

**SHIRE OF MUKINBUDIN**  
**BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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**SHIRE OF SOMEWHERE**

**INCOME STATEMENT**

**BY NATURE OR TYPE**

**FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2009/10 Budget \$	2008/09 Actual \$	2008/09 Budget \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Rates	8	737,182	707,058	705,150
Operating Grants, Subsidies and Contributions		595,140	856,733	907,795
Service Fees	10	8,468	7,592	213,930
Fees & Charges	11	493,692	228,539	7,280
Interest Earnings	2(a)	29,500	33,332	18,000
Other Revenue		<u>6,500</u>	<u>0</u>	<u>20,000</u>
		<u>1,870,482</u>	<u>1,833,254</u>	<u>1,872,155</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs		-233,812	-701,674	-862,284
Materials and Contracts		-32,374	-29,860	-62,691
Utility Charges		-108,840	-111,574	-140,000
Depreciation	2(a)	-846,400	-102,098	-845,000
Interest Expenses	2(a)	-55,339	-38,192	-36,008
Insurance Expenses		-126,454	-95,192	-100,000
Other Expenditure		<u>-1,659,566</u>	<u>-1,010,317</u>	<u>-778,885</u>
		<u>-3,062,785</u>	<u>-2,088,907</u>	<u>-2,824,868</u>
		-1,192,303	-255,653	-952,713
Non-Operating Grants, Subsidies and Contributions		1,563,694	1,251,363	1,228,965
Profit on Asset Disposals	4	0	700	0
Loss on Asset Disposals	4	<u>-33,500</u>	<u>-16,093</u>	<u>73,500</u>
<b>NET RESULT</b>		<u><u>337,891</u></u>	<u><u>980,317</u></u>	<u><u>349,752</u></u>

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

**SHIRE OF MUKINBUDIN**

**INCOME STATEMENT**

**BY PROGRAM**

**FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2009/10 Budget \$	2008/09 Actual \$	2008/09 Budget \$
<b>OPERATING REVENUES (Refer Notes 1,2,8 to 13)</b>				
Governance		100	126,768	100
General Purpose Funding		1,307,914	1,346,058	1,421,305
Law, Order, Public Safety		650	26,156	26,050
Health		200	0	100
Education and Welfare		0	909	0
Housing		89,184	54,999	56,500
Community Amenities		67,956	54,971	52,100
Recreation and Culture		249,688	191,212	226,200
Transport		0	-125,755	0
Economic Services		109,230	142,664	65,200
Other Property and Services		45,560	20,080	24,600
		<u>1,870,482</u>	<u>1,838,062</u>	<u>1,872,155</u>
<b>OPERATING EXPENSES (Refer Notes 1,2 &amp; 14)</b>				
Governance		-319,029	-177,509	-214,260
General Purpose Funding		-92,911	-65,450	-83,912
Law, Order, Public Safety		-71,363	-35,532	-71,569
Health		-61,393	-28,032	-72,857
Education and Welfare		-77,163	-42,936	-67,090
Housing		-103,654	-52,306	-108,046
Community Amenities		-161,563	-138,281	-150,067
Recreation & Culture		-773,199	-634,519	-640,615
Transport		-1,070,691	-597,780	-1,133,317
Economic Services		-289,980	-287,077	-222,527
Other Property and Services		13,500	3,943	-24,600
		<u>-3,007,446</u>	<u>-2,055,480</u>	<u>-2,788,860</u>
<b>BORROWING COSTS EXPENSE (Refer Notes 2 &amp; 5)</b>				
Governance		-3,785	-4,659	-4,659
Housing		-12,346	-15,682	-13,454
Education		-3,724	-3,939	-3,939
Community Amenities		-5,131	0	0
Recreation & Culture		-9,087	-9,612	-9,612
Transport		-17,532	0	0
Economic Services		-3,735	-4,343	-4,344
		<u>-55,340</u>	<u>-38,235</u>	<u>-36,008</u>
<b>NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>				
General Purpose Funding		419,156	0	0
Law, Order & Public Safety		21,890	0	60,000
Education & Welfare		0	0	0
Housing		25,000	25,000	50,000
Community Amenities		0	0	0
Recreation & Culture		25,000	105,928	49,000
Transport		1,072,648	984,135	1,005,465
Economic Services		0	136,300	64,500
		<u>1,563,694</u>	<u>1,251,363</u>	<u>1,228,965</u>
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)</b>				
Law Order & Public Safety		-5,000	0	0
Other Property & Services		-28,500	-15,393	73,500

	<u>-33,500</u>	<u>-15,393</u>	<u>73,500</u>
<b>NET RESULT</b>	<u>337,890</u>	<u>980,317</u>	<u>349,752</u>

