



SHIRE OF WICKEPIN

Annual Report

2012/2013





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77 Wogolin Road, Wickepin 6370
 PO Box 19, Wickepin 6370
 Tel: 9888 1005 Fax: 9888 1074

Email: admin@wickepin.wa.gov.au
www.wickepin.wa.gov.au

Office hours: 8.30am – 4.30pm
 Monday to Friday

Council Overview

The Shire of Wickepin is a local government consisting of eight elected councillors. The council members elect the President and Deputy President every two years.

The current members of the Shire of Wickepin are:

			<i>Elected</i>	<i>Retires October</i>
Cr Steven Martin	9888 6062	President	2001	2017
Cr Julie Russell	9888 1097	Deputy President	2005	2015
Cr Grayden Lang	9888 4001		2013	2017
Cr Ross Easton	9883 2002		2005	2017
Cr Wes Astbury	9883 1021		2013	2017
Cr Gerri Hinkley	9883 2062		2007	2015
Cr Fran Allan	9888 7071		2008	2015
Cr Allan Lansdell	9888 1449		2011	2015

Council Meetings

Full council meetings are held on the third Wednesday of the month commencing at 3.30pm. By resolution no meeting is held in January.

Residents are reminded that 15 minutes public question time is held at the beginning of each meeting where questions may be asked with or without notice or an issue considered relevant to the operation of council. In some cases prior notification of a proposed question is considered prudent, particularly if the matter requires some research. Residents are also permitted to attend the whole council meeting if desired, however are not permitted to speak (unless directed by the President) or take part in debate on any agenda item.

Elections

Elections are normally every two years. Voting at council elections is not compulsory; however participation by residents in elections is vital to the effectiveness of local government. Residents not included on the State Electoral Roll should contact the Australian Electoral Commission.

If you are a non resident owner or occupier of rateable property in your local government area and are on the State Electoral Roll you are eligible to enrol to vote and should make an enrolment application to the local government.

Council Staff

**Chief Executive Officer
 Manager Works & Services
 Executive Support Officer
 Finance Officer
 Administration Officer
 EHO/Building Surveyor
 Community Development Officer**

Mark Hook
 Peter Vlahov
 Leah Pearson
 Kerry Fisher
 Amanda Bullock
 Allan Ramsay
 Natalie Manton

ceo@wickepin.wa.gov.au
works@wickepin.wa.gov.au
eso@wickepin.wa.gov.au
finance@wickepin.wa.gov.au
admin@wickepin.wa.gov.au
eho@wickepin.wa.gov.au
cdo@wickepin.wa.gov.au

**Works Foreman
 Leading Hand Construction
 Mechanic
 Grader Drivers
 Plant Operators
 Refuse & Recycling
 Gardener
 Gardener
 Recycling Depot
 Swimming Pool Manager
 Cleaners**

Peter Bransby
 Bob Read
 Cameron Charles
 Bob Read, Colin Plumb
 Trevor Tapping, Ian Roberts, Justin Smith
 Peter Marsh
 Graeme Wilson
 James Matthews
 Janet Thorley
 Damien Morrison
 Janet Thorley, Kathy Desmond,



Auditor

Byfields Certified Practising Accountants
 14 Resolution Drive
 Ascot 6104



Town Planner

Landvision
 Land Planning & Mapping Consultants
 Suite 5, 16 Nicholson Road
 Subiaco 6008



Bank

ANZ
 Bintamilling Arcade
 Narrogin 6312



Services

**Council Depot
 Wickepin Swimming Pool
 Wickepin Caravan Park
 Wickepin Community Centre**

9888 1252
 9888 1015
 9888 1089
 9888 1125



President's Report

It gives me great pleasure to present my President's report on the Wickepin Shire Council's activities for the 2012/13 financial year.

The 2012/13 year was highlighted by the completion of two projects that had been in the pipeline for several years. The opening of the fuel facility in Wickepin will be a long term benefit for local residents and will attract tourist traffic to the area.

The Wickepin Sports Club and Council also completed an upgrade to synthetic bowling greens at the club. This important upgrade was achieved under a new funding arrangement where the Sports Club will make ongoing contributions for the eventual replacement of this asset.

Council also made a significant investment in maintaining and improving community assets throughout the Shire of Wickepin. State and Federal grant funds and Council's own rate income allowed the Wickepin Shire to invest in the infrastructure required for a sustainable community.

2012-13 Major Achievements

1. Wickepin Bowling Club – New synthetic greens
2. Yealering Cemetery Upgrade
3. Wickepin Fuel Facility completed and officially open
4. Installation of rain water tanks at the Wickepin Community Centre for watering oval
5. Wickepin oval reticulation
6. Wickepin Hall re-wiring
7. Yealering Hall up-grade/refurbishment
8. Community Agricultural Centre – New roof and partial refurbishment

2012 - 2013 Budget Highlights**Housing**

5 Smith Street - Eaves and gutters	4,600
49 Collins Street - Gutters and Patio	4,500
Young Singles paint Eaves and Gutters	8,000
10 Smith Street - replace floor covering	4,510

Community Amenities

Community Agriculture Centre Refurbishment	74,399
Wickepin Fuel Facility	219,592
Yealering Cemetery Niche Wall, Gazebo	85,728
Wickepin Toilets Wireless Router CCTV	5,000

Recreation and Culture

Wickepin Hall Rewiring	48,468
Wickepin Community Centre PA System	8,800
Wickepin Community Centre Water Tanks	32,319
Wickepin Club Synthetic Bowling Greens	403,300
Yealering Hall Lakeside amenities	61,465
Wickepin Oval Reticulation	15,000

Transport

Depot Improvements	20,000
Footpaths	65,500
Backhoe	156,600
Single Axle Truck	114,460
Ride on Mower	28,000
MWS Vehicle	34,688
CEO Vehicle	43,000
CEO Vehicle	43,000
Facey Group Vehicle	37,392
Skid Mounted Spray Unit	4,500
Self - Propelled Lawn Mower	1,500

Roads, Plant and Infrastructure

Council continued to make a significant contribution to the ongoing maintenance and upgrade of the road network during the 2012/2013 financial year.

This effort was aided by State Government funds allocated to the Council for upgrades to roads affected by the pending closure of railway lines in the Shire. It is uncertain if the upgrades will handle the increased truck traffic if the lines do close. Council is very conscious of the need to maintain the shire's road network to a high standard and the Manager of Works, Mr Peter Vlahov, as well as the works staff should be commended on their achievements once again this year.

Council undertook the following road and footpath program in 2012/13;

REGIONAL ROAD GROUP 2012/2013				
RG001	Wickepin Corrigin road	10.30-12.30	Reconstruct and primer seal	127,708
RG003	Wickepin Pingelly road	9.11-11.50	Reconstruct and primer seal	127,708
	Total RRG			255,415
ROADS TO RECOVERY				
R2R078	Pauley Road	4.40-6.40	Gravel sheeting, widening, reduction of veg & signs	39,000
R2R017	Wogolin South Road	1.00-4.00	Gravel sheeting, widening, reduction of veg & signs	-
R2R076	Leeson Road	2.57-4.57	Gravel sheeting, widening, reduction of veg & signs	45,550
R2R052	Rose Road	0.00-2.00	Gravel sheeting, widening, reduction of veg & signs	-
R2R051	Harrismith North Road	2.58-5.58	Gravel sheeting, widening, reduction of veg & signs	45,450
R2R024	Cuballing East Road	0.32-3.08	Reseal	82,000
R2R029	Wedin South Road	0.00-1.50	Gravel sheeting, widening, reduction of veg & signs	39,367
	Total Roads To Recovery			251,367
CAPITAL COUNCIL				
CO108	Johnston Street	275mx7m	Reseal from Campbell to Henry Street	11,560
CODAH	Drainage and headwalls	Various roads	Cleaning and upgrading culverts & drainage structures	45,900
CO010	Toolibin North Road	3.0km	Various sections gravel sheeting	-
CO024	Wedin South Road	0.00-1.50	Gravel sheeting, widening, reduction of veg & signs	
CO105	Murray Road	0.00-2.00	Gravel sheeting, widening, reduction of veg & signs	37,000
CO160	Watts road	0.00 to 3.00	Gravel sheeting, widening, reduction of veg & signs	-
LFP1	Footpath Construction		Yealering, Wickepin, Harrismith	65,500
	Total Council			159,960
MAINTENANCE				
GPRVP	Tree Lopping	various roads	contract lopping	70,000
5602	Annual Maintenance Program	Various roads	Maintenance Grading	293,783
	Total GPRF			363,783
GRAIN FREIGHT PROJECTS 2012/2013				
GF 001	Wickepin Harrismith Road	9.86-18.23	Strip & culvert widen and reseal	392,809
GF 002	Lomos South Road	0.00-6.28	Strip widen, construction, culvert widening and reseal	926,573
GF 150	Fence Road	0.00-9.78	Strip & culvert widening, reseal and formation upgrade	343,106
GF 004	Narrogin Harrismith	intersection	Upgrade and hot mix	9,296
	Various Projects		Contingency for projects	103,000
			Total Grain Freight	1,774,784
STATE BLACKSPOT 2012/2013				
BS150	Fence road (Stage one)	9.42 to 12.19	Widen formation and seal (comp stage two 2012/13)	57,290
	Wickepin/Pingelly and Wickepin North intersection	Intersection	Reduce camber, widen and upgrade intersection	
	Wickepin/Pingelly Road (Avery curve)	20.30-21.35	Correction of road surface, camber and removal of vegetation trees	90,750
BS003	Wickepin Pingelly Road	3.00 - 6.30	Curve correction, formation and seal widening	
BS015	Wickepin North Road	0.00-5.20	Widening of formation, culverts and bitumen seal	255,000
	Total State Blackspot			403,040
	GRAND TOTAL 2012/ 2013			3,208,348

On behalf of Wickepin Shire community I would like to thank the CEO Mark Hook and his team for an outstanding effort over the past year.

