



# **SHIRE of BEVERLEY**



# **ANNUAL REPORT**

**YEAR ENDED 30 JUNE 2009**

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## **ANNUAL REPORT**

**FOR YEAR ENDED 30<sup>TH</sup> JUNE 2009**

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## SHIRE OF BEVERLEY

### FACT FILE

<b>Shire President</b>	J D (Jim) Alexander (Retiring 2009)
<b>Deputy Shire President</b>	D J (Dee) Ridgway (Retiring 2011)
<b>Councillors</b>	B M (Belinda) Foster (Retiring 2009)
	P (Peter) Gogol (Retiring 2009)
	W S (Bill) McDonald (Retiring 2009)
	K M (Keith) Murray (Retiring 2011)
	M G (Mal) Roberts (Retiring 2011)
	L C (Lew) Shaw (Retiring 2011)

<b>Chief Executive Officer</b>	K L (Keith) Byers
<b>Deputy Chief Executive Officer</b>	S P (Stephen) Gollan
<b>Shire Planner</b>	P (Peter) Wright
<b>Principal Works Supervisor</b>	S (Steve) Vincent
<b>Environmental Health Officer</b>	P (Peter) Ibbott
<b>Building Surveyor</b>	M (Marko) Valentini

#### Council Statistics

Distance from Perth	131km
Land area in sq kilometres	2,310
Length of sealed roads (km)	241
Length of unsealed roads (km)	516.5
Population	1,700
Number of electors	1,800
Number of dwellings	748
Number of Full Time Employees	26

#### Shire Suburbs & Localities

Beverley, Mawson, Kokeby, Dale, Waterhatch

#### Council Administration Centre Details

136 Vincent Street, Beverley W.A. 6304	
PO Box 20, Beverley W.A. 6304	
Telephone Number:	08 9646 1200
Facsimile Number:	08 9646 1409
Email Address:	<a href="mailto:admin@beverley.wa.gov.au">admin@beverley.wa.gov.au</a>

#### Council Meetings

Council holds its ordinary meetings on the 4<sup>th</sup> Tuesday of each month commencing at 10.00am. Public question time is available at the beginning of every ordinary meeting to give members of the public the opportunity to put a question to Council on any issue.

**Shire of Beverley**  
**Shire President's Annual Report**  
**Relating to the Financial Year Ended 30<sup>th</sup> June 2009**

Ladies and Gentlemen it is my pleasure as President to present the Shire of Beverley's Annual Report for the financial year ending 30<sup>th</sup> June 2009.

**STRUCTURAL REFORM**

On the 5<sup>th</sup> February, 2009 Local Government in Western Australia was thrown into turmoil when the Minister announced strategies for local government reform based on a voluntary reduction in the number of Councils and elected representatives.

The first task set by the Minister was to submit a reform checklist which was forwarded to the Steering Committee by the due date. This was then analysed and the Shire of Beverley assessed as a Category 2 Council. i.e. structural reform including amalgamation/boundary adjustment and formalisation of regional groupings should be considered to enhance service organisational and financial capacity to meet current and future community needs.

The second and most critical part of the Minister's demands was to seek partners to form a voluntary amalgamated Council, taking into account the community's wishes and submit a proposal to him no later than the 30<sup>th</sup> September, 2009.

At a public meeting held on the 23<sup>rd</sup> April, 2009 it was overwhelmingly resolved to support Council's involvement with the South East Avon Voluntary Regional Organisation of Councils (SEAVROC) and opposed any form of amalgamation.

Council along with the SEAVROC shires have employed Mr Dominic Carbone to formulate a submission to the Minister.

In the meantime Council continues to work towards the original aims of SEAVROC and is pressing the Minister for legislative change to enable SEAVROC to become a regional subsidiary.

**ROYALTIES FOR THE REGION**

In December, 2008 the Minister for Regional Development, the Hon. Brendon Grylls, announced the Country Local Government fund component of the Royalties for the Region Scheme.

Council is extremely grateful for the \$604,000 that was offered to Beverley for the 2008/09 year and has earmarked the funds for Independent Living Units in Dawson Street.

As at the 30<sup>th</sup> June, 2009 Council is preparing plans and specifications along with a business plan which will be available for public comment early in 2010.

### **FEDERAL GOVERNMENT STIMULUS PACKAGE**

Council was fortunate to receive \$100,000 from the Rudd Government as part of this stimulus package. Unfortunately the timeframe to expend the grant did not allow Council to enter into public consultation and a decision was made to seal the walkways in the various cemeteries within the Beverley townsite.

This initiative has obviously been appreciated as a group of anonymous persons have turned these sites into a sea of colour. I would like to take the opportunity to thank those involved for their generosity.

### **MEN'S SHED**

The Men's Shed continues to grow at a steady rate. Apart from ensuring the health and general well being of those involved the group has provided an added resource to the community assisting in a multitude of projects.

In recognition of their importance Council has granted them a 10 year lease of the Old Fire Station building.

### **POLICEMAN OF THE YEAR**

During the year Senior Sergeant Paul Daly was the recipient of the WA Policeman of the Year Award. This is a very prestigious honour and was given in recognition of his work within the community, particularly his involvement with the youth.

Congratulation to Paul and thanks to his wife Jodie for her patience and understanding.

### **100<sup>TH</sup> ANNIVERSARY OF SCHEME WATER**

As mentioned in the President's Report last year the celebrations for the 100<sup>th</sup> Anniversary of the scheme water connection to Beverley was conducted on 5 February 2008.

At the time a commemorative tap was erected, however it looked quite stark on its own. In April 2009 to assist with the enhancement of the area one of our younger members of the community James Adams not only planned the now existing garden but also rolled up his sleeves and undertook the necessary labour. Many thanks James.

## **LATE NEIL FLOOD**

On the 13<sup>th</sup> May, 2009, I received the devastating news that fellow Councillor Neil Flood had suddenly passed away. Although Neil only served as a Councillor for a short time his energy and knowledge of local government was a wonderful asset which will prove difficult to replace.

To his wife Bev and family we again express our sincere sympathy and thank you for sharing Neil with us.

## **CONCLUSION**

On behalf of Council I would like to also recognise the numerous volunteers of our district. As there are too many to list individually, for the fear of missing persons or organisations, I trust you will accept my apologies if you feel aggrieved by your omission. To you all, on behalf of Council and our community many thanks.

In conclusion to my fellow Councillors, Keith and his staff, my sincere thanks to you for your invaluable support throughout the year and your enormous contribution to Council and the district. We have had to deal with various situations and as a team we have managed positive outcomes for the district and its electors.

**CR JIM ALEXANDER  
SHIRE PRESIDENT**

**Shire of Beverley  
Chief Executive Officer Report  
Relating to the Financial Year Ended 30<sup>th</sup> June 2009**

It is with much pleasure I present the Chief Executive Officer Report for the 2008/09 financial year.

**Finances:**

During the year ending 30<sup>th</sup> June 2009 Council received grant funding totalling \$2,675,790.00 and raised rate revenue of \$1,934,028.00.

