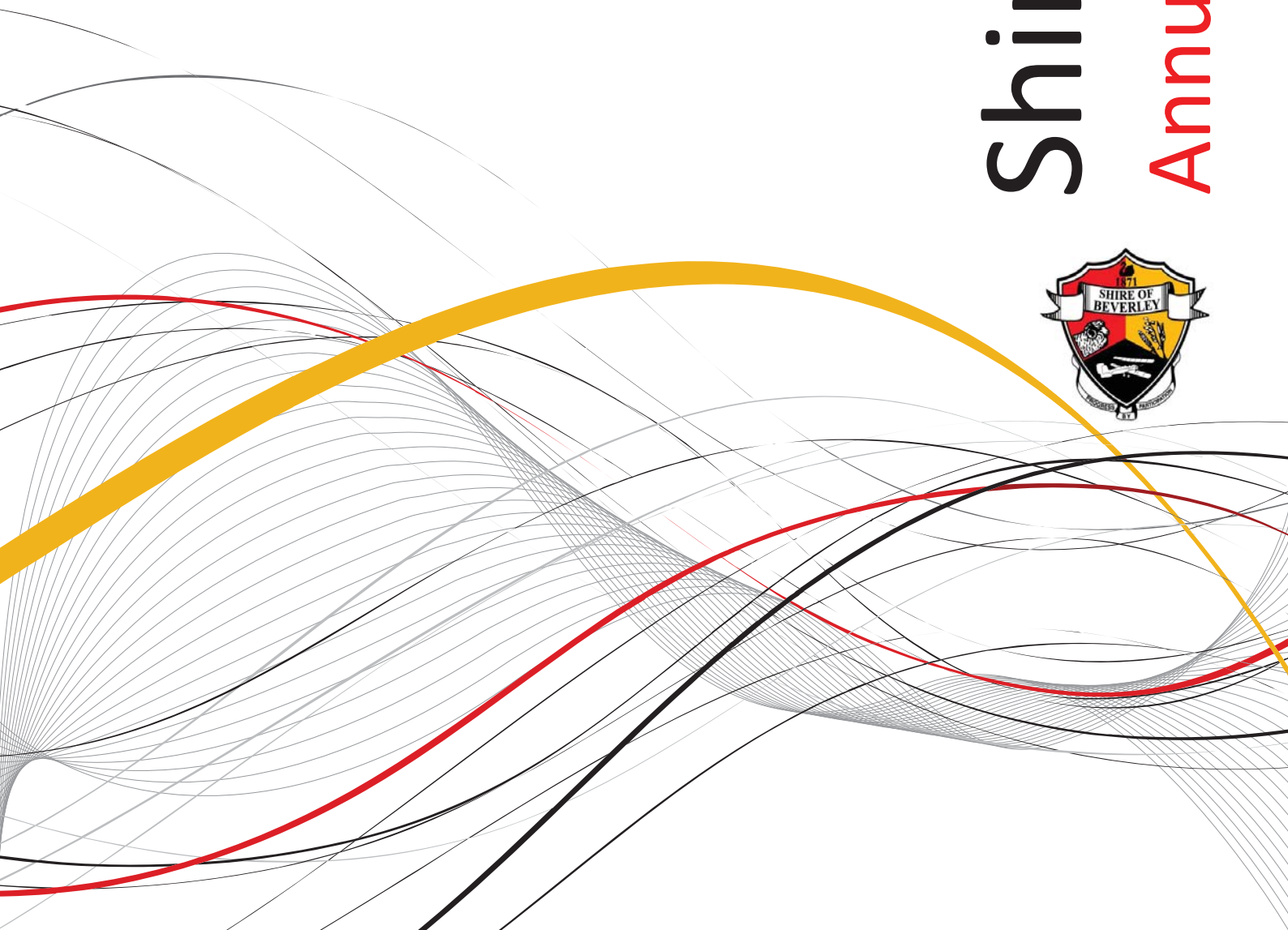
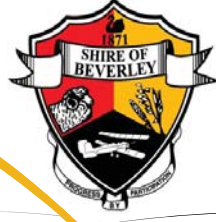