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

**SHIRE OF MUKINBUDIN**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2009/10 Budget \$	2008/09 Actual \$	2008/09 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		737,182	707,058	705,150
Operating Grants, Subsidies and Contributions		2,158,834	856,733	1,007,795
Fees and Charges		493,692	228,539	213,930
Service Charges		8,468	7,592	7,280
Interest Earnings		29,500	33,332	18,000
Goods and Services Tax		150,000	151,462	120,000
Other		6,500	0	282,560
		<u>3,584,176</u>	<u>1,984,716</u>	<u>2,354,715</u>
<b>Payments</b>				
Employee Costs		-233,812	-701,674	-862,284
Materials and Contracts		-32,374	-29,860	-62,691
Utility Charges		-108,840	-111,574	-140,000
Insurance Expenses		-126,454	-95,192	-100,000
Interest Expenses		-55,340	-38,192	36,008
Goods and Services Tax		-150,000	-151,462	-120,000
Other		-1,659,566	-1,010,317	-735,095
		<u>-2,366,386</u>	<u>-2,138,271</u>	<u>-1,984,062</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>1,217,790</u>	<u>-153,555</u>	<u>370,653</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	3	0	36,000	0
Payments for Purchase of Property, Plant & Equipment	3	-918,255	-493,859	-1,259,500
Payments for Construction of Infrastructure	3	-1,270,814	-516,222	-1,081,987
Advances to Community Groups		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,563,694	1,251,363	1,228,965
Proceeds from Sale of Plant & Equipment	4	54,888	151,401	127,000
Proceeds from Advances		0	0	0
<b>Net Cash Used in Investing Activities</b>		<u>-570,487</u>	<u>428,683</u>	<u>-985,522</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	-112,976	-85,195	-87,423
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures	5	0	140,000	538,790
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>-112,976</u>	<u>54,805</u>	<u>451,367</u>
<b>Net Increase (Decrease) in Cash Held</b>		534,327	329,933	-163,502
Cash at Beginning of Year		822,051	492,118	415,544
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u>1,356,378</u>	<u>822,051</u>	<u>252,042</u>

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

**SHIRE OF MUKINBUDIN  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2009/10 Budget \$	2008/09 Actual \$	2008/09 Budget \$
<b>REVENUES</b>	1,2			
Governance		100	126,768	100
General Purpose Funding		1,727,070	1,346,058	714,655
Law, Order, Public Safety		22,540	26,156	86,050
Health		200	0	100
Education and Welfare		0	909	0
Housing		114,184	79,999	106,500
Community Amenities		67,956	54,971	52,100
Recreation and Culture		274,688	297,140	275,200
Transport		1,072,648	858,380	1,005,465
Economic Services		109,230	278,964	129,700
Other Property and Services		45,560	20,080	24,600
		<u>3,434,176</u>	<u>3,089,425</u>	<u>2,394,470</u>
<b>EXPENSES</b>	1,2			
Governance		-322,814	-182,168	-218,919
General Purpose Funding		-92,911	-65,450	-83,912
Law, Order, Public Safety		-76,363	-35,532	-71,569
Health		-61,393	-28,032	-72,857
Education and Welfare		-80,887	-46,875	-71,029
Housing		-116,000	-67,988	-121,500
Community Amenities		-166,694	-138,281	-150,067
Recreation & Culture		-782,286	-644,131	-650,227
Transport		-1,088,223	-597,780	-1,059,817
Economic Services		-293,715	-291,420	-226,871
Other Property and Services		-15,000	-11,450	-24,600
		<u>-3,096,286</u>	<u>-2,109,108</u>	<u>-2,751,368</u>
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	4	33,500	15,393	73,500
Depreciation on Assets	2(a)	846,400	102,097	845,000
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	3	0	36,000	0
Purchase Land and Buildings	3	-705,359	-260,707	-755,000
Purchase Infrastructure Assets - Roads	3	-1,054,368	-516,222	-996,987
Purchase Infrastructure Assets - Other	3	-216,447	-243,490	0
Purchase Plant and Equipment	3	-196,831	-493,859	-421,000
Purchase Furniture and Equipment	3	-16,066	0	-168,500
Proceeds from Disposal of Assets	4	54,888	151,401	127,000
Repayment of Debentures	5	-112,976	-123,430	-128,422
Proceeds from New Debentures	5	0	-140,000	538,790
Self-Supporting Loan Principal Income		0	0	0
Transfers to Reserves (Restricted Assets)	6	-359,044	-1,002,739	-153,790
Transfers from Reserves (Restricted Assets)	6	941,884	279,500	660,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	503,767	1,012,447	204,174
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	794,420	503,767	173,017
<b>Amount Required to be Raised from Rates</b>	8	<u>-737,182</u>	<u>-707,058</u>	<u>-705,150</u>

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

**SHIRE OF MUKINBUDIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**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), other mandatory professional reporting requirements, the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The budget has also been prepared on the accrual basis under the convention of historical cost accounting.

