0</u>
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD		<u>0</u>	<u>1,287,192</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 KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

8. RATING INFORMATION - 2012/13 FINANCIAL YEAR

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2012/13 Budgeted Rate Revenue \$	2012/13 Budgeted Interim Rates \$	2012/13 Budgeted Back Rates \$	2012/13 Budgeted Total Revenue \$	2011/12 Actual \$
General Rates								
GRV - Residential	11.3201	53	347,724	26,069	0	0	26,069	32,131
GRV - Commercial	11.3201	12		12,295	0	0	12,295	11,920
UV - Rural	0.9172	375	179,731,660	1,745,475	0	0	1,745,475	1,677,742
Mining	0.9712	0	0	0	0	0	0	0
Sub-Totals		440	#####	1,783,839	0	0	1,783,839	1,721,793
Minimum Rates	Minimum \$							
GRV - Residential	365	29	50,998	10,585	0	0	10,585	8,750
GRV -Commercial	365	8		2,920	0	0	2,920	2,800
UV - Rural	365	9	148,400	3,285	0	0	3,285	2,800
Mining	365	24	169,150	8,760	0	0	8,760	6,650
Sub-Totals		70	368,548	25,550	0	0	25,550	21,000
Ex-Gratia Rates							1,809,389	1,742,793
Specified Area Rates (Note 9)							0	
Discounts							0	(156)
Totals							1,809,389	1,742,637

All land except exempt land in the Shire of Kent 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 KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

9. HEALTH RATE - 2012/13 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value	2012/13 Budgeted Revenue \$	Budget Applied to Costs \$	2011/12 Actual \$
Sewerage Rate						
Nyabing Residential	0.0405	GRV	164,178	12,180	12,180	11,464
Nyabing Commercial	0.0405	GRV	27,363	5,307	5,307	3,063
Nyabing Vacant	197.00	GRV	11,727	591	591	1,156
Pingrup Residential	0.0468	GRV	144,637	7,250	7,250	6,587
Pingrup Commercial	0.0468	GRV	39,090	6,475	6,475	6,535
Pingrup Vacant	197.00	GRV	11,727	197	197	1,736
				32,000	32,000	30,541

The Health Rate is for the provision of sewerage. The charge is applicable to all owners within a designated area surrounding the townsite.

10. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

	Amount of Charge \$	2012/13 Budgeted Revenue \$	Budget Applied to Costs \$	2011/12 Actual \$
Television - Nyabing	136	6,392	6,392	6,272
Television - Pingrup	136	4,608	4,608	4,608
		11,000	11,000	10,880

The service charge is for the provision of television re-broadcasting. The charge is applicable to all owners occupiers within a designated area surrounding the townsite.

The proceeds of the charge are applied in full to the costs of maintenance and operation of the facility.

As such, no transfer to or from Reserve Accounts will occur. No interest will be charged on overdue Service Charges.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

	2012/13 Budget \$	2011/12 Actual \$
11. FEES & CHARGES REVENUE		
Governance	5,500	0
General Purpose Funding	6,000	30,808
Law, Order, Public Safety	29,700	31,979
Housing	80,000	0
Community Amenities	59,500	55,098
Recreation & Culture	1,600	10,759
Transport	340,500	0
Economic Services	35,500	30,391
Other Property & Services	83,000	145,479
	<u>641,300</u>	<u>304,514</u>

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

Photocopy charges are waived for certain community groups such as local newsletter, sporting groups and Community organisations. Council considers its support of these groups necessary for the overall benefit of the community.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

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

Late Payment Penalty

A charge of 9% calculated daily at 0.024657% by simple interest will apply as follows:

All Instalment Options - Interest shall begin to accrue daily on rates instalment payment that remains unpaid after the due date of the instalment and continue to accrue until such time as the instalment is paid. Eligible pensioners are exempt.

Interest on Rates and/or Rubbish Charge arrears will continue to accrue each day until arrears are paid.

Instalment Plan:

The following rate instalment options are available during the reporting period:

Option One:

Full payment of rates and charges, including arrears to be paid on or before 12 October 2012. There are no discount provisions under this option.