# Shire of Beverley

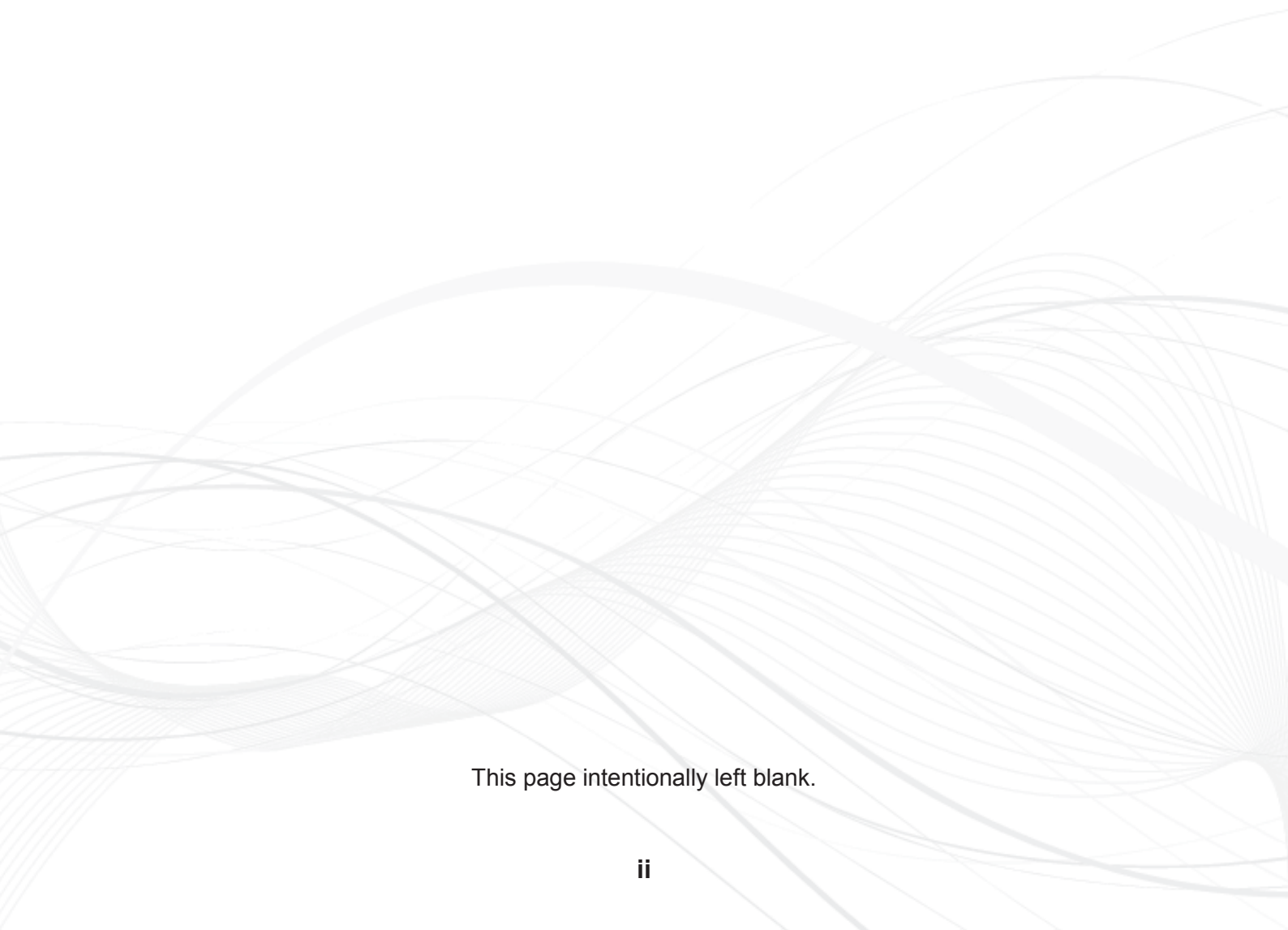
Annual Report 2013/2014





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# Vision, Aim, Goals and Values

## Our Vision

A place for community.

Our Shire will be:

- A place for enhanced community;
- A place that values its past and history;
- A place that is welcoming and friendly;
- A place that is safe, relaxed and peaceful; and
- A place to live, work and visit.

## Our Aim

To sustain and build population, and to ensure the delivery of sustainable services to our community.

## Our Goals

### Social

- Build population growth through providing employment opportunities.
- Strengthen our advocacy role and regional partnerships in the provision of local services.
- Maintain and nurture the sense of community.

### Environmental

- Preserve the natural environment.
- Maintain the rural identity of place.

### Economic

- Build economic capacity through local business growth.
- Value and maintain our heritage and past.
- Manage our assets sustainably.

# Our Values

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

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

# Objectives and Achievements

## Strategic Objectives for 2013/2014

The Council in its 2013/2014 Annual Budget proposed to undertake and achieve the following:

Strategic Activities	Planned Works	Timeline
1. Lesser Hall	Undertake refurbishments (ceiling, air-conditioning, and acoustics).	Complete by February 2014.
2. Recreation Facilities	Netball court surfacing, oval lighting, playground, and picnic area development.	Complete by June 2014.
3. Caravan Park	Onsite cabins and RV site (subject to funding).	Complete by March 2014.
4. Old School Building	Stabilisation of the building.	Complete by April 2014.
5. Road Upgrades	Ongoing upgrade works on Westdale and York-Williams Roads.	Complete by June 2014.