The total operating revenue for the year was \$5,415,354.00 and total operating expenditure was \$3,644,628.00.

As at the 30<sup>th</sup> June, 2009, Council had reserve funds of \$1,936,960.00. Council has been developing its reserve funds over a number of years to enable capital purchases to be made in the near future.

The breakdown of Council's Reserve Fund is as follows –

▪ Office Equipment Reserve	\$ 22,726.00
▪ Annual Leave Reserve	\$ 112,984.00
▪ Building Reserve	\$ 682,380.00
▪ Plant Reserve	\$ 423,904.00
▪ Recreation Ground Reserve	\$ 265,230.00
▪ Bush Fire Fighters Reserve	\$ 87,285.00
▪ Avon River Development Reserve	\$ 17,615.00
▪ Community Bus Reserve	\$ 21,856.00
▪ Cropping Committee Reserve	\$ 112,888.00
▪ Road Construction Reserve	\$ 190,092.00

Council did not raise any new loans in 2008/09. The overall loan liability as at the 30<sup>th</sup> June, 2009 was \$347,829.00. This figure includes \$160,924.00 for a self supporting loan, raised on behalf of the Bowling Club.

**Roadworks:**

Council's workforce completed the following Roadworks Program throughout 2008/09.

Greenhills South Road	Seal 2.8 km's from York Boundary plus Gravel Sheet.
Waterhatch Road	Reconstruct Shoulders, Bridge approaches to bridge 3195, Reconstruct and cement stabilise 1 km.

Talbot West Road	Realign and Seal last three corners to York Boundary.
Trees Lopping	Westdale, Butcher, Lupton, Dale Bin North, Buckingham, Morbinning and Waterhatch Roads
York Williams Road	Gravel Sheeted 6 km's.
Westdale Road	Reseal 3.65 km (slk 0.00-0.85, 16-17 & 21-22.75) Reconstruct, widen and seal out to 7m (slk 17-19) including Edison Mill Rd intersection, clear shoulders in preparation for 09-10.
Railway Street	Construct and seal from the south side of Willeys to Horley Street. Kerb the east side from Shed Street to Horley Street.
Shed Street	Reconstruct and seal, include kerbing on the south side to join up with Railway Street.
Edwards Street	Construct new Footpath between Forrest and Lennard Streets.
Various Town Street and Rural Roads	Reseals

**Land Transfers, Subdivisions and Building Applications:**

Throughout the year the following land/building transactions were processed:

- 53 Land Transfers were processed.
- 12 Subdivision Applications processed.
- 79 Building Applications were processed of which 14 were for new dwellings.

**Purchase of Plant:**

Council replaced the following items of Plant:

Dual Cab	\$54,154.00
Front Deck Mower	\$15,138.00



**Staff:**

With the exception of Council's Manager Health and Building Services, Frank Buise, who was replaced by Peter Ibbott (Health) and Marco Valentini (Building), I have been fortunate to retain a very capable management team of Steve Gollan - Deputy Chief Executive Officer, Steve Vincent - Works Supervisor and Peter Wright – Shire Planner. Attracting and retaining staff at a time of strong economic growth however is an increasing challenge for Council. The mining industry and lack of skilled personnel is a fact that will need to be confronted if places like Beverley are to remain competitive.

Changes to staff saw the departure of Christine Emanuel and Orla Moulds who has taken maternity leave. I would like to thank each for their contribution.

The new arrivals this financial year are Lois Salkild and Miriam Wright.

To all staff I offer my sincere appreciation for their invaluable support throughout the year.

**Statement on Compliance with the 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;

- 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 2009/10 financial year. Health Local Laws were adopted in 2002/2003.

#### **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 our present activities as they relate to the six desired DAIP outcomes.

1. Council is continually adapting our 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. We are 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, e-mail, SMS or verbally.
6. Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances

community members may have regarding the services available to the disabled.

### **Public Interest Disclosure & Disclosure of Annual Salaries:**

#### **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 of Beverley does not tolerate corrupt or other improper conduct, including mismanagement of public resources and the exercise of the public functions of the Shire and its officers, employees and contractors.

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 2008/09 there were no disclosures made under the Act.

#### **Annual Salaries**

In accordance with regulation 19B of the Local Government (Administration) Regulations 1996, a Local Government is to disclose in its Annual Report:

1. The number of employees of the Shire of Beverley entitled to an annual salary of \$100,000.00 or more, and
2. The number of those employees with an annual salary entitlement that fall within each band of \$10,000.00 over \$100,000.00.

There is one employee of the Shire of Beverley receiving an annual salary entitlement of between \$100,000.00 and \$110,000.00.

#### **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 role 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.

**Plan for the Future:**

The changes to the Local Government Act 1995 replaced the need for a Principal Activity Plan with the need to Plan for the Future of the district.

Council's Plan for the Future expires on the 30<sup>th</sup> June 2008 and this has been further developed and forms part of Councils 2009 / 2010 budget.

**Freedom of Information:**

The Freedom of Information Act 1992 is applicable to the Shire of Beverley.

During the year ended 30<sup>th</sup> June 2009 the Shire of Beverley received no requests for information under the Freedom of Information Act 1992.

In accordance with section 96(1) of the Freedom of Information Act 1992, the Shire of Beverley has produced an "Information Statement" which is available at the Shire Office.

The Information Statement contains information on the type of documents available to the public and how to access those documents.

In conclusion I wish to extend my sincere thanks to President Jim Alexander for his enormous contribution to Council and the district. Jim along with his fellow Councillors has been a great support to me throughout the year and for that I am truly thankful.

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

**SHIRE OF BEVERLEY**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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**SHIRE OF BEVERLEY**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**STATEMENT BY 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 30th June 2009 are in my opinion properly drawn up to present fairly the financial position of the Shire of Beverley at 30th June 2009 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the *29<sup>th</sup>* day of *OCTOBER* 2009.

  
\_\_\_\_\_  
Keith Byers  
Chief Executive Officer

**SHIRE OF BEVERLEY  
INCOME STATEMENT  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Rates	22	1,934,028	1,892,168	1,749,432
Operating Grants, Subsidies and Contributions	28	1,598,696	1,110,443	1,000,630
Fees and Charges	27	400,720	360,085	375,421
Interest Earnings	2(a)	155,207	131,534	176,879
Other Revenue		<u>237,738</u>	<u>259,115</u>	<u>109,496</u>
		4,326,389	3,753,345	3,411,858
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs		(945,476)	(1,045,488)	(1,106,309)
Materials and Contracts		(1,117,485)	(1,496,141)	(653,569)
Utility Charges		(43,730)	(15,000)	(93,339)
Depreciation on Non-Current Assets	2(a)	(1,185,981)	(1,040,597)	(1,030,865)
Interest Expenses	2(a)	(23,626)	(23,332)	(26,854)
Insurance Expenses		(179,730)	(244,747)	(132,877)
Other Expenditure		<u>(152,186)</u>	<u>(100,676)</u>	<u>(191,078)</u>
		<u>(3,648,214)</u>	<u>(3,965,981)</u>	<u>(3,234,891)</u>
		678,175	(212,636)	176,967
<b>Non-Operating Grants, Subsidies and Contributions</b>				
	28	1,077,094	571,201	501,482
Profit on Asset Disposals	20	11,871	37,200	39,818
Loss on Asset Disposal	20	<u>(20,039)</u>	<u>(16,500)</u>	<u>(12,647)</u>
<b>NET RESULT</b>		<u><u>1,747,101</u></u>	<u><u>379,265</u></u>	<u><u>705,620</u></u>

