

# MURCHISON REGIONAL VERMIN COUNCIL

## ANNUAL BUDGET

1 July 2007 to 30 June 2008

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# **MURCHISON REGIONAL VERMIN COUNCIL**

## **ANNUAL BUDGET**

**1 July 2007 to 30 June 2008**

### **INTRODUCTION**

Signed on the \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Chief Executive Officer

**MURCHISON REGIONAL VERMIN COUNCIL**  
**OPERATING STATEMENT**  
**For the period 1 July 2007 to 30 June 2008**

	Notes	2006/2007		2007/2008
		Budget	Actual*	BUDGET
<b>REVENUE</b>	1,2,3	\$	\$	\$
General Purpose Funding		\$37	\$372	\$100
Economic Services		63,026	64,565	63,454
		<u>\$ 63,063</u>	<u>\$ 64,937</u>	<u>\$ 63,554</u>
<b>EXPENDITURE</b>	1,2,3			
Governance		11,093	9,907	11,093
Economic Services		93,898	101,077	108,759
		<u>\$ 104,991</u>	<u>\$ 110,984</u>	<u>\$ 119,852</u>
<i>Change in net assets resulting from operations</i>	10	\$ (41,928)	\$ (46,047)	\$ (56,298)

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

**STATEMENT OF CASH FLOWS**  
**For the period 1 July 2007 to 30 June 2008**

	Notes	2006/2007		2007/2008
		Budget	Actual*	BUDGET
<i>Cash flows from operating activities</i>		\$	\$	\$
<b>Payments</b>				
Material, contracts and suppliers		(40,579)	(56,907)	(58,406)
Goods and Services Tax		(6,542)	(5,519)	(7,492)
		<u>(\$47,121)</u>	<u>(\$62,426)</u>	<u>(\$65,898)</u>
<b>Receipts</b>				
Grants and subsidies		\$28,000	\$28,000	\$28,000
Contributions		\$29,177	28,844	28,844
Reimbursements		\$200	0	200
Fees and charges		\$5,090	3,550	8,210
Interest earnings		\$37	372	100
Goods and Services Tax		\$9,022	7,595	6,305
Other income		\$157	1,918	200
		<u>\$71,683</u>	<u>\$70,279</u>	<u>\$71,859</u>
<i>Net cash flows from operating activities</i>	10	\$24,562	\$7,853	\$5,961
<i>Cash flows from investing activities</i>				
<b>Payments</b>				
Purchase infrastructure assets		(\$25,000)	(\$11,890)	(\$20,000)
		<u>(\$25,000)</u>	<u>(\$11,890)</u>	<u>(\$20,000)</u>
<i>Net cash flows from investing activities</i>		(\$25,000)	(\$11,890)	(\$20,000)
<i>Net(decrease)/increase in cash held</i>		(\$438)	(\$4,037)	(\$14,039)
<b>Cash at 1 July</b>	10	\$19,244	\$19,244	\$15,207
<b>Cash at 30 June</b>	10	\$18,806	\$15,207	\$1,168

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

**MURCHISON REGIONAL VERMIN COUNCIL  
FEE SETTING STATEMENT  
For the period 1 July 2007 to 30 June 2008**

		2006/2007		2007/2008
	Notes	Budget	Actual*	BUDGET
<b>OPERATING REVENUE</b>	1,2,3	\$	\$	\$
General Purpose Funding		37	372	100
Economic Services		63,026	64,565	63,454
		\$63,063	\$64,937	\$63,554
<b>LESS</b>				
<b>OPERATING EXPENDITURE</b>	1,2,3			
Governance		11,093	9,907	11,093
Economic Services		93,898	101,077	108,759
		\$104,991	\$110,984	\$119,852
Recurrent operating surplus (deficit)		(\$41,928)	(\$46,047)	(\$56,298)
ADD Contributions for the development of asset	5	0	0	0
Write back Depreciation	8	59,898	60,021	60,259
		\$59,898	\$60,021	\$60,259
<i>Funds available from operations</i>		\$17,970	\$13,974	\$3,961
<b>LESS required for Capital Works</b>	7			
Economic Services		25,000	11,890	20,000
		\$25,000	\$11,890	\$20,000
<b>FUNDING required from retained funds</b>		\$7,030	(\$2,084)	\$16,039
<b>RETAINED FUNDS</b>				
Opening Funds	14	53,886	53,886	55,970
Less Closing Funds		(46,856)	(55,970)	(39,931)
		\$7,030	(\$2,084)	\$16,039

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

**MURCHISON REGIONAL VERMIN COUNCIL**  
**Notes to, and forming part of the annual budget**  
**For the year ended 30 June 2008**

**1) Significant Accounting Policies**

The significant accounting policies which have been adopted in the preparation of this financial report are:

**a) Basis of Accounting**

The financial report is a special-purpose financial report, which has been prepared in accordance with applicable Australian Accounting Standards (except for the departure allowed by legislation relating to infrastructure assets noted below), the Local Government Act 1995 (as amended) and accompanying regulations. The report has also been prepared on the accrual basis under the convention of historical cost accounting.