## Achievements for 2013/2014

### Lesser Hall

This project was completed in March 2014. The first event to be held in the refurbished Hall was the 2014 Beverley Easter Art Exhibition.

### Recreation Facilities

The netball court surfacing was completed in April 2014. Oval lighting and picnic area upgrade projects will be completed in 2014/2015. The Beverley Function and Recreation Centre was officially opened in March 2014.

### Caravan Park

The on site cabin development was dependent on Regional Development Australia Funding, which was relinquished after the Federal Election. Consequently, the development did not go ahead. Council will consider allocating funds towards further development of the caravan park in future Budgets.

### Old School Building

Stabilisation works required on the Old School Building did not proceed in the 2013/2014 Financial Year due to further investigation of the site being required. Stabilisation works will proceed in 2014/2015.

### Road Upgrades

Road widening and seal upgrades to the Westdale and York-Williams Roads continued, forming part of a \$1.976M investment in local road and bridge infrastructure in 2013/2014.

## Highlights of 2013/2014

During the 2013/2014 Financial Year, the Shire achieved the following:

1. Rate increases for the 2013/2014 Financial Year were limited to 4.0%. Rates levied allowed the Shire to continue to provide existing services, fund a number of new initiatives, and provide funds for the renewal of its infrastructure.
2. The completion of the netball court development, and official opening of the Beverley Function and Recreation Centre.
3. Expenditure on Capital Works is summarised as follows:
 

—	Land and Building	\$0.305M
—	Road Infrastructure	\$1.976M
—	Plant and Equipment	\$0.475M
—	Recreation Facilities	\$0.082M
4. A review of the Financial Management Information System, which is ongoing, with the aim of upgrading the current system in 2015/2016.
5. Implementation of a new Complaints Management System.
6. Implementation of fair value accounting for all asset classes, as per Local Government Financial Management Regulations.
7. Net surplus result of \$1.11M, which includes \$0.68M of committed funds and projects to be carried forward to 2014/2015, \$0.20M in projects that have been deferred, and \$0.23M in savings and additional income.

## Key Strategic Activities for 2014/2015

The following are the key activities funded in the 2014/2015 Annual Budget, and these will contribute in achieving the strategic vision, goals and outcomes detailed in the Shire's Strategic Community Plan.

Strategic Activities	Planned Works	Timeline
1. Town Hall	Replace iron roof and hardwire for alternative power connection.	Complete by May 2015.
2. Recreation Facilities	Upgrade of oval lighting and picnic area, and installation of an electronic scoreboard.	Complete by April 2015.
3. Platform Theatre	Installation of new toilet block.	Complete by February 2015.
4. Old School Building	Stabilisation of the building.	Complete by June 2015.
5. Grader Replacement	Replace grader (BE001) in line with Council's ten (10) year plant replacement program.	Complete by November 2014.



## Statement by Shire President

The 2013/2014 year has again been a productive year for the Shire of Beverley, with the Council continuing to take a long term approach to sustainability planning for our future.

Acceptable rate levels have continued to be maintained with an increase of 4%. The Shire ended the 2013/2014 Financial Year with a closing fund balance of \$1.11 million, which includes \$0.68 million of committed funds to be carried forward to 2014/2015, \$0.20 million in projects that have been deferred, and \$0.23 million in savings and additional income.

Capital expenditure on road works amounted to \$1.98 million, with just over \$0.6 million being spent on road maintenance.

Over the past twelve months, the Council has continued to develop its Integrated Planning Framework in order to meet statutory obligations. Integrated Planning aims to deliver the following outcomes:

- A long term Strategic Plan that clearly links community aspirations with Council's vision and long term strategy.
- A Corporate Business Plan that integrates resourcing plans and specific Council plans with the Strategic Plan.
- The Council has a clearly stated vision for the future viability of the local government area.

In order to achieve the above, the Shire has now completed all required Plans, including:

- Strategic Community Plan.
- Corporate Business Plan.
- Long Term Financial Plan.
- Asset Management Plans.
- Workforce Plan.

These Plans will be routinely reviewed and updated over the coming years, and will form the basis of Council's ongoing accountability and risk management practices.

At the October 2013 Local Government Elections, Cr Belinda Foster retired, and was farewelled after serving the community for sixteen years in this role. Councillors Jim Alexander, Peter Gogol, Chris Pepper and David White were re-elected, along with new Councillors Tom Buckland and Don Davis.