I would also like to thank my fellow councillors for their contribution and personal support.

Thank You

**Cr Steven Martin
Shire President J.P**

Chief Executive Officer's Report

I have much pleasure in presenting my Chief Executive Officers Report to the Shire of Wickepin and the Community for the year ending June 2013.

Staff

The Shire administration staff has seen some changes this year with Bronwyn Dew leaving to take up a post with the Narrogin Aged Care Facilities and Louise Leeson leaving to take up a part-time job in Wickepin. This has seen Kerry Fisher come to Wickepin as Senior Finance Officer and Amanda Bullock take up the position as the Customer Service Officer.

I would like to thank all the staff for their hard work and dedication during the past year.

An increasingly large road construction and maintenance program was accomplished during the year by a very capable Works staff, led by Peter Vlahov. Thank you to all the outside staff for their dedication and high work levels to the Shire of Wickepin.

General Operations

The 2012/2013 financial year has been a busy one, with the Royalties for Regions Program which has been used to improve facilities in the Shire of Wickepin.



24 Hour Fuel Facility

The Wickepin fuel facility has been completed and is fully operational and provides 24 hour access for ULP and Diesel fuels by using a credit or debit card with a PIN. Great Southern Fuels of Narrogin have been chosen as the preferred supplier to run the 24 hour facility.



Community Ag Centre Refurbishment

The refurbishment and the new roof have been installed at the Community Agricultural Centre but more works are still required to bring this building up to its full use.



Yealering Cemetery

The construction of the new niche wall, shade structure, pathways and seating has been completed.

Natalie Manton has done a wonderful job with the aid of the Yealering Community to finalise this wonderful project that will see benefits for the Yealering Community for years to come.



Wickein Sports Club

The refurbishment of the Wickein Bowling Club grass bowling Green's to synthetics was completed to a high standard and all seem to be bowling well.

Thank you to all the volunteers who undertook some of the works of lifting old pavers, painting and constructing the shade shelter and for just helping out.



Wickepin Town Hall Refurbishment

The Wickepin Town Hall has been repainted entirely inside during the 2012/2013 budget year. The electrical wiring has been upgraded, including new circuit boards and fuse box.

This has given the hall a great lift and looks great.



National Competition Policy

The Clause 7 Statement on the application of National Competition Policy to local government requires certain information to be provided in the Annual Report.

Competitive Neutrality

Council has reviewed all areas of operations to determine the existence or otherwise of significant business activities.

A significant business activity is defined as an activity with an income in excess of \$200,000 pa, which is not a regulatory service (community service obligation) and which is not already contracted out.

Accordingly, it has been determined that Council has no significant business activity for the purposes of competitive neutrality as it relates to the National Competition Policy Clause 7 Statement.

Disability Service Plan Statement

The Disability Services Amendment Act 1999 requires local governments to report annually on their Disability Service Plan achievements. The achievements for the year ended 30 June 2012 are listed below and grouped into the outcome areas addressed in the Shire of Wickepin Disability Service Plan.

Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Shire of Wickepin.

Council is responsive to the needs of the community to ensure equality is maintained with respect to access to council services and events.

Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities by the Shire of Wickepin.

Any new public council buildings meet required minimum standards with respect to access. Council will be working with local businesses with a view to encouraging improved access as necessary.

Outcome 3: People with disabilities receive information from a public authority in a format that will enable them to access the information, as readily as other people are able to access it.

Information about the functions, facilities and services provided by the Shire is prepared using clear and concise language. If necessary, this information can be made in alternative formats i.e. large print, verbal etc. on request. During the year no such requests were received.

Outcome 4: People with disabilities receive the same level and quality of services from the staff of the Shire of Wickepin as other people receive from the staff of the Shire.

All the shire staff are aware of the need to treat all people and customers equally.

Outcome 5: People with disabilities have the same opportunities as other people to make complaints to the Shire of Wickepin.

Council and staff treat any complaints received equally and without bias. No official complaints were received during the year.

Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Wickepin.

Venues which are utilised for community participation in Council process are selected with the objective of ensuring access for all members of the community.

State Records Act 2000

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner. Minimum compliance requirements:

The record keeping plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisations record keeping system is evaluated not less than once every 5 years;
2. The organisation conducts a record keeping training program;
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time;
4. The organisations induction program addresses employee roles and responsibilities in regard to their compliance with the organisations record keeping plan.

The Shire of Wickepin complied with items 1 to 4.

Disclosure of Annual Salaries

Local governments are required to include in their annual report the number of employees of the local government entitled to an annual salary of \$100,000 or more, and the number of employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

For the year 2011/2012 the Shire of Wickepin had one employee with a salary exceeding \$100,000 in the \$110,000 to \$120,000 band.

The Forward Capital Works Plan is also used in conjunction with the Strategic Plan to plan for future expenditure of council and grant funds.

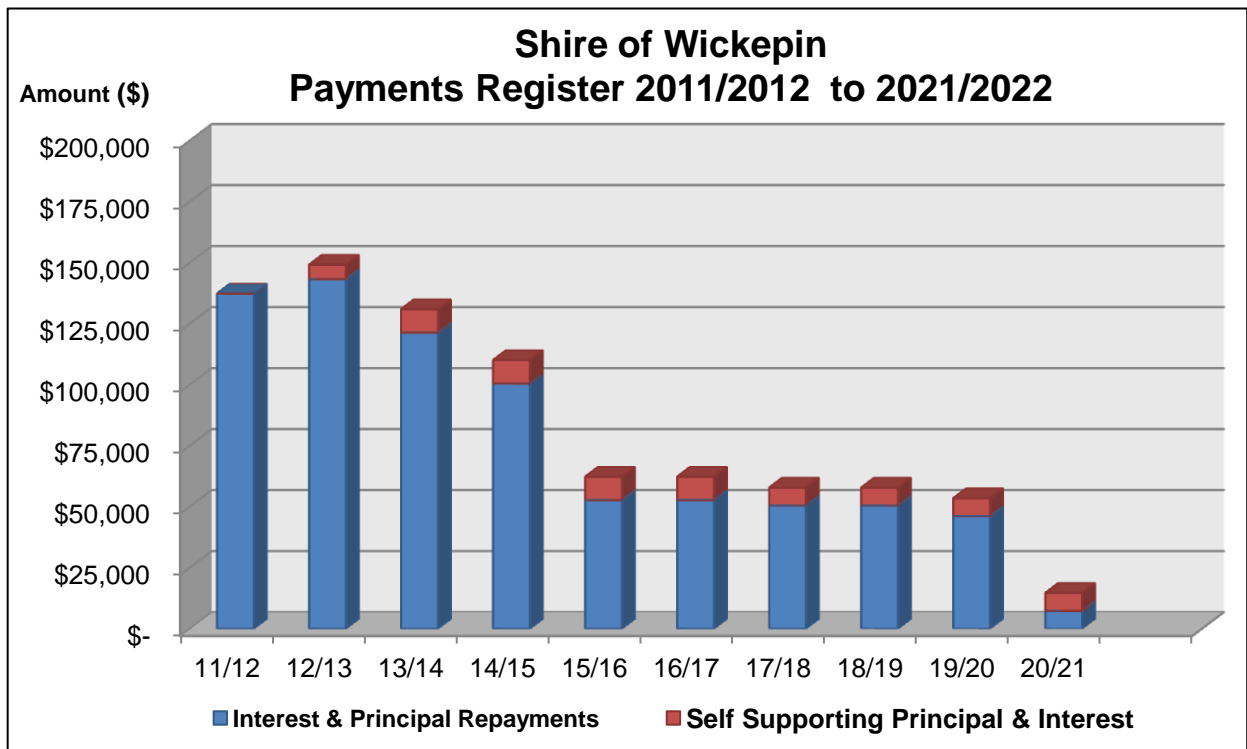
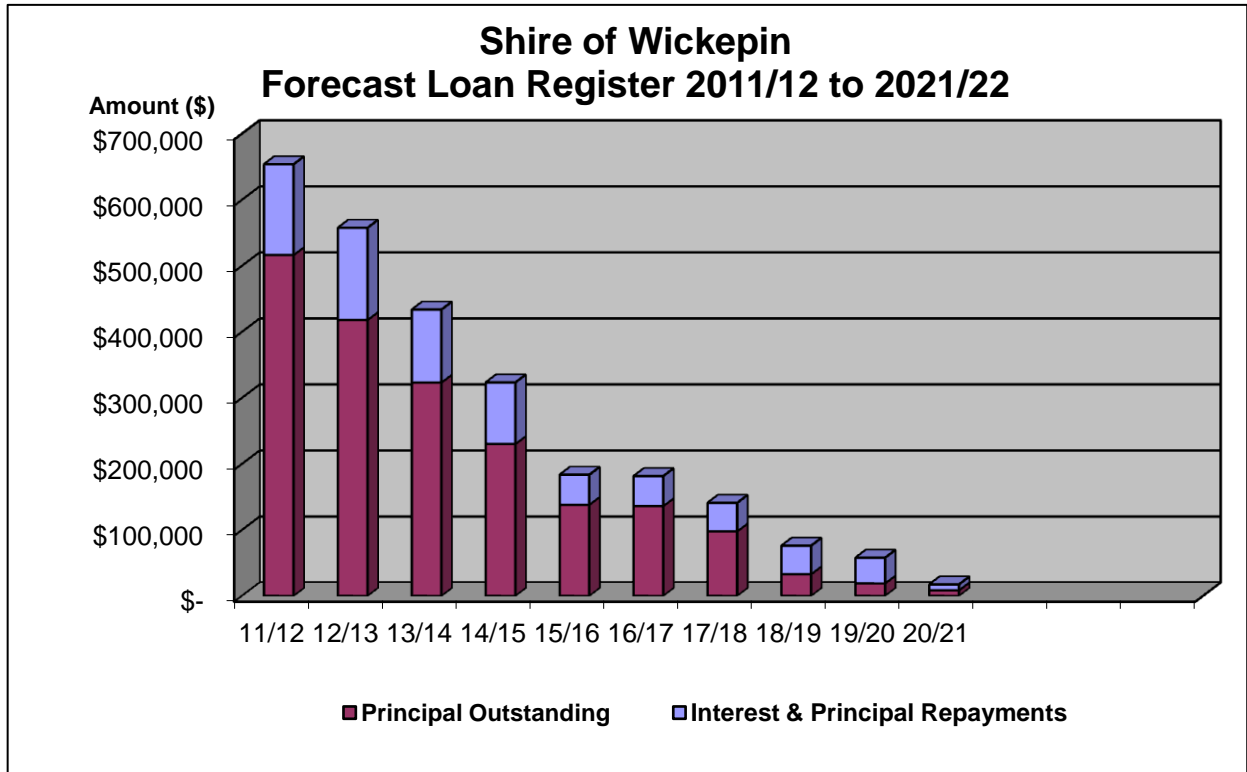
A copy of the plan is available at the Shire office or for public viewing by visiting www.wickepin.wa.gov.au.