Option Two (two instalments)

The first instalment is due to be received on or before 12 October 2012 and includes all arrears and half the current rates and Emergency Services Levy and rubbish charges. The second instalment will be due on 15 February 2013.

Option Three (four instalments)

The first instalment is to be received on or before 12 October 2012 and includes all arrears and quarter of the current rates, Emergency Services Levy and rubbish charges. The second, third and fourth instalment will be due on 14 December 2012, 15 February 2013 and 19 April 2013.

An Administration Fee of \$5 (Option 2), or \$15 (Option 3) will be applicable.

Upon application, Council may accept payment by way of other than one, two or four instalments (subject to agreement by both parties). A single administration fee of \$15.00 will apply for this type of payment. Eligible pensioners are exempt from this charge.

Total revenue to be derived from interest and administration charges from instalments is estimated to be \$11,750. Dissected as follows:

	2012/13 Budget \$	2011/12 Actual \$
Late Penalty Interest	6,250	5334
Administration Charges	5,500	5430
	<u><u>11,750</u></u>	<u><u>10,764</u></u>

14. ELECTED MEMBERS REMUNERATION

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

	2012/13 Budget \$	2011/12 Actual \$
Meeting Fees	56,000	54,250
President's Allowance	7,000	7,000
Travelling & Accommodation Expenses	27,700	21,007
Telecommunications Allowance	8,000	7,750
Childcare Expenses	3,000	540
	<u><u>101,700</u></u>	<u><u>90,547</u></u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2012/13 Budget \$	2011/12 Actual \$	2011/12 Budget \$
Cash - Unrestricted	76,217	1,155,766	96,272
Cash - Restricted	1,723,323	1,525,625	1,546,309
	<u>1,799,540</u>	<u>2,681,391</u>	<u>1,642,581</u>

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

Employee Entitlements Reserve	149,464	141,964	142,951
Plant Reserve	353,954	288,455	286,455
Land & Building Reserve	351,218	265,218	265,360
Nyabing Recreation Reserve	52,354	44,854	44,548
Pingrup Recreation Reserve	14,491	7,792	53,305
Cemetary Reserve	16,246	15,546	15,473
Water Supply Reserve	26,131	25,131	25,001
Sewerage Reserve	118,687	104,687	79,147
Computer Equipment Reserve	1,475	1,474	1,497
Administration Vehicles Reserve	27,767	45,968	48,470
Refuse Disposal Facilities Reserve	97,297	93,297	92,859
Road Reserve	514,239	491,239	491,243
	<u>1,723,323</u>	<u>1,525,625</u>	<u>1,546,309</u>

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

Net Result	856,155	1,145,696	1,530,856
Depreciation	1,039,983	1,283,439	991,050
(Profit)/Loss on Sale of Asset	(178,700)	(42,742)	43,086
(Increase)/Decrease in Receivables	98,518	(80,222)	266,151
(Increase)/Decrease in Inventories	17,840	(4,413)	(15,023)
Increase/(Decrease) in Payables	140,068	172,179	(329,278)
Increase/(Decrease) in Employee Provisions	17,615	15,000	15,000
Grants/Contributions for the Development of Assets	(1,316,301)	(1,325,044)	(1,616,553)
Net Cash from Operating Activities	<u>675,178</u>	<u>1,163,893</u>	<u>885,289</u>

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank Overdraft limit	100,000	100,000	100,000
Bank Overdraft at Balance Date	0	0	
Credit Card limit	8,000	8,000	8,000
Credit Card Balance at Balance Date	0	0	
Total Amount of Credit Unused	<u>108,000</u>	<u>108,000</u>	<u>108,000</u>

Loan Facilities

Loan Facilities in use at Balance Date	<u>1,046,315</u>	<u>657,771</u>	<u>657,770</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

SHIRE OF KENT

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 \$
Housing Bonds	678			678
Bond (Caravan Park Keys)	150			150
BCTIF & BRB Levy	173			173
	<u>1,001</u>			<u>1,001</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2013

17. MAJOR LAND TRANSACTIONS

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

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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