During the second half of 2013, the Shire hosted a vibrant and innovative group of University of Western Australia Landscape Architecture students, undertaking their final year portfolios. The broad array of design perspectives for the community based Rural Design Studio were collectively known as Studio One 18.

Council has supported investigation of a multi purpose community centre which would provide a range of community facilities in the one location, and free up much needed Shire Office space.

A Community and Economic Development Officer has been employed by the Shire. This role had been included in Council planning for many years, and to date is proving a worthwhile initiative.

The recreation building project completed in the previous Financial Year was officially opened in March 2014 by the Hon Tuck Waldron MLA. This facility is servicing our community and visitors extremely well and continually draws many favourable comments, as do the new courts and playground which were officially opened at the same time by the Hon Paul Brown MLC.

The Shire has been raising the issue of Rural and Regional heritage, and the cost to local government in restoring, refurbishing and maintaining heritage buildings. Support and liaison continues with the National Trust (WA) in determining a favourable and sustainable future for Avondale.

During the year an alliance was formed between Beverley, Brookton and Pingelly, to progress sustainable aged care planning, support and services, within and between our respective communities.

A Trails Master Plan has been completed, and will now form the basis for future development of individual components as funding becomes available.

My thanks are extended to fellow Councillors for their commitment in undertaking their roles on behalf of our community, and to Deputy Shire President Chris Pepper for support during the year.

I would also like to recognise the work of the Chief Executive Officer, Steve Gollan, his Management Team, and all staff for their collaboration, team work and dedicated service to our community during the year, which has been undertaken on the basis of cooperation, honesty, and integrity, for the continuing progressive operation of the Shire.

Cr Dee Ridgway  
President



# Chief Executive Officer's Report

The Local Government Act and its Regulations required that I undertake a review of the appropriateness and effectiveness of the financial systems and procedures of our Shire.

The Review of the Shire of Beverley was undertaken in July 2013 by an independent consultant.

I am pleased to acknowledge that the review found the systems and procedures developed by the Shire to be appropriate and effective across all areas of the Shire's operations.

As Chief Executive Officer, it is reassuring that the internal control procedures of the Shire are solid.

An amendment to the Local Government (Financial management) Regulations 1996 requires that local governments in Western Australia adopt fair value accounting principles for all physical non current assets. The Regulations outline the following time frames for fair value adoption for the different asset classes:

Financial Year	Asset Group / Resources
2012/2013	Plant and Equipment - using in house resources.
2013/2014 or 2014/2015 (Alternate Year to Infrastructure)	Land and Buildings (Including specialised and non specialised buildings at component level) - using industry costs guidelines.
2013/2014 or 2014/2015 (Alternate Year to Land and Building)	Infrastructure - revalued using industry unit costs - given that infrastructure is already reported and likely to have been recently revalued.
2014/2015	All other assets (including intangible, historical, and cultural assets, library books, art collections, etc).

Financial Year	Asset Group / Resources
Triennially - Ongoing	All asset classes revalued on a three (3) yearly cycle to enable plant and equipment evaluations by 30 June 2016, and again by 30 June 2019, and so on; land and buildings by 30 June 2017, and again by 30 June 2020, and so on.

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Shire has now completed the implementation of fair value accounting for all asset classes.

I wish to acknowledge the contribution of the Shire President, Elected Members, and staff in ensuring a high standard of performance for the 2013/2014 Financial Year.

