

**MURCHISON REGIONAL VERMIN COUNCIL**

**STATUTORY BUDGET &  
FEES & CHARGES**

**FOR THE YEAR ENDING 30 JUNE 2014**

**ADOPTED BY COUNCIL 11 JUNE 2013**

**MURCHISON REGIONAL VERMIN COUNCIL**

**MURCHISON REGIONAL VERMIN CONTROL  
BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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**MURCHISON REGIONAL VERMIN CONTROL  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>REVENUE</b>				
Rates	8	0	0	0
Operating Grants, Subsidies and Contributions		28,840	28,000	28,000
Fees and Charges	11	66,956	35,835	35,880
Service Charges	10	0	0	0
Interest Earnings	2(a)	355	22,943	10,000
Other Revenue		0	0	0
		<u>96,151</u>	<u>86,778</u>	<u>73,880</u>
<b>EXPENSES</b>				
Employee Costs		0	0	0
Materials and Contracts		(86,950)	(54,863)	(65,000)
Utility Charges		0	0	0
Depreciation	2(a)	(32,899)	(69,225)	(90,000)
Interest Expenses	2(a)	0	0	0
Insurance Expenses		0	0	0
Other Expenditure		0	0	0
		<u>(119,849)</u>	<u>(124,088)</u>	<u>(155,000)</u>
		(23,698)	(37,310)	(81,120)
Non-Operating Grants, Subsidies and Contributions		1,023,000	0	0
Profit on Asset Disposals	4	0	0	0
Loss on Asset Disposals	4	0	0	0
		<u>999,302</u>	<u>(37,310)</u>	<u>(81,120)</u>
<b>NET RESULT</b>				
<b>Other Comprehensive Income</b>				
Changes on Revaluation of non-current assets		0	0	0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>999,302</u></u>	<u><u>(37,310)</u></u>	<u><u>(81,120)</u></u>

**Notes:**

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur, with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes in revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

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

**MURCHISON REGIONAL VERMIN CONTROL  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>REVENUE (Refer Notes 1,2,8 to 13)</b>				
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	0	0
Health		0	0	0
Education and Welfare		0	0	0
Housing		0	0	0
Community Amenities		0	0	0
Recreation and Culture		0	0	0
Transport		0	0	0
Economic Services		96,151	86,778	73,880
Other Property and Services		0	0	0
		<u>96,151</u>	<u>86,778</u>	<u>73,880</u>
<b>EXPENSES EXCLUDING</b>				
<b>FINANCE COSTS (Refer Notes 1,2 &amp; 14)</b>				
Governance		(20,000)	(19,959)	(40,000)
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	0	0
Health		0	0	0
Education and Welfare		0	0	0
Housing		0	0	0
Community Amenities		0	0	0
Recreation & Culture		0	0	0
Transport		0	0	0
Economic Services		(99,849)	(104,129)	(115,000)
Other Property and Services		0	0	0
		<u>(119,849)</u>	<u>(124,088)</u>	<u>(155,000)</u>
<b>FINANCE COSTS (Refer Notes 2 &amp; 5)</b>				
		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
		0	0	0
<b>NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>				
Royalties 4 Regions		1,023,000	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
		<u>1,023,000</u>	<u>0</u>	<u>0</u>
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)</b>				
		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
		0	0	0
<b>NET RESULT</b>				
		<b>999,302</b>	<b>(37,310)</b>	<b>(81,120)</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of non-current assets		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>999,302</b></u>	<u><b>(37,310)</b></u>	<u><b>(81,120)</b></u>

**Notes:**

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur, with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes in revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