Loans

Council has undertaken a no loan policy other than for self supporting loans to support Wickepin Community Groups.

Council has undertaken the following self supporting loans during the 2012/2013 Financial Period.

1. LOAN 101 Wickepin Districts Sportsman Club \$60,000 – Ten Year Term at 4.00% Annual Compounding.



Public Interest Disclosure Act

The Shire of Wickepin is committed to the aims and objectives of the Public Interest Disclosure Act 2003. It recognises the value and importance of contributions of staff to enhance administrative and management practices and strongly supports disclosures being made by staff regarding corrupt or other improper conduct.

The Shire of Wickepin takes all reasonable steps to provide protection to staff who make such disclosures from any detrimental action in reprisal for the making of a disclosure. The Shire of Wickepin does not tolerate any of its officers, employees or contractors engaging in acts of victimisation or reprisal against those who make public interest disclosures. These acts should be reported immediately to the Public Interest Disclosure Officer or the Chief Executive Officer.

The Shire of Wickepin is required under the Public Interest Disclosure Act to report on the extent to which the Chief Executive Officer has complied with the obligations of the Act.

The Chief Executive Office Mr Mark John Hook has been appointed as Council's Public Interest Disclosure Officer. No Public Interest Disclosures were received by the Shire of Wickepin during 2012/2013.

Register of Complaints

The Local Government Act 1995 Section 5.121 requires the complaints officer of the local government to maintain a register of complaints which records all complaints that result in an action under the Local Government Act 1995 Section 5.110 (6)(b) or (c).

For the purposes of Section 5.53(2) (hb) of the Local Government Act 1995 it is advised that the Shire of Wickepin received zero (0) complaints during the 2012/2013 financial year.

Freedom of Information

In accordance with Section 96 and 97 of the Freedom of Information Act 1992, the Shire is required to publish an information statement which details the process for applying for information under the Act, as well as information that the Shire provides outside the Act.

This document is available from the Shire's Administration Office or the website.

During 2012/2013 the Shire received zero (0) Freedom of Information applications, and 1 (1) referrals for third party consultation. The Act requires that all applications are responded to within 45 days.

Thank You

I would like to take this opportunity to thank all the staff for their continued efforts in the 2012/2013 financial year as well as Council for their support, in particular Shire President Cr Steven Martin and Deputy Shire President Cr Julie Russell.

Mark J Hook
Chief Executive Officer

Community Development Officer's Report

The following report highlights the range of community projects undertaken by the Community Development Officer at the Shire of Wickepin during the 2012 - 2013 year.

Arts and Cultural

The annual movie night was held at the Harrismith Golf Club in February 2013. The crowd of approximately 60 people enjoyed a beautiful evening watching the movie *The Sapphires* and hamburgers prepared by the Wickepin Volunteer Resource Centre made possible with funding from a Thank a Volunteer grant.



Outdoor Movie poster 2013

Planning commenced on applying for funding to conduct a sculpture project in 2014. The project will commence in July 2014 and involve a series of sculpture workshops and the creation of a permanent artwork to be installed in the Shire of Wickepin Administration Centre gardens.

Community and Economic Development

Cemetery Upgrades

The Yealering Cemetery Upgrade was finalised during 2013 including the landscaping and relocation of plaques. The cemetery upgrade formed one of the six 2010/2011 Royalties for Regions – Country Local Government Funding Local Projects. The project was also supported with funding from the Norm and Ellen King Trust Fund. The official opening was held in April 2013 and many positive comments have been received.



An article on the Yealering Cemetery upgrade was featured in the Australian Cemeteries and Crematoria Association magazine. Following the completion of the cemetery upgrade, the Shire of Wickepin has installed four new plaques and received 12 new reservations.

During 2013 the Yealering Progress Association installed a new sign at the entry of the cemetery to match the entry statement and signs at the golf club and caravan park.



Yealering cemetery

The upgrade of the Yealering Hall and Lake Amenities upgrade was completed during the 2012-13 year.

Following the completion of the Yealering cemetery upgrade work has commenced on an upgrade to the Wickepin cemetery and niche wall. Feedback and comments were received during 2013 and plans will be finalised during 2014. It is anticipated that the upgrade of the Wickepin cemetery will include improvements to the niche wall, driveway, entry and car park. The cemetery upgrade will also provide an opportunity to update the burial records and cemetery processes.

Wickepin Community Resource Centre

Discussions were held during 2013 regarding the ongoing problems with the Wickepin Community Resource Centre building. Improvements were made to the drainage and air conditioning however the building requires a significant upgrade to bring it up to an acceptable and safe standard. Further investigation of the ongoing accommodation requirements for the Community Resource Centre will be conducted during 2014.

Walk Trails

The Shire of Wickepin was successful in receiving funding from Lotterywest to develop a Walk Trails Master Plan. The funding will enable the Shire of Wickepin to engage consultants to develop a trails master plan to suggest possible improvements or extensions to the existing trails in the towns of Wickepin, Yealering and Harrismith. It is expected that the plan will guide the design and placement of interpretive signage, other directional and information signage as well as seating. The plan will assist the Shire of Wickepin to apply for funding, or use council funds, to complete the trail as required.



Living Lakes Project

During 2012, the Shire of Wickepin continued to work with the Department of Regional Development and Lands, Department of Water, Facey Group and local landholders on the Living Lakes Feasibility Study and Environmental Report. The environmental report and feasibility study completed in Phase 1 of the Living Lakes project has provided background information on possible options for the enhancement of the lake. Consultants were engaged in late 2013 to commence Phase 2 of the project which involves the engineering design and concept planning.



Townscape Projects

Townscape projects undertaken during the 2012-13 year included:

- Concept plan and funding application for Wickepin War Memorial to acknowledge service men and women who were killed in action during WW1 and WW2.
- Purchased shelving and boxes for Community Archive Room.
- Bench for Harrismith Cemetery.
- Sponsorship of Harrismith Photography Comp.
- Concept plan for Shire Admin Centre gardens.
- Yealering Bike Track in conjunction with Yealering Bike Track Committee.
- Purchase of art track to hand artwork.

Sport and Recreation

Kidsport

The Shire of Wickepin continued to support the Department of Sport and Recreation and local sporting groups to implement the Kidsport program. The Kidsport program involves the distribution of vouchers by local governments to children to assist them to play organised sport. During 2013 the Shire of Wickepin has processed vouchers to the value of \$2,556 for 29 local children to play six different sports with netball, hockey and football being most popular.



Healthy Communities Project

The Shire of Wickepin continued to support the Narrogin Healthy Lifestyles Project which is funded by the Federal Department of Health and Ageing Healthy Communities Initiative. The aim of the project is to reduce obesity by increasing awareness of the benefits of healthy lifestyle behaviors and by enhancing knowledge and skills to develop healthier eating habits and patterns of physical activity; particularly in community members who are at risk of developing lifestyle diseases such as cardiovascular disease and diabetes.



During 2013 the *Beat It* and *Heart Moves* programs were held in Wickepin and received good support from the local community. A walking day was also held along with healthy cooking classes. In 2014 the Healthy Lifestyles Program has organised a mixed netball competition, group fitness class and Healthy Eating and Lifestyles Program (HEAL).

Yealering Bike Track

The Yealering Progress Association, Yealering Bike Track Committee and the Shire of Wickepin worked together to complete a new bike skills track in Yealering during 2013. The track encouraged children to negotiate obstacles around a track and is suitable for bikes, scooters and skate boards. The track has been well used by local children and visitors.



Yealering Bike Track

Heritage

An application for funding to refurbish the Old Railway Station building was completed in 2013. The Old Railway Station is the last of the buildings in the Wickepin Heritage Precinct to be refurbished. Ongoing negotiations are being held with Brookfield Rail to arrange for the Shire of Wickepin to lease the Old Railway Station and surrounding reserve. It is anticipated that the former goods yard will be able to be used to showcase machinery to enhance the heritage walk trail.