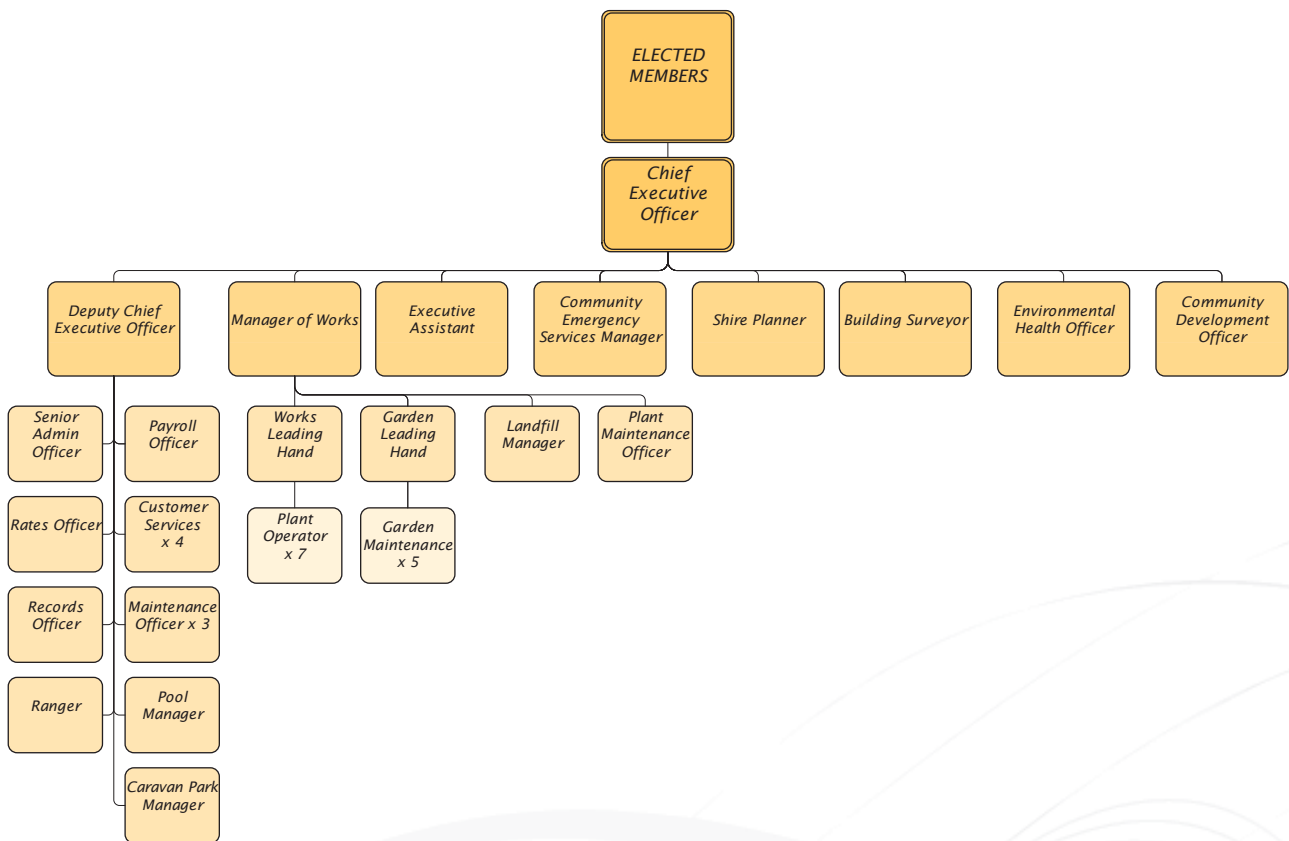
Mr S P Gollan  
Chief Executive Officer



# Organisational Structure

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

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



# Legislative Compliance

## National Competition Policy

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

### **The Structural Reform of Public Monopolies**

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

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

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

### **Competitive Neutrality**

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

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

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

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

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

### **Legislation Review**

In accordance with the National Competition Policy, all Local Laws are currently being reviewed.

# 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).

A review of the Plan was completed in June 2013, with Council adopting the DAIP 2013-2018 in July 2013. Council has developed the following strategies to improve access and inclusion in accordance with the desired DAIP outcomes:

## Outcome 1

People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.

<b>Strategy</b>
Ensure that people with disability are consulted on their needs for services and the accessibility of current services.
Monitor Shire services to ensure equitable access and inclusion.
Develop the links between the DAIP and other Shire plans and strategies.
District events, are accessible to people with Disability.
Promote Health and Wellbeing programmes.
Regularly promote Disability Services and programmes available within the Shire.

## Outcome 2

People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.

<b>Strategy</b>
Ensure that all buildings and facilities meet the standards for access and any demonstrated additional need.
Ensure that all new or redevelopment works provide access to people with Disability, where practicable.
Advocate to local businesses and tourist venues the requirements for and benefits flowing from the provision of accessible venues.
Ensure that all recreational areas are accessible.
Ensure that ACROD parking meets the needs of people with disability in terms of visibility, quantity and location.

## Outcome 3

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

<b>Strategy</b>
Ensure that the community is aware that Shire information is available in alternative formats upon request.
Improve staff awareness of accessible information needs and how to provide information in other formats.
Accommodate the provision of support personnel to significant events on request.
Ensure that the Shire's website meets contemporary good practice.

## Outcome 4

People with disability receive the same level and quality of service from the employees of a public authority as other people receive from the employees of that public authority.

<b>Strategy</b>
Ensure that all employees, current and new, and Elected Members are aware of disability and access issues and have the skills to provide appropriate services.

## Outcome 5

People with disability have the same opportunities as other people to make complaints to a public authority.

<b>Strategy</b>
Ensure that feedback and grievance mechanisms are known and accessible for people with disability.

## Outcome 6

People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

<b>Strategy</b>
Ensure that people with disability are actively consulted about the DAIP and any other significant planning processes.
Ensure that people with disability are aware of and can access other established consultative processes.