**(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) 2008/09 Actual Balances**

Balances shown in this budget as 2008/09 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**(d) Rounding Off Figures**

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

**(e) Rates, Grants, Donations and Other Contributions**

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

**(f) Goods and Services Tax**

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

**(g) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

**SHIRE OF MUKINBUDIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(h) Trade and Other Receivables**

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibility of trade 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.

**(i) Inventories**

***General***

Inventories are valued 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.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

***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 and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

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

**(j) Fixed Assets**

***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 includes the cost of all materials, direct labour and variable and fixed overheads.

***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 a basis to reflect the already consumed or expired future economic benefits.

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***

Land under roads is excluded from infrastructure in accordance with the transitional arrangements available under AASB 1045 and in accordance with legislative requirements.



**SHIRE OF MUKINBUDIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(j) Fixed Assets (Continued)**

***Land Under Roads***

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

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

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

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

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

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

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

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

Land	not depreciated
Buildings	0 to 50 years
Furniture and Equipment	0 to 10 years
Plant and Equipment	0 to 10 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths	40 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

## SHIRE OF MUKINBUDIN

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2010

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

##### (I) Investments and Other Financial Assets

###### **Classification**

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

###### (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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

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

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

###### (iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

###### **Recognition and derecognition**

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

## SHIRE OF MUKINBUDIN

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2010

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

##### (l) Investments and Other Financial Assets (Continued)

###### ***Subsequent measurement***

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains and losses arising from changes in the fair value of the financial assets at fair value category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

###### ***Impairment***

Council assesses at each balance date whether there is objective evidence that a financial asset or group of assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

##### (m) Estimation of Fair Value

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

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

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

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

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

## SHIRE OF MUKINBUDIN

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2010

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

##### (n) Impairment

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

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

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

At the time of adopting the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2009.

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

##### (o) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality 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.

##### (p) Employee Benefits

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

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

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

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

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

**SHIRE OF MUKINBUDIN**

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

**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(q) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

***Borrowing Costs***

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

**(r) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

**(s) Superannuation**

The Council contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both Funds are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent a cash refund or a reduction in the future payments is available.

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

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be settled within 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.

SHIRE OF MUKINBUDIN

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2010

2. REVENUES AND EXPENSES	2009/10 Budget \$	2008/09 Actual \$	2008/09 Budget \$
<b>(a) Net Result from Ordinary Activities was arrived at after:</b>			
(i) Charging as Expenses:			
<b>Depreciation</b>			
<b><u>By Program</u></b>			
Governance	0	9,776	12,000
General Purpose Funding	0	0	0
Law, Order, Public Safety	29,500	29,759	30,600
Health	500	501	500
Education and Welfare	24,600	24,598	24,600
Housing	24,500	25,042	24,500
Community Amenities	4,400	4,525	4,400
Recreation and Culture	59,500	57,542	57,000
Transport	560,000	605,463	560,000
Economic Services	6,400	10,183	6,400
Other Property and Services	137,000	69,190	125,000
	<u>846,400</u>	<u>836,579</u>	<u>845,000</u>
<b><u>By Class</u></b>			
Land and Buildings	110,000	66,002	110,000
Furniture and Equipment	11,100	8,565	11,100
Plant and Equipment	162,482	153,257	162,482
Roads	560,000	605,463	560,000
Footpaths	1,418	0	1,418
Infrastructure - Other	1,400	3,291	0
	<u>846,400</u>	<u>836,578</u>	<u>845,000</u>
<b>Borrowing Costs (Interest)</b>			
- Finance Lease Charges	0	0	0
- Debentures (refer note 5(a))	-55,339	-38,192	-36,008
	<u>-55,339</u>	<u>-38,192</u>	<u>-36,008</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	20,000	23,720	10,000
- Other Funds	9,500	9,612	8,000
Other Interest Revenue (refer note 13)	0	0	0
	<u>29,500</u>	<u>33,332</u>	<u>18,000</u>

## SHIRE OF MUKINBUDIN

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDED 30TH JUNE 2010

## 2. REVENUES AND EXPENSES (Continued)

### (b) Statement of Objective

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

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

#### **GOVERNANCE**

**OBJECTIVE:** To provide a decision making process for the efficient allocation of scarce resources.

**ACTIVITIES:** Administration and operation of facilities and services to members of Council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

#### **GENERAL PURPOSE FUNDING**

**OBJECTIVE:** To collect revenue to allow for the provision of services.

**ACTIVITIES:** Rates, general purpose government grants and interest revenue.

#### **LAW, ORDER, PUBLIC SAFETY**

**OBJECTIVE:** To provide services to help ensure a safer community.

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

#### **HEALTH**

**OBJECTIVE:** To provide an operational framework for good community health.

**ACTIVITIES:** Food quality and pest control, immunisation services, inspection of abattoir and operation of child health clinic.