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

**SHIRE OF BEVERLEY  
INCOME STATEMENT  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Governance		6,407	1,300	14,337
General Purpose Funding		3,271,988	2,963,925	2,849,421
Law, Order, Public Safety		47,078	45,305	74,655
Health		34,359	53,271	47,773
Education and Welfare		13,800	13,800	0
Housing		887,154	282,060	47,332
Community Amenities		216,220	112,670	125,628
Recreation and Culture		139,372	110,471	81,274
Transport		638,733	644,344	510,665
Economic Services		93,300	73,600	80,367
Other Property and Services		66,943	53,000	121,706
	2 (a)	<u>5,415,354</u>	<u>4,353,746</u>	<u>3,953,158</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE</b>				
Governance		(398,213)	(434,065)	(275,240)
General Purpose Funding		(100,646)	(86,467)	(71,120)
Law, Order, Public Safety		(60,322)	(77,778)	(73,455)
Health		(40,398)	(142,114)	(126,945)
Education and Welfare		(31,457)	(37,689)	(14,070)
Housing		(134,858)	(149,810)	(129,196)
Community Amenities		(455,841)	(454,055)	(248,420)
Recreation & Culture		(552,663)	(697,221)	(462,267)
Transport		(1,600,147)	(1,276,205)	(1,544,228)
Economic Services		(209,973)	(268,827)	(197,196)
Other Property and Services		(60,110)	(326,918)	(78,547)
	2 (a)	<u>(3,644,628)</u>	<u>(3,951,149)</u>	<u>(3,220,684)</u>
<b>BORROWING COSTS EXPENSE</b>				
Governance		(293)	0	0
Education & Welfare		(3,079)	(3,079)	(3,289)
Housing		(458)	(458)	(2,241)
Recreation & Welfare		(14,616)	(19,795)	(15,646)
Economic Services		(5,179)	0	(5,678)
	2 (a)	<u>(23,625)</u>	<u>(23,332)</u>	<u>(26,854)</u>
<b>NET RESULT</b>		<u><u>1,747,101</u></u>	<u><u>379,265</u></u>	<u><u>705,620</u></u>

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



**SHIRE OF BEVERLEY  
BALANCE SHEET  
AS AT 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	3,374,540	2,261,992
Trade and Other Receivables	4	200,206	233,865
Inventories	5	14,394	12,645
<b>TOTAL CURRENT ASSETS</b>		<u>3,589,140</u>	<u>2,508,502</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	195,220	199,688
Property, Plant and Equipment	6	4,783,268	4,815,935
Infrastructure	7	31,679,722	29,451,021
<b>TOTAL NON-CURRENT ASSETS</b>		<u>36,658,210</u>	<u>34,466,644</u>
<b>TOTAL ASSETS</b>	17	<u>40,247,350</u>	<u>36,975,146</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	234,240	312,124
Long Term Borrowings	9	31,833	46,094
Provisions	10	238,253	221,767
<b>TOTAL CURRENT LIABILITIES</b>		<u>504,326</u>	<u>579,985</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9	315,997	347,830
Provisions	10	34,321	9,796
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>350,318</u>	<u>357,626</u>
<b>TOTAL LIABILITIES</b>		<u>854,644</u>	<u>937,611</u>
<b>NET ASSETS</b>		<u>39,392,706</u>	<u>36,037,535</u>
<b>EQUITY</b>			
Retained Surplus		35,847,676	34,389,515
Reserves - Cash Backed	11	1,936,960	1,648,020
Reserves - Asset Revaluation	12	1,608,070	0
<b>TOTAL EQUITY</b>		<u>39,392,706</u>	<u>36,037,535</u>

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

**SHIRE OF BEVERLEY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
<b>RETAINED SURPLUS</b>			
Balance as at 1 July 2008		34,389,515	33,912,193
Net Result		1,747,101	705,620
Transfer from/(to) Reserves		<u>(288,940)</u>	<u>(228,298)</u>
Balance as at 30 June 2009		<u>35,847,676</u>	<u>34,389,515</u>
<b>RESERVES - CASH BACKED</b>			
Balance as at 1 July 2008		1,648,020	1,419,722
Amount Transferred (to)/from Retained Surplus		<u>288,940</u>	<u>228,298</u>
Balance as at 30 June 2009	11	<u>1,936,960</u>	<u>1,648,020</u>
<b>RESERVES - ASSET REVALUATION</b>			
Balance as at 1 July 2008		0	0
Revaluation Increment		1,608,070	0
Revaluation Decrement		<u>0</u>	<u>0</u>
Balance as at 30 June 2009	12	<u>1,608,070</u>	<u>0</u>
<b>TOTAL EQUITY</b>		<u><u>39,392,706</u></u>	<u><u>36,037,535</u></u>

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

**SHIRE OF BEVERLEY  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,971,128	1,892,168	1,662,752
Operating Grants, Subsidies and Contributions		1,598,696	1,110,443	1,000,630
Fees and Charges		391,628	511,426	463,516
Interest Earnings		155,207	131,534	176,879
Goods and Services Tax		258,491	300,000	266,982
Other Revenue		<u>237,738</u>	<u>259,115</u>	<u>109,496</u>
		4,612,888	4,204,686	3,680,255
<b>Payments</b>				
Employee Costs		(877,172)	(1,045,488)	(1,172,737)
Materials and Contracts		(1,351,039)	(1,803,610)	(493,046)
Utility Charges		(43,730)	(15,000)	(93,339)
Insurance Expenses		(179,730)	(244,747)	(132,877)
Interest expenses		(23,626)	(23,332)	(26,854)
Goods and Services Tax		(132,963)	(300,000)	(273,938)
Other Expenditure		<u>(152,186)</u>	<u>(100,676)</u>	<u>(191,078)</u>
		(2,760,446)	(3,532,853)	(2,383,869)
<b>Net Cash Provided By (Used In)</b>				
<b>Operating Activities</b>	13(b)	<u>1,852,442</u>	<u>671,833</u>	<u>1,296,386</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(457,656)	(765,460)	(724,417)
Payments for Construction of Infrastructure		(1,428,823)	(1,521,673)	(1,218,138)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,077,094	571,201	501,482
Proceeds from Sale of Plant & Equipment		<u>104,366</u>	<u>150,500</u>	<u>196,164</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>		(705,019)	(1,565,432)	(1,244,909)
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(46,094)	(46,093)	(59,135)
Proceeds from Self Supporting Loans		<u>11,219</u>	<u>0</u>	<u>7,856</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>		(34,875)	(46,093)	(51,279)
<b>Net Increase (Decrease) in Cash Held</b>				
Cash at Beginning of Year		1,112,548	(939,692)	198
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u><u>3,374,540</u></u>	<u><u>1,321,554</u></u>	<u><u>2,261,992</u></u>