Old Railway Station



Natalie Manton
Community Development Officer

SHIRE OF WICKEPIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

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SHIRE OF WICKEPIN

FINANCIAL REPORT

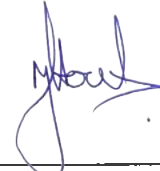
FOR THE YEAR ENDED 30TH JUNE 2013

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Wickepin being the annual financial report and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Wickepin at 30th June 2013 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 18 day of December 2013



Mark Hook
Chief Executive Officer

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

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Rates	22	1,212,959	1,211,645	1,154,267
Operating Grants, Subsidies and Contributions	28	1,400,703	879,177	1,599,018
Fees and Charges	27	482,926	291,529	1,567,415
Service Charges	24	0	0	0
Interest Earnings	2(a)	57,222	50,427	50,321
Other Revenue		0	0	0
		<u>3,153,810</u>	<u>2,432,778</u>	<u>4,371,021</u>
Expenses				
Employee Costs		(729,683)	(792,315)	(927,947)
Materials and Contracts		(902,733)	(1,132,915)	(1,517,709)
Utility Charges		(223,348)	(132,960)	(120,393)
Depreciation on Non-Current Assets	2(a)	(1,108,742)	(1,053,090)	(1,078,562)
Interest Expenses	2(a)	(25,042)	(26,036)	(30,486)
Insurance Expenses		(155,625)	(174,019)	(132,716)
Other Expenditure		0	0	0
		<u>(3,145,173)</u>	<u>(3,311,335)</u>	<u>(3,807,813)</u>
		8,637	(878,557)	563,208
Non-Operating Grants, Subsidies and Contributions	28	2,628,286	3,943,804	1,050,829
Fair value adjustments to financial assets at fair value through profit or loss	2(a)	0	0	0
Profit on Asset Disposals	20	137,639	119,585	21,439
Loss on Asset Disposal	20	(41,327)	(14,028)	(9,196)
Net Result		2,733,235	3,170,804	1,626,280
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	233,764	0	0
Total Other Comprehensive Income		<u>233,764</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>2,966,999</u></u>	<u><u>3,170,804</u></u>	<u><u>1,626,280</u></u>

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

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

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Governance		245,928	24,800	41,937
General Purpose Funding		2,285,265	1,886,292	2,666,492
Law, Order, Public Safety		64,319	77,620	72,804
Health		804	900	904
Education and Welfare		0	0	0
Housing		65,226	66,005	62,996
Community Amenities		111,307	100,747	151,129
Recreation and Culture		20,829	22,230	59,618
Transport		103,116	116,366	91,581
Economic Services		141,327	103,101	46,655
Other Property and Services		115,689	34,717	1,175,951
	2(a)	3,153,810	2,432,778	4,370,067
Expenses				
Governance		(323,301)	(331,948)	(322,178)
General Purpose Funding		(58,504)	(57,306)	(50,022)
Law, Order, Public Safety		(107,836)	(145,153)	(103,592)
Health		(36,959)	(46,278)	(44,737)
Education and Welfare		(7,137)	(9,585)	(8,306)
Housing		(109,134)	(116,773)	(126,941)
Community Amenities		(278,926)	(297,305)	(272,740)
Recreation and Culture		(542,805)	(537,030)	(562,146)
Transport		(1,397,738)	(1,362,879)	(1,257,339)
Economic Services		(237,719)	(298,599)	(173,963)
Other Property and Services		(20,072)	(82,443)	(854,409)
	2(a)	(3,120,131)	(3,285,299)	(3,776,373)
Finance Costs				
Housing		(12,897)	(13,093)	(15,122)
Community Amenities		(5,684)	(5,751)	(8,486)
Recreation and Culture		(6,091)	(6,627)	(5,779)
Transport		(370)	(565)	(1,099)
	2(a)	(25,042)	(26,036)	(30,486)
Non-Operating Grants, Subsidies and Contributions				
General Purpose Funding		0	0	348,868
Law, Order, Public Safety		0	318,350	0
Community Amenities		512,890	981,000	0
Recreation and Culture		134,847	248,300	0
Transport		1,963,048	2,396,154	701,961
Economic Services		17,501	0	0
		2,628,286	3,943,804	1,050,829
Profit/(Loss) on Disposal of Assets				
Governance		444	(2,364)	
Housing		74,808	85,000	
Community Amenities		15,109	0	19,420
Transport		5,951	22,921	(7,177)
		96,312	105,557	12,243
Net Result		2,733,235	3,170,804	1,626,280
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	233,764	0	0
Total Other Comprehensive Income		233,764	0	0
Total Comprehensive Income		2,966,999	3,170,804	1,626,280

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

SHIRE OF WICKEPIN
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2013

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,710,466	2,302,026
Trade and Other Receivables	4	70,760	222,219
Inventories	5	460	3,585
TOTAL CURRENT ASSETS		<u>2,781,686</u>	<u>2,527,830</u>
NON-CURRENT ASSETS			
Other Receivables	4	61,234	0
Inventories	5	0	0
Property, Plant and Equipment	6	7,617,933	7,142,050
Infrastructure	7	25,909,121	23,693,141
TOTAL NON-CURRENT ASSETS		<u>33,588,288</u>	<u>30,835,191</u>
TOTAL ASSETS		<u>36,369,974</u>	<u>33,363,021</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	259,607	158,862
Long Term Borrowings	9	104,188	121,293
Provisions	10	77,529	80,287
TOTAL CURRENT LIABILITIES		<u>441,324</u>	<u>360,442</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	278,144	322,332
Provisions	10	89,346	86,086
TOTAL NON-CURRENT LIABILITIES		<u>367,490</u>	<u>408,418</u>
TOTAL LIABILITIES		<u>808,814</u>	<u>768,860</u>
NET ASSETS		<u>35,561,160</u>	<u>32,594,161</u>
EQUITY			
Retained Surplus		20,835,970	18,449,828
Reserves - Cash Backed	11	797,649	450,556
Revaluation Surplus	12	13,927,541	13,693,777
TOTAL EQUITY		<u>35,561,160</u>	<u>32,594,161</u>

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

SHIRE OF WICKEPIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		16,729,398	544,706	13,693,777	30,967,881
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
Restated Balance		16,729,398	544,706	13,693,777	30,967,881
Comprehensive Income		1,626,280	0	0	1,626,280
Net Result		0	0	0	0
Changes on Revaluation of Non-Current Assets	12	1,626,280	0	0	1,626,280
Total Comprehensive Income		94,150	(94,150)	0	0
Reserve Transfers		18,449,828	450,556	13,693,777	32,594,161
Balance as at 30 June 2012		18,449,828	450,556	13,693,777	32,594,161
Comprehensive Income		2,733,235	0	0	2,733,235
Net Result		0	0	233,764	233,764
Changes on Revaluation of Non-Current Assets	12	2,733,235	0	233,764	2,966,999
Total Other Comprehensive Income		(347,093)	347,093	0	0
Reserve Transfers		20,835,970	797,649	13,927,541	35,561,160
Balance as at 30 June 2013		20,835,970	797,649	13,927,541	35,561,160

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

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

	NOTE	2013 \$	2013 Budget \$	2012 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,205,064	1,212,915	1,169,959
Operating Grants, Subsidies and Contributions		1,400,703	879,177	1,599,018
Fees and Charges		486,080	301,529	1,577,550
Service Charges		0	0	0
Interest Earnings		57,222	50,427	50,321
Goods and Services Tax		284,389	100,000	74,713
Other Revenue		0	0	0
		<u>3,433,458</u>	<u>2,544,048</u>	<u>4,471,561</u>
Payments				
Employee Costs		(738,911)	(787,315)	(957,515)
Materials and Contracts		(764,281)	(1,134,827)	(1,434,678)
Utility Charges		(221,802)	(132,960)	(120,151)
Insurance Expenses		(155,625)	(174,019)	(132,716)
Interest expenses		(24,642)	(26,036)	(31,092)
Goods and Services Tax		(321,855)	(100,000)	(66,309)
Other Expenditure		0	0	0
		<u>(2,227,116)</u>	<u>(2,355,157)</u>	<u>(2,742,461)</u>
Net Cash Provided By (Used In)				
Operating Activities	13(b)	<u>1,206,342</u>	<u>188,891</u>	<u>1,729,100</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	(355,555)	0
Payments for Purchase of Property, Plant & Equipment		(822,517)	(1,112,356)	(743,777)
Payments for Construction of Infrastructure		(2,968,550)	(4,240,205)	(932,461)
Advances to Community Groups		(60,000)	(25,000)	(10,000)
Non-Operating Grants, Subsidies and Contributions		2,792,064	3,943,804	887,051
Proceeds from Sale of Plant & Equipment		320,540		243,732
Proceeds from Advances		0	315,031	0
		<u>0</u>	<u>315,031</u>	<u>0</u>
Net Cash Provided By (Used In)				
Investing Activities		<u>(738,463)</u>	<u>(1,474,281)</u>	<u>(555,455)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(121,293)	(124,792)	(112,603)
Proceeds from Self Supporting Loans		1,854	5,354	0
Proceeds from New Debentures		60,000	25,000	10,000
		<u>60,000</u>	<u>25,000</u>	<u>10,000</u>
Net Cash Provided By (Used In)				
Financing Activities		<u>(59,439)</u>	<u>(94,438)</u>	<u>(102,603)</u>
Net Increase (Decrease) in Cash Held		408,440	(1,379,828)	1,071,042
Cash at Beginning of Year		2,302,026	2,302,027	1,230,984
Cash and Cash Equivalents at the End of the Year	13(a)	<u>2,710,466</u>	<u>922,199</u>	<u>2,302,026</u>