#### **EDUCATION AND WELFARE**

**OBJECTIVE:** To provide appropriate care to the aged and disabled.

**ACTIVITIES:** Provision of Home and Community Care, maintenance to playgroup and telecentre buildings.

#### **HOUSING**

**OBJECTIVE:** To provide adequate staff and community housing.

**ACTIVITIES:** Maintenance of staff and community housing, collection of various rents.

#### **COMMUNITY AMENITIES**

**OBJECTIVE:** Provide services required by the community.

**ACTIVITIES:** Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, storm water drainage maintenance.

#### **RECREATION AND CULTURE**

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

**ACTIVITIES:** Maintenance of halls, the aquatic centre, recreation centres and various reserves; operation of library.

#### **TRANSPORT**

**OBJECTIVE:** To provide effective and efficient transport services to the Community.

**ACTIVITIES:** Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, depot maintenance and airstrip maintenance.

**SHIRE OF MUKINBUDIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**2. REVENUES AND EXPENSES (Continued)**

**(b) Statement of Objective (Continued)**

**ECONOMIC SERVICES**

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

**ACTIVITIES:** The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and standpipes

**OTHER PROPERTY & SERVICES**

**ACTIVITIES:** Private Works operations, plant repairs and operation costs.



**SHIRE OF MUKINBUDIN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2010**

<b>3. ACQUISITION OF ASSETS</b>	<b>2009/10 Budget \$</b>
The following assets are budgeted to be acquired during the year:	
<b><u>By Program</u></b>	
<b>Governance</b>	0
<b>General Purpose Funding</b>	0
<b>Law, Order, Public Safety</b>	
Fire Station Shed	34,960
R4R - Fire Station Contribution	20,000
Rebuild Pund	2,000
<b>Health</b>	
Purchase of Medical Practise	22,500
<b>Education and Welfare</b>	
R4R - Bonnie Rock Playgroup	20,000
<b>Housing</b>	
R4R - Community Housing 11 Cruickshank Rd	155,973
R4R - Shire Housing	11,000
R4R - Pagola Joint Venture	3,000
<b>Community Amenities</b>	0
<b>Recreation and Culture</b>	
R4R - Painting of Pool Bowl	30,000
R4R - Swimming Pool Vacuum Cleaner	15,000
R4R - Water Self Sufficiency Project	30,000
R4R - Lions Park	8,000
R4R - Resurfacing Netball Courts	30,000
R4R - Building Upgrade Recreation Centre	74,916
Dishwasher	7,000
R4R - Water Fountain Tennis Courts	1,247
R4R - Railway Station bench, sink	2,000
R4R - Lights at Muk A Round Centre	6,920
<b>Transport</b>	
2009/10 Roads Program	
Koorda/Bullfinch Rd	432,150
Kununoppin/Nungarin North Rd	201,300
Barbarlin North Rd	40,328
North East Rd	115,200
Quantacutting Rd	84,280
Mukinbudin Wialki Rd	181,110
Town Street Drainage	18,280
R4R - Depot Upgrade	30,510
<b>Economic Services</b>	
R4R - Caravan Park Campers Kitchen	30,000
R4R - Berringbooding Toilet	25,000
R4R - Entry Statements	10,000
R4R - Regional Headworks	24,000
R4R - Subdivision Cotst	250,000
R4R - Business District Paving	30,000

Water Supply Standpipes	28,000
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**Other Property and Services**

1 MBL	46,797
MBL 1	33,228
MBL 2	24,488
MBL 1071	26,318
Install Network Points	11,066
Carport at Office	7,500
Trailer for Marquee	4,000
Road Broom	15,000
Second Hand Forklift	8,000
Sencond Hand Gen Set	3,000
Concrete Saw Petrol Powered	3,000
Engineered Spray Bar & Pump	3,000
Second Hand Fairway Mower	15,000
R4R - Electronic Doors	9,000
Upgrade Back up System	5,000

**2,189,071**

**By Class**

Land Held for Resale	0
Land and Buildings	705,359
Infrastructure Assets - Roads	1,054,368
Infrastructure Assets - Other	216,447
Plant and Equipment	196,831
Furniture and Equipment	16,066

