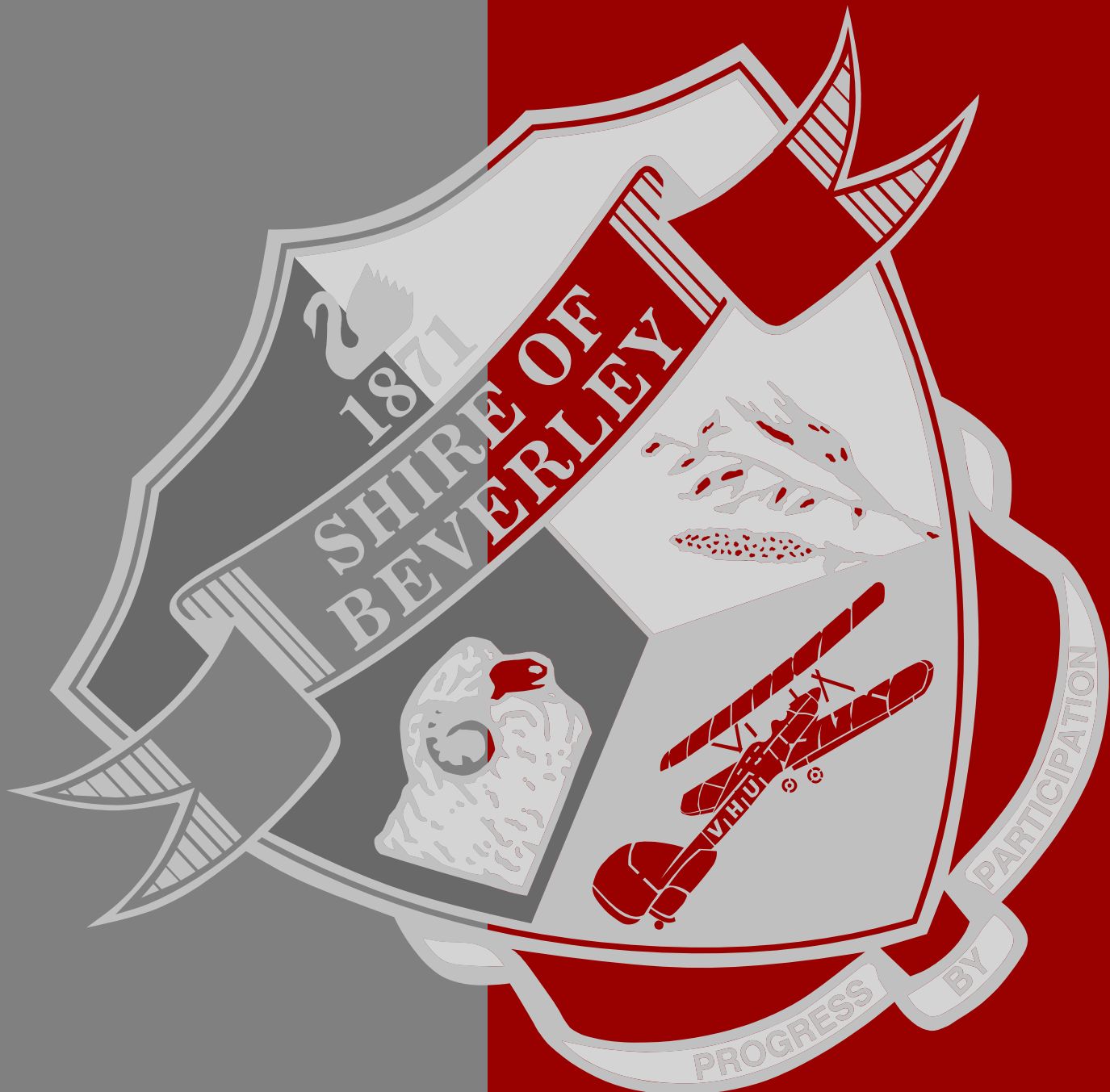


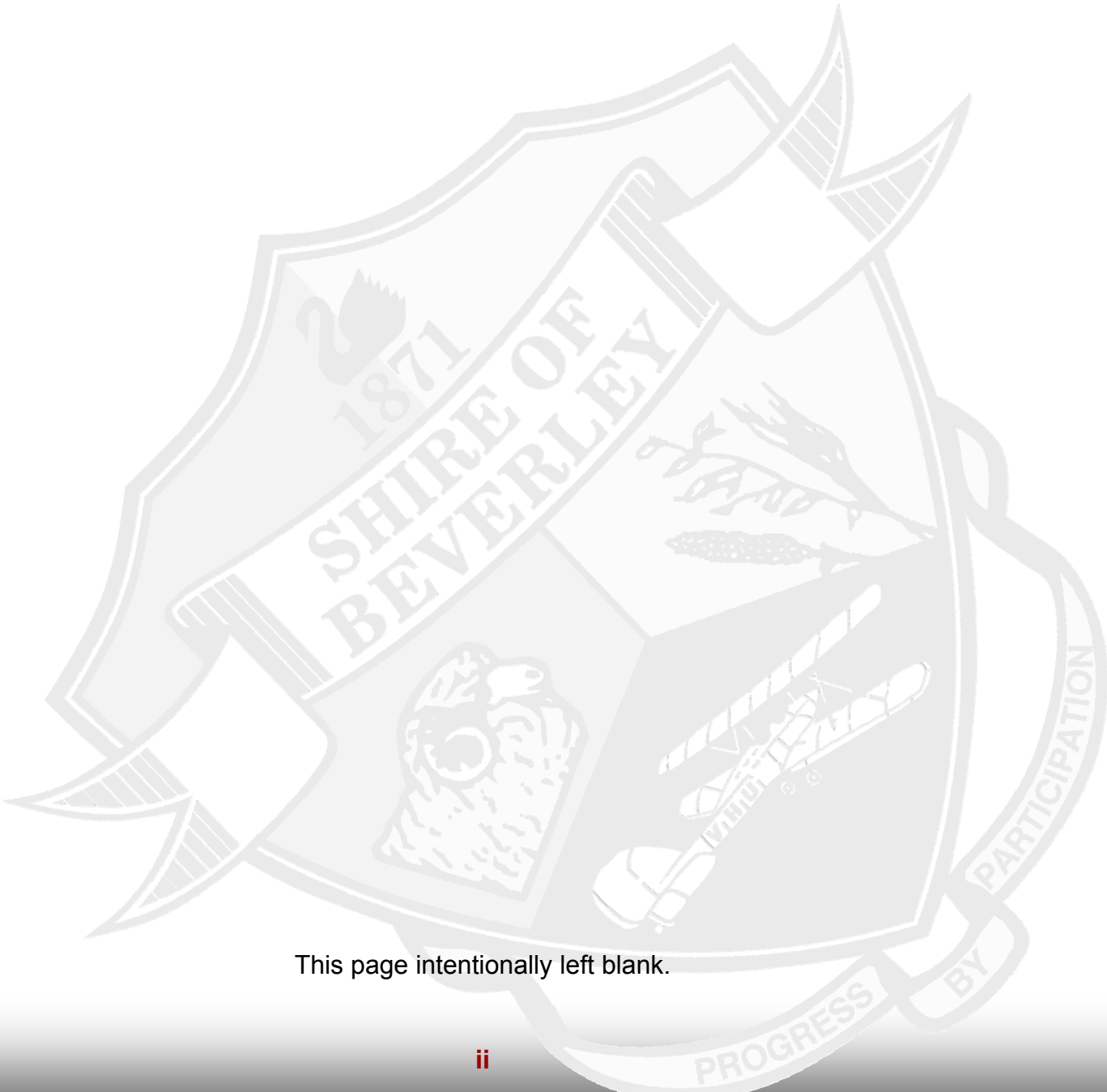
# SHIRE OF BEVERLEY

Annual Report  
2010



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# PURPOSE, MISSION AND VALUES

## OUR PURPOSE

Our vision is to have a community:

- ▶ Providing a lifestyle in which traditional rural values of care, mutual respect, responsibility, personal security and supported independence, underpin our relationships.
- ▶ Where our businesses and services can operate effectively to sustain the community.
- ▶ Where the appearance of our community assets, buildings and facilities is attractive and encourages use by both residents and tourists.
- ▶ Where responsible management of our heritage and natural resources takes precedence to maintain our assets for future generations.
- ▶ Where community leadership is valued and individuals have the opportunity to aspire and participate in that role.

## OUR MISSION

To provide efficient, responsible government to the district by:

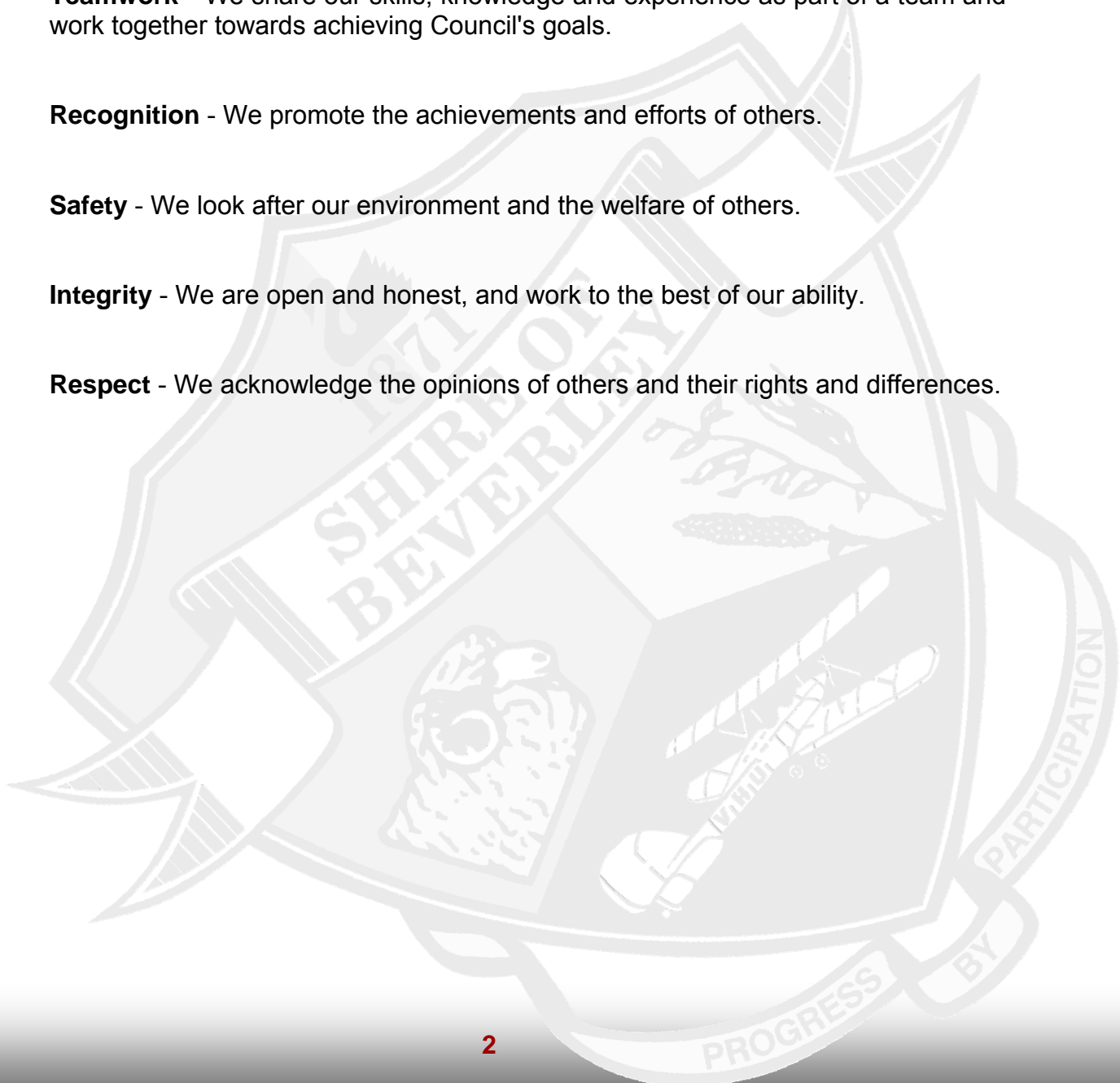
- ▶ Promoting the concept of enabling leadership.
- ▶ Effective planning based on development of effective community networks to address:
  - ▷ Economic development and tourism.
  - ▷ Community affairs.
  - ▷ Environmental issues and land use.
  - ▷ Infrastructure development, services and governance.
- ▶ Supporting and encouraging initiatives determined as a benefit to the district.
- ▶ Representing the interests and needs of the district to government and other agencies.
- ▶ Developing effective partnerships with government and other agencies to provide benefits to Beverley.
- ▶ Delivering services to the community in an effective and efficient manner.

As an innovative and accountable organisation, the Shire of Beverley will promote vibrant democracy and provide high quality services.

## OUR VALUES

The Shire of Beverley has a clear strength in the bond and affinity between its Councillors, the community and staff. Staff supports the community leadership and governance role of Councillors, and work together to achieve the commitments of the Council Plan. Having the entire Shire's Council staff practice the following organisational values enhances the quality of this partnership:

- ▶ **Service** - Our citizens, community and service users are the focus of all our actions.
- ▶ **Accountability** - We are responsible for our actions, which are open to review.
- ▶ **Innovation** - We encourage and seek new ideas in finding solutions.
- ▶ **Teamwork** - We share our skills, knowledge and experience as part of a team and work together towards achieving Council's goals.
- ▶ **Recognition** - We promote the achievements and efforts of others.
- ▶ **Safety** - We look after our environment and the welfare of others.
- ▶ **Integrity** - We are open and honest, and work to the best of our ability.
- ▶ **Respect** - We acknowledge the opinions of others and their rights and differences.



## OBJECTIVES AND ACHIEVEMENTS

### STRATEGIC OBJECTIVES FOR 2009/2010

The Council delivers activities and initiatives under 11 programmes. Each contributes to the achievement of the Strategic Objectives, as set out in the Plan for the Future for the years 2010-2013. The following table lists the Strategic Objectives, as described in the Plan for the Future:

| Strategic Objective   | Description  |
|---|--|
| 1. Development of Independent Living Units for Aged Persons | To provide modern and convenient facilities which cater for the aged persons in the district.  |
| 2. Development of Recreation Facilities                     | To provide modern and convenient facilities which cater for all ages in the district.  |
| 3. Caravan Park Development                                 | To provide modern and convenient facilities which cater for visitors and tourists in the district.   |
| 4. Community Facilities                                     | To provide residents of the Shire of Beverley with quality facilities that will meet their needs in the foreseeable future.  |
| 5. Asset Management Programme                               | To provide and replace as necessary, the infrastructure of the Shire and maintain the infrastructure to acceptable standards of presentation, usability, and safety. |

### ACHIEVEMENTS FOR 2009/2010

1. The Shire prepared a business plan, detailed plans, and cost estimates, and resolved to progress the development of two (2) Independent Living Units for Aged Persons.
2. An architect was appointed by the Shire to develop concept plans for the development of Recreation Facilities. A consultant was then appointed to undertake a feasibility study.
3. The Caravan Park Development involved undertaking the construction of a Campers' Kitchen and investigating renovations/new development of the ablution block.
4. Community facilities were progressed in the following manner:
  - (a) Completion of new residence in Wright Street.
  - (b) Town Hall refurbishment - ceilings, painting, air conditioning.
  - (c) Construction of Recreation Gardeners' Shed/Depot.
  - (d) Railway Station Cultural Centre - new stage and viewing area.
5. Asset Management - A SEAVROC initiative, which resulted in the appointment of consultants to progress the preparation of Asset Management Plans.

## HIGHLIGHTS OF 2009/2010

During the 2009/2010 Financial Year, the Shire achieved the following:

1. No new loans to fund Capital Works Programmes were raised.
2. Net surplus of \$1.32M, which included committed expenditure carried forward to 2010/2011.
3. Rate increases for 2009/2010 were limited to 3.0%. This level allowed the Shire to maintain existing services, fund a number of new initiatives, and continue to allocate funds to renew Shire infrastructure.
4. \$3.08M was spent to maintain services at current levels.
5. Expenditure on Capital Works is summarised as follows:
  - Land and Buildings \$0.54M
  - Road Infrastructure \$1.82M
  - Plant and Equipment \$0.47M
  - Furniture and Equipment \$0.12M

## STRATEGIC OBJECTIVES FOR 2010/2011

This section provides a description of the activities to be funded in the Budget for the 2010/2011 Financial Year, and how these will contribute to achieving the Strategic Objectives specified in the Plan for the future.

| Strategic Objective   | Description  |
|---|--|
| 1. Development of Independent Living Units for Aged Persons | Project Completion and full occupation by November 2011.   |
| 2. Development of Recreation Facility                       | Complete Feasibility Study by October 2010.  |
| 3. Caravan Park Development                                 | Complete planned works by June 2011.   |
| 4. Community Facilities                                     | Complete construction in time and within Budget.   |
| 5. Asset Management Programme                               | Complete Asset Management Plan by October 2010 - Length of roads, drains, footpaths replaced and constructed each year (measured in kilometres). |



## STATEMENT BY SHIRE PRESIDENT



The 2009/2010 Financial Year reflects the Shire's efficiency in maintaining acceptable rate levels, whilst fulfilling its commitment to residents and ratepayers with the provision of services and facilities. The year ended with a surplus of \$1.32M, which is inclusive of committed Capital Works Projects carried forward into 2010/2011.

The Shire reviewed its Plan for the Future, and developed a four year fully funded financial plan, which forms the basis of Council's Financial Management Strategy for the future. A review of the Shire's Strategic Plan is in progress.

The Town Hall received a major refurbishment, including ceiling repairs, painting, and air conditioning, at a cost of \$163,162. Development of the Railway Station Cultural Precinct continues, with \$239,776 being spent in 2009/2010. Both of these projects have received external grant funding assistance.