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

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

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenue				
Governance		246,372	24,800	41,937
General Purpose Funding		1,347,146	674,647	1,896,079
Law, Order, Public Safety		64,319	395,970	72,804
Health		804	900	904
Education and Welfare		0	0	0
Housing		140,034	151,005	62,996
Community Amenities		639,306	1,118,482	135,564
Recreation and Culture		155,676	270,530	59,618
Transport		2,114,058	2,547,105	795,561
Economic Services		158,828	103,101	46,655
Other Property and Services		115,689	34,717	1,175,951
		<u>4,982,232</u>	<u>5,321,257</u>	<u>4,288,069</u>
Expenses				
Governance		(323,301)	(334,312)	(322,178)
General Purpose Funding		(58,522)	(57,306)	(50,022)
Law, Order, Public Safety		(107,836)	(145,153)	(103,592)
Health		(36,959)	(46,278)	(44,737)
Education and Welfare		(7,137)	(9,585)	(8,306)
Housing		(122,031)	(129,866)	(142,063)
Community Amenities		(284,610)	(303,056)	(273,432)
Recreation and Culture		(548,896)	(543,657)	(567,925)
Transport		(1,440,051)	(1,375,108)	(1,302,255)
Economic Services		(237,719)	(298,599)	(147,135)
Other Property and Services		(20,072)	(82,443)	(854,409)
		<u>(3,187,134)</u>	<u>(3,325,363)</u>	<u>(3,816,054)</u>
Net Result Excluding Rates		1,795,098	1,995,894	472,015
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Initial Recognition of Assets Due to Change to Regulations				
- Plant & Equipment		(204,515)	0	0
- Furniture & Equipment		(29,249)	0	0
(Profit)/Loss on Asset Disposals	20	(96,312)	(105,557)	(12,243)
Movement in Employee Benefit Provisions (Non-Current)		3,260	0	14,440
Depreciation and Amortisation on Assets	2(a)	1,108,742	1,053,090	1,078,562
Capital Expenditure and Revenue				
Purchase Land Held for Resale		0	(355,555)	0
Purchase Land and Buildings		(358,234)	(314,866)	(330,753)
Purchase Infrastructure Assets - Roads		(2,295,548)	(2,849,067)	(911,522)
Purchase Infrastructure Assets - Footpaths		(56,899)	(65,500)	
Purchase Infrastructure Assets - Other		(616,103)	(1,325,639)	(20,937)
Purchase Plant and Equipment		(443,597)	(781,490)	(379,462)
Purchase Furniture and Equipment		(20,685)	(16,000)	(33,563)
Proceeds from Disposal of Assets	20	320,540	315,031	243,732
Repayment of Debentures	21	(121,293)	(124,792)	(112,603)
Proceeds from New Debentures	21	60,000	25,000	10,000
Self-Supporting Loan Principal Income		1,854	5,354	(10,000)
Advances to Community Groups		(60,000)	(25,000)	
Transfers to Reserves (Restricted Assets)	11	(1,048,000)	(427,928)	(1,258,759)
Transfers from Reserves (Restricted Assets)	11	1,232,885	1,228,885	130,822
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	606,036	612,743	572,042
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	949,882	19,513	606,038
Total Amount Raised from General Rate	22(a)	<u>(1,171,902)</u>	<u>(1,174,910)</u>	<u>(1,154,267)</u>

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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 presented below and have been consistently applied unless stated otherwise.

(a) Basis of Preparation

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments 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.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(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 financial report.

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 19 to these financial statements.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. 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.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand 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 in the statement of financial position.

(e) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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.

(f) Inventories

General

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

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

Land Held for Resale

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

Gains and losses are recognised in the statement of comprehensive income at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at fair value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

In accordance with local Government (Financial Management) Regulation 16 (a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2013.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

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.

Revaluation

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) 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 (Level 3 inputs in the fair value hierarchy).

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.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** methodology section as detailed above.

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13 - Fair Value Measurement* have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

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 AASB1051 - 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 such 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.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets

All non-current assets having a limited useful life (excluding freehold land) 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:

Buildings	50 years
Furniture and Equipment (Electronic)	5 years
Furniture and Equipment (Other)	20 years
Plant and Equipment (Heavy)	14.3 years
Plant and Equipment (Other)	6.7 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	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 - slab	40 years
Sewerage Piping	100 years
Water Supply piping and drainage systems	75 years

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

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

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

Capitalisation Threshold

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(h) Intangible Assets

Easements

Due to legislative changes, Easements are required to be recognised as assets.

If significant, they are initially recognised at cost and have an indefinite useful life.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- (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 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. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(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. Gains or losses are recognised in profit or loss.

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Derecognition

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

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

(j) 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.

(k) 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, are recognised as a current liability and are normally paid within 30 days of recognition.

(l) 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 those 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.

(m) Borrowing Costs

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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.

(o) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(p) Investments in Associates

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate entity. In addition, Council's share of the profit or loss of the associate entity is included in the Council's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Joint Venture

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 16.

The Council's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1(p) for details) in the financial report.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(r) 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

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(s) 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.

(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 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.

(u) Rounding Off Figures

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

(w) Budget Comparative Figures

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncement that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows.

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	September 2012	Deferred AASB 9 until 1 January 2015	
(ii) AASB 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(iii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.
(vi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2012-8 and Interpretation 14]	September 2011	01 January 2013	It effects presentation only and is not expected to significantly impact the Council. The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard is not expected to significantly impact on the Council's financial statements.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	01 January 2014	This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132, 134 and Interpretation 2]	June 2012	01 January 2013	This Standard is not expected to significantly impact on the Council's financial statements. Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council's financial statements.
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	01 January 2013	Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.

(*) Applicable to reporting periods commencing on or after the given date.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 2010 – 8
AASB 2011 - 3
AASB 2011 - 13

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

The Council also chose to early adopt AASB 13 – *Fair Value Measurement* as allowed for in the standard. For further details with respect to this early adoption, refer to Note 1(g).

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES	2013 \$	2012 \$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit of the financial report	13,325	12,350
- Financial Management Review	0	0
- Other Services	950	1,150
Depreciation		
Buildings	129,979	125,215
Furniture and Equipment	19,195	25,125
Plant and Equipment	206,997	215,294
Roads	707,591	672,829
Footpaths	8,842	8,708
Main Street Development	12,235	12,235
Ovals and Parks	8,556	3,809
Drainage	15,347	15,347
	<u>1,108,742</u>	<u>1,078,562</u>
Interest Expenses (Finance Costs)		
Debentures (<i>refer Note 21(a)</i>)	25,042	30,486
	<u>25,042</u>	<u>30,486</u>

(ii) Crediting as Revenue:

	2013 \$	2013 Budget \$	2012 \$
Interest Earnings			
Investments			
- Reserve Funds	22,007	29,974	29,974
- Other Funds	31,089	16,453	16,453
Other Interest Revenue (<i>refer note 26</i>)	4,126	4,000	3,894
	<u>57,222</u>	<u>50,427</u>	<u>50,321</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Wickepin is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

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 revenue.

LAW, ORDER, PUBLIC SAFETY

Supervision of various bylaws, fire prevention, emergency services and animal control.

HEALTH

Food control, immunisation services, mosquito control and operation of medical centre.

EDUCATION AND WELFARE

Support for childcare, development of aged accommodation and rural counseling support.

HOUSING

Provision and maintenance of staff and other housing.

COMMUNITY AMENITIES

Rubbish collection services, operation of tip, noise control, support for waste recycling, litter control, administration of the town planning scheme, strategic planning, maintenance of cemetery, public conveniences and town drainage maintenance.

RECREATION AND CULTURE

Maintenance of halls, swimming pools, recreation centres and various reserves, operation of library, maintenance of cultural heritage assets.

TRANSPORT

Construction and maintenance of streets, roads, footpaths, drainage works, parking facilities, cleaning, lighting of streets, depot maintenance and airstrip maintenance.

ECONOMIC SERVICES

Noxious weed control, tourism and area promotion, community development and coordination building control and services, medical locum and other economic services.

OTHER PROPERTY AND SERVICES

Private works operations, public works overheads, plant operation costs, gross salaries and wages.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening	Received (+)	Expended (#)	Closing	Received (+)	Expended (#)	Closing
Grant/Contribution	Function/ Activity	Balance (*) 1-Jul-11 \$	2011/12 \$	2011/12 \$	Balance (*) 30-Jun-12 \$	2012/13 \$	2012/13 \$	Balance 30-Jun-13 \$
Grants Commission Revenue Prepaid	Gen Purpose	302,810	627,970	(302,810)	627,970	(627,970)	0	0
Royalties for Regions Wick Comm Cen	Rec & Culture		32,319	0	32,319	(32,319)	0	0
Royalties for Regions Comm Ag Centr	Comm Amen		29,625	0	29,625	(29,625)	0	0
Royalties for Regions Yea Cemetery	Comm Amen		46,670	0	46,670	(46,670)	0	0
Royalties for Regions Yea Hall & Lake	Rec & Culture		61,465	0	61,465	(61,465)	0	0
Royalties for Regions Wick Bowl Green	Rec & Culture		300,000	0	300,000	(300,000)	0	0
Royalties for Regions Wick Town Hall	Rec & Culture		48,868	0	48,868	(48,868)	0	0
MRWA Fence Road	Transport		23,906	0	23,906	(23,906)	0	0
MRWA Tincurrin North Intersection	Transport		7,296	0	7,296	(7,296)	0	0
MRWA Fence Road	Transport		41,000	0	41,000	(41,000)	0	0
Office of Crime Prevention Ded Deputy	Law,Order		2,966	0	2,966	(2,966)	0	0
CLGF Regional Waste Transfer Station	Comm Amen					206,758	0	206,758
Grain Freight Projects	Transport					483,349		483,349
Total		302,810	1,222,085	(302,810)	1,222,085	690,107	(1,222,085)	690,107

Notes:

(*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(+) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(#) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2012 \$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	1,222,710	629,385
Restricted	1,487,756	1,672,641
	<u>2,710,466</u>	<u>2,302,026</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	59,992	4,757
Plant Reserve	77,293	12,882
Building Reserve	85,955	29,497
Fire Fighter Reserve	19,142	18,243
Cottage Homes Reserve	4,589	4,372
Special Events Reserve	7,290	6,948
Computer Reserve	22,212	21,167
Young Singles Accommodation Reserve	37,031	35,289
Saleyards Reserve	13,988	19,813
Sewerage Reserve	83,819	83,903
Refuse Reserve	35,325	33,662
English Land Reserve	98,306	57,361
Townscape Reserve	1,413	1,347
Staff Housing Reserve	104,933	4,701
Aged Persons Accommodation Reserve	122,361	116,614
Swimming Pool Reserve	24,000	0
Unspent Grants	690,107	1,222,085
Unspent Loans	0	0
	<u>1,487,756</u>	<u>1,672,641</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	24,060	15,881
Sundry Debtors	2,881	171,948
GST Receivable	33,602	23,443
Tax Credit Receivable	3,305	947
Loans - Clubs/Institutions	6,912	10,000
	<u>70,760</u>	<u>222,219</u>
Non Current		
Loans - Clubs/Institutions	61,234	0
	<u>61,234</u>	<u>0</u>
5. INVENTORIES		
Current		
Fuel and Materials	460	3,585
	<u>460</u>	<u>3,585</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Land Cost	340,409	340,409
Buildings Cost	6,879,021	6,575,656
Less Accumulated Depreciation	<u>(1,525,116)</u>	<u>(1,409,564)</u>
Total Land and Buildings	5,694,314	5,506,501
Furniture and Equipment - Management Valuation 2013	155,066	438,416
Less Accumulated Depreciation	<u>0</u>	<u>(314,090)</u>
	155,066	124,326
Plant and Equipment - Independent Valuation 2013	1,768,553	3,283,572
Less Accumulated Depreciation	<u>0</u>	<u>(1,772,349)</u>
	1,768,553	1,511,223
	<u>7,617,933</u>	<u>7,142,050</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Total Land and Buildings \$	Plant and Equipment (Level 2) \$	Furniture and Equipment (Level 3) \$	Total \$
Balance as at the beginning of the year	5,506,501	1,511,223	124,326	7,142,050
Additions	358,234	443,597	20,685	822,516
(Disposals)	(40,443)	(183,785)	0	(224,228)
Revaluation - Increments - (Decrements)	0 0	0 0	0 0	0 0
Impairment - (Losses) - Reversals	0 0	0 0	0 0	0 0
Initial Recognition of assets Due to Changes to Regulations	0	204,515	29,249	233,764
Depreciation (Expense)	(129,978)	(206,997)	(19,194)	(356,169)
Carrying amount at the end of year	<u>5,694,314</u>	<u>1,768,553</u>	<u>155,066</u>	<u>7,617,933</u>

Council has considered the valuation of all easements and it is deemed to be of nil value.
Land and Buildings has been valued under fair value by AVP Valuers
Plant and Equipment has been valued under fair value by the CEO using market prices from the internet and the vehicle dealership trade prices

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
7. INFRASTRUCTURE		
Roads - Cost	39,054,545	36,758,995
Less Accumulated Depreciation	<u>(15,206,128)</u>	<u>(14,498,537)</u>
	23,848,417	22,260,458
Main Street Development	611,761	611,761
Less Accumulated Depreciation	<u>(122,351)</u>	<u>(110,116)</u>
	489,410	501,645
Footpaths - Cost	498,309	441,409
Less Accumulated Depreciation	<u>(88,693)</u>	<u>(79,850)</u>
	409,616	361,559
Drainage - Cost	767,374	767,374
Less Accumulated Depreciation	<u>(398,447)</u>	<u>(383,100)</u>
	368,927	384,274
Parks & Ovals - Cost	822,400	206,297
Less Accumulated Depreciation	<u>(29,649)</u>	<u>(21,092)</u>
	792,751	185,205
	<u>25,909,121</u>	<u>23,693,141</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	<u>Roads</u> \$	<u>Main Street</u> <u>Development</u> \$	<u>Footpaths</u> \$	<u>Drainage</u> \$	<u>Parks</u> <u>and</u> <u>Ovals</u> \$	<u>Total</u> \$
Balance at the beginning of the year	22,260,458	501,645	361,559	384,274	185,205	23,693,141
Additions	2,295,549	0	56,899	0	616,102	2,968,550
(Disposals)	0	0	0	0	0	0
Revaluation - Increments - (Decrements)	0 0	0 0	0 0	0 0	0 0	0 0
Impairment - (Losses) - Reversals	0 0	0 0	0 0	0 0	0 0	0 0
Depreciation (Expense)	(707,590)	(12,235)	(8,842)	(15,347)	(8,556)	(752,570)
Carrying amount at the end of year	<u><u>23,848,417</u></u>	<u><u>489,410</u></u>	<u><u>409,616</u></u>	<u><u>368,927</u></u>	<u><u>792,751</u></u>	<u><u>25,909,121</u></u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2012 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	238,587	112,951
Accrued Interest on Debentures	2,303	1,903
PAYG Payable	17,307	15,783
GST Payable	0	26,815
FBT Payable	1,410	1,410
	<u>259,607</u>	<u>158,862</u>

9. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge Debentures		
	104,188	121,293
	<u>104,188</u>	<u>121,293</u>
Non-Current		
Secured by Floating Charge Debentures		
	278,144	322,332
	<u>278,144</u>	<u>322,332</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions

Current	77,529	80,287
Non-Current	89,346	86,086
	<u>166,875</u>	<u>166,373</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance as at 1 July 2012	66,388	99,985	166,373
Additional provisions	15,968	29,844	45,812
Amounts used	(18,510)	(25,227)	(43,737)
Used amounts reversed		(263)	(263)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	(331)	(979)	(1,310)
Balance at 30 June 2013	<u>63,515</u>	<u>103,360</u>	<u>166,875</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve	4,757	4,757	4,512
Opening Balance	55,235	55,316	245
Amount Set Aside / Transfer to Reserve	<u>0</u>	<u>0</u>	<u>0</u>
Amount Used / Transfer from Reserve	<u>59,992</u>	<u>60,073</u>	<u>4,757</u>
(b) Plant Reserve	12,882	12,882	102,541
Opening Balance	64,411	164,811	5,731
Amount Set Aside / Transfer to Reserve	<u>0</u>	<u>0</u>	<u>(95,390)</u>
Amount Used / Transfer from Reserve	<u>77,293</u>	<u>177,693</u>	<u>12,882</u>
(c) Building Reserve	29,497	29,497	61,510
Opening Balance	56,458	56,962	3,419
Amount Set Aside / Transfer to Reserve	<u>0</u>	<u>0</u>	<u>(35,432)</u>
Amount Used / Transfer from Reserve	<u>85,955</u>	<u>86,459</u>	<u>29,497</u>
(d) Fire Fighter Reserve	18,243	18,243	17,303
Opening Balance	899	1,214	940
Amount Set Aside / Transfer to Reserve	<u>0</u>	<u>0</u>	<u>0</u>
Amount Used / Transfer from Reserve	<u>19,142</u>	<u>19,457</u>	<u>18,243</u>
(e) Cottage Homes Reserve	4,372	4,372	4,147
Opening Balance	217	291	225
Amount Set Aside / Transfer to Reserve	<u>0</u>	<u>0</u>	<u>0</u>
Amount Used / Transfer from Reserve	<u>4,589</u>	<u>4,663</u>	<u>4,372</u>
(f) Special Events Reserve	6,948	6,948	6,590
Opening Balance	342	462	358
Amount Set Aside / Transfer to Reserve	<u>0</u>	<u>0</u>	<u>0</u>
Amount Used / Transfer from Reserve	<u>7,290</u>	<u>7,410</u>	<u>6,948</u>
(g) Computer Reserve	21,167	21,167	20,077
Opening Balance	1,045	1,408	1,090
Amount Set Aside / Transfer to Reserve	<u>0</u>	<u>0</u>	<u>0</u>
Amount Used / Transfer from Reserve	<u>22,212</u>	<u>22,575</u>	<u>21,167</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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11. RESERVES - CASH BACKED

(h) Young Singles Accommodation Reserve

Opening Balance	35,289	35,289	33,471
Amount Set Aside / Transfer to Reserve	1,742	2,348	1,818
Amount Used / Transfer from Reserve	0	0	0
	<u>37,031</u>	<u>37,637</u>	<u>35,289</u>

(i) Saleyards Reserve

Opening Balance	19,813	19,813	12,437
Amount Set Aside / Transfer to Reserve	975	1,318	7,376
Amount Used / Transfer from Reserve	(6,800)	(6,800)	0
	<u>13,988</u>	<u>14,331</u>	<u>19,813</u>

(j) Sewerage Reserve

Opening Balance	83,903	83,903	79,579
Amount Set Aside / Transfer to Reserve	3,916	5,582	4,324
Amount Used / Transfer from Reserve	(4,000)	0	0
	<u>83,819</u>	<u>89,485</u>	<u>83,903</u>

(k) Refuse Site Reserve

Opening Balance	33,662	33,662	31,880
Amount Set Aside / Transfer to Reserve	1,663	2,239	1,782
Amount Used / Transfer from Reserve	0	0	0
	<u>35,325</u>	<u>35,901</u>	<u>33,662</u>

(l) English land development reserve

Opening Balance	57,361	57,361	54,325
Amount Set Aside / Transfer to Reserve	40,945	3,817	3,036
Amount Used / Transfer from Reserve	0	0	0
	<u>98,306</u>	<u>61,178</u>	<u>57,361</u>

(m) Townscape

Opening Balance	1,347	1,347	1,276
Amount Set Aside / Transfer to Reserve	66	90	71
Amount Used / Transfer from Reserve	0	0	0
	<u>1,413</u>	<u>1,437</u>	<u>1,347</u>

(n) Staff Housing Reserve

Opening Balance	4,701	4,701	4,453
Amount Set Aside / Transfer to Reserve	100,232	100,313	248
Amount Used / Transfer from Reserve	0	0	0
	<u>104,933</u>	<u>105,014</u>	<u>4,701</u>

(o) Aged Persons Accom Reserve

Opening Balance	116,614	116,614	110,605
Amount Set Aside / Transfer to Reserve	5,747	7,757	6,009
Amount Used / Transfer from Reserve	0	0	0
	<u>122,361</u>	<u>124,371</u>	<u>116,614</u>

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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11. RESERVES - CASH BACKED

(p) Swimming Pool Reserve

Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	24,000	24,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>24,000</u>	<u>24,000</u>	<u>0</u>
 TOTAL CASH BACKED RESERVES	 <u>797,649</u>	 <u>871,684</u>	 <u>450,556</u>

All of the reserve accounts are supported by money held in financial institutions and match the amounts shown as restricted cash in this financial report.