**2,189,071**

**SHIRE OF MUKINBUDIN**

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

**FOR THE YEAR ENDED 30TH JUNE 2010**

**4. DISPOSALS OF ASSETS**

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

<b><u>By Program</u></b>	<b>Net Book Value</b>	<b>Sale Proceeds</b>	<b>Profit(Loss)</b>
	<b>2009/10 BUDGET \$</b>	<b>2009/10 BUDGET \$</b>	<b>2009/10 BUDGET \$</b>
<b>Law, Order &amp; Public Safety</b>			
Sale of Fire Shed	14,494	20,000	-5,000
<b>Other Property &amp; Services</b>			
MBL 1	25,437	9,955	-9,500
1 MBL	35,147	11,318	-9,500
MBL 1071	22,686	13,615	-9,500
	<b>97,764</b>	<b>54,888</b>	<b>-33,500</b>

<b><u>By Class</u></b>	<b>Net Book Value</b>	<b>Sale Proceeds</b>	<b>Profit(Loss)</b>
	<b>2009/10 BUDGET \$</b>	<b>2009/10 BUDGET \$</b>	<b>2009/10 BUDGET \$</b>
<b>Land &amp; Buildings</b>	14,494	20,000	-5,000
<b>Plant &amp; Equipment</b>	83,270	34,888	-28,500
	<b>97,764</b>	<b>54,888</b>	<b>-33,500</b>

**Summary**

	<b>2009/10 BUDGET \$</b>
Profit on Asset Disposals	0
Loss on Asset Disposals	-33,500
	<u>-33,500</u>

**SHIRE OF MUKINBUDIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**5. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-09	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2009/10 Budget \$	2008/09 Actual \$	2009/10 Budget \$	2008/09 Actual \$	2009/10 Budget \$	2008/09 Actual \$
<b>Governance</b>								
Loan - 92 - Admin Centre	66,056		15,063	14,189	50,993	66,056	3,784	4,582
<b>Housing</b>								
Loan 100 - 3x Trans Homes	38,481		31,100	28,872	7,381	38,481	5,408	7,636
Loan 103 - Bank House	0		0	8,393	0	0	0	386
Loan 106 - Staff Housing	68,348		6,732	6,309	61,616	68,348	4,402	4,825
Loan 110 - Staff Housing	45,360		5,430	5,130	39,930	45,360	2,536	2,836
<b>Education</b>					0			
Loan 109 - CRC	64,606		3,844	3,629	60,762	64,606	3,724	3,939
<b>Community Amenities</b>					0			
Loan 116 - Land Purchase	85,000		6,375	0	78,625	85,000	5,131	0
<b>Recreation &amp; Culture</b>								
Loan 108 - Bowling Club	157,640		9,380	8,854	148,260	157,640	9,087	9,612
<b>Transport</b>					0			
Loan 97 - Grader								
Loan 114 - Trailer	179,500		13,463	0	166,037	179,500	10,835	0
Loan 115 - Truck	140,000		11,162	0	128,838	140,000	6,697	0
<b>Economic Services</b>								
Loan 107 - Caravan Park	34,235		6,807	6,399	27,428	34,235	2,045	2,453
Loan 112 - Caravan Park	30,240		3,620	3,420	26,620	30,240	1,690	1,890
	909,466	0	112,976	85,195	796,490	909,466	55,339	38,159

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

**SHIRE OF MUKINBUDIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

(b) New Debentures - 2009/10

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
NIL								0

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2009 nor is it expected to have unspent debenture funds as at 30th June 2010.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of 100,000 with the Bendigo Bank does exist. It is not anticipated that this facility will be required to be utilised during 2009/10.

## SHIRE OF MUKINBUDIN

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2010

	2009/10 Budget \$	2008/09 Actual \$	2008/09 Budget \$
<b>6. RESERVES</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	41,623	39,552	39,553
Amount Set Aside / Transfer to Reserve	26,250	1,720	2,000
Amount Used / Transfer from Reserve	0	0	0
	<u>67,873</u>	<u>41,272</u>	<u>41,553</u>
<b>(b) Plant Reserve</b>			
Opening Balance	7,982	6,435	6,434
Amount Set Aside / Transfer to Reserve	32,000	280,980	134,190
Amount Used / Transfer from Reserve	0	-279,500	0
	<u>39,982</u>	<u>7,915</u>	<u>140,624</u>
<b>(c) Building Reserve</b>			
Opening Balance	190,992	181,493	181,494
Amount Set Aside / Transfer to Reserve	31,200	7,894	4,000
Amount Used / Transfer from Reserve	0	0	-160,000
	<u>222,192</u>	<u>189,387</u>	<u>25,494</u>
<b>(d) Seniors Housing Reserve</b>			
Opening Balance	29,733	28,254	28,255
Amount Set Aside / Transfer to Reserve	3,120	1,229	2,000
Amount Used / Transfer from Reserve	0	0	0
	<u>32,853</u>	<u>29,483</u>	<u>30,255</u>
<b>(e) Communications Reserve</b>			
Opening Balance	108	102	102
Amount Set Aside / Transfer to Reserve	10	4	5
Amount Used / Transfer from Reserve	0	0	0
	<u>118</u>	<u>106</u>	<u>107</u>
<b>(f) Residential Land Reserve</b>			
Opening Balance	7,755	7,369	7,369
Amount Set Aside / Transfer to Reserve	700	321	240,400
Amount Used / Transfer from Reserve	0	0	-240,000
	<u>8,455</u>	<u>7,690</u>	<u>7,769</u>
<b>(g) Self Insurance Reserve</b>			
Opening Balance	5,954	5,658	5,400
Amount Set Aside / Transfer to Reserve	400	247	400
Amount Used / Transfer from Reserve	0	0	0
	<u>6,354</u>	<u>5,905</u>	<u>5,800</u>
<b>(h) Roadworks Reserve</b>			
Opening Balance	261,923	248,897	248,897
Amount Set Aside / Transfer to Reserve	3,000	10,826	11,103
Amount Used / Transfer from Reserve	-288,000	0	-260,000
	<u>-23,077</u>	<u>259,723</u>	<u>0</u>
<b>(i) Swimming Pool Reserve</b>			
Opening Balance	13,881	0	0
Amount Set Aside / Transfer to Reserve	258,474	0	0
Amount Used / Transfer from Reserve	0	0	0