**b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

**c) Assets**

*Infrastructure Assets*

Infrastructure constructed or acquired has been capitalised and recorded in the statement of financial position in accordance with the Local Government Act 1995 (as amended) and accompanying regulations.

**d) Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner, which reflects the consumption of the future economic benefits embodied in those assets.

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

Fencing	50 years
Equipment	10 years

**e) Employee Entitlements**

Contractors provide all Council services.

**f) Fees, Grants, Donations and Other Contributions**

Fees, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

**g) Investments**

All investments are valued at cost and interest on those investments is recognised when accrued.

**h) Interest Rate Risk**

The Council's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is considered negligible for all financial instruments.

## MURCHISON REGIONAL VERMIN COUNCIL

### Notes to, and forming part of the annual budget for the year ended 30 June 2008

**i) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements. The Council does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Council.

**j) Leases**

The regional Council does not utilise finance or operating leases.

**k) Superannuation**

The Council does not making any contributions to any Superannuation schemes

**l) Rounding Off Figures**

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

**m) Comparative Figures**

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

**2) Functions/Activities**

**a) Statement of major program objectives**

*Statement of Objective*

The Regional Council is dedicated to providing high quality services to the community through the maintenance of the Western Australian State Vermin Fence No 1.

**b) Description of programs**

*GOVERNANCE*

Administration and operation of facilities and services to members of council. Includes fees, expenses and allowances paid to elected members, subscriptions, council meeting expenses and support staff.

*ECONOMIC SERVICES*

Provision of vermin control in rural areas through the maintenance and upgrade of vermin control fencing.

**MURCHISON REGIONAL VERMIN COUNCIL**

**Notes to, and forming part of the annual budget for the year ended 30 June 2008**

**3) Operating Revenue/Expenditure**

**a) Management Statements**

	2006/2007		2007/2008
	Budget	Actual*	BUDGET
<b>Revenues</b>			
Precepts	\$29,177	\$28,844	\$28,844
Subsidy - Agriculture WA	28,000	28,000	28,000
Fence Rent	5,492	5,803	6,210
Phone Reimbursements	200	0	200
Interest	37	372	100
Stock Adjustment	0	701	0
Other	157	1,217	200
Revenues	\$63,063	\$64,937	\$63,554
<b>Expenditure</b>			
<b>Administration</b>			
Chairman's Allowance	\$640	\$640	\$640
Member's allowances	3,200	2,000	3,200
Meeting Expenses	833	666	833
Communications Expenses	1,000	1,249	1,000
Administration fees	5,000	5,064	5,000
Audit fees	1,000	900	1,000
Office expenses	100	0	100
Bank fees	200	154	200
Debt Collection Costs	0	389	0
Sundry	120	94	120
<b>Fence Maintenance/Improvements</b>			
Inspections	1,000	900	1,000
Fence contractors	40,000	35,263	40,000
Materials	15,000	13,981	25,000
Freight	2,000	1,553	1,500
Allocated to Capital	(25,000)	(11,890)	(20,000)
<b>Depreciation Expenses</b>			
Depreciation - infrastructure	59,404	59,527	59,765
Depreciation - Plant & equipment	494	494	494
Expenditure	\$104,991	\$110,984	\$119,852
Surplus/(deficit) from operations	(\$41,928)	(\$46,047)	(\$56,298)

**MURCHISON REGIONAL VERMIN COUNCIL**

Notes to, and forming part of the annual budget for the year ended 30 June 2008

**b) Operating Statement by nature/type**

	2006/2007		2007/2008
	Budget	Actual*	BUDGET
Revenues	\$	\$	\$
Grants and Subsidies	28,000	28,000	28,000
Contributions	29,177	28,844	28,844
Reimbursements	200	0	200
Fees and charges	5,492	5,803	6,210
Interest earnings	37	372	100
Other revenue/income	157	1,918	200
	<u>\$63,063</u>	<u>\$64,937</u>	<u>\$63,554</u>
<b>Expenditure</b>			
Materials and contracts	\$45,093	\$50,963	\$59,593
Depreciation on non-current assets	59,898	60,021	60,259
	<u>\$104,991</u>	<u>\$110,984</u>	<u>\$119,852</u>
<i>Change in net assets resulting from operations</i>	<i>(\$41,928)</i>	<i>(\$46,047)</i>	<i>(\$56,298)</i>

**4) Fees and Charges**

**(a) Schedule of fees and charges**

	2006/2007		2007/2008
	Budget	Actual*	BUDGET
<b>Fence rents (plus GST)</b>			
No 1 fence - east side	\$7.294 per mile	\$7.294 per mile	\$7.294 per mile
No 1 fence - west side	\$12.504per mile	\$12.504 per mile	\$12.504 per mile
No 2 fence - north side	\$7.294 per mile	\$7.294 per mile	\$7.2940 per mile
No 2 fence - south side	\$12.504 per mile	\$12.504 per mile	\$12.504 per mile
<b>Precepts</b>			
Fees	2.7813c in \$UV	2.7813c in \$UV	2.7813c in \$UV