The Residence at Wright Street was completed this Financial Year, with \$123,123 expended, bringing the total cost of this project over two financial years to \$299,528.

Expenditure on road works amounted to \$1,819,996, and included flood damage repairs and Black Spot funded projects at the intersection of Kokendin and Talbot West Roads, along with the intersection of Yenvenning Lakes and Qualandary Roads.

In July 2009, the Shire and the National Trust of Australia (Western Australia) signed a Memorandum of Understanding (MoU) for the conservation and interpretation of the museum at Avondale, in which the Shire accepted primary responsibility for the museum contents on behalf of the Beverley Community.

The Shire continued to be involved with the South East Avon Voluntary Regional Organisation of Councils (SEAVROC). The following regional projects were progressed by the Organisation:

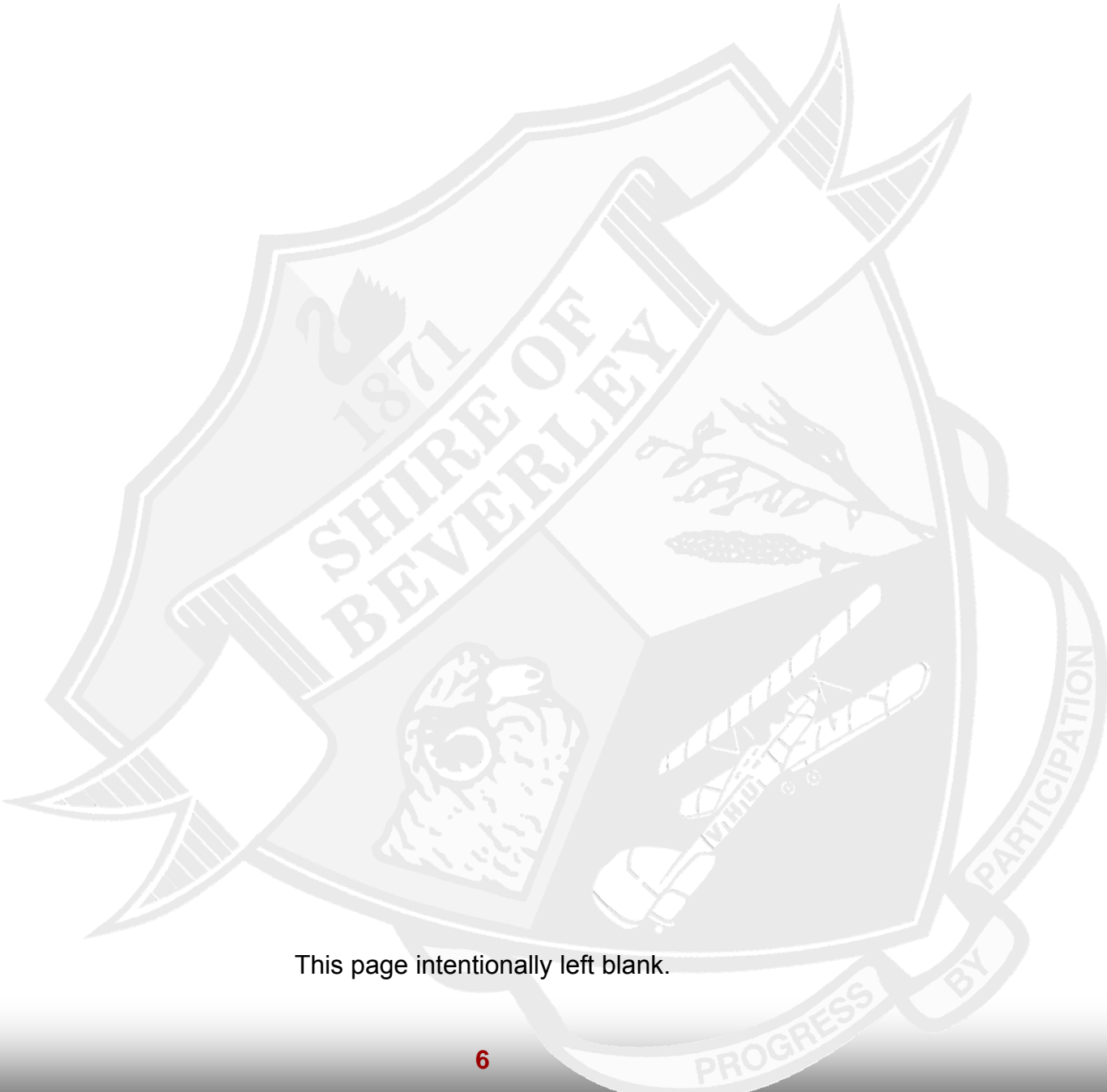
- Review of Local Laws;
- Asset Management Plans;
- Integrated software for local governments;
- Proposal for resource sharing.
- Structural Reform; and
- Investigation of an alternative regional organisational structure for the purpose of simplifying legislative compliance.

I wish to acknowledge the contribution of Cr Jim Alexander as previous Shire President, and thank him for his continuing role as a Councillor. I would also like to acknowledge the contribution of Cr Bill McDonald, and welcome Cr Chris Pepper and Cr Corrie Egberts, following the October 2009 Council Elections.

I extend my thanks to Councillors, Management and Staff, for their collaboration and teamwork during the year, undertaken on the basis of cooperation, honesty and integrity for the continuing progressive operation of the Shire.

**Cr Dee Ridgway  
President**





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## THE COUNCIL

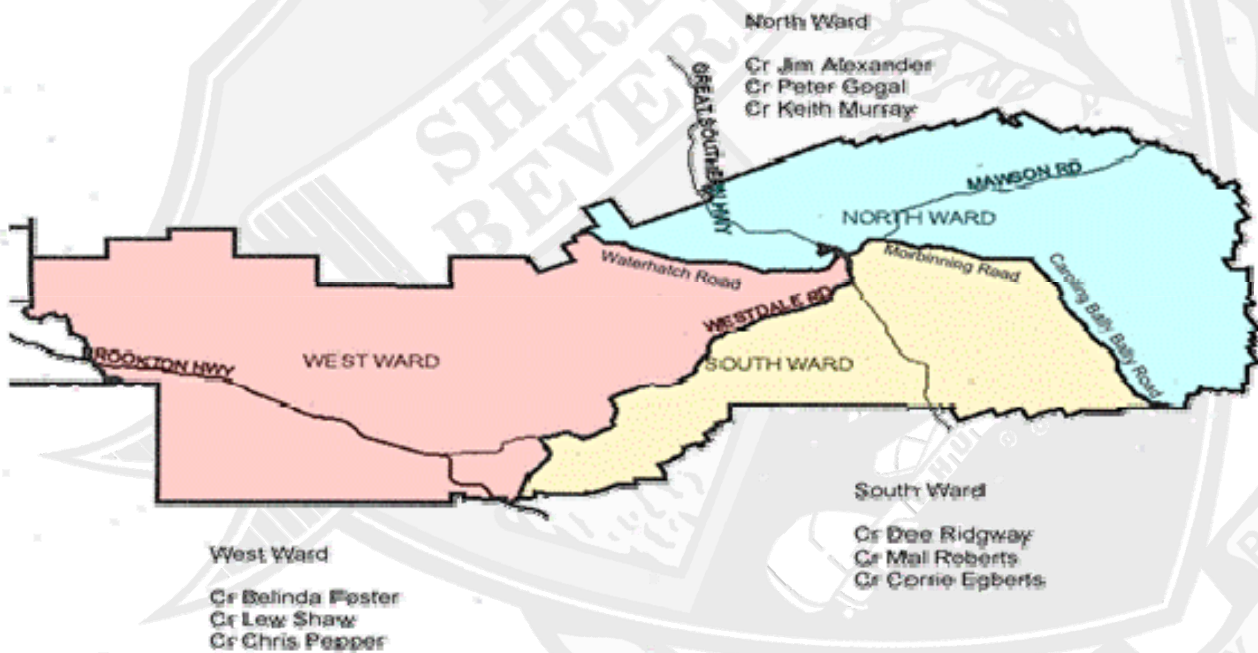


### YOUR ELECTED MEMBERS

Front (L to R): Deputy CEO - Mr S Gollan; CEO - Mr K Byers; Shire President - Cr D Ridgway; Deputy President - Cr L Shaw

Back (L to R): Cr C Egberts; Cr J Alexander; Cr B Foster; Cr P Gogol; Cr K Murray; Cr C Pepper

Absent: Cr M Roberts





**SHIRE OF BEVERLEY COUNCIL MEMBERS  
CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICER  
NEW CLOCK TOWER  
FEBRUARY 2010**



# CHIEF EXECUTIVE OFFICER'S REPORT



During the year, the Shire has progressed a number of initiatives that will ensure its long term sustainability.

## Strategic Plan

The Council, with the assistance of a consultant, reviewed the previous Plan, with a number of Council Workshops conducted in order to establish Council's future direction and vision for the Shire.

## Plan for the Future

The Plan for the Future was reviewed, and a number of new initiatives were incorporated into the Plan. In order to ensure that the Shire was able to fund its proposed program, a Four Year Financial Plan was formulated and linked to the Plan for the Future. It is proposed in the coming year, that the Strategic Plan will be linked to the Plan for the Future and the Financial Plan.

## Asset Management

In conjunction with the Member Councils of SEAVROC, the preparation of Asset Management Plans has been progressed. The aim of the Plan is to ensure that each class of Council infrastructure is detailed, along with its condition. The information will assist the Council in determining priorities in relation to Capital Works in future years, and calculate any funding gap which will need to be addressed by the Council in ensuring that its infrastructure is maintained for future generations.

It is proposed that in 2010/2011 that the Asset Management Plans will be finalised, and in turn, be linked to the Strategic Plan, Long Term Financial Plan, and Annual Budget.

## Business Plans

The Council engaged suitable consultants to undertake the preparation of a Business Plan in relation to Independent Living Units, and a feasibility Study for the redevelopment of the Recreation Precinct.

## Other Initiatives

The Council has been negotiating with LandCorp in relation to the development of an industrial estate in the town of Beverley. The Council is now waiting on a response from LandCorp before this matter can be progressed further.

The above measures will ensure that the objectives of the Shire are coordinated and linked to the various strategic documents.

May I take this opportunity to thank the past President, Cr Jim Alexander, for his tireless work during his term. I extend my congratulations to Cr Dee Ridgway in being elected as Shire President, and Cr Lew Shaw as Deputy President.

Thanks are extended to the current Members of Council for their valuable input and participation in a number of working groups and committees, and also in supporting our staff.

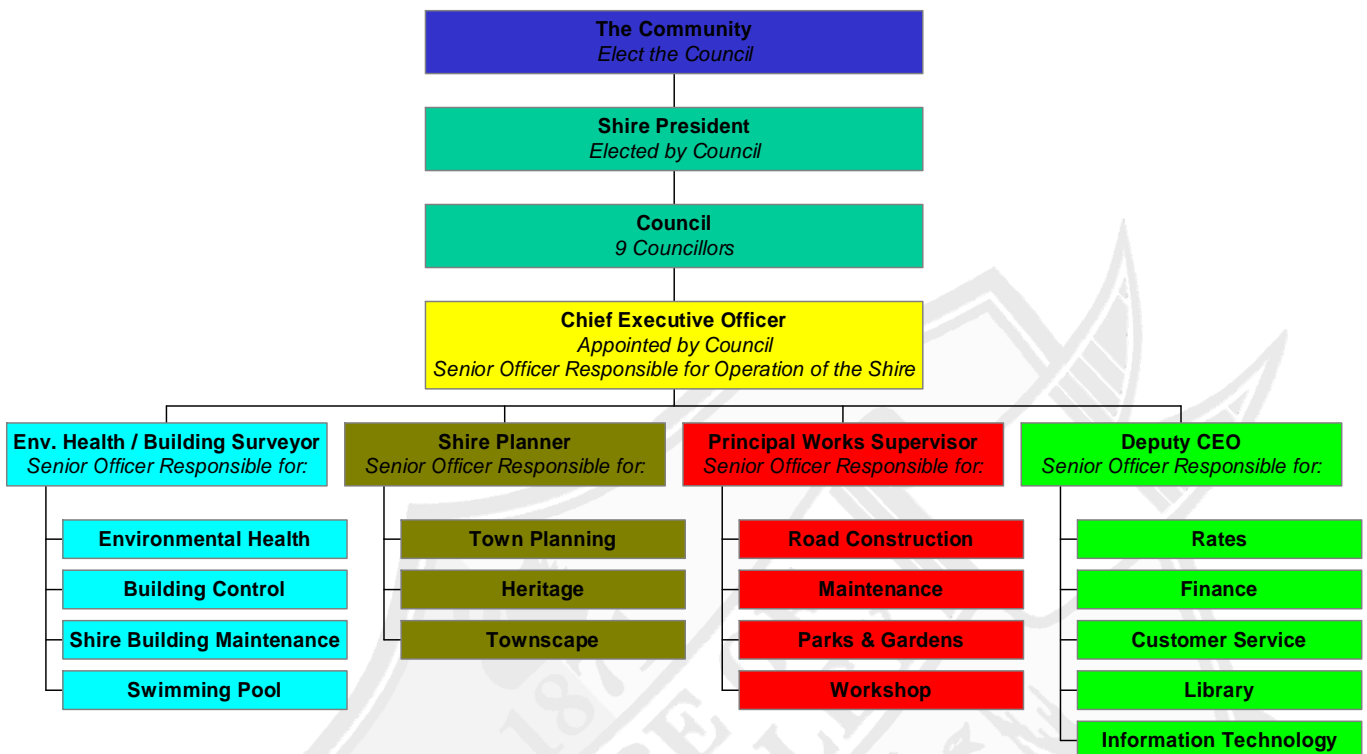
The dedication of the Shire staff has continued through 2009/2010, with all employees showing their professionalism, hard work, and commitment, making them a credit to the organisation. I would personally like to extend my appreciation for their efforts.

**K L Byers**  
**Chief Executive Officer**

## ORGANISATIONAL STRUCTURE

The Shire of Beverley staff members are part of the corporate structure headed by the Chief Executive Officer. This corporate approach ensures that staff members work towards achieving common goals.

The Shire's staff are organised across four Divisions. Whilst the Chief Executive Officer is responsible for the overall management of the organisation, each Division has its own Senior Officer who oversees the functioning of their respective Division. The Corporate Management Team implements and administers the policies of the Elected Members.



## LEGISLATIVE COMPLIANCE

### NATIONAL COMPETITION POLICY

The introduction of the National Competition Policy requires all local governments to include in the Annual Report, statements relating to the following:

#### The Structural Reform of Public Monopolies

The intention of the Structural Reform of Public Monopolies, is that:

- ▶ There is a separation of regulatory and commercial functions of Public Monopolies.
- ▶ There is a separation of natural monopolistic operations and potentially competitive activities of Public Monopolies.
- ▶ There is a separation of potential competitive activities into a number of smaller, essentially independent business units.

The Shire of Beverley is not considered a natural monopoly, nor does it conduct any business activity that can be considered a Public Monopoly. Therefore the principle of structural reform of Public Monopolies does not apply to the Shire of Beverley.

#### Competitive Neutrality

For significant local government business enterprises, which are classified as 'Public Financial Enterprises', local government will, where appropriate:

- ▶ Adopt a corporatisation model for those local government business enterprises.
- ▶ Impose on significant business enterprises:
  - ▷ Full Commonwealth, State and Territory taxes on tax equivalent systems;
  - ▷ Debt guarantee fees directed towards off setting the competitive advantages provided by government guarantees; and
  - ▷ Those regulations to which private sector businesses are normally subject, such as those relating to the protection of the environment and planning and approval processes, on an equivalent basis to private sector competitors.

These principles have been designed to ensure that a local government has no unfair advantage over any competitor in the market place.

These principles only apply to business activities that receive more than \$200,000 in annual income, of which the Shire of Beverley has none, and therefore do not apply to the Shire of Beverley.

Council has not received any allegations of non compliance with Competitive Neutrality Principles from the private sector.



## **Legislation Review**

In accordance with the National Competition Policy, all Local Laws have been reviewed and will be adopted in the 2010/2011 Financial Year.

## **DISABILITY ACCESS AND INCLUSION PLAN**

The Disability Services Act 1993 was amended in December 2004, creating a requirement of public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These Plans had to be fully developed by July 2007, and replaced and built on the achievements of Disability Service Plans (DSPs).

Council adopted a DAIP in November 2007 for implementation. Council is required to report on its present activities as they relate to the six desired DAIP outcomes.

1. Council is continually adapting its existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organised by, the Shire.
2. Council also continues with improvement to buildings and footpath infrastructure to assist both wheelchair and gopher access.
3. Wherever possible, people with disabilities can receive information from the Shire in a format that will enable them to access the information as readily as other people are able to access it. This includes a comprehensive website and the ability to change documents to large font size.
4. The staff are always encouraged to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive. The Shire is also working with contractors to ensure they are aware of their responsibilities.
5. People with disabilities have the same opportunities as other people to make complaints to the staff, this can be via written letters, email, SMS or verbally.
6. Council provides many ways for people to participate in public consultation, and is more than happy to discuss any grievances community members may have regarding the services available to the disabled.

## **PUBLIC INTEREST DISCLOSURE**

### **Public Interest**

The Public Interest Disclosure Act 2003 (the Act), aims to facilitate and encourage the disclosure of public interest information, and to provide protection for those who have made disclosures, and for those about whom disclosures are made.

The Shire is committed to the aims and objectives of the Act, and recognises the value and importance of contributions of staff to enhance administrative and management practices and supports disclosures being made by staff as to corrupt or other improper conduct.

During the 2009/2010 Financial Year there were no disclosures made under the Act.