	<u>272,355</u>	<u>0</u>	<u>0</u>
<b>(j) Royalties for Regions Reserve</b>			
Opening Balance	653,884	0	0
Amount Set Aside / Transfer to Reserve	3,890	0	0
Amount Used / Transfer from Reserve	<u>-653,884</u>	<u>0</u>	<u>0</u>
	<u>3,890</u>	<u>0</u>	<u>0</u>
<b>Total Reserves</b>	<u>630,995</u>	<u>541,482</u>	<u>251,602</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 2010 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 MUKINBUDIN**

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

**FOR THE YEAR ENDED 30TH JUNE 2010**

<b>6. RESERVES (Continued)</b>	<b>2009/10 Budget \$</b>	<b>2008/09 Actual \$</b>	<b>2008/09 Budget \$</b>
<b>Summary of Transfers To Cash Backed Reserves</b>			
<b>Transfers to Reserves</b>			
Leave Reserve	26,250	1,720	2,000
Plant Reserve	32,000	280,980	134,190
Building Reserve	31,200	7,894	4,000
Seniors Housing Reserve	3,120	1,229	2,000
Communications Reserve	10	4	5
Residential Land Reserve	700	321	240,400
Self Insurance Reserve	400	247	400
Roadworks Reserve	3,000	10,826	11,103
Swimming Pool Reserve	258,474	0	0
Royalties for Regions Reserve	3,890	0	0
	<u>359,044</u>	<u>303,221</u>	<u>394,098</u>
<b>Transfers from Reserves</b>			
Leave Reserve	0	0	0
Plant Reserve	0	-279,500	0
Building Reserve	0	0	-160,000
Seniors Housing Reserve	0	0	0
Communication Reserve	0	0	0
Residential Land Reserve	0	0	-240,000
Self Insurance Reserve	0	0	0
Roadworks Reserve	-288,000	0	-260,000
Swimming Pool Reserve	0	0	0
Royalties for Regions	-653,884	0	0
	<u>-941,884</u>	<u>-279,500</u>	<u>-660,000</u>
<b>Total Transfer to/(from) Reserves</b>	<u>-582,840</u>	<u>23,721</u>	<u>-265,902</u>

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

Leave Reserve

- to be used to fund annual and long service leave requirements.

Plant Reserve

- to be used for the purchase of major plant.

Building Reserve

- to be used for the construction of new buildings or to assist finance of housing loans

Seniors Aged Housing Reserve

- net result after rent and maintenance has been carried out for the financial year. This fund is to be used for additional units and maintenance upkeep.

Communications Reserve

- to be used for Capital upgrade of the TV Rebroadcaster

Residential Land Reserve

- to be used for the profit from the sale of subdivision blocks.



Self Insurance Reserve

- to be used for Insurance Excess.

Roadworks Reserve

- to be used for any unspent Road Grant monies.

Swimming Pool Reserve

- to be used for the upgrade of the Swimming Pool in future years.

Royalties for Regions

- to be used for any unspent Royalties for Regions monies.