**(b) Summary of revenue from fees and charges**

Economic Services	\$5,492	\$5,803	\$6,210
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**5) Contributions/Grants**

Operational Grants	2006/2007		2007/2008
	Budget	Actual*	BUDGET
Subsidy - Agriculture WA	\$28,000	\$28,000	\$28,000
	<u>\$28,000</u>	<u>\$28,000</u>	<u>\$28,000</u>

**6) Disposal of assets**

*The Regional Council will not disposed any assets for the period.*



**MURCHISON REGIONAL VERMIN COUNCIL**

Notes to, and forming part of the annual budget for the year ended 30 June 2008

**7) Capital Works**

**(a) Capital works program**

	2006/2007		2007/2008
	Budget	Actual*	BUDGET
Economic Services	\$25,000	\$11,890	\$20,000
	<u>\$25,000</u>	<u>\$11,890</u>	<u>\$20,000</u>

**(b) Capital works by class**

**Infrastructure**

	2006/2007		2007/2008
	Budget	Actual*	BUDGET
Fence Improvements	\$25,000	\$11,890	\$20,000
	<u>\$25,000</u>	<u>\$11,890</u>	<u>\$20,000</u>

**8) Depreciation**

**(a) Depreciation by program**

	2006/2007		2007/2008
	Budget	Actual*	BUDGET
Economic Services	\$59,898	\$60,021	\$60,259
	<u>\$59,898</u>	<u>\$60,021</u>	<u>\$60,259</u>

**b) Depreciation by asset class**

Infrastructure	\$59,404	\$59,527	\$59,765
Plant & Equipment	494	494	494
	<u>\$59,898</u>	<u>\$60,021</u>	<u>\$60,259</u>

**9) Members fees and allowances**

**(a) Nature of fees, expense, allowances**

	2006/2007		2007/2008
	Budget	Actual*	BUDGET
Chairman's Allowance	\$640.00 pa	\$640.00 pa	\$640.00 pa
Member's allowances	\$80.00 p meeting	\$80.00 p meeting	\$80.00 p meeting

**(b) Estimates of value**

Chairman's Allowance	\$ 640	\$ 640	\$ 640
Member's allowances	3,200	2,000	3,200
	<u>\$ 3,840</u>	<u>\$ 2,640</u>	<u>\$ 3,840</u>

**10) Cash at Bank/Investments**

**(a) Reconciliation of cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments, 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:

**(a) Reconciliation of cash**

	Budget	2006/2007	2007/2008
Cash Assets	\$18,806	\$15,207	\$1,168

**(b) Reconciliation of Net Cash used in Operating Activities to Net Assets Resulting from Operations.**

<i>Change resulting from operations</i>	<b>(\$41,928)</b>	<b>(\$46,047)</b>	<b>(\$56,298)</b>
Add back depreciation	\$59,898	\$60,021	\$60,259
(increase)/decrease in fees/charges received	<b>(402)</b>	<b>(2,253)</b>	2,000
(increase)/decrease in stock on hand	4,239	<b>(5,074)</b>	0
increase/(decrease) in GST	2,755	1,206	0
	<u>\$24,562</u>	<u>\$7,853</u>	<u>\$5,961</u>

**MURCHISON REGIONAL VERMIN COUNCIL**

**Notes to, and forming part of the annual budget for the year ended 30 June 2008**

**11) Loan Facilities**

*The Regional Council does not have long-term debt or overdraft arrangements.*

**12) Reserves**

*The Regional Council does not maintain cash backed reserves.*

**13) Trading undertaking**

*The Regional Council does not operate trading or land transactions under the LG Act.*

**14) Net Current Assets**

	<b>2006/2007</b>		<b>2007/2008</b>
	<b>Budget</b>	<b>Actual*</b>	<b>BUDGET</b>
<b>OPENING POSITION</b>			
Cash at Bank and on hand	\$19,244	\$19,244	\$15,207
<i>Accounts Receivable</i>			
Rent debtors	698	698	2,951
Taxation recoups	3,705	3,705	2,499
Stock on Hand	30,239	30,239	35,313
NET CURRENT ASSETS	\$53,886	\$53,886	\$55,970
	<b>Budget</b>	<b>Actual*</b>	<b>BUDGET</b>
<b>CLOSING POSITION</b>			
<b>CURRENT ASSETS</b>			
Cash at Bank and on hand	\$17,735	\$15,207	\$1,168
<i>Accounts Receivable</i>			
Rent debtors	1,100	2,951	951
Taxation recoups	2,021	2,499	2,499
Stock on Hand	26,000	35,313	35,313
NET CURRENT ASSETS	\$46,856	\$55,970	\$39,931