## Outcome 7

People with disability have the same opportunities as other people to maintain employment with the Shire of Beverley.

<b>Strategy</b>
Ensure that people with disability are actively encouraged to apply for employment with the Shire of Beverley.
Ensure that staff are informed and aware of the Council commitment to Equal Opportunity employment.

## Public Interest Disclosure

### Public Interest

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

The Shire 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 regarding corrupt or other improper conduct.

During the 2013/2014 Financial Year there were no disclosures made under the Act.



# Record Keeping Plan

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

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

## Rationale

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

## Minimum Compliance Requirements

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

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

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

## Register of Minor Complaints

Section 5.121 of the Local Government Act 1995 (Register of Certain Complaints of Minor Breaches), requires the Complaints Officer for each local government to maintain a Register of Complaints which records all complaints that result in action under Section 5.110(6) (b) or (c) of the Act (Conduct of Certain Officials).

Section 5.53 (2) (hb) of the Local Government Act 1995 requires disclosure in the Annual Report of details of entries made under Section 5.121 during the Financial Year in the Register of Complaints, including:

- (i) The number of complaints recorded on the register of complaints;
- (ii) How the recorded complaints were dealt with; and
- (iii) Any other details that the Regulations may require.

In accordance with these requirements, it is advised that no complaints or minor breaches under the Local Government Act 1995 were received during 2013/2014.

## Freedom of Information

Section 96 of the Freedom of Information Act requires local governments to publish an Information Statement.

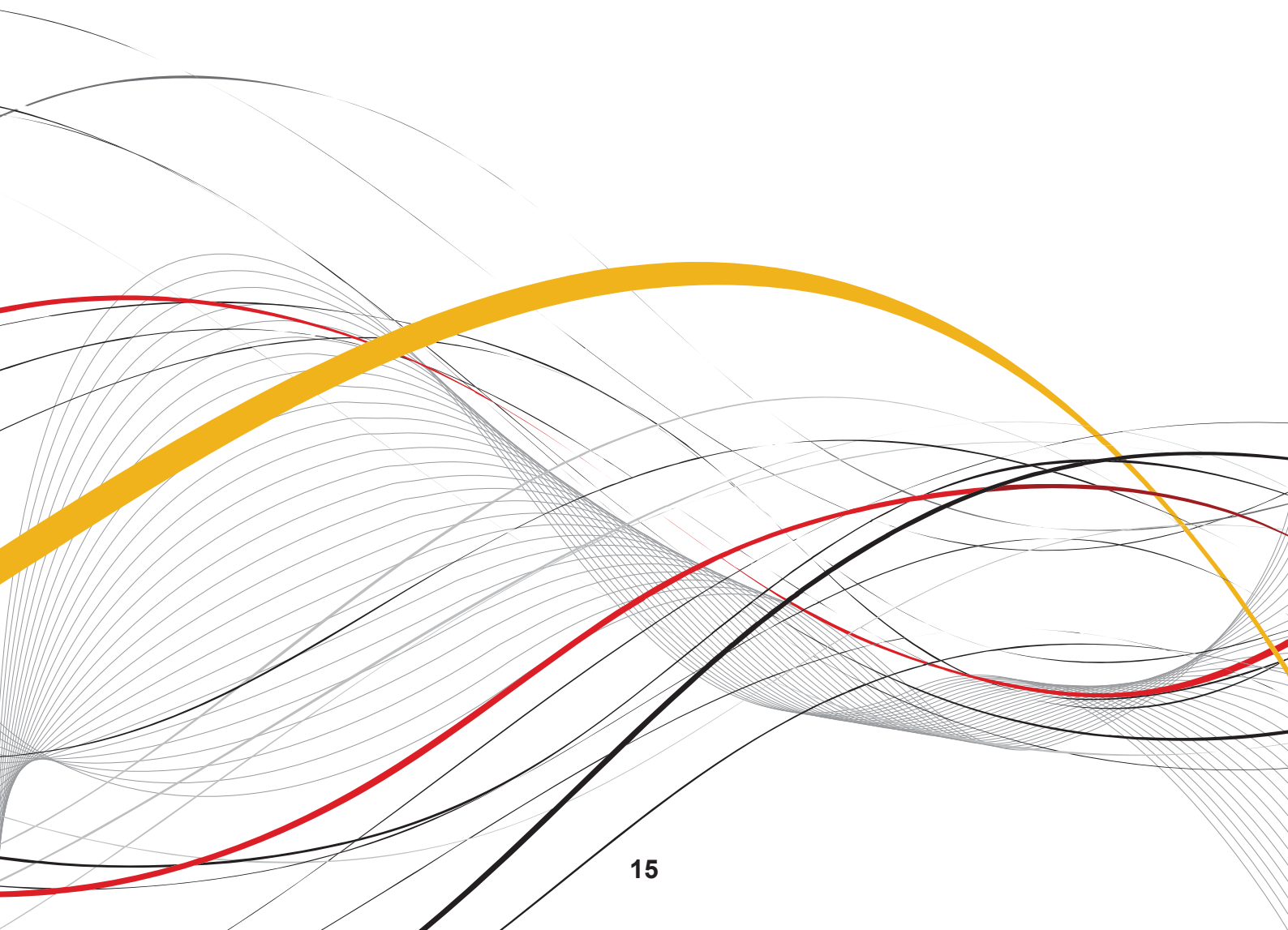
In summary, the Shire of Beverley's Statement indicates that the Shire of Beverley is responsible for the good governance of the Shire, and carries out functions as required, including statutory compliance and provision of services and facilities.