## **RECORD KEEPING PLAN**

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

Principal 6 - Compliance: Government organisations ensure their employees comply with the Record Keeping Plan.

### **Rationale**

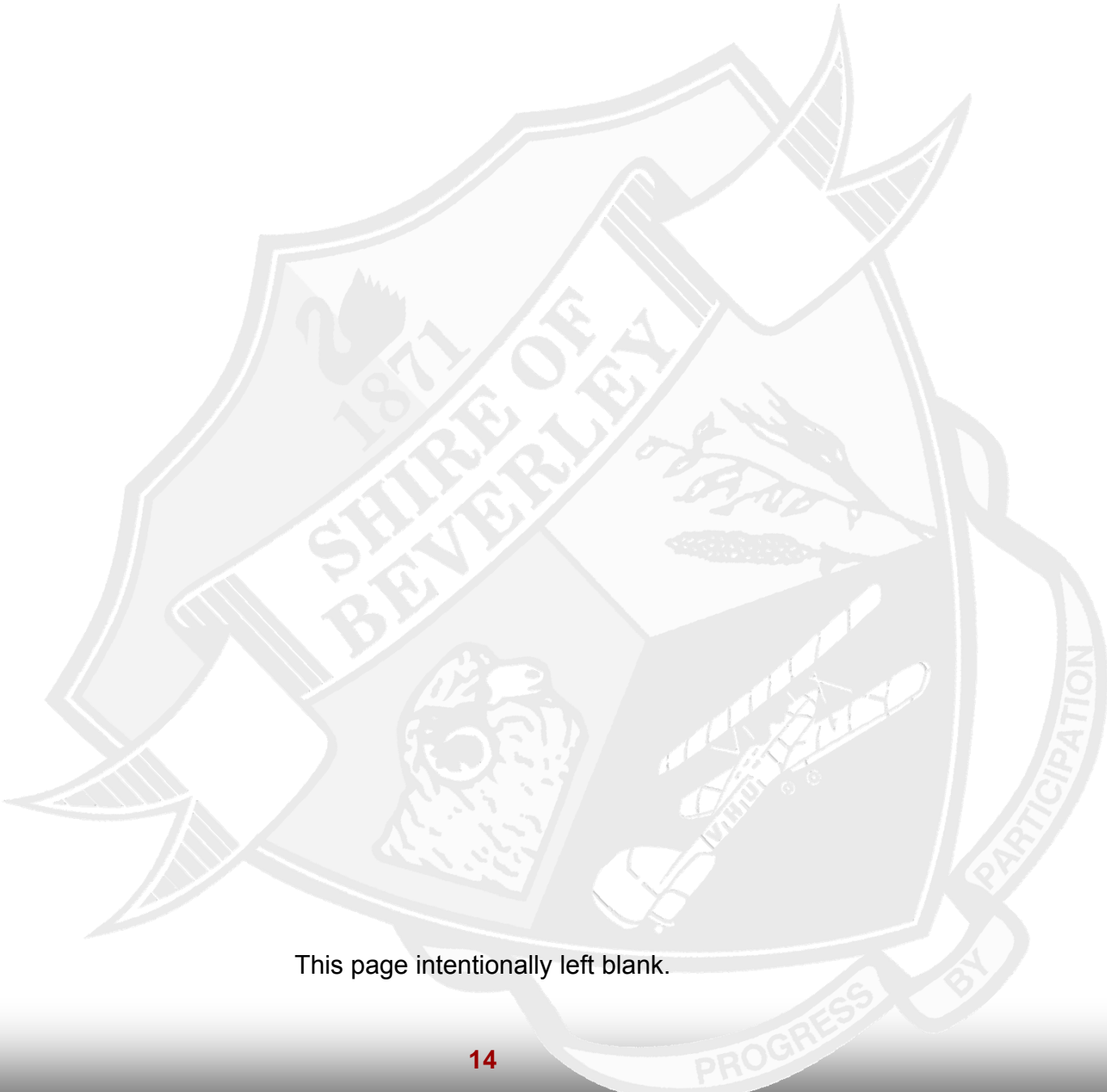
An organisation and its employees must comply with the organisation's Record Keeping Plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

### **Minimum Compliance Requirements**

The Record Keeping Plan is to provide evidence to adduce that:

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

The Shire of Beverley has complied with items 1 to 4.



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# ANNUAL FINANCIAL STATEMENTS 2009 - 2010





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**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2010  
LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT ( FINANCIAL MANAGEMENT) REGULATIONS 1996**

**STATEMENT BY THE CHIEF EXECUTIVE OFFICER**

The attached Financial Report of the Shire of Beverley, being the Annual Financial Report, and other information for the Financial Year ended 30 June 2010, and in my opinion, properly drawn up to present fairly the financial position of the Shire of Beverley as at 30 June 2010, and the results of the operations for the Financial Year ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the Regulations under the Act.

Signed on the 29th day of September 2010

Keith Byers  
Chief Executive Officer





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**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010**

| 2008/2009<br>ACTUAL |  | Note  | 2009/2010<br>ADOPTED<br>BUDGET | 2009/2010<br>ACTUAL |
|---------------------|--|-------|--------------------------------|---------------------|
| <b>\$</b>           | <b>EXPENSES</b>                                | 2,3,4 | <b>\$</b>                      | <b>\$</b>           |
| (100,646)           | General Purpose Funding                        |       | (58,194)                       | (32,300)            |
| (398,213)           | Governance                                     |       | (265,761)                      | (167,417)           |
| (60,322)            | Law, Order, Public Safety                      |       | (87,769)                       | (49,189)            |
| (40,398)            | Health   |       | (91,188)                       | (86,745)            |
| (31,457)            | Education and Welfare                          |       | (41,707)                       | (39,297)            |
| (134,858)           | Housing  |       | (291,700)                      | (200,898)           |
| (455,841)           | Community Amenities                            |       | (432,866)                      | (365,597)           |
| (552,663)           | Recreation and Culture                         |       | (778,065)                      | (638,719)           |
| (1,600,147)         | Transport                                      |       | (1,254,463)                    | (1,218,485)         |
| (209,973)           | Economic Services                              |       | (361,439)                      | (234,801)           |
| (60,110)            | Other Property and Services                    |       | (267,525)                      | (28,134)            |
| (3,644,628)         |  |       | (3,930,677)                    | (3,061,581)         |
|                     | <b>REVENUE</b>                                 | 2,3,4 |                                |                     |
| 3,271,988           | General Purpose Funding                        |       | 2,757,647                      | 3,090,401           |
| 6,407               | Governance                                     |       | 3,550                          | 42,976              |
| 47,078              | Law, Order, Public Safety                      |       | 46,080                         | 46,372              |
| 34,359              | Health   |       | 6,349                          | 9,950               |
| 13,800              | Education and Welfare                          |       | 0                              | 5,000               |
| 887,154             | Housing  |       | 53,660                         | 51,880              |
| 216,220             | Community Amenities                            |       | 130,240                        | 118,090             |
| 139,372             | Recreation and Culture                         |       | 603,984                        | 202,851             |
| 638,733             | Transport                                      |       | 1,101,059                      | 1,162,258           |
| 93,300              | Economic Services                              |       | 111,180                        | 122,582             |
| 66,943              | Other Property & Services                      |       | 65,916                         | 89,346              |
| 5,415,354           |  |       | 4,879,665                      | 4,941,706           |
| 1,770,726           | <i>Increase(Decrease)</i>                      |       | 948,988                        | 1,880,125           |
|                     | <b>DISPOSAL OF ASSETS</b>                      | 6     |                                |                     |
| 0                   | Land   |       | 0                              | 0                   |
| 0                   | Plant and Equipment                            |       | (58,800)                       | 10,423              |
| 0                   | Furniture and Equipment                        |       | 0                              | 0                   |
| 0                   | <i>Gain (Loss) on Disposal</i>                 |       | (58,800)                       | 10,423              |
|                     | <b>FINANCE COSTS</b>                           | 7     |                                |                     |
| (293)               | Governance                                     |       | 0                              | 0                   |
| (3,079)             | Education and Welfare                          |       | 0                              | 0                   |
| (458)               | Housing  |       | (2,857)                        | (2,857)             |
| (14,616)            | Recreation and Culture                         |       | (13,356)                       | (13,524)            |
| (5,179)             | Economic Services                              |       | (4,592)                        | (4,858)             |
| (23,625)            | <i>Increase(Decrease)</i>                      |       | (20,805)                       | (21,239)            |
| <b>1,747,101</b>    | <b>NET RESULT</b>                              |       | <b>869,383</b>                 | <b>1,869,309</b>    |
| 0                   | Changes on revaluation of non - current assets | 6     | 0                              | (1,382,416)         |
| 0                   | Rounding                                       |       | 0                              | 2                   |
| <b>1,747,101</b>    | <b>TOTAL COMPREHENSIVE INCOME</b>              |       | <b>869,383</b>                 | <b>486,895</b>      |

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2010**

|   | Note | 2008/2009<br>ACTUAL<br>\$ | 2009/2010<br>ACTUAL<br>\$ |
|---|------|---------------------------|---------------------------|
| <b>Current assets</b>                         |      |                           |                           |
| Cash and cash equivalents                     | 5    | 3,374,540                 | 3,430,015                 |
| Trade and other receivables                   | 28   | 200,206                   | 168,318                   |
| Inventories                                   | 29   | 14,394                    | 14,621                    |
| Other assets                                  |      | 0                         | 0                         |
| <b>Total current assets</b>                   |      | <b>3,589,140</b>          | <b>3,612,953</b>          |
| <b>Non-current assets</b>                     |      |                           |                           |
| Trade and other receivables                   | 28   | 195,220                   | 190,737                   |
| Property, infrastructure, plant and equipment | 6    | 36,462,990                | 36,846,649                |
| <b>Total non-current assets</b>               |      | <b>36,658,210</b>         | <b>37,037,386</b>         |
| <b>Total assets</b>                           |      | <b>40,247,350</b>         | <b>40,650,339</b>         |
| <b>Current liabilities</b>                    |      |                           |                           |
| Trade and other payables                      | 30   | 234,240                   | 191,098                   |
| Interest-bearing loans and borrowings         | 7    | 31,833                    | 33,792                    |
| Provisions                                    | 32   | 238,253                   | 233,343                   |
| <b>Total current liabilities</b>              |      | <b>504,326</b>            | <b>458,233</b>            |
| <b>Non-current liabilities</b>                |      |                           |                           |
| Interest-bearing loans and borrowings         | 7    | 315,997                   | 282,205                   |
| Provisions                                    | 32   | 34,321                    | 30,300                    |
| <b>Total non-current liabilities</b>          |      | <b>350,318</b>            | <b>312,505</b>            |
| <b>Total liabilities</b>                      |      | <b>854,644</b>            | <b>770,738</b>            |
| <b>Net assets</b>                             |      | <b>39,392,706</b>         | <b>39,879,601</b>         |
| <b>Equity</b>                                 |      |                           |                           |
| Retained surplus                              |      | 35,847,676                | 37,555,068                |
| Reserve - asset revaluation                   | 8    | 1,608,070                 | 225,654                   |
| Reserves - other (cash/investment backed)     | 8,11 | 1,936,960                 | 2,098,879                 |
| <b>Total equity</b>                           |      | <b>39,392,706</b>         | <b>39,879,601</b>         |

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2010**

|   | Note | 2008/2009<br>ACTUAL<br>\$ | 2009/2010<br>ACTUAL<br>\$ |
|---|------|---------------------------|---------------------------|
| <b>Retained surplus</b>                                       |      |                           |                           |
| Balance as at 1 July 2009                                     |      | 34,389,515                | 35,847,676                |
| Total comprehensive Income                                    |      | 1,747,101                 | 486,895                   |
| Sundry adjustments - prior years long service leave provision |      | 0                         | 0                         |
| Transfer from /(to) reserves                                  | 8    | (288,940)                 | 1,220,497                 |
| <b>Balance as at 30 June 2010</b>                             |      | <b>35,847,676</b>         | <b>37,555,068</b>         |
| <b>Reserves - cash backed</b>                                 |      |                           |                           |
| Balance as at 1 July 2009                                     |      | 1,648,020                 | 1,936,960                 |
| Transfer from /(to) retained surplus                          | 8    | 288,940                   | 161,919                   |
| <b>Balance as at 30 June 2010</b>                             |      | <b>1,936,960</b>          | <b>2,098,879</b>          |
| <b>Reserves - asset revaluation</b>                           |      |                           |                           |
| Balance as at 1 July 2009                                     |      | 0                         | 1,608,070                 |
| Revaluation increment   |      | 1,608,070                 | 0                         |
| Revaluation decrement   | 6    | 0                         | (1,382,416)               |
| <b>Balance as at 30 June 2010</b>                             |      | <b>1,608,070</b>          | <b>225,654</b>            |
| <b>Total equity</b>   |      | <b>39,392,706</b>         | <b>39,879,601</b>         |

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





**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010**

| 2008/2009<br>ACTUAL  |  | Note     | 2009/2010<br>ADOPTED<br>BUDGET | 2009/2010<br>ACTUAL  |
|----------------------|--|----------|--------------------------------|----------------------|
| \$                   |  |          | \$                             | \$                   |
|                      | <b>Cash Flows from operating activities</b>              |          |                                |                      |
|                      | <b>EXPENDITURE</b>                                       |          |                                |                      |
| (877,172)            | Employee Costs   |          | (1,477,574)                    | (1,323,398)          |
| (1,351,039)          | Materials & Contracts                                    |          | (1,234,424)                    | (668,760)            |
| (43,730)             | Utilities  |          | (20,520)                       | (41,437)             |
| (179,730)            | Insurance  |          | (117,975)                      | (117,248)            |
| (23,626)             | Interest Expenses  |          | (20,805)                       | (20,805)             |
| (132,963)            | Goods and Services Tax                                   |          | 0                              | 0                    |
| (152,186)            | Other  |          | (132,704)                      | (152,248)            |
| <b>(\$2,760,446)</b> |  |          | <b>(\$3,004,002)</b>           | <b>(\$2,323,896)</b> |
|                      | <b>REVENUE</b>   |          |                                |                      |
| 1,971,128            | Rates  |          | 1,961,808                      | 1,972,612            |
| 1,598,696            | Operating Grants, Subsidies and Contributions            |          | 189,364                        | 170,292              |
| 391,628              | Fees and Charges   |          | 322,506                        | 423,923              |
| 155,207              | Interest Received  |          | 91,446                         | 146,914              |
| 258,491              | Goods and Services Tax                                   |          | 0                              | 0                    |
| 237,738              | Other  |          | 800                            | 8,901                |
| <b>\$4,612,888</b>   |  |          | <b>\$2,565,924</b>             | <b>\$2,722,642</b>   |
| <b>\$1,852,442</b>   | <b>Net Cash flows from Operating Activities</b>          | <b>9</b> | <b>(\$438,078)</b>             | <b>\$398,746</b>     |
|                      | <b>Cash flows from investing activities</b>              |          |                                |                      |
|                      | <b>Payments</b>  |          |                                |                      |
| 0                    | Purchase Tools   |          | 0                              | 0                    |
| (457,656)            | Purchase Property, Plant and Equipment                   |          | (625,828)                      | 0                    |
| (1,428,823)          | Purchase Construction of Infrastructure                  |          | 0                              | 0                    |
| 0                    | Purchase Land and Buildings                              |          | 0                              | (542,958)            |
| 0                    | Purchase Infrastructure Assets- Roads                    |          | (2,030,988)                    | (1,819,996)          |
| 0                    | Purchase Infrastructure Assets - Recreational Facilities |          | (100,000)                      | 0                    |
| 0                    | Purchase Infrastructure Assets - Other                   |          | 0                              | 0                    |
| 0                    | Purchase Plant and Equipment                             |          | (572,000)                      | (473,121)            |
| 0                    | Purchase Furniture and Equipment                         |          | (27,500)                       | (12,207)             |
| <b>(1,886,479)</b>   |  |          | <b>(3,356,316)</b>             | <b>(2,848,282)</b>   |
|                      | <b>Receipts</b>  |          |                                |                      |
| 0                    | Disposal of Land   |          | 0                              | 0                    |
| 0                    | Disposal of Furniture and Equipment                      |          | 0                              | 0                    |
| 104,366              | Disposal of Plant and Equipment                          |          | 237,500                        | 235,494              |
| 0                    | Contributions from Other Parties                         |          | 0                              | 0                    |
| <b>104,366</b>       |  |          | <b>237,500</b>                 | <b>235,494</b>       |
| <b>(\$1,782,113)</b> | <b>Net cash flows from investing activities</b>          |          | <b>(\$3,118,816)</b>           | <b>(\$2,612,788)</b> |
|                      | <b>Cash flows from financing activities</b>              |          |                                |                      |
| (46,094)             | Loan Repayments -Principal                               |          | (31,833)                       | (31,833)             |
| 0                    | Loan Borrowings  |          | 0                              | 0                    |
| 11,219               | Principal Repayments Received                            |          | 8,870                          | 0                    |
| <b>(\$34,875)</b>    | <b>Net cash flows from financing activities</b>          |          | <b>(\$22,963)</b>              | <b>(\$31,833)</b>    |
|                      | <b>Cash flows from government</b>                        |          |                                |                      |
| 0                    | Receipts from appropriate grants                         |          |                                |                      |
| 0                    | Recurrent  |          | 794,711                        | 1,045,089            |
| 1,077,094            | Capital  |          | 1,560,731                      | 1,256,263            |
| <b>\$1,077,094</b>   | <b>Net cash Provided By Government</b>                   |          | <b>\$2,355,442</b>             | <b>\$2,301,352</b>   |
| <b>\$1,112,548</b>   | <b>Net (decrease)/increase in cash held</b>              |          | <b>(\$1,224,415)</b>           | <b>\$55,477</b>      |
| 2,261,992            | Cash at the Beginning of Reporting Period                |          | 3,374,540                      | 3,374,540            |
| 0                    | Rounding   |          | 0                              | (2)                  |
| <b>\$3,374,540</b>   | <b>Cash at the End of Reporting Period</b>               | <b>9</b> | <b>\$2,150,125</b>             | <b>\$3,430,015</b>   |