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

**SHIRE OF BEVERLEY  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$
<b>REVENUES</b>			
Governance		6,407	1,300
General Purpose Funding		1,337,960	1,071,757
Law, Order, Public Safety		47,078	45,305
Health		34,359	61,271
Education and Welfare		13,800	13,800
Housing		887,154	282,060
Community Amenities		216,220	112,670
Recreation and Culture		139,372	110,471
Transport		638,733	644,344
Economic Services		93,300	73,600
Other Property and Services		66,943	53,000
		<u>3,481,326</u>	<u>2,469,578</u>
<b>EXPENSES</b>			
Governance		(398,506)	(434,065)
General Purpose Funding		(100,646)	(86,467)
Law, Order, Public Safety		(60,322)	(77,778)
Health		(40,398)	(150,114)
Education and Welfare		(34,536)	(40,768)
Housing		(135,316)	(150,268)
Community Amenities		(455,841)	(454,055)
Recreation & Culture		(567,279)	(717,016)
Transport		(1,600,147)	(1,276,205)
Economic Services		(215,152)	(268,827)
Other Property and Services		(60,110)	(326,918)
		<u>(3,668,253)</u>	<u>(3,982,481)</u>
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
(Profit)/Loss on Asset Disposals	20	8,168	(20,700)
Movement in Deferred Pensioner Rates (Non-Current)	4	(7,273)	0
Movement in Employee Benefit Provisions	10	41,011	0
Depreciation on Assets	2(a)	1,185,981	1,040,597
<b>Capital Expenditure and Revenue</b>			
Purchase Land and Buildings	6	(236,226)	(317,460)
Purchase Infrastructure Assets - Roads	7	(1,383,655)	(1,491,673)
Purchase Infrastructure Assets - Other	7	(45,168)	(30,000)
Purchase Plant and Equipment	6	(213,067)	(448,000)
Purchase Furniture and Equipment	6	(8,363)	0
Proceeds from Disposal of Assets	20	104,366	150,500
Repayment of Debentures	21	(46,094)	(46,093)
Self-Supporting Loan Principal Income	4	11,219	0
Transfers to Reserves (Restricted Assets)	11	(509,276)	(125,535)
Transfers from Reserves (Restricted Assets)	11	220,336	452,000
<b>ADD</b> Surplus July 1 B/Fwd		540,010	543,564
<b>LESS</b> Estimated Surplus June 30 C/Fwd		1,409,070	86,465
<b>Amount Required to be Raised from Rates</b>	<b>22</b>	<b><u>(1,934,028)</u></b>	<b><u>(1,892,168)</u></b>

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

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**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 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 (as amended).

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 fair value through profit and loss and certain classes of non-current assets.

**Critical Accounting Estimates**

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of 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 financial report.

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 19 to 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 uncollectible amounts.

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

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(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 for 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 not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(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	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(i) Investments and Other Financial Assets**

***Classification***

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

*(i) Financial assets at fair value through profit and loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

*(iii) Held-to-maturity investments*

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

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

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

***Recognition and derecognition***

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

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



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(i) Investments and Other Financial Assets (Continued)**

***Subsequent measurement***

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

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains 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.

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(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 of recognition.

**(m) Employee Benefits**

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

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

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

**(ii) 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.

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(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 reliably estimated. Provisions are not recognised for future operating losses.

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

**(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 financial statements 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 16.

**(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 Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

**(s) Superannuation**

The Council contributes to 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.

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

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

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

**(u) Rounding Off Figures**

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

**(v) Comparative Figures**

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

**(w) Budget Comparative Figures**

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

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(x) New Accounting Standards and Interpretations**

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 2009

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

<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(ii) Revised AASB 123 Borrowing Costs (includes AASB 2009-1) and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007 and April 2009	1 January 2009	Nil – There have been two revisions to the Standard. The first removed the option to expense all borrowing costs and required the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The second (AASB2009-1) reinstated the choice to either expense or capitalise in the case of not-for-profit entities. There will be no impact on the financial report of the Council as it already capitalises borrowing costs relating to qualifying assets and will continue to do so.
(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of Financial Position), being as at the beginning of the comparative period.

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(x) New Accounting Standards and Interpretations (Continued)**

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs.
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 July 2009	The revisions embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council.  It is not anticipated the more significant changes will have any effect on the financial report as the topics are not relevant to the operations of the Council.
(v) AASB 2008-11 Amendments to Australian Accounting Standard – Business Considerations Among Not-for-Profit Entities	November 2008	1 July 2009	Nil – Whilst this standard has the effect of applying AASB 3 Business Combinations to the Not-for-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27.
(vi) AASB 2008-1 Amendments to Australian Accounting Standard – Share-Based Payments: Vesting Conditions and Cancellations	February 2008	1 January 2009	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 2008-2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligations Arising on Liquidation	March 2008	1 January 2009	

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(x) New Accounting Standards and Interpretations (Continued)**

(vi) (Continued) Title and Topic	Issued	Applicable (*)	Impact
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 January 2009	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 2007-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	July 2008	1 January 2009	
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	August 2008	1 July 2009	
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009	
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
Interpretation 1 – Changes in Existing, Decommissioning, Restoration and Similar Liabilities	June 2008	1 January 2009	

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(x) New Accounting Standards and Interpretations (Continued)**

(vi) (Continued)	Title and Topic	Issued	Applicable (*)	Impact
	Interpretation 12 – Service Concession Arrangements	June 2007	1 January 2009	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.
	Interpretation 15 – Agreements for the Construction of Real Estate	August 2008	1 January 2009	
	Interpretation 16 – Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2008	
	Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
	Interpretation 18 – Transfers of Assets from Customers	March 2009	Ending 1 July 2009	

**Notes:**

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





**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(b) Statement of Objective**

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

**GOVERNANCE**

Costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services. :

**GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

**HEALTH**

Food quality and pest control, support to child health clinic, doctor and dental clinic.

**EDUCATION AND WELFARE**

Operation of Preschool facilities, contribution towards telecentre and donation towards school awards.

**HOUSING**

Maintenance of staff housing and retirement village.

**COMMUNITY AMENITIES**

Rubbish collection services, operations of waste disposal sites, noise control, administration of town planning scheme, maintenance of cemeteries, contribution towards protection to the environment.

**RECREATION AND CULTURE**

Maintenance of halls, swimming pool, recreation grounds and various reserves; operation of library and art gallery; maintenance of courthouse and Dead Finish Museum.

**TRANSPORT**

Construction and maintenance of roads, bridges; cleaning and lighting of streets; depot maintenance and assistance in airstrip maintenance.

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

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

**ECONOMIC SERVICES**

The regulation and provision of tourism, area promotion, building control, noxious weeds control, vermin control and standpipes.

**OTHER PROPERTY & SERVICES**

Private works, plant repairs and operation costs.