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

**MURCHISON REGIONAL VERMIN CONTROL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		0	0	0
Operating Grants, Subsidies and Contributions		28,840	28,000	28,000
Fees and Charges		72,343	34,758	35,880
Service Charges		0	0	0
Interest Earnings		355	22,943	10,000
Goods and Services Tax		0	0	0
Other		0	0	0
		<u>101,538</u>	<u>85,701</u>	<u>73,880</u>
<b>Payments</b>				
Employee Costs		0	0	0
Materials and Contracts		(73,950)	(69,583)	(65,000)
Utility Charges		0	0	0
Insurance Expenses		0	0	0
Interest Expenses		0	0	0
Goods and Services Tax		0	0	0
Other		0	0	0
		<u>(73,950)</u>	<u>(69,583)</u>	<u>(65,000)</u>
<b>Net Cash Provided By Operating Activities</b>	15b	<u>27,588</u> 0	<u>16,118</u> 0	<u>8,880</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	3	0	0	0
Payments for Purchase of Property, Plant & Equipment	3	0	0	0
Payments for Construction of Infrastructure	3	(523,000)	(775,288)	(780,000)
Advances to Community Groups		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,023,000	0	0
Proceeds from Sale of Plant & Equipment	4	0	0	0
Proceeds from Advances		0	0	0
<b>Net Cash Used in Investing Activities</b>		<u>500,000</u>	<u>(775,288)</u>	<u>(780,000)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	0	0	0
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures	5	0	0	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Increase (Decrease) in Cash Held</b>		527,588	(759,170)	(771,120)
Cash at Beginning of Year		1,350	760,520	778,610
<b>Cash and Cash Equivalents at the End of the Year</b>		<u><u>528,938</u></u>	<u><u>1,350</u></u>	<u><u>7,490</u></u>

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

**MURCHISON REGIONAL VERMIN CONTROL  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2014**

	NOTE	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>REVENUES</b>	1,2			
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	0	0
Health		0	0	0
Education and Welfare		0	0	0
Housing		0	0	0
Community Amenities		0	0	0
Recreation and Culture		0	0	0
Transport		0	0	0
Economic Services		96,151	86,778	73,880
Other Property and Services		0	0	0
		<u>96,151</u>	<u>86,778</u>	<u>73,880</u>
<b>EXPENSES</b>	1,2			
Governance		(20,000)	(19,959)	(40,000)
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	0	0
Health		0	0	0
Education and Welfare		0	0	0
Housing		0	0	0
Community Amenities		0	0	0
Recreation & Culture		0	0	0
Transport		0	0	0
Economic Services		(99,849)	(104,129)	(115,000)
Other Property and Services		0	0	0
		<u>(119,849)</u>	<u>(124,088)</u>	<u>(155,000)</u>
<b>Net Operating Result Excluding Rates</b>		(23,698)	(37,310)	(81,120)
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
Initial Recognition of Assets due to change in Regulations				
- Land		0	0	0
- Easements		0	0	0
(Profit)/Loss on Asset Disposals	4	0	0	0
Depreciation on Assets	2(a)	32,899	69,225	90,000
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	3	0	0	0
Purchase Infrastructure Assets - Fence	3	(523,000)	(784,289)	(780,000)
Proceeds from Disposal of Assets	4	0	0	0
Repayment of Debentures	5	0	0	0
Proceeds from New Debentures	5	0	0	0
Self-Supporting Loan Principal Income		0	0	0
Non Operating Grants, Subsidies, Contributions		1,023,000		
Transfers to Reserves (Restricted Assets)	6	(10,000)	0	0
Transfers from Reserves (Restricted Assets)	6	0	0	0
<b>ADD</b> Estimated Surplus/(Deficit) July 1 B/Fwd	7	19,737	772,111	881,826
<b>LESS</b> Estimated Surplus/(Deficit) June 30 C/Fwd	7	518,938	19,737	110,706
<b>Total Amount Raised from General Rate</b>	8	<u>0</u>	<u>(0)</u>	<u>0</u>

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

**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

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

**(b) The Local Government Reporting Entity**

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 16 to this budget document.

**(c) 2012/13 Actual Balances**

Balances shown in this budget as 2012/13 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**(d) Rounding Off Figures**

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

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

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

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

**(f) Goods and Services Tax**

Revenues, expenses and assets 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.