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

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010**

**Notes**

|  | <b>2008/2009<br/>ACTUAL<br/>\$</b> | <b>2009/2010<br/>ACTUAL<br/>\$</b> |
|--|------------------------------------|------------------------------------|
| <b>RECONCILIATION OF CASH</b>  |                                    |                                    |
| Cash at Bank   | 3,374,540                          | 3,427,142                          |
| Cash on Hand   | 0                                  | 2,873                              |
| <b>TOTAL CASH</b>  | <b>3,374,540</b>                   | <b>3,430,015</b>                   |
| <b>RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES<br/>TO OPERATING RESULT</b> |                                    |                                    |
| Operating Result (As per Comprehensive Income Statement)                               | 1,747,101                          | 1,869,309                          |
| Depreciation   | 1,185,981                          | 857,136                            |
| Gain on Disposal of Assets   | 8,168                              | (10,423)                           |
| Government Revenue   | (1,077,094)                        | (2,301,352)                        |
| Changes in Assets and Liabilities  |                                    |                                    |
| Inventory  | (1,749)                            | (227)                              |
| Receivable   | 28,008                             | 68,679                             |
| Accounts Payable   | (78,984)                           | (75,450)                           |
| Prepayments  | 0                                  | 0                                  |
| Provisions - Employees Entitlements  | 41,011                             | (8,927)                            |
|  |                                    | 1                                  |
| Rounding   |                                    |                                    |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>   | <b>1,852,442</b>                   | <b>398,746</b>                     |

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

**RATE SETTING STATEMENT FOR THE YEAR ENDED 30 JUNE 2010**

| 2008/2009<br>ACTUAL |   | NOTES | 2009/2010<br>ADOPTED<br>BUDGET | 2009/2010<br>ACTUAL  |
|---------------------|---|-------|--------------------------------|----------------------|
| <b>\$</b>           | <b>REVENUE</b>                                | 2,3,4 | <b>\$</b>                      | <b>\$</b>            |
| 1,337,960           | General Purpose Funding                       |       | 800,839                        | 1,116,532            |
| 6,407               | Governance                                    |       | 3,550                          | 42,976               |
| 47,078              | Law, Order Public Safety                      |       | 46,080                         | 46,372               |
| 34,359              | Health  |       | 6,349                          | 9,950                |
| 13,800              | Education and Welfare                         |       | 0                              | 5,000                |
| 887,154             | Housing                                       |       | 53,660                         | 51,880               |
| 216,220             | Community Amenities                           |       | 130,240                        | 118,090              |
| 139,372             | Recreation and Culture                        |       | 603,984                        | 202,851              |
| 638,733             | Transport                                     |       | 1,101,059                      | 1,162,258            |
| 93,300              | Economic Services                             |       | 111,180                        | 122,582              |
| 66,943              | Other Property and Services                   |       | 65,916                         | 89,346               |
| <b>\$3,481,326</b>  |   |       | <b>\$2,922,857</b>             | <b>\$2,967,837</b>   |
|                     | <b>LESS EXPENDITURE</b>                       | 2,3,4 |                                |                      |
| (100,646)           | General Purpose Funding                       |       | (58,194)                       | (32,300)             |
| (398,506)           | Governance                                    |       | (265,761)                      | (167,417)            |
| (60,322)            | Law, Order, Public Safety                     |       | (87,769)                       | (49,189)             |
| (40,398)            | Health  |       | (91,188)                       | (86,745)             |
| (34,536)            | Education and Welfare                         |       | (41,707)                       | (39,297)             |
| (135,316)           | Housing                                       |       | (294,557)                      | (203,755)            |
| (455,841)           | Community Amenities                           |       | (432,866)                      | (365,597)            |
| (567,279)           | Recreation and Culture                        |       | (791,421)                      | (652,243)            |
| (1,600,147)         | Transport                                     |       | (1,254,463)                    | (1,218,485)          |
| (215,152)           | Economic Services                             |       | (366,031)                      | (239,659)            |
| (60,110)            | Other Property & Services                     |       | (267,525)                      | (28,134)             |
| <b>(3,668,253)</b>  |   |       | <b>(3,951,482)</b>             | <b>(3,082,820)</b>   |
| <b>(186,927)</b>    | <i>Increase(Decrease)</i>                     |       | <b>(1,028,625)</b>             | <b>(114,983)</b>     |
|                     | <b>ADD</b>                                    |       |                                |                      |
| 41,011              | Provisions Employee Entitlements Accrued      |       | 0                              | (8,927)              |
| (7,273)             | Deferred Pensioner Rates (Non-Current)        |       | 0                              | 0                    |
| 11,219              | Principal Repayment Received -Loans           | 7,11  | 8,870                          | 8,870                |
| 8,168               | Profit/ Loss on the disposal of assets        | 6,11  | (58,800)                       | 10,423               |
| 1,185,981           | Depreciation Written Back                     | 6     | 1,094,091                      | 857,136              |
| 104,366             | Book Value of Assets Sold Written Back        | 6     | 296,300                        | 225,071              |
| <b>\$1,343,472</b>  |   |       | <b>\$1,340,461</b>             | <b>\$1,092,573</b>   |
| <b>\$1,156,545</b>  | <i>Sub Total</i>                              |       | <b>\$311,836</b>               | <b>\$977,590</b>     |
|                     | <b>LESS CAPITAL PROGRAMME</b>                 |       |                                |                      |
| 0                   | Purchase Tools                                |       | 0                              | 0                    |
| (236,226)           | Purchase Land & Buildings                     | 6,26  | (625,828)                      | (542,958)            |
| (1,383,655)         | Infrastructure Assets - Roads                 | 6,26  | (2,030,988)                    | (1,819,996)          |
| 0                   | Infrastructure Assets - Recreation Facilities | 6,26  | (100,000)                      | 0                    |
| (45,168)            | Infrastructure Assets - Other                 | 6,26  | 0                              | 0                    |
| (213,067)           | Purchase Plant and Equipment                  | 6,26  | (572,000)                      | (473,121)            |
| (8,363)             | Purchase Furniture and Equipment              | 6,26  | (27,500)                       | (12,207)             |
| (46,094)            | Repayment of Debt - Loan Principal            | 7,11  | (31,833)                       | (31,833)             |
| (509,276)           | Transfer to Reserves                          | 8,11  | (733,043)                      | (431,217)            |
| <b>(2,441,849)</b>  |   |       | <b>(4,121,192)</b>             | <b>(3,311,332)</b>   |
| 0                   | <b>ABNORMAL ITEMS</b>                         |       | 0                              | 0                    |
| \$0                 |   |       | \$0                            | \$0                  |
| 0                   | Plus Rounding                                 |       | 0                              | (5)                  |
| <b>(2,441,849)</b>  |   |       | <b>(4,121,192)</b>             | <b>(3,311,337)</b>   |
| <b>(1,285,304)</b>  | <i>Sub Total</i>                              |       | <b>(\$3,809,356)</b>           | <b>(\$2,333,747)</b> |

**RATE SETTING STATEMENT FOR THE YEAR ENDED 30 JUNE 2010 (Continued)**

| 2008/2009<br>ACTUAL |  | NOTES | 2009/2010<br>ADOPTED<br>BUDGET | 2009/2010<br>ACTUAL  |
|---------------------|--|-------|--------------------------------|----------------------|
|                     | <b>LESS FUNDING FROM</b>               |       |                                |                      |
| 0                   | Loans                                  | 7,11  | 0                              | 0                    |
| 220,336             | Reserves                               | 8,11  | 500,000                        | 269,300              |
| 540,010             | Opening Funds - July 1 B/Fwd           | 25    | 1,352,548                      | 1,409,070            |
| (1,409,070)         | Closing Funds - June 30 C/Fwd          | 25    | 0                              | (1,318,492)          |
| (648,724)           |  |       | <b>1,852,548</b>               | <b>\$359,878</b>     |
| (1,934,028)         | <b>AMOUNT TO BE MADE UP FROM RATES</b> |       | <b>(\$1,956,808)</b>           | <b>(\$1,973,869)</b> |

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



**STATEMENT OF RATING INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2010**

|                                      | CURRENT YEAR ESTIMATED<br>2009/2010 |                    |                 |                  |            |                            |              |                |                  |              | CURRENT YEAR ACTUAL<br>2009/2010 |                 |                  |            |                            |              |                |                  |                    |  |
|--------------------------------------|-------------------------------------|--------------------|-----------------|------------------|------------|----------------------------|--------------|----------------|------------------|--------------|----------------------------------|-----------------|------------------|------------|----------------------------|--------------|----------------|------------------|--------------------|--|
|                                      | GENERAL RATE                        |                    |                 |                  |            | MINIMUM RATE               |              |                |                  |              | GENERAL RATE                     |                 |                  |            |                            | MINIMUM RATE |                |                  |                    |  |
|                                      | No. of Prop.                        | Rateable value \$  | U.V. Rate in \$ | Rate Yield \$    | No.        | Minimums Rateable value \$ | Min. Rate \$ | Yield \$       | TOTAL \$         | No. of Prop. | Rateable value \$                | U.V. Rate in \$ | Rate Yield \$    | No.        | Minimums Rateable value \$ | Min. Rate \$ | Yield \$       | TOTAL \$         |                    |  |
| General Rate GRV.                    | 468                                 | 3,239,256          | 0.125185        | 405,506          | 183        | 414,624                    | 600.00       | 109,800        | 515,306          | 468          | 3,239,256                        | 0.125185        | 405,506          | 183        | 414,624                    | 600.00       | 109,800        | 515,306          |                    |  |
| General Rate UV - Rural              | 635                                 | 249,898,730        | 0.006310        | 1,576,861        | 26         | 1,671,200                  | 600.00       | 15,600         | 1,592,461        | 635          | 249,898,730                      | 0.006310        | 1,576,861        | 26         | 1,671,200                  | 600.00       | 15,600         | 1,592,461        |                    |  |
| General Rate UV - Mt Kokeby & Mawson | 6                                   | 285,000            | 0.006310        | 1,798            | 25         | 449,600                    | 600.00       | 15,000         | 16,798           | 6            | 285,000                          | 0.006310        | 1,798            | 25         | 449,600                    | 600.00       | 15,000         | 16,798           |                    |  |
| General Rate UV - Mining             | 0                                   | 0                  | 0.006310        | 0                | 4          | 77,856                     | 600.00       | 2,400          | 2,400            | 0            | 0                                | 0.006310        | 0                | 4          | 77,856                     | 600.00       | 2,400          | 2,400            |                    |  |
| <b>SUB TOTAL GENERAL RATE</b>        | <b>1,109</b>                        | <b>253,422,986</b> |                 | <b>1,984,166</b> | <b>238</b> | <b>2,613,280</b>           |              | <b>142,800</b> | <b>2,126,966</b> | <b>1,109</b> | <b>253,422,986</b>               |                 | <b>1,984,166</b> | <b>238</b> | <b>2,613,280</b>           |              | <b>142,800</b> | <b>2,126,966</b> |                    |  |
| Interim Rates<br>Discount Allowed    |                                     |                    |                 |                  |            |                            |              |                | (170,158)        |              |                                  |                 |                  |            |                            |              |                |                  | 9,893<br>(162,990) |  |
| <b>SUB TOTAL</b>                     |                                     | 0                  |                 | 0                |            | 0                          |              | 0              | (170,158)        |              | 0                                |                 | 0                |            | 0                          |              | 0              | (153,097)        |                    |  |
| <b>GRAND TOTAL</b>                   | <b>1,109</b>                        | <b>253,422,986</b> |                 | <b>1,984,166</b> | <b>238</b> | <b>2,613,280</b>           |              | <b>142,800</b> | <b>1,956,808</b> | <b>1,109</b> | <b>253,422,986</b>               |                 | <b>1,984,166</b> | <b>238</b> | <b>2,613,280</b>           |              | <b>142,800</b> | <b>1,973,869</b> |                    |  |

NOTE: ( 1 ) THE OBJECT AND REASON FOR GENERAL AND MINIMUM RATE

Council has imposed a general rate of 0.125185 GRV and 0.006310 UV and a minimum rate of \$600.00 pa, as Council perceives it to be a "reasonable" minimum level of rates which all ratepayers in its district should pay. The minimum rate reflects the basic cost incurred by the Council in servicing each lot or dwelling in its district.

( 2 ) RATES LEVIED IF NO MINIMUM RATE OF \$600 PA WAS IMPOSED

|   |                        |   |
|---|------------------------|---|
| Total GRV & U.V. Applicable to Properties that Minimum rate applies | General Rate in Dollar | Rate Levied on Properties that the Minimum Rate Applies |
| 3,653,880   | X                      | \$ 457,411  |
| 252,382,386   | X                      | \$ 1,592,533  |



# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

## 1. SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the applicable Australian Accounting Standards (as they apply to local governments and not for profit entities), other mandatory professional reporting requirements and 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 as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at a fair value through profit and loss and certain classes of 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 affect 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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities 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 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 10 to this financial report.



**(c) Goods and Services Tax**

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

**(d) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand, and short term deposits with an original maturity 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.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short term borrowings in current liabilities on the balance sheet.

**(e) Trade and Other Receivables**

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

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

**(f) Inventories**

**General**

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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

**Land Held for Resale**

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete, are recognised as expenses.

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

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

## **(g) Fixed Assets**

### **Initial Recognition**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non current assets constructed includes the cost of all materials, direct labour, and variable and fixed overheads.

### **Revaluation**

Certain asset classes may be revalued on a regular basis, such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset, less where applicable, accumulated depreciation, calculated on a basis to reflect the already consumed or expired future economic benefits.

Those assets carried at a revalued amount, being their fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

### **Land Under Roads**

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

Effective as at 1 July 2008, Council elected to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in the 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 such treatment is inconsistent with the requirements of AASB1051, 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.

## (h) Depreciation of Non Current Assets

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

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

|   |                        |
|---|------------------------|
| Buildings.....                                | 30 to 50 Years         |
| Furniture and Equipment.....                  | 4 to 10 Years          |
| Plant and Equipment.....                      | 5 to 15 Years          |
| Sealed Roads and Streets:                     |                        |
| - <i>Clearing and Earthworks</i> .....        | <i>Not Depreciated</i> |
| - <i>Construction/Road Base</i> .....         | 50 Years               |
| Original Surfacing and Major Resurfacing      |                        |
| - <i>Bituminous Seals</i> .....               | 20 Years               |
| - <i>Asphalt Surfaces</i> .....               | 25 Years               |
| Gravel Roads                                  |                        |
| - <i>Clearing and Earthworks</i> .....        | <i>Not Depreciated</i> |
| - <i>Construction Base</i> .....              | 50 Years               |
| - <i>Gravel Sheet</i> .....                   | 12 Years               |
| Formed Roads (Unsealed)                       |                        |
| - <i>Clearing and Earthworks</i> .....        | <i>Not Depreciated</i> |
| - <i>Construction/Road Base</i> .....         | 50 Years               |
| Footpaths (Slab).....                         | 40 Years               |
| Sewerage Piping.....                          | 100 Years              |
| Water Supply Piping and Drainage Systems..... | 75 Years               |

## (i) Investments and Other Financial Assets

### Classification

Council classifies its investments in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held to maturity investments; and
- available for sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition, and in the case of assets classified as held to maturity, re-evaluates this designation at each reporting date.

- (i) ***Financial Assets at Fair Value Through Profit and Loss***  
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.
- (ii) ***Loans and Receivables***  
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturities greater than 12 months after the balance sheet date which are classified as non current assets. Loans and receivables are included in trade and other receivables in the balance sheet.
- (iii) ***Held to Maturity Investments***  
Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that the Council's Management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held to maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held to maturity financial assets are included in non current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.
- (iv) ***Available for Sale Financial Assets***  
Available for sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available for sale if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long term.

### **Recognition and Derecognition**

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

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



### Subsequent Measurement

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

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

### Impairment

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

### (j) Estimation of Fair Value

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

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

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

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

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

**(k) Impairment**

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

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

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

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

**(l) Trade and Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the municipality prior to the end of the Financial Year that are unpaid and arise when the municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days or recognition.

**(m) Employment Benefits**

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

**(i) Wages, Salaries, Annual Leave and Long Service Leave (Short Term Benefits)**

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



**(ii) Long Service Leave (Long Term Benefits)**

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

**(n) Interest Bearing Loans and Borrowings**

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

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

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

**Borrowing Costs**

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

**(o) Provisions**

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

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

**(p) 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 company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under 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.

**(q) Joint Venture**

The municipality's interest in a joint venture has been recognised in the Annual Budget by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the balance sheet and income statement. Information about the joint venture is set out in Note 21.

**(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 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 Not 5(b). 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 of the current reporting period.

**(s) Superannuation**

The Shire of Beverley contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

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

**(t) Rounding Off Figures**

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

**(u) Comparative Figures**

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

**(v) Current and Non Current Classification**

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

**(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 or disclosure.

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2010.