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Conditions Over Contributions</b>		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (i.e. opening balances).		
Grants for Road to Recovery (Transport)	62,906	136,582
Grants for Crime Prevention (Law, Order, Public safety)	13,524	0
	76,430	136,582
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Grants for Beverley Railway Station (Transport)	77,000	13,524
Grants for Independent living units (Housing)	302,840	0
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Grants for Crime Prevention (Law, Order, Public safety)	(13,524)	0
Grants for Road to Recovery (Transport)	0	(73,676)
Grants for Road to Recovery (Transport)	(62,906)	0
Closing balances of unexpended grants	379,840	76,430
Comprises:		
Grants for Road to Recovery (Transport)	0	62,906
Grants for Beverley Railway Station (Transport)	77,000	0
Grants for Independent living units (Housing)	302,840	13,524
	379,840	76,430

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	1,057,740	537,543
Restricted	<u>2,316,800</u>	<u>1,724,449</u>
	<u><u>3,374,540</u></u>	<u><u>2,261,992</u></u>

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

Plant Reserve	423,904	441,292
Firefighters Reserve	87,285	81,579
Office Equipment Reserve	22,726	21,240
Building Reserve	682,380	448,566
Recreation Ground Reserve	265,230	251,379
Avon River Development Reserve	17,615	16,463
Annual Leave Reserve	112,984	107,083
Community Bus Reserve	21,856	20,427
Cropping Committee Reserve	112,888	82,165
Road Construction Reserve	190,092	177,824
Unspent Grants	<u>379,840</u>	<u>76,431</u>
	<u><u>2,316,800</u></u>	<u><u>1,724,449</u></u>

**4. TRADE AND OTHER RECEIVABLES**

**Current**

Rates Outstanding	131,400	168,500
Loan Receivable	8,870	8,348
Sundry Debtors	115,142	69,006
Provision for Doubtful Debts	(55,206)	(32,000)
GST Receivable	<u>0</u>	<u>20,011</u>
	<u><u>200,206</u></u>	<u><u>233,865</u></u>

**Non-Current**

Rates Outstanding - Pensioners	43,165	35,892
Loans - Clubs/Institutions	<u>152,055</u>	<u>163,796</u>
	<u><u>195,220</u></u>	<u><u>199,688</u></u>

**5. INVENTORIES**

**Current**

Fuel and Materials	<u>14,394</u>	<u>12,645</u>
	<u><u>14,394</u></u>	<u><u>12,645</u></u>

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	2009	2008
	\$	\$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings - Cost	4,262,637	4,026,411
Less Accumulated Depreciation	<u>(1,203,244)</u>	<u>(1,108,421)</u>
	3,059,393	2,917,990
Furniture and Equipment - Cost	402,399	397,589
Less Accumulated Depreciation	<u>(345,382)</u>	<u>(334,801)</u>
	57,017	62,788
Plant and Equipment - Cost	3,165,310	3,118,939
Less Accumulated Depreciation	<u>(1,574,284)</u>	<u>(1,372,007)</u>
	1,591,026	1,746,932
Hall Equipment - Cost	65,865	65,865
Less Accumulated Depreciation	<u>(45,004)</u>	<u>(41,881)</u>
	20,861	23,984
Bushfire Unit - Cost	238,601	238,601
Less Accumulated Depreciation	<u>(233,522)</u>	<u>(232,735)</u>
	5,079	5,866
Library Equipment - Cost	18,824	18,824
Less Accumulated Depreciation	<u>(17,956)</u>	<u>(17,728)</u>
	868	1,096
Swimming Pool - Cost	90,649	90,649
Less Accumulated Depreciation	<u>(81,350)</u>	<u>(80,534)</u>
	9,299	10,115
Other Equipment - Cost	144,940	144,940
Less Accumulated Depreciation	<u>(130,883)</u>	<u>(127,067)</u>
	14,057	17,873
Dental Equipment - Cost	39,838	39,839
Less Accumulated Depreciation	<u>(38,415)</u>	<u>(38,335)</u>
	1,423	1,504
Medical Practice - Cost	35,422	35,422
Less Accumulated Depreciation	<u>(11,177)</u>	<u>(7,635)</u>
	24,245	27,787
	<u><u>4,783,268</u></u>	<u><u>4,815,935</u></u>

SHIRE OF BEVERLEY  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Movements in Carrying Amounts**

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Hall Equipment \$	Bushfire Unit \$	Library Equipment \$	Swimming Pool \$	Other Equipment \$	Dental Equipment \$	Medical Practice \$	Total \$
Balance as at 1 July 2008	2,917,990	62,788	1,746,932	23,984	5,866	1,096	10,115	17,873	1,504	27,787	4,815,935
Additions	236,226	8,363	213,067	0	0	0	0	0	0	0	457,656
(Disposals)	0	(1,275)	(111,259)	0	0	0	0	0	0	0	(112,534)
Revaluation - Increments	0	0	0	0	0	0	0	0	0	0	0
- (Decrements)	0	0	0	0	0	0	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0	0	0	0	0	0	0
- reversals	0	0	0	0	0	0	0	0	0	0	0
Depreciation (Expense)	(94,823)	(12,859)	(257,714)	(3,123)	(787)	(228)	(816)	(3,816)	(81)	(3,542)	(377,789)
Other Movements											0
Balance as at 30 June 2009	<u>3,059,393</u>	<u>57,017</u>	<u>1,591,026</u>	<u>20,861</u>	<u>5,079</u>	<u>868</u>	<u>9,299</u>	<u>14,057</u>	<u>1,423</u>	<u>24,245</u>	<u>4,783,268</u>

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>7. INFRASTRUCTURE</b>		
Roads - Cost	0	37,882,519
Roads - at valuation 2009	43,238,285	0
Less Accumulated Depreciation	<u>(12,555,135)</u>	<u>(9,418,613)</u>
	<u>30,683,150</u>	<u>28,463,906</u>
Other - Cost	1,449,785	1,404,617
Less Accumulated Depreciation	<u>(453,213)</u>	<u>(417,502)</u>
	<u>996,572</u>	<u>987,115</u>
	 <u><u>31,679,722</u></u>	 <u><u>29,451,021</u></u>

Council has adopted a policy of re-valuing roads with significant regularity to ensure the carrying amount of each road asset is fairly stated at reporting date.

This policy accords with the requirements of AASB 116.