All Council meetings are open to the public, and meeting dates and venues are advertised on a regular basis. Members of the public are invited to ask questions during Public Question Time, shortly after the commencement of each meeting.

The Shire of Beverley maintains records relating to the function and administration of the Shire, each property within the Shire, and includes such documents as the Minutes of Meetings, Rate Book, Town Planning Scheme, Local Laws, Codes of Conduct, Register of Financial Interests, Register of Delegated Authority, Financial Statements, and Electoral Rolls. These documents can be inspected free of charge at the Shire Office, 136 Vincent Street, Beverley, during office hours.

No Freedom of Information requests were received in 2013/2014.

# Financial Statements 2013/2014





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# Financial Report for the Year Ended 30 June 2014

Local Government Act 1995  
Local Government (Financial Management) Regulations 1996

## Statement by the Chief Executive Officer

The attached Financial Report of the Shire of Beverley, being the Annual Financial Report, and other information for the Financial Year ended 30 June 2014, are in my opinion, properly drawn up to present fairly the financial position of the Shire of Beverley as at 30 June 2014, and the results of the operations for the Financial Year ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the Regulations under the Act.

Signed on the 22nd day of October 2014



Mr S P Gollan  
Chief Executive Officer



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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2014**

2012/2013 ACTUAL		Note	2013/2014 ADOPTED BUDGET	2013/2014 ACTUAL
\$			\$	\$
	<b>EXPENSES</b>	2,3,4		
2,541	General Purpose Funding		(40,853)	(44,552)
(257,735)	Governance		(208,616)	(229,372)
(170,721)	Law, Order, Public Safety		(180,569)	(181,471)
(94,162)	Health		(86,605)	(77,968)
(51,151)	Education and Welfare		(52,246)	(21,212)
(216,289)	Housing		(221,741)	(204,865)
(452,685)	Community Amenities		(524,453)	(493,869)
(795,381)	Recreation and Culture		(1,161,515)	(1,264,532)
(1,559,062)	Transport		(1,523,815)	(1,730,959)
(379,217)	Economic Services		(408,134)	(271,966)
(25,305)	Other Property and Services		(37,380)	(50,492)
(3,999,167)			(4,445,927)	(4,571,257)
	<b>REVENUE</b>	2,3,4		
3,178,572	General Purpose Funding		3,085,269	3,127,690
22,771	Governance		88,200	10,273
151,900	Law, Order, Public Safety		448,142	152,726
140	Health		0	13,600
5,504	Education and Welfare		4,500	2,850
73,511	Housing		86,316	72,572
120,383	Community Amenities		176,607	175,091
1,414,601	Recreation and Culture		1,388,010	535,711
1,747,852	Transport		736,332	743,405
180,289	Economic Services		79,000	78,985
116,830	Other Property & Services		67,700	94,507
7,012,353			6,160,076	5,007,410
3,013,186	<i>Increase (Decrease)</i>		1,714,149	436,153
	<b>DISPOSAL OF ASSETS</b>	6		
0	Land		0	0
31,182	Plant and Equipment		(32,500)	(90,892)
0	Furniture and Equipment		0	0
31,182	<i>Gain (Loss) on Disposal</i>		(32,500)	(90,892)
	<b>FINANCE COSTS</b>	7		
(2,089)	Housing		(1,816)	(1,799)
(16,600)	Recreation and Culture		(62,225)	(55,505)
(3,323)	Economic Services		(2,162)	(2,155)
(22,012)	<i>Increase (Decrease)</i>		(66,203)	(59,459)
<b>3,022,356</b>	<b>NET RESULT</b>		<b>1,615,446</b>	<b>285,802</b>
10,438,638	Changes on Revaluation of Non Current Assets	6	0	6,889,594
<b>13,460,994</b>	<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,615,446</b>	<b>7,175,396</b>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT THE YEAR ENDED 30TH JUNE 2014**