In accordance with council resolutions in relation to each reserve account, the purpose for which the funds 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 road plant, machinery and equipment

Building Reserve

- to be used for the construction of new buildings, predominantly staff housing

Fire Fighter Reserve

- to be used to fund the provision of bushfire equipment for brigades

Cottage Homes Reserve

- to be used for the future maintenance and construction of new Cottage Home Units

Special Events Reserve

- to be used to fund special events and celebrations

Computer Reserve

- purchase, upgrade or replacement of hardware as necessary

Young Singles Accommodation Reserve

- additional income over expenditure held for future repairs or improvements

Saleyards Reserve

- additional income over expenditure held for future repairs or improvements

Sewerage Reserve

- additional income over expenditure held for future repairs or improvements

Refuse Site Reserve

- additional income over expenditure held for the future creation or maintenance of the refuse site.

English Land Reserve

- income received from the sale of the English House held for future development of the English land.

Townscape Reserve

- to be used to fund townscape improvements

Staff Housing Reserve

- to be used to fund the construction or upgrade of new housing for staff.

Seasonal Accommodation Reserve

- to be used to fund the construction of seasonal accommodation.

Aged Persons Accommodation Reserve

- to be used to fund the construction or upgrade of aged person accommodation

Swimming Pool Reserve

- to be used to fund major repairs or improvements at the Wickepin Swimming Pool

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

12. RESERVES - ASSET REVALUATION	2013	2012
	\$	\$
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
(a) Roads		
Opening balance	13,693,777	13,693,777
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>13,693,777</u>	<u>13,693,777</u>
(b) Plant and Equipment		
Opening Balance	0	0
Revaluation Increment	233,764	0
Revaluation Decrement	0	0
	<u>233,764</u>	<u>0</u>
TOTAL ASSET REVALUATION RESERVES	<u>13,927,541</u>	<u>13,693,777</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

13. 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. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>2,710,466</u>	<u>922,199</u>	<u>2,302,026</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	2,733,235	3,170,804	1,626,280
Depreciation	1,108,742	1,053,090	1,078,562
(Profit)/Loss on Sale of Asset	(96,312)	(105,557)	(12,243)
(Increase)/Decrease in Receivables	160,886	11,270	(137,951)
(Increase)/Decrease in Inventories	3,125	(172)	6,244
Increase/(Decrease) in Payables	88,225	(1,740)	77,790
Increase/(Decrease) in Employee Provisions	502	5,000	(22,531)
Grants/Contributions for the Development of Assets	(2,792,061)	(3,943,804)	(887,051)
Non-Current Assets recognised due to changes in legislative requirements	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash from Operating Activities	<u>1,206,342</u>	<u>188,891</u>	<u>1,729,100</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	10,000	10,000
Credit Card Balance at Balance Date	<u>2,767</u>	<u>0</u>
Total Amount of Credit Unused	<u>12,767</u>	<u>10,000</u>

Loan Facilities

Loan Facilities - Current	104,188	121,293
Loan Facilities - Non-Current	<u>278,144</u>	<u>322,332</u>
Total Facilities in Use at Balance Date	<u>382,332</u>	<u>443,625</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

14. CONTINGENT LIABILITIES

The Shire of Wickepin did not have any contingent liabilities at the 30 June 2013.

	2013	2012
	\$	\$
15. CAPITAL AND LEASING COMMITMENTS		

(a) Finance Lease Commitments

The Shire of Wickepin did not have any Finance Lease commitments at 30 June 2013.

(b) Operating Lease Commitments

The Shire of Wickepin did not have any Operating Lease Commitments at 30 June 2013.

(c) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	0	445,720
- plant & equipment purchases	0	0

Payable:

- not later than one year	0	445,720
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The capital expenditure project outstanding at the end of the 2012 reporting period represents the construction of new synthetic bowling greens in the Wickepin Townsite

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

16. JOINT VENTURE

The Shire of Wickepin, together with the Shires of Pingelly and Cuballing purchased a digital outdoor movie screen and projector. The Shire of Wickepin and Cuballing purchased a speed display trailer.

These assets is included in Property, Plant & Equipment as follows:

	2013	2012
	\$	\$
Non-Current Assets		
Plant & Equipment	29,959	26,696
Less: Accumulated Depreciation	0	(6,003)
	29,959	20,693

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	297,346	260,923
General Purpose Funding	24,060	9,688
Law, Order, Public Safety	377,784	66,084
Health	1,433	0
Education and Welfare	0	0
Housing	1,446,333	1,367,086
Community Amenities	2,039,156	828,613
Recreation and Culture	3,805,300	3,112,718
Transport	26,336,229	24,803,829
Economic Services	633,163	603,989
Other Property and Services	3,606	405,681
Unallocated	1,405,564	1,904,410
	36,369,974	33,363,021

18. FINANCIAL RATIOS

	2013	2012	2011
Current Ratio	3.39	2.40	1.55
Asset Sustainability Ratio	3.42	1.55	1.69
Debt Service Cover Ratio	8.46	11.77	3.85
Operating Surplus Ratio	0.06	0.21	(0.33)
Own Source Revenue Coverage Ratio	0.59	0.73	0.48

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

20. TRUST FUNDS

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

	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
Housing Bonds	4,060	4,240	(3,480)	4,820
BCITF	0	2,403	(2,403)	0
Key Deposits	2,350	950	(1,100)	2,200
Tidy Towns	392	0	0	392
Miscellaneous Trust	4,700	22,808	(19,381)	8,127
Nomination Deposits	0	0	0	0
WDSC Bowling Green Replacement	0	7,500	0	7,500
	<u>11,502</u>			<u>23,039</u>

21. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance						
CEO Vehicle	41,388	85,364	41,832	83,000	444	(2,364)
Housing						
Gumnut Cottage 54	17,443	15,000	92,251	100,000	74,808	85,000
Community Amenities						
Lot 34 Plover Street	23,000	0	38,109	0	15,109	0
Transport						
Isuzu Tip Truck	615	0	38,636	30,906	38,021	30,906
Nissan Navara	26,503	26,946	21,364	27,000	(5,139)	54
Volvo Backhoe	80,885	81,664	50,000	70,000	(30,885)	(11,664)
Ford Courier Utility	0	0	9,257	3,625	9,257	3,625
Nissan Navara	34,394	0	29,091	0	(5,303)	0
Sundry Plant	0	500	0	500	0	0
	<u>224,228</u>	<u>209,474</u>	<u>320,540</u>	<u>315,031</u>	<u>96,312</u>	<u>105,557</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-12 \$	New Loans \$	Principal Repayments		Principal 30-Jun-13		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
90 - Residence Moss Parade	53,116		16,435	16435	36681	36681	3,350	3,632
97 - Wogolin Road Cottage	7,404		2,285	2285	4819	4819	367	368
100 - CEO Residence	162,347		16,393	16393	145954	145954	9,180	9,093
Community Amenities								
87 - Purchase English Land	45,102		29,659	29659	15443	15443	2,012	2,075
98 - English Land Subdivision	71,042		22,855	22854	48186	48187	3,672	3,676
Recreation and Culture								
99 - Wickepin Community Cent	82,124		19,021	19021	63103	63103	4,626	4,747
101- WDS Club Tractor *	10,000		1,854	1,854	8,146	8,146	380	380
102 - WDS Club Greens *		60,000	0	3,500	60,000	21,500	1,085	1,500
Transport								
94 - Upgrade Wogolin Road	12,791		12,791	12,791	0	0	370	565
	443,926	60,000	121,293	124,792	382,332	343,833	25,042	26,036

(*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2012/13

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Recreation and Culture										
WDS Club Synthetic Greens	60,000	25,000	WA Treasury	P & I	10	73,388	4.00	60,000	25,000	0

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2013.