**(g) Superannuation**

The Council does not contribute to any superannuation funds on behalf of employees.

**(h) 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 on the statement of financial position.

**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(i) 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.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(j) Inventories**

**General**

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

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

**Land Held for Resale**

No land is held for Resale

**(k) 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.

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

**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.

Land under control was identified as the Fence Corridor. After due consideration, The CEO and

**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.



**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(k) Fixed Assets (Continued)**

***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.

***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.

**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**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).

**Land Under Roads**

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

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

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

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

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

No Land under roads was identified.

**(k) Fixed Assets (Continued)**

**Depreciation of Non-Current Assets**

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

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

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

Fencing	50 years
Plant and Equipment	4 to 10 years

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

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

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

**Capitalisation Threshold**

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

**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**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 (i.e. trade date accounting is adopted).

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

**Classification and Subsequent Measurement**

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

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

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- (b) less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that 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.

*(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.

**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(i) Financial Instruments (Continued)**

**Classification and Subsequent Measurement (Continued)**

*(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 (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to 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.

**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.

**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(m) Impairment**

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (eg AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

**(n) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**(o) Employee Benefits**

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for 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.

**(p) Borrowing Costs**

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

**(q) Provisions**

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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

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

**(s) Comparative Figures**

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

**(t) Budget Comparative Figures**

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

**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
<b>2. REVENUES AND EXPENSES</b>			
<b>(a) Net Result from Ordinary Activities was arrived at after:</b>			
(i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	5,000	5,129	5,000
Other Services	0	0	0
 <b>Depreciation</b>			
<b><u>By Program</u></b>			
Governance	0	0	0
General Purpose Funding	0	0	0
Law, Order, Public Safety	0	0	0
Health	0	0	0
Education and Welfare	0	0	0
Housing	0	0	0
Community Amenities	0	0	0
Recreation and Culture	0	0	0
Transport	0	0	0
Economic Services	32,899	69,225	90,000
Other Property and Services	0	0	0
	<u>32,899</u>	<u>69,225</u>	<u>90,000</u>
 <b><u>By Class</u></b>			
Land and Buildings	0	0	0
Furniture and Equipment	0	0	0
Plant and Equipment	0	0	0
Roads	0	0	0
Footpaths	0	0	0
Fencing	32,899	69,225	90,000
	<u>32,899</u>	<u>69,225</u>	<u>90,000</u>
 <b>Borrowing Costs (Interest)</b>			
No Borrowing are intended to entered into.			
 <b>Rental Charges</b>			
No Rentals are intended to entered into.			
 <b>Interest Earnings</b>			
Investments	355	22943	10000

**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

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

**(b) Statement of Objective**

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

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

**GOVERNANCE**

This includes those income and expenses relating to Councillors, and Council's Governance role, and a portion of Administration which cannot be reliably allocated or linked to other programs.

**ECONOMIC SERVICES**

Operation of Fence maintenance and construction

**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**3. ACQUISITION OF ASSETS**

The following assets are budgeted to be acquired during the year:

**By Program**

**Economic Services**

Fence Replacement	523,000
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**By Class**

Infrastructure Assets - Fencing	523,000
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**4. DISPOSALS OF ASSETS**

No assets are budgeted to be disposed of during the year.

**5. INFORMATION ON BORROWINGS**

No borrowings are planned on being undertaken

**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

<b>6. RESERVES</b>	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>	<b>2012/13 Budget \$</b>
<b>(a) Fence Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	10,000	0	0
Amount Used / Transfer from Reserve	0	0	0
	10,000	0	0

<b>Summary of Transfers To Cash Backed Reserves</b>	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>	<b>2012/13 Budget \$</b>
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**Transfers to Reserves**

Reserve	10,000	0	0
	10,000	0	0

**Transfers from Reserves**

Reserve	0	0	0
	0	0	0

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

**Fence Reserve**

-Reserve established to allow for expenditure on the Fence in an emergency situation

<b>7. NET CURRENT ASSETS</b>	<b>Note</b>	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>
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**Composition of Estimated Net Current Asset Position**