Council's assessment of these new standards and interpretations is set out below:

| Title and Topic |                                | Issued        | Applicable<br>(*) | Impact   |
|-----------------|--------------------------------|---------------|-------------------|--|
| (i)             | AASB 9 - Financial Instruments | December 2009 | 1 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. |

| Title and Topic  | Issued        | Applicable<br>(*) | Impact   |
|--|---------------|-------------------|--|
| (ii) AASB 124 - Related Party Disclosures  | December 2009 | 1 January 2011    | Nil - It is not anticipated the Council will have any related parties as defined by the Standard.  |
| (iii) AASB 2009-5 - Further Amendments to Australian Accounting Standards Arising from the Annual Improvements project (AASB 5, 8, 101, 107, 117, 118, 136 and 139)  | May 2009      | 1 January 2010    | Nil - The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRS's. It is not anticipated these will have any effect on the Council.       |
| (iv) AASB 2009-8 - Amendments to Australian Accounting Standards - Group Cash - Settled Share Based Payment Transactions (AASB 2)  | July 2009     | 1 January 2010    | Nil - The Council will not have applicable transactions.   |
| (v) AASB 2009-12 Amendments to Australian Accounting Standards (AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031; and Interpretations 2, 4, 16, 1039 and 1052)  | December 2009 | 1 January 2011    | Nil - The revisions embodied in this standard relate to Standards which do not apply to local government (ie AASB 8), or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council. |
| (vi) 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 and 1038; and Interpretations 10 and 12) | December 2009 | 1 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 (ii) above).                         |

| Title and Topic   |   | Issued           | Applicable<br>(*)  | Impact   |
|---|---|------------------|--------------------|--|
| (vii)   | AASB 2009-13<br>Amendments to<br>Australian<br>Accounting<br>Standards<br>Arising from<br>Interpretation 19<br>(AASB 1)   | December<br>2009 | 1 July 2010        | Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council. |
|   | AASB 2010-1<br>Amendments to<br>Australian<br>Accounting<br>Standards -<br>Limited<br>Exemption from<br>Comparative<br>AASB 7<br>Disclosure for<br>First Time<br>Adopters<br>(AASB 1 and<br>AASB 7) | February 2010    | 1 July 2010        |  |
|   | AASB 2009-10<br>Amendments to<br>Australian<br>Accounting<br>Standards -<br>Classification of<br>Rights Issues<br>(AASB 132)  | October 2009     | 1 February<br>2010 | Nil - Non of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.  |
|   | Interpretation 19<br>Extinguishing<br>Financial<br>Liabilities with<br>Equity<br>Instruments  | December<br>2009 | 1 January<br>2011  |  |
|   | AASB 2009-14<br>Amendments to<br>Australian<br>Interpretations -<br>Pre Payments<br>of a Minimum<br>Funding<br>Requirement<br>(AASB<br>Interpretation<br>14)  |                  |                    |  |
| Notes: (1) Applicable to reporting periods commencing on or after the given date. |   |                  |                    |  |



## (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.

The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Council.

### AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Council's financial statements.

#### Disclosure Impact

*Terminology Changes* - The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

*Reporting Changes in Equity* - The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required owner changes in equity and other comprehensive income to be presented in the statement of changes in equity.

*Statement of Comprehensive Income* - The revised AASB 101 requires all income and expenses to be presented in either a single statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Council has adopted the single statement approach and the financial statements now contain a statement of comprehensive income.

*Other Comprehensive Income* - The revised version of AASB 101 introduces the concept of 'other comprehensive income', which comprises income and expenses not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.



## 2. REVENUES AND EXPENSES

The Net Result includes:

| Actual<br><u>2008/2009</u><br>\$ |   | Adopted<br>Budget<br><u>2009/2010</u><br>\$ | Actual<br><u>2009/2010</u><br>\$ |
|----------------------------------|---|---|----------------------------------|
|                                  | <b>Charging as Expenses</b>                 |   |                                  |
| 1,185,981                        | Depreciation on Non-Current Assets          | 1,094,091                                   | 857,136                          |
| 5,440                            | Auditors Remuneration                       | 7,000                                       | 6,550                            |
| 23,626                           | Interest Expenses                           | 20,805                                      | 21,239                           |
|                                  | <b>Crediting as Revenue</b>                 |   |                                  |
|                                  | Interest on Earnings                        |   |                                  |
| 87,595                           | Reserve Funds                               | 41,946                                      | 93,508                           |
| 47,161                           | Other Funds                                 | 40,000                                      | 26,160                           |
| 20,451                           | Other Interest Revenue                      | 7,000                                       | 27,246                           |
| <u>155,207</u>                   |   | <u>88,946</u>                               | <u>146,914</u>                   |
|                                  | Profit/(Loss) on Sale of Non-Current Assets |   |                                  |
| 0                                | Land  | 0   | 0                                |
| 0                                | Buildings                                   | 0   | 0                                |
| 8,168                            | Plant and Equipment                         | (58,800)                                    | 10,423                           |
| 0                                | Furniture and Equipment                     | 0   | 0                                |
| <u>8,168</u>                     |   | <u>(58,800)</u>                             | <u>10,423</u>                    |

## 3. DESCRIPTION OF FUNCTIONS / ACTIVITIES

The principal activities of Council for the Local Government of the Shire of Beverley covers the provisions of law, order, public safety services, education services, health services, welfare services, housing services, community amenities, recreation and cultural services, transport services, economic services, and other property services, as permitted under the Local Government Act, or other written law.

### Description of Programs

|                           |  |
|---------------------------|--|
| General Purpose Funding   | Rates levied, interest on late payment of rates, general purpose grants, and interest received on investments.             |
| Governance                | Member of Council allowances and reimbursements, civic functions, election expenses, and administration expenses.          |
| Law, Order, Public Safety | Supervision of various local laws, fire prevention, animal control.  |
| Health                    | Environmental health, food control, pest control, immunisation services and maintenance of maternal infant health clinics. |

|                             |  |
|-----------------------------|--|
| Education and Welfare       | Pre schools and other education. Care of families and children.  |
| Housing                     | Aged persons residence and staff housing.  |
| Community Amenities         | Refuse collection services, landfill site operations, protection of the environment. Administration of the Town Planning Scheme and urban stormwater and drainage works. |
| Recreation and Culture      | Maintenance of halls, swimming pool, reserves, libraries and other culture.  |
| Transport                   | Maintenance of roads, drainage works, footpaths, street lighting, crossovers, verge maintenance and street sweeping.   |
| Economic Services           | Weed control, area promotion, implementation of building controls, swimming pool inspections.  |
| Other Property and Services | Private works, public works overheads, plant operations, materials, salaries and wages controls, and other unclassified activities.                                      |

#### 4. REVENUES AND EXPENSES BY NATURE AND TYPE

Expenses and revenues classified according to nature and type:

| Actual<br><u>2008/2009</u><br>\$ |   | Adopted<br>Budget<br><u>2009/2010</u><br>\$ | Actual<br><u>2009/2010</u><br>\$ |
|----------------------------------|---|---|----------------------------------|
|                                  | <b>Operating Expenses</b>                           |   |                                  |
| (945,476)                        | Employee Costs                                      | (1,467,240)                                 | (1,301,675)                      |
| (1,117,485)                      | Materials and Contracts                             | (1,140,507)                                 | (592,271)                        |
| (43,730)                         | Utility Charges (Gas, Electricity, Water, etc)      | (20,520)                                    | (41,437)                         |
| (1,185,981)                      | Depreciation on Non-Current Assets                  | (1,094,091)                                 | (857,134)                        |
| (20,039)                         | Loss on Asset Disposals                             | (58,800)                                    | (15,636)                         |
| (23,626)                         | Interest Expenses                                   | (20,805)                                    | (20,805)                         |
| (179,730)                        | Insurance Expenses                                  | (117,975)                                   | (117,248)                        |
| (152,186)                        | Other Expenses                                      | (90,344)                                    | (152,250)                        |
| <b><u>(3,668,253)</u></b>        | <b>Agrees with Comprehensive Income Statement</b>   | <b><u>(4,010,282)</u></b>                   | <b><u>(3,098,456)</u></b>        |
|                                  | <b>Operating Revenues</b>                           |   |                                  |
| 1,934,028                        | Rates   | 1,956,808                                   | 1,982,377                        |
| 1,598,696                        | Operating Grants, Subsidies and Contributions       | 1,560,731                                   | 1,242,547                        |
| 1,077,094                        | Non - Operating Grants, Subsidies and Contributions | 754,711                                     | 1,215,488                        |
| 11,871                           | Profit on Asset Disposals                           | 0   | 26,059                           |
| 400,720                          | Fees and Charges                                    | 320,434                                     | 354,349                          |
| 155,207                          | Interest Earnings                                   | 91,446                                      | 146,914                          |
| 237,738                          | Other Revenue                                       | 195,535                                     | 31                               |
| <b><u>5,415,354</u></b>          | <b>Agrees with Comprehensive Income Statement</b>   | <b><u>4,879,665</u></b>                     | <b><u>4,967,765</u></b>          |
| <b><u>0</u></b>                  | Rounding  | <b><u>0</u></b>                             | <b><u>0</u></b>                  |
| <b><u>\$1,747,101</u></b>        | <b>Net Result</b>                                   | <b><u>\$869,383</u></b>                     | <b><u>\$1,869,309</u></b>        |

## 5. CASH AND CASH EQUIVALENTS

| Actual           |                  | Adopted Budget   | Actual           |
|------------------|------------------|------------------|------------------|
| 2008/2009        |                  | 2009/2010        | 2009/2010        |
| \$               |                  | \$               | \$               |
| 300              | Cash on Hand     | 300              | 2,873            |
| 3,427,140        | Cash at Bank     | (20,178)         | 3,427,142        |
| 0                | Investments      | 2,170,001        | 0                |
| <b>3,427,440</b> | Represented by:- | <b>2,150,123</b> | <b>3,430,015</b> |
| 2,316,800        | Restricted       | 2,170,001        | 2,133,879        |
| 1,057,740        | Unrestricted     | (19,878)         | 1,296,136        |
| <b>3,374,540</b> |                  | <b>2,150,123</b> | <b>3,430,015</b> |

| Actual   |                                | Adopted Budget   | Actual           |
|--|--------------------------------|------------------|------------------|
| 2008/2009  |                                | 2009/2010        | 2009/2010        |
| \$   |                                | \$               | \$               |
| (a) Restricted Funds   |                                |                  |                  |
| The following restrictions have been imposed by regulations or other externally imposed requirements |                                |                  |                  |
| 423,904  | Plant Reserve                  | 235,969          | 295,026          |
| 87,285   | Fire Fighters Reserve          | 88,742           | 90,944           |
| 22,726   | Office Equipment Reserve       | 23,105           | 23,678           |
| 682,380  | Building Reserve               | 777,280          | 903,340          |
| 265,230  | Recreation Ground Reserve      | 580,118          | 276,211          |
| 17,615   | Annual Leave Reserve           | 114,866          | 117,661          |
| 112,984  | Avon River Development Reserve | 17,908           | 18,260           |
| 21,856   | Community Bus Reserve          | 22,402           | 24,145           |
| 112,888  | Cropping Reserve               | 114,768          | 151,505          |
| 190,092  | Road Construction Reserve      | 194,843          | 198,109          |
| 379,840  | Unspent Grants                 | 0                | 35,000           |
| <b>2,316,800</b>   |                                | <b>2,170,001</b> | <b>2,133,879</b> |

| (b) Conditions over contributions  |   | Contributions and Grants recognised as revenues during the financial year in respect of which expenditure had not been made. |               |
|--|---|--|---------------|
| 0  | - Govt Grant - Country Local Government Fund Capital Works Plan   | 0  | 35,000        |
| Grants received in a previous financial year which will be expended during the financial year. |   |  |               |
| 77,000   | - Govt Grant - Regional Infrastructure - Beverley Railway Station | 0  | 0             |
| 302,840  | - Govt Grant - Royalties For Regions - Independent Living Units   | 0  | 0             |
| <b>379,840</b>   |   | <b>0</b>   | <b>35,000</b> |

## 6. FIXED ASSETS

### (a) Disposal of Assets

In accordance with Financial Management Regulation 36(1)(e), the following information is provided in relation to the disposal of assets by asset class.

| Asset by Class                 | Proceeds<br>Sale of Assets     |                     | Written Down<br>Value          |                     | Gain(Loss)<br>on Disposal      |                     |
|--------------------------------|--------------------------------|---------------------|--------------------------------|---------------------|--------------------------------|---------------------|
|                                | 2009/2010<br>Adopted<br>Budget | 2009/2010<br>Actual | 2009/2010<br>Adopted<br>Budget | 2009/2010<br>Actual | 2009/2010<br>Adopted<br>Budget | 2009/2010<br>Actual |
|                                | \$                             | \$                  | \$                             | \$                  | \$                             | \$                  |
| Plant and Equipment            | 237,500                        | 235,495             | 296,300                        | 225,072             | (58,800)                       | 10,423              |
| <b>TOTAL BY CLASS OF ASSET</b> | <b>237,500</b>                 | <b>235,495</b>      | <b>296,300</b>                 | <b>225,072</b>      | <b>(58,800)</b>                | <b>10,423</b>       |

| Asset by Program            | Proceeds<br>Sale of<br>Assets | Written<br>Down<br>Value | Gain/(Loss)<br>on Disposal |
|-----------------------------|-------------------------------|--------------------------|----------------------------|
|                             | \$                            | \$                       | \$                         |
| Governance                  | 49,091                        | 58,298                   | (9,207)                    |
| Law, Order, Public Safety   | 0                             | 0                        | 0                          |
| Health                      | 24,950                        | 31,379                   | (6,429)                    |
| Education and Welfare       | 0                             | 0                        | 0                          |
| Housing                     | 0                             | 0                        | 0                          |
| Community Amenities         | 0                             | 0                        | 0                          |
| Recreation and Culture      | 19,636                        | 16,168                   | 3,468                      |
| Transport                   | 141,818                       | 119,227                  | 22,591                     |
| Economic Services           | 0                             | 0                        | 0                          |
| Other Property and Services | 0                             | 0                        | 0                          |
| <b>TOTAL BY PROGRAM</b>     | <b>235,495</b>                | <b>225,072</b>           | <b>10,423</b>              |

### (b) Borrowing Costs Incurred and Capitalised as Part of a Qualifying Asset

No borrowing costs were incorporated in the financial statement as assets purchased were funded from general purpose funding.

**(c) Fixed Assets Classified According to Class**

| <b>Actual<br/>2008/2009</b> |                   |                                   | <b>Actual<br/>2009/2010</b> |                   |
|-----------------------------|-------------------|-----------------------------------|-----------------------------|-------------------|
| \$                          | \$                |                                   | \$                          | \$                |
| 4,262,637                   |                   | Land and Buildings (at cost)      | 4,805,596                   |                   |
| <u>(1,203,244)</u>          | 3,059,393         | Less Accumulated Depreciation     | <u>(1,306,506)</u>          | 3,499,090         |
| 402,399                     |                   | Furniture and Equipment (at cost) | 414,605                     |                   |
| <u>(345,382)</u>            | 57,017            | Less Accumulated Depreciation     | <u>(355,384)</u>            | 59,221            |
| 3,165,310                   |                   | Plant and Equipment (at cost)     | 3,246,488                   |                   |
| <u>(1,574,284)</u>          | 1,591,026         | Less Accumulated Depreciation     | <u>(1,647,065)</u>          | 1,599,423         |
| 65,865                      |                   | Hall Equipment (at cost)          | 65,864                      |                   |
| <u>(45,004)</u>             | 20,861            | Less Accumulated Depreciation     | <u>(48,127)</u>             | 17,737            |
| 238,601                     |                   | Bushfire Unit (at cost)           | 238,601                     |                   |
| <u>(233,522)</u>            | 5,079             | Less Accumulated Depreciation     | <u>(234,309)</u>            | 4,292             |
| 18,824                      |                   | Library Equipment (at cost)       | 18,824                      |                   |
| <u>(17,956)</u>             | 868               | Less Accumulated Depreciation     | <u>(18,184)</u>             | 640               |
| 90,649                      |                   | Swimming Pool (at cost)           | 90,648                      |                   |
| <u>(81,350)</u>             | 9,299             | Less Accumulated Depreciation     | <u>(82,165)</u>             | 8,483             |
| 144,940                     |                   | Other Equipment (at cost)         | 144,941                     |                   |
| <u>(130,883)</u>            | 14,057            | Less Accumulated Depreciation     | <u>(134,244)</u>            | 10,697            |
| 39,838                      |                   | Dental Equipment (at cost)        | 39,838                      |                   |
| <u>(38,415)</u>             | 1,423             | Less Accumulated Depreciation     | <u>(38,496)</u>             | 1,342             |
| 35,422                      |                   | Medical Practice (at cost)        | 35,423                      |                   |
| <u>(11,177)</u>             | 24,245            | Less Accumulated Depreciation     | <u>(14,719)</u>             | 20,704            |
|                             |                   | <b>Infrastructure Assets</b>      |                             |                   |
| 43,238,285                  |                   | Roads (at valuation)              | 43,675,861                  |                   |
| <u>(12,555,135)</u>         | 30,683,150        | Less Accumulated Depreciation     | <u>(13,047,414)</u>         | 30,628,447        |
| 1,449,785                   |                   | Other Structures (at cost)        | 1,449,786                   |                   |
| <u>(453,213)</u>            | 996,572           | Less Accumulated Depreciation     | <u>(453,213)</u>            | 996,573           |
|                             |                   | Rounding                          |                             |                   |
|                             | <u>36,462,990</u> | <b>TOTAL FIXED ASSETS</b>         |                             | <u>36,846,649</u> |

Assets at cost are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 - Impairment of Assets. During 2009/2010, the Shire engaged Cardno Pty Ltd to conduct a full road inventory and condition rating audit. This audit resulted in the Shire revaluing its road assets to reflect the current replacement valuation, less depreciation based on the current condition.