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**7. INFRASTRUCTURE (Continued)**

**Movements in Carrying Amounts**

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	<b>Roads \$</b>	<b>Other Infrastructure \$</b>	<b>Total \$</b>
Balance as at 1 July 2008	28,463,906	987,115	29,451,021
Additions	1,383,655	45,168	1,428,823
(Disposals)	0	0	0
Revaluation - Increments	1,608,070	0	1,608,070
- (Decrements)	0	0	0
Impairment - (losses)	0	0	0
- reversals	0	0	0
Depreciation (Expense)	(772,481)	(35,711)	(808,192)
Other Movements	0	0	0
Balance as at 30 June 2009	<u>30,683,150</u>	<u>996,572</u>	<u>31,679,722</u>



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Trade Creditors	192,127	295,852
Retention Fees	0	1,452
GST Payable	28,545	0
PAYG Payable	13,568	14,820
	<u>234,240</u>	<u>312,124</u>
<b>9. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge Debentures	<u>31,833</u>	<u>46,094</u>
	<u>31,833</u>	<u>46,094</u>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	<u>315,997</u>	<u>347,830</u>
	<u>315,997</u>	<u>347,830</u>
Additional detail on borrowings is provided in Note 21.		
<b>10. PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	142,558	134,105
Provision for Long Service Leave	95,695	87,662
	<u>238,253</u>	<u>221,767</u>
<b>Non-Current</b>		
Provision for Long Service Leave	<u>34,321</u>	<u>9,796</u>
	<u>34,321</u>	<u>9,796</u>

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	<b>2009</b> <b>\$</b>	<b>2009</b> <b>Budget</b> <b>\$</b>	<b>2008</b> <b>\$</b>
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Long Service Leave Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	6
Amount Used / Transfer from Reserve	0	0	(6)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(b) Plant Reserve</b>			
Opening Balance	441,292	441,293	248,660
Amount Set Aside / Transfer to Reserve	30,432	20,226	363,972
Amount Used / Transfer from Reserve	(47,820)	(172,000)	(171,340)
	<u>423,904</u>	<u>289,519</u>	<u>441,292</u>
<b>(c) Fire Fighters Reserve</b>			
Opening Balance	81,579	81,579	64,115
Amount Set Aside / Transfer to Reserve	5,706	3,739	17,464
Amount Used / Transfer from Reserve	0	0	0
	<u>87,285</u>	<u>85,318</u>	<u>81,579</u>
<b>(d) Office Equipment Reserve</b>			
Opening Balance	21,240	21,240	19,785
Amount Set Aside / Transfer to Reserve	1,486	974	1,455
Amount Used / Transfer from Reserve	0	0	0
	<u>22,726</u>	<u>22,214</u>	<u>21,240</u>
<b>(e) Building Reserve</b>			
Opening Balance	448,566	448,566	231,486
Amount Set Aside / Transfer to Reserve	406,330	70,559	217,080
Amount Used / Transfer from Reserve	(172,516)	(280,000)	0
	<u>682,380</u>	<u>239,125</u>	<u>448,566</u>
<b>(f) Recreation Reserve</b>			
Opening Balance	251,379	251,379	234,153
Amount Set Aside / Transfer to Reserve	13,851	11,522	17,226
Amount Used / Transfer from Reserve	0	0	0
	<u>265,230</u>	<u>262,901</u>	<u>251,379</u>
<b>(g) Annual Leave Reserve</b>			
Opening Balance	107,083	107,083	99,739
Amount Set Aside / Transfer to Reserve	5,901	4,908	7,344
Amount Used / Transfer from Reserve	0	0	0
	<u>112,984</u>	<u>111,991</u>	<u>107,083</u>

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	2009 \$	2009 Budget \$	2008 \$
<b>11. RESERVES - CASH BACKED (Cont..)</b>			
<b>(h) Avon River Development Reserve</b>			
Opening Balance	16,463	16,463	26,428
Amount Set Aside / Transfer to Reserve	1,152	755	1,635
Amount Used / Transfer from Reserve	0	0	(11,600)
	<u>17,615</u>	<u>17,218</u>	<u>16,463</u>
<b>(i) Community Bus Reserve</b>			
Opening Balance	20,428	20,427	19,029
Amount Set Aside / Transfer to Reserve	1,428	936	1,399
Amount Used / Transfer from Reserve	0	0	0
	<u>21,856</u>	<u>21,363</u>	<u>20,428</u>
<b>(j) Cropping Reserve</b>			
Opening Balance	82,166	82,165	71,327
Amount Set Aside / Transfer to Reserve	30,722	3,766	42,657
Amount Used / Transfer from Reserve	0	0	(31,818)
	<u>112,888</u>	<u>85,931</u>	<u>82,166</u>
<b>(k) Road Construction Reserve</b>			
Opening Balance	177,824	177,824	405,000
Amount Set Aside / Transfer to Reserve	12,268	8,150	28,824
Amount Used / Transfer from Reserve	0	0	(256,000)
	<u>190,092</u>	<u>185,974</u>	<u>177,824</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u><u>1,936,960</u></u>	<u><u>1,321,554</u></u>	<u><u>1,648,020</u></u>

All of the cash backed reserve accounts are supported by money held in financial institutions and match the amounts shown as restricted cash in Note 3.

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**11. RESERVES - CASH BACKED (Cont..)**

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

Long Service Leave Reserve

- to be used to fund long service leave and gratuity payment requirements.

Plant Reserve

- to be used for the purchase of major plant.

Firefighters Reserve

- to be used to purchase major fire fighting equipment.

Office Equipment Reserve

- to be used for the purchase and replacement of office equipment

Building Reserve

- to be used for the renovation or construction of new or existing Council buildings.

Recreation Reserve

- to be used for enhancements to the recreation grounds and buildings.

Annual Leave Reserve

- to be used to fund annual leave payments.

Avon River Development Reserve

- to be used to fund development of the Avon River pool and environs.

Community Bus Reserve

- to be used for capital improvements to the community bus.

Cropping Reserve

- to be used to assist community groups in relation to funding opportunities.

Road Construction Reserve

- to be used to fund the construction of Roads in the future.

**12. RESERVES - ASSET REVALUATION**

**2009**  
\$

**2008**  
\$

Asset revaluation reserves have arisen on revaluation of the following classes of assets:

(b) **Roads**

Balance as at 1 July 2008	0	0
Revaluation Increment	1,608,070	0
Revaluation Decrement	0	0
Balance as at 30 June 2009	1,608,070	0
<b>TOTAL ASSET REVALUATION RESERVES</b>	<b>1,608,070</b>	<b>0</b>

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(a) Reconciliation of Cash**

For the purposes of the cash flow statement, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the balance sheet as follows:

	2009 \$	2009 Budget \$	2008 \$
Cash and Cash Equivalents	<u>3,374,540</u>	<u>1,321,554</u>	<u>2,261,992</u>

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

Net Result	1,747,101	379,265	705,620
Depreciation	1,185,981	1,040,597	1,030,865
(Profit)/Loss on Sale of Asset	8,168	(20,700)	(27,171)
(Increase)/Decrease in Receivables	28,008	151,341	(5,541)
(Increase)/Decrease in Inventories	(1,749)	2,845	2,875
Increase/(Decrease) in Payables	(78,984)	(310,314)	155,858
Increase/(Decrease) in Employee Provisions	41,011	0	(64,638)
Grants/Contributions for the Development of Assets	<u>(1,077,094)</u>	<u>(571,201)</u>	<u>(501,482)</u>
<b>Net Cash from Operating Activities</b>	<u>1,852,442</u>	<u>671,833</u>	<u>1,296,386</u>

**(c) Undrawn Borrowing Facilities  
Credit Standby Arrangements**

Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	10,000	10,000
Credit Card Balance at Balance Date	<u>(2,439)</u>	<u>(1,161)</u>
<b>Total Amount of Credit Unused</b>	<u>7,561</u>	<u>8,839</u>

**Loan Facilities**

Loan Facilities - Current	31,833	46,094
Loan Facilities - Non-Current	<u>315,997</u>	<u>347,830</u>
<b>Total Facilities in Use at Balance Date</b>	<u>347,830</u>	<u>393,924</u>

<b>Unused Loan Facilities at Balance Date</b>	<u>0</u>	<u>0</u>
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**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**14. CONTINGENT LIABILITIES**

There are no known contingent liabilities at 30 June 2009.