**SHIRE OF MUKINBUDIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

	<b>2009/10 Budget \$</b>	<b>2008/09 Actual \$</b>
<b>7. NET CURRENT ASSETS</b>		
<b>Composition of Estimated Net Current Asset Position</b>		
 <b>CURRENT ASSETS</b>		
Cash - Unrestricted	725,381	280,570
Cash - Restricted	630,995	541,482
Receivables	18,478	187,636
Inventories	<u>0</u>	<u>0</u>
	<u>1,374,854</u>	<u>1,009,688</u>
 <b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	<u>50,561</u>	<u>35,561</u>
<b>NET CURRENT ASSET POSITION</b>	<b>1,425,415</b>	<b>1,045,249</b>
Less: Cash - Restricted	<u>-630,995</u>	<u>-541,482</u>
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>	<b><u>794,420</u></b>	<b><u>503,767</u></b>

The estimated surplus/(deficiency) c/fwd in the 2008/09 actual column represents the surplus (deficit) brought forward as at 1 July 2009.

The estimated surplus/(deficiency) c/fwd in the 2009/10 budget column represents the surplus (deficit) carried forward as at 30 June 2010.

**SHIRE OF MUKINBUDIN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**8. RATING INFORMATION - 2009/10 FINANCIAL YEAR**

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2009/10 Budgeted Rate Revenue \$	2009/10 Budgeted Interim Rates \$	2009/10 Budgeted Back Rates \$	2009/10 Budgeted Total Revenue \$	2008/09 Actual \$
<b>Differential General Rate</b>								
GRV	16.4130	157	915,116	147,851	0	0	147,851	143,207
UV	1.6605	235	38,492,500	633,813	0	0	633,813	610,588
Mining	1.6605	1	30,170	485	0	0	485	3,059
<b>Sub-Totals</b>		393	39,437,786	782,149	0	0	782,149	756,854
<b>Minimum Rates</b>	<b>Minimum \$</b>							
GRV	200	19	8,011	3,800	0	0	3,800	0
UV	250	20	141,300	5,000	0	0	5,000	0
Mining	250	7	8,421	2,250	0	0	2,250	0
<b>Sub-Totals</b>		46	157,732	11,050	0	0	11,050	0
Ex-Gratia Rates							793,199	756,854
							11,908	11,394
Discounts							805,107	768,248
<b>Totals</b>							-67,925	-61,190
							737,182	707,058

All land except exempt land in the Shire of Mukinbudin 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 2009/10 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 MUKINBUDIN**

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

**FOR THE YEAR ENDED 30TH JUNE 2010**

**9. SPECIFIED AREA RATE - 2009/10 FINANCIAL YEAR**

Council did not budget to raise a specified area rate in the year ended 30 June 2010.

**10. SERVICE CHARGES - 2009/10 FINANCIAL YEAR**

	<b>Amount of Charge \$</b>	<b>2009/10 Budgeted Revenue \$</b>	<b>Budget Applied to Costs \$</b>	<b>2008/09 Actual \$</b>
Television Re-broadcasting	58	8,468	8,468	7,592
		8,468	8,468	7,592

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

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

Funds in excess of that used for operating costs will be transferred to reserve.

**SHIRE OF MUKINBUDIN**

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

**FOR THE YEAR ENDED 30TH JUNE 2010**

	<b>2009/10 Budget \$</b>	<b>2008/09 Actual \$</b>
<b>11. FEES &amp; CHARGES REVENUE</b>		
Governance	100	240
General Purpose Funding	1,100	1,072
Law, Order, Public Safety	650	755
Health	200	0
Education and Welfare	0	0
Housing	89,184	53,998
Community Amenities	59,488	52,971
Recreation & Culture	195,680	25,331
Transport	0	0
Economic Services	108,230	87,084
Other Property & Services	39,060	7,088
	<u>493,692</u>	<u>228,539</u>

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2009/10 FINANCIAL YEAR**

A discount on rates of 10% is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice. The actual revenue discounted in the previous year was \$61,190. this year, Council has budgeted an amount of \$67,925.

**SHIRE OF MUKINBUDIN**

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

**FOR THE YEAR ENDED 30TH JUNE 2010**

**13. INTEREST CHARGES AND INSTALMENTS - 2009/10 FINANCIAL YEAR**

Ratepayers have the option of paying rates in four equal instalments. The first instalment is due 35 days of the date of service appearing on the rate notice. The remaining three instalments are due in two month intervals after that date. Council is charging an administration fee on instalments, and also charges interest on overdue rates at a rate of 10%.