## (d) 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.

| Program  | Land and Buildings | Furniture and Equip | Plant and Equip | Hall Equip | Bushfire Unit | Library Equip | Swimming Pool | Other Equip | Dental Equip |
|--|--------------------|---------------------|-----------------|------------|---------------|---------------|---------------|-------------|--------------|
|  | \$                 | \$                  | \$              | \$         | \$            | \$            | \$            | \$          | \$           |
| Asset Balance at the Beginning of the Year     | 4,262,637          | 402,399             | 3,165,310       | 65,865     | 238,601       | 18,824        | 90,649        | 144,940     | 39,838       |
| Assets Acquired During the Year                | 542,958            | 12,206              | 473,122         | 0          | 0             | 0             | 0             | 0           | 0            |
| Assets Disposed During the Year                | 0                  | 0                   | -391,942        | 0          | 0             | 0             | 0             | 0           | 0            |
| Revaluation Increments/ (Decrements)           | 0                  | 0                   | 0               | 0          | 0             | 0             | 0             | 0           | 0            |
| Asset Balance at the End of the Year           | 4,805,595          | 414,605             | 3,246,490       | 65,865     | 238,601       | 18,824        | 90,649        | 144,940     | 39,838       |
| Depreciation at the Beginning of the Year      | (1,203,244)        | (345,382)           | (1,574,284)     | (45,004)   | (233,522)     | (17,956)      | (81,350)      | (130,883)   | (38,415)     |
| Depreciation Expense Raised                    | (103,261)          | (10,002)            | (239,654)       | (3,124)    | (787)         | (228)         | (816)         | (3,360)     | (81)         |
| Depreciation Expense Written Back on Disposals | 0                  | 0                   | 166,871         | 0          | 0             | 0             | 0             | 0           | 0            |
| Revaluation Increments/ (Decrements)           | 0                  | 0                   | 0               | 0          | 0             | 0             | 0             | 0           | 0            |
| Depreciation at the End of Year                | (1,306,505)        | (355,384)           | (1,647,067)     | (48,128)   | (234,309)     | (18,184)      | (82,166)      | (134,243)   | (38,496)     |
| Net Asset Values at the End of the Year        | 3,499,090          | 59,221              | 1,599,423       | 17,737     | 4,292         | 640           | 8,483         | 10,697      | 1,342        |

### Movements in Carrying Amounts

| Program  | Medical Practice | Roads        | Other Infrastruct | Total        |
|--|------------------|--------------|-------------------|--------------|
|  | \$               | \$           | \$                | \$           |
| Asset Balance at the Beginning of the Year     | 35,422           | 43,238,285   | 1,449,785         | 53,152,555   |
| Assets Acquired During the Year                | 0                | 1,819,996    | 0                 | 2,848,282    |
| Assets Disposed During the Year                | 0                | 0            | 0                 | (391,942)    |
| Revaluation Increments/ (Decrements)           | 0                | (1,382,416)  | 0                 | (1,382,416)  |
| Asset Balance at the End of the Year           | 35,422           | 43,675,865   | 1,449,785         | 54,226,479   |
| Depreciation at the Beginning of the Year      | (11,177)         | (12,555,135) | (453,213)         | (16,689,565) |
| Depreciation Expense Raised                    | (3,541)          | (492,283)    | 0                 | (857,137)    |
| Depreciation Expense Written Back on Disposals | 0                | 0            | 0                 | 166,871      |
| Revaluation Increments/ (Decrements)           | 0                | 0            | 0                 | 0            |
| Depreciation at the End of Year                | (14,718)         | (13,047,418) | (453,212)         | (17,379,831) |
| Rounding                                       |                  |              |                   | 1            |
| Net Asset Values at the End of the Year        | 20,704           | 30,628,447   | 996,573           | 36,846,649   |



## 7. BORROWINGS INFORMATION

### (a) Borrowings

In accordance with Financial Management Regulation 48, the unspent balance of money borrowed in previous years is summarised as follows:

| Actual<br>2008/2009<br>\$ |                        | Adopted<br>Budget<br>2009/2010<br>\$ | Actual<br>2009/2010<br>\$ |
|---------------------------|------------------------|--------------------------------------|---------------------------|
| 0                         | Loans Unspent          | 0                                    | 0                         |
| 0                         | Amount Expended        | 0                                    | 0                         |
| <b>Nil</b>                | <b>CLOSING BALANCE</b> | <b>Nil</b>                           | <b>Nil</b>                |

### (b) Loans Raised in Financial Year

No new loans were raised during the 2009/2010 Financial Year.

### (c) Loan Repayments

| Program  | Loan No | Principal<br>01.07.09 | Loans Raised |           | Interest      |               | Loan Repayment |               | Principal<br>30.6.2010 |
|--|---------|-----------------------|--------------|-----------|---------------|---------------|----------------|---------------|------------------------|
|  |         |                       | Budget       | Actual    | Budget        | Actual        | Budget         | Actual        |                        |
|  |         |                       | 2009/2010    | 2009/2010 | 2009/2010     | 2009/2010     | 2009/2010      | 2009/2010     |                        |
|  |         | \$                    | \$           | \$        | \$            | \$            | \$             | \$            | \$                     |
| <b>Housing</b>                                   | 112     | 46,848                | 0            | 0         | 2857          | 2857          | 3749           | 3749          | 43,099                 |
| <b>Recreation</b>                                | 115     | 65,350                | 0            | 0         | 3,578         | 3,578         | 10,430         | 10,430        | 54,920                 |
| <b>Recreation</b>                                | 117     | 160,926               | 0            | 0         | 9,778         | 9,778         | 8,870          | 8,870         | 152,056                |
| <b>Economic</b>                                  | 116     | 74,706                | 0            | 0         | 4,592         | 4,592         | 8,784          | 8,784         | 65,922                 |
|  |         | <b>347,830</b>        | <b>0</b>     | <b>0</b>  | <b>20,805</b> | <b>20,805</b> | <b>31,833</b>  | <b>31,833</b> | <b>315,997</b>         |
| <b>PLUS</b> Change in Net Accrual                |         |                       |              |           | 0             | 434           | 0              | 0             |                        |
| <b>TOTAL</b>                                     |         | <b>347,830</b>        | <b>0</b>     | <b>0</b>  | <b>20,805</b> | <b>21,239</b> | <b>31,833</b>  | <b>31,833</b> | <b>315,997</b>         |
| Loan Repayments to be Financed by the Shire      |         |                       |              |           | 11,027        | 11,354        | 22,963         | 22,963        |                        |
| Loan Repayments reimbursed                       |         |                       |              |           |               |               |                |               |                        |
| Loan Repayments Reimbursed from External Sources |         |                       |              |           | 9,778         | 9,885         | 8,870          | 8,870         |                        |
| <b>TOTAL</b>                                     |         |                       |              |           | <b>20,805</b> | <b>21,239</b> | <b>31,833</b>  | <b>31,833</b> |                        |

## 8. RESERVES

In accordance with Financial Management Regulation 38, the following reserve account information is disclosed:

### (a) Plant Reserve (Cash Backed)

Purpose - Acquisition of Major Plant

The transactions of the Reserve Fund are summarised as follows:

| Actual         |   | Adopted<br>Budget | Actual         |
|----------------|---|-------------------|----------------|
| 2008/2009      |   | 2009/2010         | 2009/2010      |
| \$             |   | \$                | \$             |
| 441,292        | <b>Opening Balance</b>                        | 423,904           | 423,944        |
| 30,432         | <b>Plus Transfer from Accumulated Surplus</b> |                   |                |
|                | - Interest Received                           | 7,065             | 17,182         |
|                | - Transfer                                    |                   |                |
| (47,820)       | <b>Less Transfer to Accumulated Surplus</b>   |                   |                |
|                | - Plant Purchases                             | (195,000)         | (146,100)      |
| <b>423,904</b> | <b>CLOSING BALANCE</b>                        | <b>235,969</b>    | <b>295,026</b> |

### (b) Fire Fighters Reserve (Cash Backed)

Purpose - Acquisition of Major Fire Fighting Equipment

The transactions of the Reserve Fund are summarised as follows:

| Actual        |   | Adopted<br>Budget | Actual        |
|---------------|---|-------------------|---------------|
| 2008/2009     |   | 2009/2010         | 2009/2010     |
| \$            |   | \$                | \$            |
| 81,579        | <b>Opening Balance</b>                        | 87,287            | 87,295        |
| 5,706         | <b>Plus Transfer from Accumulated Surplus</b> |                   |               |
|               | - Interest Received                           | 1,455             | 3,649         |
| 0             | <b>Less Transfer to Accumulated Surplus</b>   |                   |               |
| <b>87,285</b> | <b>CLOSING BALANCE</b>                        | <b>88,742</b>     | <b>90,944</b> |

### (c) Office Equipment (Cash Backed)

Purpose - Purchase and Replacement of Office Equipment

The transactions of the Reserve Fund are summarised as follows:

| Actual        |   | Adopted Budget | Actual        |
|---------------|---|----------------|---------------|
| 2008/2009     |   | 2009/2010      | 2009/2010     |
| \$            |   | \$             | \$            |
| 21,240        | <b>Opening Balance</b>                        | 22,726         | 22,728        |
| 1,486         | <b>Plus Transfer from Accumulated Surplus</b> |                |               |
|               | - Interest Received                           | 379            | 950           |
| 0             | <b>Less Transfer to Accumulated Surplus</b>   |                |               |
|               | -Purchase Office Equipment                    | 0              | 0             |
| <b>22,726</b> | <b>CLOSING BALANCE</b>                        | <b>23,105</b>  | <b>23,678</b> |

### (d) Building Reserve (Cash Backed)

Purpose - Fund the Construction of New and Renovation of existing Council Buildings

The transactions of the Reserve Fund are summarised as follows:

| Actual         |   | Adopted Budget | Actual         |
|----------------|---|----------------|----------------|
| 2008/2009      |   | 2009/2010      | 2009/2010      |
| \$             |   | \$             | \$             |
| 448,566        | <b>Opening Balance</b>                        | 682,380        | 682,277        |
| 406,330        | <b>Plus Transfer from Accumulated Surplus</b> |                |                |
|                | - Interest Received                           | 17,060         | 41,423         |
|                | - Other                                       | 302,840        | 302,840        |
| (172,516)      | <b>Less Transfer to Accumulated Surplus</b>   |                |                |
|                | - Housing Swimming Pool Manager               | (140,000)      | (123,200)      |
|                | - Independent Living Units                    | (85,000)       | 0              |
| <b>682,380</b> | <b>CLOSING BALANCE</b>                        | <b>777,280</b> | <b>903,340</b> |

### (e) Recreation Ground Reserve (Cash Backed)

Purpose - Fund the Enhancement of Recreation Grounds and Buildings

The transactions of the Reserve Fund are summarised as follows:

| Actual         |   | Adopted Budget | Actual         |
|----------------|---|----------------|----------------|
| 2008/2009      |   | 2009/2010      | 2009/2010      |
| \$             |   | \$             | \$             |
| 251,379        | <b>Opening Balance</b>                        | 265,230        | 265,253        |
| 13,851         | <b>Plus Transfer from Accumulated Surplus</b> |                |                |
|                | - Interest Received                           | 6,631          | 10,958         |
|                | - Other Royalties for Regions                 | 388,257        | 0              |
| 0              | <b>Less Transfer to Accumulated Surplus</b>   |                |                |
|                | - Railway Station                             | (80,000)       | 0              |
| <b>265,230</b> | <b>CLOSING BALANCE</b>                        | <b>580,118</b> | <b>276,211</b> |

### (f) Annual Leave Reserve (Cash Backed)

Purpose - Fund the Annual Leave Payments

The transactions of the Reserve Fund are summarised as follows:

| Actual         |   | Adopted Budget | Actual         |
|----------------|---|----------------|----------------|
| 2008/2009      |   | 2009/2010      | 2009/2010      |
| \$             |   | \$             | \$             |
| 107,083        | <b>Opening Balance</b>                        | 112,983        | 112,997        |
| 5,901          | <b>Plus Transfer from Accumulated Surplus</b> |                |                |
|                | - Interest Received                           | 1,883          | 4,664          |
| 0              | <b>Less Transfer to Accumulated Surplus</b>   |                |                |
|                | - Other                                       | 0              | 0              |
| <b>112,984</b> | <b>CLOSING BALANCE</b>                        | <b>114,866</b> | <b>117,661</b> |

### (g) Avon River Development Reserve (Cash Backed)

Purpose - Fund the Development of Avon River Pool and Environment

The transactions of the Reserve Fund are summarised as follows:

| Actual        |   | Adopted Budget | Actual        |
|---------------|---|----------------|---------------|
| 2008/2009     |   | 2009/2010      | 2009/2010     |
| \$            |   | \$             | \$            |
| 16,463        | <b>Opening Balance</b>                        | 17,614         | 17,618        |
| 1,152         | <b>Plus Transfer from Accumulated Surplus</b> |                |               |
|               | - Interest Received                           | 294            | 642           |
| 0             | <b>Less Transfer to Accumulated Surplus</b>   |                |               |
| <b>17,615</b> | <b>CLOSING BALANCE</b>                        | <b>17,908</b>  | <b>18,260</b> |

### (h) Community Bus Reserve (Cash Backed)

Purpose - Fund the Capital Improvements to Community Bus

The transactions of the Reserve Fund are summarised as follows:

| Actual        |   | Adopted Budget | Actual        |
|---------------|---|----------------|---------------|
| 2008/2009     |   | 2009/2010      | 2009/2010     |
| \$            |   | \$             | \$            |
| 20,428        | <b>Opening Balance</b>                        | 21,856         | 21,860        |
| 1,428         | <b>Plus Transfer from Accumulated Surplus</b> |                |               |
|               | - Interest Received                           | 546            | 2,285         |
| 0             | <b>Less Transfer to Accumulated Surplus</b>   |                |               |
| <b>21,856</b> | <b>CLOSING BALANCE</b>                        | <b>22,402</b>  | <b>24,145</b> |



### (i) Cropping Reserve (Cash Backed)

Purpose - Assist Community Groups with Funding Opportunities

The transactions of the Reserve Fund are summarised as follows:

| <b>Actual</b>    |   | <b>Adopted Budget</b> | <b>Actual</b>    |
|------------------|---|-----------------------|------------------|
| <b>2008/2009</b> |   | <b>2009/2010</b>      | <b>2009/2010</b> |
| <b>\$</b>        |   | <b>\$</b>             | <b>\$</b>        |
| 82,166           | <b>Opening Balance</b>                        | 112,887               | 112,899          |
| 30,722           | <b>Plus Transfer from Accumulated Surplus</b> |                       |                  |
|                  | - Interest Received                           | 1,881                 | 4,719            |
|                  | - Other                                       | 0                     | 33,887           |
| 0                | <b>Less Transfer to Accumulated Surplus</b>   |                       |                  |
| <b>112,888</b>   | <b>CLOSING BALANCE</b>                        | <b>114,768</b>        | <b>151,505</b>   |

### (j) Road Construction Reserve (Cash Backed)

Purpose - Fund the Construction of Roads

The transactions of the Reserve Fund are summarised as follows:

| <b>Actual</b>    |   | <b>Adopted Budget</b> | <b>Actual</b>    |
|------------------|---|-----------------------|------------------|
| <b>2008/2009</b> |   | <b>2009/2010</b>      | <b>2009/2010</b> |
| <b>\$</b>        |   | <b>\$</b>             | <b>\$</b>        |
| 177,824          | <b>Opening Balance</b>                        | 190,091               | 190,091          |
| 12,268           | <b>Plus Transfer from Accumulated Surplus</b> |                       |                  |
|                  | - Interest Received                           | 4,752                 | 8,018            |
| 0                | <b>Less Transfer to Accumulated Surplus</b>   |                       |                  |
| <b>190,092</b>   | <b>CLOSING BALANCE</b>                        | <b>194,843</b>        | <b>198,109</b>   |
| <b>1,936,960</b> | <b>TOTAL</b>                                  | <b>2,170,001</b>      | <b>2,098,879</b> |

All of the above reserve accounts are cash backed and are disclosed as restricted cash assets in Note 5 of the Annual Financial Statements.

It is anticipated that the reserves will be utilised over the next 1 to 10 years. Council would expect further transfers to be made to some of the reserves as funds are utilised.

**(k) Reserves - Asset Revaluation**

During the 2009/2010 Financial Year, the Shire engaged Cardno Consultants to conduct a revaluation on the Shire's road assets. This resulted in a revaluation of the assets, and as such, the establishment of this reserve.

The asset revaluation reserve is not cash backed, and future transactions in the reserve will be in accordance with the Shire of Beverley Accounting Policy.

| <b>Actual</b>    |   | <b>Adopted Budget</b> | <b>Actual</b>    |
|------------------|---|-----------------------|------------------|
| <b>2008/2009</b> |   | <b>2009/2010</b>      | <b>2009/2010</b> |
| \$               |   | \$                    | \$               |
| 0                | <b>Asset Revaluation Reserve (Roads)</b>            | 0                     | 1,608,070        |
| 1,608,070        | Balance brought forward 1st July                    | 0                     | (1,382,416)      |
|                  | Revaluation of Assets during current financial year |                       |                  |
| <b>1,608,070</b> | <b>CLOSING BALANCE</b>                              | <b>0</b>              | <b>225,654</b>   |



## 9. CASH FLOW INFORMATION

Reconciliation of cash flows from operations with change in net equity resulting from operations.