(d) Overdraft

Council did not utilise an overdraft facility during the year.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV Rural	7.3054	254	1,525,289	111,428	0	0	111,428	111,428	0	0	111,428
UV Rural	0.9403	294	122,042,570	1,141,085	(2,284)	(407)	1,138,394	1,147,566	1,500	(500)	1,148,566
Sub-Totals		548	123,567,859	1,252,513	(2,284)	(407)	1,249,822	1,258,994	1,500	(500)	1,259,994
Minimum Rates											
GRV Rural	300	59	58,750	17,700	0	0	17,700	17,700	0	0	17,700
UV Rural	300	22	264,822	6,600	0	0	6,600	6,600	0	0	6,600
Sub-Totals		81	323,572	24,300	0	0	24,300	24,300	0	0	24,300
							1,274,122				1,284,294
Discounts (refer note 25)							(107,680)				(114,884)
Ex Gratia Rates							5,460				5,500
Total Amount Raised from General Rate							1,171,902				1,174,910
Specified Area Rate (refer note 23)							41,057				36,735
Total Rates							1,212,959				1,211,645

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward	2013 (30 June 2013 Carried Forward) \$	2013 (1 July 2012 Brought Forward) \$	2012 (30 June 2012 Carried Forward) \$
Surplus/(Deficit) - Rate Setting Statement	<u>949,882</u>	<u>606,038</u>	<u>606,038</u>
<u>Comprises:</u>			
Cash - Unrestricted	1,222,710	629,383	629,383
Cash - Restricted	1,487,756	1,672,641	1,672,641
Rates - Current	24,060	15,881	15,881
Sundry Debtors	2,881	171,948	171,948
GST Receivable	36,907	24,390	24,390
Inventories			
- Fuel and Materials	460	3,585	3,585
Less:			
Reserves - Restricted Cash			
Leave Reserve	(59,992)	(4,757)	(4,757)
Plant Reserve	(77,293)	(12,882)	(12,882)
Building Reserve	(85,955)	(29,497)	(29,497)
Fire Fighter Reserve	(19,142)	(18,243)	(18,243)
Cottage Homes Reserve	(4,589)	(4,372)	(4,372)
Special Events Reserve	(7,290)	(6,948)	(6,948)
Computer Reserve	(22,212)	(21,167)	(21,167)
Young Singles Accommodation Reserve	(37,031)	(35,289)	(35,289)
Saleyards Reserve	(13,988)	(19,813)	(19,813)
Sewerage Reserve	(83,819)	(83,903)	(83,903)
Refuse Reserve	(35,325)	(33,662)	(33,662)
English Land Reserve	(98,306)	(57,361)	(57,361)
Townscape Reserve	(1,413)	(1,347)	(1,347)
Staff Housing Reserve	(104,933)	(4,701)	(4,701)
Aged Persons Accommodation Reserve	(122,361)	(116,614)	(116,614)
Swimming Pool Reserve	(24,000)	0	0
Unspent Grants	(690,107)	(1,222,085)	(1,222,085)
Sundry Creditors	(238,587)	(112,951)	(112,951)
Accrued Interest on Debentures	(2,303)	(1,903)	(1,903)
PAYG Payable	(17,307)	(15,783)	(15,783)
Tax Payable	(1,410)	(28,225)	(28,225)
Current Employee Benefits Provision	(77,529)	(80,287)	(80,287)
Surplus/(Deficit)	<u>949,882</u>	<u>606,038</u>	<u>606,038</u>

Difference:

There was no difference between the Surplus/(Deficit) 1 July 2012 Brought Forward position used in the 2013 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2012 audited financial report.

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

23. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Community Amenties							
- Rate	0.0238	GRV	1,545,081	41,057	36,735	41,057	36,735
				41,057	36,735	41,057	36,735

The specified area rate is for the maintenance and future upgrades of the Wickepin Sewerage Scheme.

The proceeds of the rate are applied in full to the costs of the loan and no transfer to or from reserve accounts has occurred.

24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

The Shire of Wickepin did not impose any service charges in the 2012/2013 year.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	10.00%	107,680	114,884
			107,680	114,884

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		4,126	4,000
Interest on Instalments Plan	5.50%			0
Charges on Instalment Plan		0		0
			4,126	4,000

Ratepayers had the option of paying rates in four equal instalments, due on 28th August 2012, 29th October 2012, 7th January 2013 and 7th March 2013. Interest applied for the final three instalments.

27. FEES & CHARGES	2013 \$	2012 \$
Governance	12,607	41,938
General Purpose Funding	6,982	3,830
Law, Order, Public Safety	34,601	46,828
Health	804	904
Education and Welfare	0	0
Housing	65,226	62,996
Community Amenities	70,250	116,144
Recreation and Culture	17,828	56,617
Transport	17,610	15,553
Economic Services	141,328	46,655
Other Property and Services	115,690	1,175,950
	<u>482,926</u>	<u>1,567,415</u>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

28. GRANT REVENUE

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

	2013	2012
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	1,400,703	1,599,018
Non-Operating Grants, Subsidies and Contributions	<u>2,628,286</u>	<u>1,050,829</u>
	<u>4,028,989</u>	<u>2,649,847</u>
By Program:		
Governance	0	0
General Purpose Funding	1,282,923	1,841,928
Law, Order, Public Safety	29,718	25,976
Health	0	0
Education and Welfare	0	0
Housing	0	0
Community Amenities	512,890	0
Recreation and Culture	137,847	3,000
Transport	2,048,110	778,943
Economic Services	17,501	0
Other Property and Services	<u>0</u>	<u>0</u>
	<u>4,028,989</u>	<u>2,649,847</u>

29. ELECTED MEMBERS REMUNERATION

2013	2013	2012
\$	Budget	\$
	\$	

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

Meeting Fees	7,930	6,500	9,000
President's Allowance	1,500	1,500	1,500
Travelling Expenses	4,097	2,500	3,793
Telecommunications Allowance	<u>3,154</u>	<u>2,500</u>	<u>3,482</u>
	<u>16,681</u>	<u>13,000</u>	<u>17,775</u>

30. EMPLOYEE NUMBERS

2013	2012
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The number of full-time equivalent employees at balance date

<u>18</u>	<u>19</u>
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SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

31. MAJOR LAND TRANSACTIONS

Land Adjacent to the Wickepin Townsite (purchased in 1998/99)

(a) Details

Council purchased a portion of Williams location 1626 being lot 1 on diagram 50740, 2.0589 hectares and portion of lot 2 on diagram 57530, 99.5969 hectares. It is intended to subdivide the land for future sale to interested parties, for a range of uses, as an encouragement to retain and attract population to the town.

The cost of acquisition in 1998/99, which includes a residence was \$306,188. A loan of \$321,500 was raised for the acquisition and a town planning scheme amendment has been prepared for the land.

A further loan of \$200,000 was raised to undertake further works relating to the subdivision with Council contributing a further \$97,390 from the reserve fund.

(b) Current year transactions	2013 \$	2013 Budget \$	2012 \$
Operating Revenue			
- Profit on sale	15,109	0	0
Capital Revenue			
- Sale Proceeds	38,109	0	0
Capital Expenditure			
- Purchase of Land	0	0	0
- Development Costs	0	(270,000)	0
	0	(270,000)	0

The above capital expenditure is included in land held for resale as disclosed elsewhere in this financial report.

There are no liabilities in relation to this land transaction as at 30 June 2013.

(c) Expected Future Cash Flows

	2014 \$	2015 \$	2016 \$	2017 \$	2018 \$	Total \$
(Cash Outflows)						0
- Development Costs						0
- Loan Repayments	(42,397)	(26,531)	0	0	0	(68,928)
	(42,397)	(26,531)	0	0	0	(68,928)
Cash Inflows						
- Loan Proceeds	0	0	0	0	0	0
- Sale Proceeds	0	0	0	0	0	0
	0	0	0	0	0	0
Net Cash Flows	(42,397)	(26,531)	0	0	0	(68,928)

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2012/13 financial year.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013 \$	2012 \$	2013 \$	2012 \$
Financial Assets				
Cash and cash equivalents	2,710,466	2,302,026	2,710,466	2,302,026
Receivables	131,948	222,219	131,948	222,219
	<u>2,842,414</u>	<u>2,524,245</u>	<u>2,842,414</u>	<u>2,524,245</u>
Financial Liabilities				
Payables	259,607	158,862	259,607	158,862
Borrowings	382,332	443,625	382,332	443,625
	<u>641,939</u>	<u>602,487</u>	<u>641,939</u>	<u>602,487</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2013	2012
	\$	\$
Impact of a 10% (*) movement in interest rates on cash and investments:		
- Equity	271,046	230,203
- Statement of Comprehensive Income	271,046	230,203

Notes:

(*) Sensitivity percentages based on management's expectation of future possible market movements.

Recent market volatility has seen large market movements for certain types of investments.

Impact of a 1% (*) movement in interest rates on cash and investments:

- Equity	27,105	23,020
- Statement of Comprehensive Income	27,105	23,020

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

33. FINANCIAL RISK MANAGEMENT (Continued)
(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	2013	2012
Percentage of Rates and Annual Charges		
- Current	38.92%	57.77%
- Overdue	61.08%	42.23%
Percentage of Other Receivables		
- Current	93.01%	97.16%
- Overdue	6.99%	2.84%

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)
(c) Payables
Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	<u>2013</u>	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$	\$
Payables	259,607	0	0	0	259,607	259,607
Borrowings	123,944	231,774	87,585	443,303	382,332	382,332
	<u>383,551</u>	<u>231,774</u>	<u>87,585</u>	<u>702,910</u>	<u>641,939</u>	<u>641,939</u>
Payables	158,862	0	0	158,862	158,862	158,862
Borrowings	13,356	301,591	229,381	544,328	443,625	443,625
	<u>172,218</u>	<u>301,591</u>	<u>229,381</u>	<u>703,190</u>	<u>602,487</u>	<u>602,487</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
 Borrowings (Continued)**

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate %
Year Ended 30 June 2013	\$	\$	\$	\$	\$	\$	\$	%
Payables	259,607							
Borrowings								
Fixed Rate								
Debtentures	15,443	89,685	63,104	8,146	0	205,954	382,332	5.60%
Weighted Average Effective Interest Rate	5.49%	6.35%	6.13%	3.80%	0.00%	5.32%		
Year Ended 30 June 2012								
Payables	158,862							
Borrowings								
Fixed Rate								
Debtentures	12,791	45,102	131,261	82,124	10,000	162,347	443,625	5.97%
Weighted Average Effective Interest Rate	5.86%	5.49%	6.34%	6.13%	3.80%	5.87%		

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**SHIRE OF WICKEPIN
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2013**

RATIO INFORMATION

The following information relates to these ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report.

	2013	2012	2011
Asset Consumption Ratio	4.90%	N/A	N/A
Asset Renewal Funding Ratio	1.40%	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio $\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$

Asset Renewal Funding Ratio $\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

N/A -In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.