**15. CAPITAL AND LEASING COMMITMENTS**

**(a) Finance Lease Commitments**

There are no Finance Lease Commitments at 30 June 2009.

**(b) Operating Lease Commitments**

There are no Operating Lease Commitments at 30 June 2009.

**(c) Capital Expenditure Commitments**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- plant & equipment purchases	0	56,925
Payable:		
- not later than one year	0	56,925

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**16. JOINT VENTURE**

The Shire together with the Shire of Quairading have a joint venture arrangement with regard to the provision of an Environmental Health and Building Surveying Service. The only assets are a motor vehicle and miscellaneous equipment. Council's one-third share of these assets is included in Property, Plant & Equipment as follows:

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Non-Current Assets</b>		
Plant & Equipment	13,580	13,580
Less: Accumulated Depreciation	<u>(1,704)</u>	<u>(84)</u>
	<u><u>11,876</u></u>	<u><u>13,496</u></u>

**17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

Governance	1,441,762	649,662
General Purpose Funding	119,972	208,284
Law, Order, Public Safety	462,323	383,772
Health	63,445	69,956
Housing	1,336,427	859,813
Community Amenities	152,386	133,228
Recreation and Culture	1,521,082	1,981,541
Transport	31,996,954	28,529,576
Economic Services	126,279	13,182
Other Property and Services	1,968,980	1,728,366
Unallocated	<u>1,057,740</u>	<u>2,417,766</u>
	<u><u>40,247,350</u></u>	<u><u>36,975,146</u></u>

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

<b>18. FINANCIAL RATIOS</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Current Ratio	2.703	1.137	1.920
Untied Cash to Unpaid Trade Creditors Ratio	4.516	1.817	4.515
Debt Ratio	0.021	0.025	0.025
Debt Service Ratio	0.011	0.025	0.018
Gross Debt to Revenue Ratio	0.054	0.114	0.096
Gross Debt to Economically Realisable Assets Ratio	0.041	0.052	0.062
Rate Coverage Ratio	0.362	0.448	0.480
Outstanding Rates Ratio	0.066	0.090	0.056

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**19. TRUST FUNDS**

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

	Balance 1-Jul-08 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-09 \$
Rates Monies	6,468	23,152	(9,837)	19,783
Secondhand House Deposit	4,600	5,000	0	9,600
Retirement Village Bond	1,745	315	0	2,060
House Bonds	30,000	15,000	(20,000)	25,000
Subdivision	1,500	0	0	1,500
Housing Rental Bonds	400	0	(400)	0
Gibson Raison Settlement	2,329	0	0	2,329
Unclaimed Funds	515	446	0	961
	<u>47,557</u>			<u>61,233</u>

**20. DISPOSALS OF ASSETS - 2008/09 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>						
Statesman Sedan (CEO)	38,572	39,000	35,000	36,000	(3,572)	(3,000)
Commodore Station Wagon (DCEO)	22,778	12,000	14,916	12,000	(7,862)	0
UPS	1,275	0	0	0	(1,275)	0
<b>Health</b>						
Commodore Omega Sedan (EHO)	0	12,000	0	5,250	0	(6,750)
Commodore Omega Sedan (EHO)	0	12,000	0	5,250	0	(6,750)
Commodore Omega Sedan (DR)	0	12,000	0	20,000	0	8,000
<b>Transport</b>						
Isuzu NPR300 Dual Cab (BE016)	9,601	12,000	21,472	22,000	11,871	10,000
Afron Cherry Picker (BE027)	0	0	0	8,000	0	8,000
Toyota Hilux Ute (BE031)	8,931	10,000	8,182	16,000	(749)	6,000
Rodeo Dual Cab (WS)	29,008	20,800	23,636	26,000	(5,372)	5,200
Rover Ride-on Mower	2,369	0	1,160	0	(1,209)	0
	<u>112,534</u>	<u>129,800</u>	<u>104,366</u>	<u>150,500</u>	<u>(8,168)</u>	<u>20,700</u>

Profit	11,871	37,200
(Loss)	(20,039)	(16,500)
	<u>(8,168)</u>	<u>20,700</u>

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**21. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-08 \$	New Loans \$	Principal Repayments		Principal 30-Jun-09		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Welfare and Education</b>								
Loan 112 Frail Aged Lodge	50,375	0	3,527	3,526	46,848	46,849	3,079	3,079
<b>Housing</b>								
Loan 111 Council Housing	16,106	0	16,106	16,106	0	0	458	458
<b>Recreation and Culture</b>								
Loan 115 Oval Water Supply	75,211	0	9,860	9,860	65,351	65,351	4,209	4,209
Loan 116 Caravan Park Upgrade	82,959	0	8,253	8,253	74,706	74,706	5,179	5,179
Loan 117 Bowling Club Greens*	169,272	0	8,348	8,348	160,924	160,924	10,407	10,407
	<b>393,923</b>	<b>0</b>	<b>46,094</b>	<b>46,093</b>	<b>347,829</b>	<b>347,830</b>	<b>23,332</b>	<b>23,332</b>

\* Loan 117 is a self supporting loan repaid by the Beverley Bowling Club.  
All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2008/09

No new debentures were planned in 2008/09.

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

(c) Unspent Debentures

There were no unspent debentures at 30 June 2009.

(d) Overdraft

Council does not have an overdraft facility to assist with short term liquidity requirements.

SHIRE OF BEVERLEY  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2009

22. RATING INFORMATION - 2008/09 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>General Rate</b>											
GRV	0.121539	464	3,214,636	392,894	(12,322)	0	380,572	380,686	0	0	380,686
UV Rural	0.009155	645	166,984,500	1,481,831	8,541	0	1,490,372	1,522,660	0	0	1,522,660
UV Mt Kokeby & Mawson	0.009155	5	546,000	7,278	0	0	7,278	5,758	0	0	5,758
<b>Sub-Totals</b>		1,114	170,745,136	1,882,003	(3,781)	0	1,878,222	1,909,104	0	0	1,909,104
<b>Minimum Rates</b>	<b>Minimum \$</b>										
GRV	600	187	444,292	119,162	(7,741)	0	111,421	120,600	0	0	120,600
UV Rural	600	32	566,500	172,895	(80,135)	0	92,760	20,400	0	0	20,400
UV Mt Kokeby & Mawson	600	7	214,900	0	0	0	0	4,200	0	0	4,200
UV Mining	600	4	78,169	0	0	0	0	2,400	0	0	2,400
<b>Sub-Totals</b>		230	1,303,861	292,057	(87,876)	0	204,181	147,600	0	0	147,600
<b>Ex-Gratia Rates</b>							2,082,403				2,056,704
							2,817				0
<b>Discounts (refer note 25)</b>							2,085,220				2,056,704
<b>Totals</b>							(151,192)				(164,536)
							1,934,028				1,892,168

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**23. SPECIFIED AREA RATE - 2008/09 FINANCIAL YEAR**

Council did not levy a specified area rate during the 2008/09 financial year.