For the purpose of the cash flow statement, cash includes cash on hand and in or at call deposits with banks or financial institutions.

| <b>Actual</b>           |   | <b>Adopted<br/>Budget</b> | <b>Actual</b>           |
|-------------------------|---|---------------------------|-------------------------|
| <b>2008/2009</b>        |   | <b>2009/2010</b>          | <b>2009/2010</b>        |
| \$                      |   | \$                        | \$                      |
|                         | <b>Change in net equity from operations</b> |                           |                         |
| 1,747,101               | Net Result                                  | 869,383                   | 1,869,309               |
| 1,185,981               | Depreciation                                | 1,094,091                 | 857,136                 |
| 8,168                   | (Profit) loss on sale of Fixed Assets       | 58,800                    | (10,423)                |
| (1,077,094)             | Government Revenue                          | (2,355,442)               | (2,301,352)             |
|                         | <b>Change in Assets and Liabilities</b>     |                           |                         |
| (1,749)                 | (Increase)/Decrease in Inventory            | 5,000                     | (227)                   |
| 41,011                  | (Increase)/Decrease in Employee Provisions  | 3,233                     | (8,927)                 |
| 0                       | (Increase)/Decrease in Prepaid Expenses     | (5,371)                   | 0                       |
| 28,008                  | (Increase)/Decrease in Debtors              | 47,072                    | 68,679                  |
| (78,984)                | (Increase)/Decrease in Creditors            | (143,140)                 | (75,450)                |
|                         | Rounding                                    |                           | 1                       |
| <b><u>1,852,442</u></b> | <b>Cash flows from Operations</b>           | <b><u>(426,374)</u></b>   | <b><u>398,746</u></b>   |
| 10,000                  | Credit Facility                             | 10,000                    | 10,000                  |
| (2,439)                 | Amount Utilised                             | 0                         | (165)                   |
| <b><u>7,561</u></b>     | <b>Unused Facility available</b>            | <b><u>10,000</u></b>      | <b><u>9,835</u></b>     |
|                         | <b>RECONCILIATION OF CASH</b>               |                           |                         |
| 1,057,740               | Cash at Bank - Operating                    | (19,878)                  | 1,296,136               |
| 2,316,800               | Restricted Reserves                         | 2,170,001                 | 2,133,879               |
| <b><u>3,374,540</u></b> | <b>TOTAL CASH</b>                           | <b><u>2,150,123</u></b>   | <b><u>3,430,015</u></b> |

## 10. TRUST FUND INFORMATION

In accordance with Financial Management Regulation 37, the transactions of the trust fund are summarised as follows:

### TRUST FUND FOR THE PERIOD ENDED 30 JUNE 2010

| PARTICULARS              | OPENING       | RECEIPTS |               | PAYMENTS      |               | CLOSING BALANCE |               |
|--------------------------|---------------|----------|---------------|---------------|---------------|-----------------|---------------|
|                          | BALANCE       | ADOPTED  | ACTUAL        | ADOPTED       | ACTUAL        | ADOPTED         | ACTUAL        |
|                          | 1/07/2009     | BUDGET   | 2009/2010     | BUDGET        | 2009/2010     | BUDGET          | 30/06/2010    |
| DEPOSITS                 | \$            | \$       | \$            | \$            | \$            | \$              | \$            |
| Unclaimed Monies         | 960           | 0        | 3,169         | 960           | 3,593         | 0               | 536           |
| Nominations Deposits     | 0             | 0        | 480           | 0             | 480           | 0               | 0             |
| House Bonds              | 25,000        | 0        | 0             | 0             | 20,000        | 20,000          | 5,000         |
| Second House Deposits    | 9,600         | 0        | 0             | 0             | 5,000         | 9,600           | 4,600         |
| Retirement Village Bond  | 2,060         | 0        | 720           | 0             | 290           | 2,060           | 2,490         |
| Subdivision Costs        | 1,500         | 0        | 0             | 0             | 0             | 1,500           | 1,500         |
| Gibson Raison Settlement | 2,329         | 0        | 0             | 0             | 0             | 2,329           | 2,329         |
| Rates Advance Payments   | 19,783        | 0        | 21,880        | 10,913        | 23,053        | 0               | 18,610        |
| Gym Key Deposit          | 0             | 0        | 840           | 0             | 60            | 0               | 780           |
| <b>TOTAL</b>             | <b>61,232</b> | <b>0</b> | <b>27,089</b> | <b>11,873</b> | <b>52,476</b> | <b>35,489</b>   | <b>35,845</b> |

## 11. COMPARISON WITH RATE SETTING STATEMENT

In accordance with Financial Management Regulation 36(1)(a), the following information provides details of all income and expenditure, together with movements to and from reserve accounts which have been included in the rate setting statement, but which have not been included in the comprehensive income statement.

| Actual<br><u>2008/2009</u><br>\$ |                                  | Adopted<br>Budget<br><u>2009/2010</u><br>\$ | Actual<br><u>2009/2010</u><br>\$ |
|----------------------------------|----------------------------------|---|----------------------------------|
|                                  | <b>Non Operating Income</b>      |   |                                  |
| 11,219                           | Principal Repayment              | 8,870                                       | 8,870                            |
| 0                                | Proceeds from Disposal of Assets |   |                                  |
| 8,168                            | Furniture and Equipment          | (58,800)                                    | 10,423                           |
| 220,336                          | Plant and Equipment              | 500,000                                     | 269,300                          |
| 0                                | Transfer from Reserves           | 0   | 0                                |
| <u>239,723</u>                   | Loan Borrowings                  | <u>450,070</u>                              | <u>288,593</u>                   |
|                                  | <b>TOTAL</b>                     |   |                                  |
|                                  | <b>Non Operating Expenditure</b> |   |                                  |
| (236,226)                        | Purchase Land and Buildings      | (625,828)                                   | (542,958)                        |
| (213,067)                        | Purchase Plant and Equipment     | (572,000)                                   | (473,121)                        |
| (8,363)                          | Purchase Furniture and Equipment | (27,500)                                    | (12,207)                         |
| (1,383,655)                      | Infrastructure Assets-Roads      | (2,030,988)                                 | (1,819,996)                      |
| 0                                | Infrastructure Assets-Recreation | (100,000)                                   | 0                                |
| 0                                | Purchase Tools                   | 0   | 0                                |
| (45,168)                         | Infrastructure Assets-Other      | 0   | 0                                |
| (46,094)                         | Repayments of Debt-Principal     | (31,833)                                    | (31,833)                         |
| (509,276)                        | Transfer to Reserves             | (733,043)                                   | (431,217)                        |
| <u>(2,441,849)</u>               | <b>TOTAL</b>                     | <u>(4,121,192)</u>                          | <u>(3,311,332)</u>               |



## 12. RATING INFORMATION

In accordance with Financial Management Regulation 39, Council has imposed the following rates:

### (a) General and Minimum Rate

| <u>Actual<br/>2008/2009</u> |  | <u>Budget<br/>2009/2010</u> | <u>Actual<br/>2009/2010</u> |
|-----------------------------|--|-----------------------------|-----------------------------|
| \$                          |  | \$                          | \$                          |
| 0.121539                    | - General Rate                                 |                             | 0.125185                    |
| Rate in \$                  | (The basis for the rate is Gross Rental Value) |                             | Rate in \$                  |
| 0.009155                    | - General Rate Rural                           |                             | 0.006310                    |
| Rate in \$                  | (The basis for the rate is Unimproved Value)   |                             | Rate in \$                  |
| 0.009155                    | - General Rate Mt Kokeby and Mawson            |                             | 0.006310                    |
| Rate in \$                  | (The basis for the rate is Unimproved Value)   |                             | Rate in \$                  |
| 0.009155                    | - General Rate Mining                          |                             | 0.006310                    |
| Rate in \$                  | (The basis for the rate is Unimproved Value)   |                             | Rate in \$                  |
| \$600 pa                    | - Minimum Rate                                 |                             | \$600.00 pa                 |

### The Objective and Reasons for General and Minimum Rate

Council has imposed a general rate of 0.125185 GRV and 0.006310 UV and a minimum rate of \$600.00 per annum, as Council perceives it to be a 'reasonable' minimum level of rates which all ratepayers in its district should pay. The minimum rate reflects the basic cost incurred by the Council in servicing each lot or dwelling in its district.

For additional information on the rates levied, refer to the 'statement of rating information'.

### (b) Specified Area Rates

No specified area rates will be levied during the year 2009/2010.

## 13. SERVICE CHARGES

The Shire of Beverley does not have any Service Charges as described in Section 6.38 (1) of the Local Government 1995 and Regulation 54 of the Local Government (Financial Management) Regulations.

## 14. INFORMATION ABOUT DISCOUNTS, INCENTIVES, CONCESSIONS AND WRITE OFFS

Pursuant to Section 6.12 of the Local Government Act and Financial Management Regulation 42, the Shire of Beverley has granted the following discount for the payment of rates and rubbish charge to apply as follows:

### (i) Discount on Rates and Service Charges

The Council offered a discount in 2009/2010 if rates and charges are paid within 35 days of the date of service (which appears on the rate notice):

|               |          |                            |     |                   |
|---------------|----------|----------------------------|-----|-------------------|
| General Rates | Discount | For Early Payment of Rates | 10% | Value - \$162,990 |
|---------------|----------|----------------------------|-----|-------------------|

### (ii) Incentive Scheme (Rates)

The Council did not offer an incentive scheme for the early payment of rates.

## 15. INTEREST CHARGES FOR THE LATE PAYMENT OF RATES CHARGES

1. Pursuant to Section 6.51 of the Local Government Act and Financial Management Regulation 43(a), the Shire of Beverley has imposed the following rate of interest applicable for the late payment of rates and rubbish charge to apply as follows:

- (a) Where no election has been made to pay the rate and rubbish charge by instalments due:
  - (i) after it becomes due and payable;
  - or
  - (ii) 35 days after the date of issue of the rate notice;whichever is the later.
- (b) Where an election has been made to pay the rate and rubbish charge by instalments and an instalment remains unpaid after it is due and payable.

The rate of interest to apply is 11% and the revenue derived from the imposition of the interest amounts to \$16,188 for the 2009/2010 Financial Year.

2. Pursuant to Section 6.45 of the Local Government Act and Financial Management Regulation 27(c) the due date of each instalment is as follows:

|                |                          |
|----------------|--------------------------|
| 1st Instalment | Monday, 19 October 2009  |
| 2nd Instalment | Monday, 21 October 2009  |
| 3rd Instalment | Monday, 22 February 2010 |
| 4th Instalment | Monday, 19 April 2010    |

Charges on instalment plan is \$8.00 administration charges, and rate of interest of 5.5%, the revenue derived from the imposition amounts to \$5,962 for the 2009/2010 Financial Year.

3. No interest is charged under Section 6.13 of the Local Government Act 1995 for the late payment of money other than rates.

## 16. FEES AND CHARGES INFORMATION

### (a) Revenue from Fees and Charges

In accordance with Financial Management Regulation 41, the total revenue from fees and charges for each program is summarised as follows:

| <b>Actual</b>    |                               | <b>Adopted Budget</b> | <b>Actual</b>    |
|------------------|-------------------------------|-----------------------|------------------|
| <b>2008/2009</b> |                               | <b>2009/2010</b>      | <b>2009/2010</b> |
| <b>\$</b>        |                               | <b>\$</b>             | <b>\$</b>        |
| 11,575           | General Purpose Funding       | 12,900                | 8,420            |
| 0                | Governance                    | 0                     | 0                |
| 2,673            | Law, Order, Public Safety     | 6,600                 | 6,892            |
| 43,735           | Health                        | 0                     | 0                |
| 0                | Education and Welfare         | 0                     | 0                |
| 0                | Housing                       | 53,600                | 51,880           |
| 116,220          | Community Amenities           | 108,740               | 114,688          |
| 51,749           | Recreation and Culture        | 56,174                | 67,691           |
| 47,518           | Transport                     | 660                   | 12,677           |
| 91,257           | Economic Services             | 53,700                | 61,870           |
| 35,993           | Other Property and Services   | 28,000                | 30,231           |
| <b>400,720</b>   | <b>TOTAL FEES AND CHARGES</b> | <b>320,374</b>        | <b>354,349</b>   |

### (b) Amended Fees and Charges

Fees and charges amended during the Financial Year are as follows:

- No amendments were made during the 2009/2010 Financial Year.

## 17. INVESTMENTS

Earnings from investments is summarised as follows:

| <b>Actual</b>    |   | <b>Adopted<br/>Budget</b> | <b>Actual</b>    |
|------------------|---|---------------------------|------------------|
| <b>2008/2009</b> |   | <b>2009/2010</b>          | <b>2009/2010</b> |
| <b>\$</b>        |   | <b>\$</b>                 | <b>\$</b>        |
| 47,161           | General Account                         | 40,000                    | 26,160           |
| 87,595           | Reserve Funds                           | 41,946                    | 93,509           |
| 20,451           | Other Interest on Late Payment of Rates | 7,000                     | 27,245           |
| <b>155,207</b>   | <b>TOTAL</b>                            | <b>88,946</b>             | <b>146,914</b>   |

## 18. COUNCIL MEMBERS - FEES, EXPENSES AND ALLOWANCES

In accordance with Financial Management Regulation 44 - Fees, Expenses or Allowances Paid to Council Members, is summarised as follows:

| <b>Actual</b>    |  | <b>Adopted<br/>Budget</b> | <b>Actual</b>    |
|------------------|--|---------------------------|------------------|
| <b>2008/2009</b> |  | <b>2009/2010</b>          | <b>2009/2010</b> |
| <b>\$</b>        |  | <b>\$</b>                 | <b>\$</b>        |
| 31,333           | <b>- Annual Attendance Fee</b>   |                           |                  |
|                  | Councillor (8)   | 24,000                    | 29,000           |
|                  | President  | 6,500                     | 6,500            |
|                  | <b>- Telecommunication, Travel, and Information<br/>Technology Allowance</b> |                           |                  |
| 0                | - Telecommunication  | 0                         | 431              |
| 0                | - Information Technology   | 0                         | 0                |
| 1,354            | - Travel Expenses  | 2,500                     | 2,392            |
|                  | <b>- Annual Local Government Allowance</b>                                   |                           |                  |
| 4,500            | - President  | 4,500                     | 4,500            |
| 1,125            | - Deputy President   | 1,125                     | 563              |

## 19. DEPRECIATION OF NON CURRENT ASSETS

The depreciation charge included in the financial statements are summarised as follows:

| <b>Actual</b>           |                             | <b>Adopted<br/>Budget</b> | <b>Actual</b>         |
|-------------------------|-----------------------------|---------------------------|-----------------------|
| <b>2008/2009</b>        |                             | <b>2009/2010</b>          | <b>2009/2010</b>      |
| <b>\$</b>               |                             | <b>\$</b>                 | <b>\$</b>             |
| 0                       | General Purpose Funding     | 13,115                    | 0                     |
| 33,013                  | Governance                  | 59,810                    | 30,243                |
| 8,735                   | Law, Order, Public Safety   | 32,621                    | 8,736                 |
| 6,511                   | Health                      | 5,947                     | 6,299                 |
| 0                       | Education and Welfare       | 0                         | 0                     |
| 40,742                  | Housing                     | 73,084                    | 44,756                |
| 2,918                   | Community Amenities         | 11,324                    | 2,918                 |
| 35,356                  | Recreation and Culture      | 59,443                    | 39,906                |
| 772,481                 | Transport                   | 713,239                   | 492,641               |
| 662                     | Economic Services           | 1,121                     | 662                   |
| 285,563                 | Other Property and Services | 124,387                   | 230,975               |
| <b><u>1,185,981</u></b> | <b>TOTAL</b>                | <b><u>1,094,091</u></b>   | <b><u>857,136</u></b> |

## 20. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2009/2010 Financial Year.

## 21. JOINT VENTURE

The Shires of Beverley and Brookton have a joint arrangement in regards to the purchase of Town Planning Services. The Shire of Brookton manages the service and bills the Shire of Beverley accordingly.

| <b>Actual</b>    |   | <b>Adopted<br/>Budget</b> | <b>Actual</b>    |
|------------------|---|---------------------------|------------------|
| <b>2008/2009</b> |   | <b>2009/2010</b>          | <b>2009/2010</b> |
| <b>\$</b>        |   | <b>\$</b>                 | <b>\$</b>        |
| <u>66,928</u>    | Resource Sharing - Town Planning Services | <u>75,000</u>             | <u>66,587</u>    |



## 22. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2009/2010 Financial Year.

## 23. CAPITAL AND LEASING COMMITMENTS

Council did not have any capital and leasing commitments during the 2009/2010 Financial Year.

## 24. FINANCIAL INSTRUMENTS

### (a) Interest Rate Risk

The following table details the Shire of Beverley's exposure to interest rate risks as at 30 June 2010.

|                                 | Average Interest % | Variable Interest Rate | Less than 1 year | 1 to 5 years   | 5 to 10 years | Non Interest Bearing | Total            |
|---------------------------------|--------------------|------------------------|------------------|----------------|---------------|----------------------|------------------|
|                                 |                    | \$                     | \$               | \$             | \$            | \$                   | \$               |
| <b>Financial Assets</b>         |                    |                        |                  |                |               |                      |                  |
| Cash                            | 3.50               | 4.50                   | 3,427,142        | 0              | 0             | 2,873                | 3,430,015        |
| Trade Receivables-Current       |                    |                        | 0                | 0              | 0             | 168,318              | 168,318          |
|                                 |                    |                        | <b>3,427,142</b> | <b>0</b>       | <b>0</b>      | <b>171,191</b>       | <b>3,598,333</b> |
| <b>Financial Liabilities</b>    |                    |                        |                  |                |               |                      |                  |
| Accounts Payable - Current      |                    |                        | 0                | 0              | 0             | 191,098              | 191,098          |
| Employee entitlements - Current |                    |                        | 0                | 0              | 0             | 202,108              | 202,108          |
| Borrowings                      | 6.10               | 0                      | 33,792           | 282,205        | 0             | 0                    | 315,997          |
|                                 |                    |                        | <b>33,792</b>    | <b>282,205</b> | <b>0</b>      | <b>393,206</b>       | <b>709,203</b>   |

### (b) Material Credit Risk

Council does not have any material credit risk exposure to any single debtor under any financial instruments entered into.

### (c) Aggregate Net Fair Values and Carrying Amounts

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the notes to and forming part of the annual financial statements.

#### (d) Investment of Council Funds

The Shire of Beverley has adopted a formal investment policy. Staff have been operating under this policy with regards to the risk of Shire funds and have restricted investment of funds to fixed interest term deposits with Australian banks with preference being given to banks with branches located in Beverley. From time to time quotes are sought from banks without a presence in Beverley to ensure that competitive rates are achieved.