	<b>2009/10 Budget \$</b>	<b>2008/09 Actual \$</b>
<b>14. COUNCILLORS' REMUNERATION</b>		
The following fees, expenses and allowances were paid to council members and/or the president.		
Meeting Fees	20,000	20,000
President's Allowance	6,000	6,000
Deputy President's Allowance	4,000	0
Travelling Expenses	2,500	0
Telecommunications Allowance	0	0
	<u>32,500</u>	<u>26,000</u>

**SHIRE OF MUKINBUDIN**

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

**FOR THE YEAR ENDED 30TH JUNE 2010**

**15. NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

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

	<b>2009/10 Budget \$</b>	<b>2008/09 Actual \$</b>	<b>2008/09 Budget \$</b>
Cash - Unrestricted	725,381	280,569	440
Cash - Restricted	<u>630,995</u>	<u>541,482</u>	<u>251,602</u>
	<u><u>1,356,376</u></u>	<u><u>822,051</u></u>	<u><u>252,042</u></u>

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

Leave Reserve	67,873	41,273	41,553
Plant Reserve	39,982	7,915	140,624
Building Reserve	222,192	189,387	25,494
Seniors Housing Reserve	32,853	29,484	30,255
Communication Reserve	118	107	107
Residential Land Reserve	8,455	7,690	7,769
Self Insurance Reserve	6,354	5,904	5,800
Roadworks Reserve	-23,077	259,722	0
Swimming Pool Reserve	272,355	0	0
Unspent Loans Reserve	<u>3,890</u>	<u>0</u>	<u>0</u>
	<u><u>630,995</u></u>	<u><u>541,482</u></u>	<u><u>251,602</u></u>

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

Net Result	337,890	980,317	349,752
Amortisation	0	0	0
Depreciation	846,400	-102,097	845,000
(Profit)/Loss on Sale of Asset	33,500	-15,393	73,500
(Increase)/Decrease in Receivables	598,023	191,569	191,366
(Increase)/Decrease in Inventories	0	0	0
Increase/(Decrease) in Payables	1,000,000	75,698	80,000
Increase/(Decrease) in Employee Provisions	-34,329	-32,286	60,000
Grants/Contributions for the Development of Assets	<u>-1,563,694</u>	<u>-1,251,363</u>	<u>-1,228,965</u>
<b>Net Cash from Operating Activities</b>	<u><u>1,217,790</u></u>	<u><u>-153,555</u></u>	<u><u>370,653</u></u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank Overdraft limit	100,000	100,000	0
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	5,000	5,000	0
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Amount of Credit Unused</b>	<u><u>105,000</u></u>	<u><u>105,000</u></u>	<u><u>0</u></u>

**Loan Facilities**

Loan Facilities in use at Balance Date	<u>796,490</u>	<u>909,466</u>	<u>987,002</u>
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Unused Loan Facilities at Balance Date

0

0

0

**SHIRE OF MUKINBUDIN**

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

**FOR THE YEAR ENDED 30TH JUNE 2010**

**16. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 01-Jul-09 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance 30-Jun-10 \$</b>
Soil Conservation	12,620	0	-412	12,208
Transport	0	558,476	-569,958	-11,482
Nomination Deposits	0	0	0	0
Bonds	5,558	4,068	-2,618	7,008
Karlonning Pipeline Scheme	24,093	0	0	24,093
Wilgoyne Tennis Club	6,136	564	-47	6,653
Mukinbudin Indoor Cricket Club	10,235	0	0	10,235
Rates in Advance	14,789	1,285	-14,789	1,285
Drive-In Donation	0	500	0	500
BCITF	-472	260	0	-212
				0
	<u>72,959</u>			<u>50,288</u>



**SHIRE OF MUKINBUDIN**

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

**FOR THE YEAR ENDED 30TH JUNE 2010**

**17. MAJOR LAND TRANSACTIONS**

**Residential Subdivision**

(a) Details

Council are also in the process of developing a new 18 lot residential subdivision. The development included the provision of services such as sewage, power and transport infrastructure. There are 18 lots available for sale with the sale price ranging from \$36,000 to \$42,000 each.

	<b>2009/10 Budget</b>	<b>2008/09 Actual</b>
	\$	\$
(b) Current year transactions		
<b>Operating Income</b>		
- Profit on sale	0	0
<b>Capital Income</b>		
- Sale Proceeds	0	0
<b>Capital Expenditure</b>		
- Purchase of Land	0	0
- Development Costs	250,000	155,366
	<u>250,000</u>	<u>155,366</u>

(c) Expected Future Cash Flows

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
<b>Cash Outflows</b>						
- Development Costs	-250,000	0	0	0	0	-250,000
- Loan Repayments	-112,976	-94,175	-130,509	-182,039	0	-519,698
	<u>-362,976</u>	<u>-94,175</u>	<u>-130,509</u>	<u>-182,039</u>	<u>0</u>	<u>-769,698</u>
<b>Cash Inflows</b>						
- Loan Proceeds	0	0	0	0	0	0
- Sale Proceeds	0	10,000	10,000	0	0	20,000
	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
<b>Net Cash Flows</b>	<u>-362,976</u>	<u>-84,175</u>	<u>-120,509</u>	<u>-182,039</u>	<u>0</u>	<u>-749,698</u>

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

It is not anticipated any trading undertakings or major trading undertakings will occur in 2009/10.