**CURRENT ASSETS**

Cash - Unrestricted	15(a)	518,938	1,350
Cash - Restricted Reserves	15(a)	10,000	0
Receivables		0	5,387
Inventories		0	3,000
		528,938	9,737

**LESS: CURRENT LIABILITIES**

Payables and Provisions		0	10,000
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<b>NET CURRENT ASSET POSITION</b>		528,938	19,737
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Less: Cash - Restricted Reserves	15(a)	(10,000)	0
Less: Cash - Restricted Municipal		0	0

<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>		518,938	19,737
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The estimated surplus/(deficiency) c/fwd in the 2012/13 actual column represents the surplus (deficit) brought forward as at 1 July 2013.

The estimated surplus/(deficiency) c/fwd in the 2013/14 budget column represents the surplus (deficit) carried forward as at 30 June 2014.

**8. RATING INFORMATION - 2013/14 FINANCIAL YEAR**

No Rates are anticipated to be charged



**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**9. SPECIFIED AREA RATE - 2013/14 FINANCIAL YEAR**

No Rates are anticipated to be charged

**10. SERVICE CHARGES - 2013/14 FINANCIAL YEAR**

No service Charges are anticipated to be charged

<b>11. FEES &amp; CHARGES REVENUE</b>	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>
Governance	0	0
General Purpose Funding	0	0
Law, Order, Public Safety	0	0
Health	0	0
Education and Welfare	0	0
Housing	0	0
Community Amenities	0	0
Recreation & Culture	0	0
Transport	0	0
Economic Services	66,956	86,778
Other Property & Services	0	0
	<u>66,956</u>	<u>86,778</u>

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2013/14 FINANCIAL YEAR**

No discounts, incentives, concessions & write offs are anticipated

**13. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAR**

No rates are charged so no interest is anticipated to be charged

<b>14. ELECTED MEMBERS REMUNERATION</b>	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>
The following fees, expenses and allowances were paid to council members and the president.		
Meeting Fees	3,670	3,360
President's Allowance	1,170	1,060
	<u>4,840</u>	<u>4,420</u>

**MURCHISON REGIONAL VERMIN CONTROL  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2014**

**15. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	<b>2013/14 Budget \$</b>	<b>2012/13 Actual \$</b>	<b>2012/13 Budget \$</b>
Cash - Unrestricted	518,938	1,350	7,490
Cash - Restricted	10,000	0	0
	<u>528,938</u>	<u>1,350</u>	<u>7,490</u>
	<u>0</u>	<u>0</u>	

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

Net Result	999,302	(37,310)	(81,120)
Amortisation			0
Depreciation	32,899	69,225	90,000
(Profit)/Loss on Sale of Asset			0
(Increase)/Decrease in Receivables	5,387	(1,077)	0
(Increase)/Decrease in Inventories	3,000	(449)	0
Increase/(Decrease) in Payables	10,000	(14,271)	0
Increase/(Decrease) in Employee Provisions			0
Grants/Contributions for the Development of Assets	(1,023,000)		0
Non-Current Assets recognised due to change in Legislative Requirements			0
<b>Net Cash from Operating Activities</b>	<u>27,588</u>	<u>16,118</u>	<u>8,880</u>

**16. TRUST FUNDS**

No Funds held at balance date over which the Council has no control.

**17. MAJOR LAND TRANSACTIONS**

No land transactions are anticipated

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

It is not anticipated any trading undertakings or major trading undertakings will occur in 2013/14.

**MURCHISON REGIONAL VERMIN COUNCIL**

**COUNCIL FEES & CHARGES  
FOR THE YEAR ENDING 30 JUNE 2014**

	<b>2013/2014</b>
	<b>\$/KM</b>
20. No. 1 Vermin Fence (East Side)	4.854
No. 1 Vermin Fence (West Side)	8.240
No. 2 Vermin Fence (North Side)	4.854
No. 2 Vermin Fence (South Side)	8.240