**24. SERVICE CHARGES - 2008/09 FINANCIAL YEAR**

No service charges were levied during the 2008/09 financial year.

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS**  
**- 2008/09 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	10.00%	151,192	164,536

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

**26. INTEREST CHARGES AND INSTALMENTS - 2008/09 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11%	0	20,451	5,000
Interest on Deferred Rates	11%	0	0	1,000
Charges on Instalment Plan	5.5%	8	5,568	4,400
			26,019	10,400

No interest is charged under section 6.13 for the late payment of money (other than rates). Interest of 11% is charged on outstanding rates and rubbish charges which is applied from the due dates for rates.

Ratepayers have the option of paying rates in instalments. Council has resolved to offer ratepayers the opportunity to pay by one of the following methods:

- (i) Payment with a 10% discount if paid within 35 days following the date of issue.
- (ii) Payment by (4) instalments incurring an administration fee of \$8.00 and interest from the due date to the date of each instalment.

Due dates for each instalment are

First Instalment	22 September 2008
Second Instalment	17 November 2008
Third Instalment	12 January 2009
Fourth Instalment	10 March 2009

**27. FEES & CHARGES**

	2009 \$	2008 \$
Governance	0	2,995
General Purpose Funding	11,575	14,964
Law, Order, Public Safety	2,673	7,109
Health	43,735	0
Housing	0	47,333
Community Amenities	116,220	105,307
Recreation and Culture	51,749	59,263
Transport	47,518	6,111
Economic Services	91,257	66,570
Other Property and Services	35,993	65,769
	<u>400,720</u>	<u>375,421</u>

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

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

<b>28. GRANT REVENUE</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	1,598,696	1,000,630
Non-Operating Grants, Subsidies and Contributions	1,077,094	501,482
	<u>2,675,790</u>	<u>1,502,112</u>
<b>By Program:</b>		
Governance	6,407	2,433
General Purpose Funding	1,171,178	908,145
Law, Order, Public Safety	44,405	67,546
Health	34,359	94
Education and Welfare	13,800	0
Housing	605,681	0
Community Amenities	100,000	19,954
Recreation and Culture	87,623	22,011
Transport	579,344	464,350
Economic Services	2,043	2,000
Other Property and Services	30,950	15,579
	<u>2,675,790</u>	<u>1,502,112</u>

<b>29. COUNCILLORS' REMUNERATION</b>	<b>2009</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	31,333	30,500	23,042
President's Allowance	4,500	5,000	4,140
Deputy President's Allowance	1,125	0	0
Travelling Expenses	1,354	2,500	1,339
	<u>38,312</u>	<u>38,000</u>	<u>28,521</u>

**30. EMPLOYEES' REMUNERATION**

No employees of the Shire are entitled to an annual salary of \$100,000 or more.

**31. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<b>2009</b>	<b>2008</b>
<u>26</u>	<u>25</u>

**32. MAJOR LAND TRANSACTIONS**

Council did not participate in any major land transactions during the 2008/09 financial year.

**33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2008/09 financial year.

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**34. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	3,374,540	2,261,992	3,374,540	2,261,992
Receivables	395,426	433,553	395,426	433,553
	<u>3,769,966</u>	<u>2,695,545</u>	<u>3,769,966</u>	<u>2,695,545</u>
<b>Financial Liabilities</b>				
Payables	234,240	312,124	234,240	312,124
Borrowings	347,830	393,924	220,944	255,129
	<u>582,070</u>	<u>706,048</u>	<u>455,184</u>	<u>567,253</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

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

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

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

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

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

	<b>30-Jun-09</b>	<b>30-Jun-08</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	2,578	2,617
- Income Statement	2,578	2,617

**Notes:**

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

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

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

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

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

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

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

	<b>30-Jun-09</b>	<b>30-Jun-08</b>
<b>Percentage of Rates and Annual Charges</b>		
- Current	11.12%	0.00%
- Overdue	88.88%	100.00%
<b>Percentage of Other Receivables</b>		
- Current	59.18%	89.57%
- Overdue	40.82%	10.43%

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables  
Borrowings**

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

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

	<u>2009</u>	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	234,240	0	0	0	234,240	234,240
Borrowings	52,744	52,744	364,348	364,348	469,836	347,830
	<u>286,984</u>	<u>52,744</u>	<u>364,348</u>	<u>364,348</u>	<u>704,076</u>	<u>582,070</u>
Payables	156,266	0	0	0	156,266	312,124
Borrowings	0	0	574,475	574,475	574,475	393,924
	<u>156,266</u>	<u>0</u>	<u>574,475</u>	<u>574,475</u>	<u>730,741</u>	<u>706,048</u>

**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Borrowings (Continued)**

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

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate %
	\$	\$	\$	\$	\$	\$	\$	

**Year Ended 30 June 2009**

**Borrowings**

<b>Fixed Rate</b>								
Debtentures	0	0	0	0	0	347,829	347,829	6.12%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	6.12%		

**Year Ended 30 June 2008**

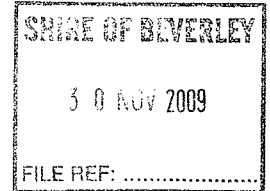
**Borrowings**

<b>Fixed Rate</b>								
Debtentures	16,107	0	0	0	0	377,817	393,924	6.10%
Weighted Average Effective Interest Rate	5.69%	0.00%	0.00%	0.00%	0.00%	6.11%		

# SHIRE OF BEVERLEY

## INDEPENDENT AUDIT REPORT

### TO THE ELECTORS OF THE SHIRE OF BEVERLEY



#### SCOPE

We have audited the financial report of the **Shire of Beverley** for the year ended **30 June 2009**. The Council is responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Shire of Beverley.

Our audit has been conducted in accordance with Australian Auditing Standards to provide a reasonable level of assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of Local Government Act, the Local Government Financial Management Regulations and Australian Accounting Standards and other mandatory professional reporting requirements so as to present a view of the Shire which is consistent with our understanding of its financial position and the results of its operations and cashflows.

The audit opinion expressed in this report has been formed on the above basis.

#### AUDIT OPINION

In our opinion, the financial report presents fairly the financial position of the **Shire of Beverley** as at **30 June 2009** and the results of its operations and cashflows for the year then ended in accordance with the requirements of the Local Government Act, the Local Government Financial Management Regulations, applicable Accounting Standards and other mandatory professional reporting requirements.

#### STATUTORY COMPLIANCE

We did not become aware of any instances where the Council did not comply with the requirements of the Local Government Act and the Local Government Financial Management Regulations.

A handwritten signature in black ink, appearing to read 'Gregory Froomes Wyllie'.

**Gregory Froomes Wyllie**  
Certified Practising Accountant  
Perth, Western Australia  
26 November 2009.