#### (e) Credit Risk

The Shire's receivables are classified as rates and annual charges, self supporting loans, goods and services tax and general debtors. Rates and annual charges are charges that are considered as charges against the property, and as such are considered as being secured by the property to which they relate. The Shire accounts for self supporting loans as part of its current receivables, as and when payments fall due; amounts due in future years are shown as non current. Self supporting loans shown as debtors represent the repayments of a loan that the Shire has drawn on behalf of community groups. Good and services tax represents monies owed by the Australian Taxation Office to the Shire. The Shire's general debtors include receivables for goods and services provided to members of the community, government departments, and businesses. The Shire has exposure to credit risk in that debtors may not be able to meet their commitments to repay debts. The Shire reviews its outstanding debts regularly, and commences a variety of recovery techniques in accordance with its debt recovery procedures. The Shire reviews outstanding debts annually, and provides a provision should debts become doubtful.

| 2008/2009      |                |                          | 2009/2010      |                |
|----------------|----------------|--------------------------|----------------|----------------|
| Current        | Non Current    |                          | Current        | Non Current    |
| \$             | \$             |                          | \$             | \$             |
|                |                | Financial Assets         |                |                |
| 131,400        | 43,165         | Rates and Annual Charges | 136,223        | 48,107         |
| 8,870          | 152,054        | Self Supporting Loans    | 9,425          | 142,630        |
| 0              | 0              | Goods and Services Tax   | 31,691         | 0              |
| 115,142        | 0              | General Debtors          | 46,184         | 0              |
| <b>255,412</b> | <b>195,219</b> |                          | <b>223,523</b> | <b>190,737</b> |

**(f) Market Risk**

The Shire invests funds that are not required immediately in financial instruments such as term deposits. The Shire may be subject to interest rate risk in that future cash flows may fluctuate because of changes in market interest rate.

| <u>Actual<br/>2008/2009</u> |  | <u>Actual<br/>2009/2010</u> |
|-----------------------------|--|-----------------------------|
| \$                          |  | \$                          |
| 2,578                       | Impact of 1% Movement in Interest Rates on Investment Earnings (+/-) | 34,271                      |

**(g) Liquidity Risk**

The maturity analysis for the Shire's financial liabilities is detailed as follows:

|                              | <u>Less than<br/>1 year</u> | <u>1 to 5<br/>years</u> | <u>Greater than<br/>5 years</u> | <u>Total</u>   |
|------------------------------|-----------------------------|-------------------------|---------------------------------|----------------|
|                              | \$                          | \$                      | \$                              | \$             |
| <b>Financial Liabilities</b> |                             |                         |                                 |                |
| Accounts Payable - Current   | 191,098                     | 0                       | 0                               | 191,098        |
| Interest Bearing Liabilities | 33,792                      | 181,199                 | 101,006                         | 315,997        |
|                              | <b>224,890</b>              | <b>181,199</b>          | <b>101,006</b>                  | <b>507,095</b> |

## 25. POSITION AT COMMENCEMENT OF FINANCIAL YEAR

### (a) Determination of Opening Funds

| <b>ACTUAL</b><br><b>30.06.2009</b> |  | <b>Budget</b><br><b>2009/2010</b> | <b>ACTUAL</b><br><b>30.06.2010</b> |
|------------------------------------|--|-----------------------------------|------------------------------------|
| \$                                 |  | \$                                | \$                                 |
|                                    | <b>Current Assets</b>                          |                                   |                                    |
| 3,374,244                          | Cash at Bank                                   | 2,149,825                         | 3,427,142                          |
| 300                                | Cash Advances                                  | 300                               | 2,873                              |
| 191,336                            | Receivables                                    | 210,000                           | 131,527                            |
| 14,394                             | Stock on Hand                                  | 9,394                             | 14,621                             |
| <b>3,580,274</b>                   |  | <b>2,369,519</b>                  | <b>3,576,163</b>                   |
|                                    | <b>Less Current Liabilities</b>                |                                   |                                    |
| (234,240)                          | Accounts Payable                               | (90,000)                          | (158,790)                          |
| 0                                  | Employee Entitlements                          | (109,518)                         | 0                                  |
| <b>(234,240)</b>                   |  | <b>(199,518)</b>                  | <b>(158,790)</b>                   |
| <b>3,346,034</b>                   | <b>SURPLUS OF CURRENT ASSETS OVER</b>          | <b>2,170,001</b>                  | <b>3,417,373</b>                   |
|                                    | <b>CURRENT LIABILITIES</b>                     |                                   |                                    |
|                                    | <b>ADJUSTMENTS</b>                             |                                   |                                    |
| (1,936,958)                        | Less Cash Backed Reserves and Restricted Funds | (2,170,001)                       | (2,098,879)                        |
| (6)                                | Rounding                                       |                                   | (2)                                |
| <b>1,409,070</b>                   | <b>OPENING/CLOSING FUNDS</b>                   | <b>0</b>                          | <b>1,318,492</b>                   |

### (b) Statement of Reconciliation of Net Current Assets Brought Forward

In accordance with Financial Management Regulation 36(1)(b), the following reconciliation is provided between the net current assets carried forward from the previous Financial Year, compared to the net current assets detailed in the 2009/2010 Annual Budget.

|   |                         |
|---|-------------------------|
| Net Current Asset detailed in the 2009/2010 Annual Budget | <u><b>1,352,548</b></u> |
| Net Current Assets Brought Forward as at 1st July 2009    | <u><b>1,409,070</b></u> |

## 26. CAPITAL EXPENDITURE BY PROGRAM

Actual capital expenditure incurred by program is summarised as follows:

| Program                     | Furniture<br>and<br>Equipment | Land<br>and<br>Buildings | Plant<br>and<br>Equipment | Infrastructure   |                          |          | Total            |
|-----------------------------|-------------------------------|--------------------------|---------------------------|------------------|--------------------------|----------|------------------|
|                             |                               |                          |                           | Roads            | Recreation<br>Facilities | Other    |                  |
|                             | \$                            | \$                       | \$                        | \$               | \$                       | \$       | \$               |
| Governance                  | 12,207                        | 0                        | 75,740                    | 0                | 0                        | 0        | 87,947           |
| Law, Order, Public Safety   | 0                             | 0                        | 0                         | 0                | 0                        | 0        | 0                |
| Health                      | 0                             | 132,084                  | 30,305                    | 0                | 0                        | 0        | 162,389          |
| Education and Welfare       | 0                             | 0                        | 0                         | 0                | 0                        | 0        | 0                |
| Housing                     | 0                             | 0                        | 0                         | 0                | 0                        | 0        | 0                |
| Community Amenities         | 0                             | 239,776                  | 0                         | 0                | 0                        | 0        | 239,776          |
| Recreation and Culture      | 0                             | 163,258                  | 54,981                    | 0                | 0                        | 0        | 218,239          |
| Transport                   | 0                             | 0                        | 312,095                   | 1,819,996        | 0                        | 0        | 2,132,091        |
| Economic Services           | 0                             | 7,840                    | 0                         | 0                | 0                        | 0        | 7,840            |
| Other Property and Services | 0                             | 0                        | 0                         | 0                | 0                        | 0        | 0                |
| <b>TOTAL</b>                | <b>12,207</b>                 | <b>542,958</b>           | <b>473,121</b>            | <b>1,819,996</b> | <b>0</b>                 | <b>0</b> | <b>2,848,282</b> |





## 27. FINANCIAL INFORMATION BY RATIO

In accordance with Financial Management Regulation 50, the following financial information by ratio is provided.

| <u>2007/2008</u><br><u>Percent</u> | <u>2008/2009</u><br><u>Percent</u> |   | <u>2009/2010</u><br><u>Percent</u> |
|------------------------------------|------------------------------------|---|------------------------------------|
| 1.137                              | 2.703                              | <b>(a) Current Ratio</b><br><u>(Current Assets Minus Restricted Assets)</u><br>(Current Liabilities-Liabilities Associated<br>with Restricted Assets) | 3.464                              |
| 0.025                              | 0.021                              | <b>(b) Debt Ratio</b><br><u>Total Liabilities</u><br>Total Assets   | 0.018                              |
| 0.025                              | 0.011                              | <b>(c) Debt Service Ratio</b><br><u>Debt Service Cost</u><br>Available Operating Revenue  | 0.014                              |
| 0.448                              | 0.362                              | <b>(d) Rate Coverage Ratio</b><br><u>Net Rate Revenue</u><br>Operating Revenue  | 0.398                              |
| 0.090                              | 0.066                              | <b>(e) Outstanding Rates Ratio</b><br><u>Rates Outstanding</u><br>Rates Collectable   | 0.092                              |
| 0.114                              | 0.054                              | <b>(f) Gross Debt to Revenue Ratio</b><br><u>Gross Debt</u><br>Total Revenue  | 0.119                              |
| 1.817                              | 4.516                              | <b>(g) Untied Cash to Trade Creditors Ratio</b><br><u>Untied Cash</u><br>Unpaid Trade Creditors   | 7.334                              |
| 0.052                              | 0.052                              | <b>(h) Gross Debt to Economically Realisable Assets Ratio</b><br><u>Gross Debt</u><br>Economically Realisable Assets                                  | 0.083                              |

## Definitions

- ▶ **"available operating revenue"** means the operating revenue:
  - (a) plus any contributions towards the repayment of money borrowed which have not been included in the operating revenue; and
  - (b) minus specific purpose grants, contributions, and donations of a capital nature.
- ▶ **"current assets"** means the total current assets as shown in the statement of financial position.
- ▶ **"debt service cost"** means all principal and interest expenses for borrowings under Section 6.20 of the Local Government Act 1995.
- ▶ **"economically realisable assets"** means total assets other than infrastructure assets.
- ▶ **"gross debt"** includes all borrowings under Section 6.20 of the Local Government Act 1995 and all utilised bank overdrafts.
- ▶ **"infrastructure assets"** means all tangible assets of economic value that are not economically realisable.
- ▶ **"net rate revenue"** means the revenue from all rates and money paid in lieu of rates on non rateable land:
  - (a) plus interest for late payment and interest and additional charges on instalments; and
  - (b) minus discounts and concessions granted, and money written off.
- ▶ **"rates collectable"** means the amount of:
  - (a) all rates, interim rates, back rates, interim minimum payments, back minimum payments; and
  - (b) interest and additional charges payable on rates and payments referred to in paragraphs (a) and (b); and
  - (c) arrears brought forward from a previous financial year of the amounts referred to in paragraphs (a) and (b).
- ▶ **"restricted assets"** has the same meaning as in Australian Accounting Standard 27 (AAS27).
- ▶ **"total assets"** means all current and non current assets as shown in the statement of financial position.
- ▶ **"total liabilities"** means all current and non current liabilities as shown in the statement of financial position.
- ▶ **"total revenue"** means the total operating revenue excluding all specific purpose grants.

## 28. TRADE AND OTHER RECEIVABLES

Receivables due to the Shire include the following:

| <u>ACTUAL</u><br><u>2008/2009</u><br>\$ |                                      | <u>ACTUAL</u><br><u>2009/2010</u><br>\$ |
|---|--------------------------------------|---|
|   | <b>Current</b>                       |   |
| 131,400                                 | Rates                                | 136,223                                 |
| 115,142                                 | Sundry Debtors                       | 46,185                                  |
| (55,206)                                | Less Provision for Doubtful Debts    | (55,206)                                |
| 8,870                                   | Loan Receivable                      | 9,425                                   |
| 0                                       | Goods and Services Tax               | 31,691                                  |
| <b>200,206</b>                          |                                      | <b>168,318</b>                          |
|   | <b>Non Current</b>                   |   |
| 43,165                                  | Rates Outstanding-Pensioner Deferred | 48,107                                  |
| 152,055                                 | Long Term Loans-Clubs/Institutions   | 142,630                                 |
| <b>195,220</b>                          |                                      | <b>190,737</b>                          |

Deferred pensioners rates represent amounts owing by pensioners who have chosen to defer the payment of their rates in accordance with the Rates and Charges (Rebates and Deferments) Act 1992.

## 29. INVENTORIES

| <u>ACTUAL</u><br><u>2008/2009</u><br>\$ |                                    | <u>ACTUAL</u><br><u>2009/2010</u><br>\$ |
|---|------------------------------------|---|
| <b>14,394</b>                           | Comprises of Fuels and Consumables | <b>14,621</b>                           |

## 30. TRADE AND OTHER PAYABLES

| <u>ACTUAL</u><br><u>2008/2009</u><br>\$ |                        | <u>ACTUAL</u><br><u>2009/2010</u><br>\$ |
|---|------------------------|---|
| 192,127                                 | Trade Creditors        | 176,718                                 |
| 28,545                                  | Goods and Services Tax | 0                                       |
| 13,568                                  | PAYG Withholding       | 14,380                                  |
| <b>234,240</b>                          | <b>Total</b>           | <b>191,098</b>                          |

### 31. LONG TERM BORROWINGS

| <u>ACTUAL</u><br><u>2008/2009</u> |  | <u>ACTUAL</u><br><u>2009/2010</u> |
|-----------------------------------|--|-----------------------------------|
| \$                                |  | \$                                |
| <u>31,833</u>                     | Current - secured by a floating charge debenture       | <u>33,792</u>                     |
| <u>ACTUAL</u><br><u>2008/2009</u> |  | <u>ACTUAL</u><br><u>2009/2010</u> |
| \$                                |  | \$                                |
| <u>315,997</u>                    | Non - Current - secured by a floating charge debenture | <u>282,205</u>                    |

### 32. PROVISIONS

Provision for employees' entitlements at balance date are as follows:

| <u>ACTUAL</u><br><u>2008/2009</u> |                                  | <u>ACTUAL</u><br><u>2009/2010</u> |
|-----------------------------------|----------------------------------|-----------------------------------|
| \$                                |                                  | \$                                |
|                                   | <b>Current</b>                   |                                   |
| 142,558                           | Provision for Annual Leave       | 128,119                           |
| 95,695                            | Provision for Long Service Leave | 105,224                           |
| <u>238,253</u>                    |                                  | <u>233,343</u>                    |
|                                   | <b>Non - Current</b>             |                                   |
| 34,321                            | Provision for Long Service Leave | 30,300                            |
| <u>34,321</u>                     |                                  | <u>30,300</u>                     |

### 33. EMPLOYEE NUMBERS AND REMUNERATION

In accordance with Local Government (Administration) Regulation 19B, the following information is provided in relation to annual salaries paid to employees:

| <u>2008/2009</u> |   | <u>2009/2010</u> |
|------------------|---|------------------|
| 0                | <b>Annual Salary Range</b><br>\$100,000 or more per annum                                   | 1                |
| 26               | <b>Total Number of Employees</b><br>The number of full time equivalent employees at 30 June | 26               |

### 34. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from the State and Federal Governments. The total of grant revenue from government sources is as follows:

| <u>ACTUAL</u><br><u>2008/2009</u><br>\$ |                             | <u>ACTUAL</u><br><u>2009/2010</u><br>\$ |
|---|-----------------------------|---|
|   | <b>By Nature and Type:</b>  |   |
| 1,598,696                               | Operating Grants            | 1,045,089                               |
| <u>1,077,094</u>                        | Non-Operating Grants        | <u>1,256,263</u>                        |
| <u><b>2,675,790</b></u>                 | <b>Total</b>                | <u><b>2,301,352</b></u>                 |
|   | <b>By Program:</b>          |   |
| 6,407                                   | Governance                  | 35,000                                  |
| 1,171,178                               | General Purpose Funding     | 952,659                                 |
| 44,405                                  | Law, Order, Public Safety   | 39,480                                  |
| 34,359                                  | Health                      | 9,950                                   |
| 13,800                                  | Education and Welfare       | 5,000                                   |
| 605,681                                 | Housing                     | 0                                       |
| 100,000                                 | Community Amenities         | 0                                       |
| 87,623                                  | Recreation and Culture      | 120,775                                 |
| 579,344                                 | Transport                   | 1,108,488                               |
| 2,043                                   | Economic Services           | 30,000                                  |
| <u>30,950</u>                           | Other Property and Services | <u>0</u>                                |
| <u><b>2,675,790</b></u>                 | <b>Total</b>                | <u><b>2,301,352</b></u>                 |

### 35. CONTINGENT LIABILITIES

Council does not have any known contingent liabilities as at 30 June 2010.



## 36. INDEPENDENT AUDIT REPORT

### SHIRE OF BEVERLEY INDEPENDENT AUDIT REPORT TO THE ELECTORS OF THE SHIRE OF BEVERLEY

I have audited the accompanying financial report of the **Shire of BEVERLEY** which comprises the balance sheet, income statements, cash flow statement, rate setting statement and supporting notes for the year ended **30 June 2010**.

#### **Council's Responsibility for the Financial Report**

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) (**the Act**) and the Local Government (Financial Management) Regulations 1996 (as amended) (**the Regulations**). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council and the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Independence**

In conducting my audit I have complied with the independence requirements of Australian professional ethical pronouncements.

#### **Auditor's Opinion**

In my opinion the financial report of the **Shire of BEVERLEY** is in accordance with the Act and the Regulations including giving a true and fair view of the shire's financial position as at **30 June 2010** and the results of its operations for the year ended on that date and complying with Australian Accounting Standards.

#### **Other Matters**

In accordance with the Regulations I report that in my opinion,

- (a) There were no matters that indicated a significant adverse trend in the financial position or the financial management practices of the shire,
- (b) There were no material matters noted by me indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls in any other written law,
- (c) All necessary information and explanations were obtained by me and
- (d) All audit procedures were satisfactorily completed in conducting my audit.



**Gregory Froomes Wyllie CPA**  
Perth, Western Australia  
29 November 2010

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## Notes



# Shire of Beverley

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