	NOTES	2012/2013 ACTUAL \$	2013/2014 ACTUAL \$	VARIANCE \$
<b>Current assets</b>				
Cash and Cash Equivalents	5	3,607,179	2,966,303	(640,875)
Trade and Other Receivables	28	390,412	321,296	(69,116)
Inventories	29	11,478	12,050	571
Other Assets		0	0	0
<b>Total Current Assets</b>		<b>4,009,069</b>	<b>3,299,650</b>	(709,420)
<b>Non Current Assets</b>				
Trade and Other Receivables	28	172,448	186,870	14,423
Property, Plant and Equipment	6	18,331,048	20,966,491	2,635,442
Infrastructure	6	39,332,895	44,827,174	5,494,279
<b>Total Non Current Assets</b>		<b>57,836,391</b>	<b>65,980,535</b>	8,144,144
<b>Total Assets</b>		<b>61,845,460</b>	<b>69,280,185</b>	7,434,725
<b>Current Liabilities</b>				
Trade and Other Payables	30	125,065	400,155	(275,090)
Interest Bearing Loans and Borrowings	7,31	66,517	69,985	(3,468)
Provisions	32	303,601	361,929	(58,328)
<b>Total Current Liabilities</b>		<b>495,183</b>	<b>832,069</b>	(336,885)
<b>Non Current Liabilities</b>				
Interest Bearing Loans and Borrowings	7,31	1,141,734	1,071,750	69,985
Provisions	32	36,619	29,046	7,574
<b>Total Non Current Liabilities</b>		<b>1,178,353</b>	<b>1,100,795</b>	77,558
<b>Total Liabilities</b>		<b>1,673,537</b>	<b>1,932,864</b>	(259,327)
<b>Net Assets</b>		<b>60,171,923</b>	<b>67,347,320</b>	7,175,397
<b>Equity</b>				
Accumulated Surplus		44,675,503	44,351,341	(324,162)
Net Result		0	285,804	285,804
Asset Revaluation Reserve	8	13,917,731	21,046,873	7,129,142
Other Reserves	8,11	1,578,689	1,663,302	84,613
<b>Total Equity</b>		<b>60,171,923</b>	<b>67,347,320</b>	7,175,398

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2014**

	Note	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET RE- VALUATION RESERVE \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2012</b>		<b>41,659,137</b>	<b>1,572,699</b>	<b>3,479,093</b>	<b>46,710,929</b>
Net Result		13,460,994	0	0	13,460,994
Total Other Comprehensive Income		0	0	0	0
Transfer from / (to) Retained Surplus		(10,444,628)	5,990	10,438,638	0
<b>Balance as at 30 June 2013</b>		<b>44,675,503</b>	<b>1,578,689</b>	<b>13,917,731</b>	<b>60,171,923</b>
Net Result		285,803	0	0	285,803
Total Other Comprehensive Income		6,889,594	0	0	6,889,594
Transfer from / (to) Equity Accounts		(239,548)	0	239,548	0
Transfer from / (to) Retained Surplus		(6,974,207)	84,613	6,889,594	0
<b>Balance as at 30 June 2014</b>		<b>44,637,145</b>	<b>1,663,302</b>	<b>21,046,873</b>	<b>67,347,320</b>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2014**

2012/2013 ACTUAL		Note	2013/2014 ADOPTED BUDGET	2013/2014 ACTUAL
\$			\$	\$
	<b>Cash Flows from Operating Activities</b>			
	<b>PAYMENTS</b>			
(1,221,452)	Employee Costs		(1,696,295)	(1,686,407)
(1,691,415)	Materials and Contracts		(918,151)	(1,228,073)
(168,054)	Utilities		(225,509)	(189,972)
(148,228)	Insurance		(195,148)	(126,057)
(15,258)	Interest Expenses		(66,203)	(66,203)
(411,746)	Goods and Services Tax		0	0
(146,653)	Other		(399,743)	246,075
<b>(3,802,807)</b>			<b>(3,501,049)</b>	<b>(3,050,637)</b>
	<b>RECEIPTS</b>			
2,192,647	Rates		2,286,689	2,295,230
1,519,077	Subsidies and Contributions		1,148,256	1,038,907
426,906	Fees and Charges		464,078	481,110
208,613	Interest Received		125,360	167,434
411,746	Goods and Services Tax		0	0
90,140	Other		66,300	82,317
<b>4,849,130</b>			<b>4,090,683</b>	<b>4,064,998</b>
<b>1,046,324</b>	<b>Net Cash Flows from Operating Activities</b>	<b>9</b>	<b>589,634</b>	<b>1,014,361</b>
	<b>Cash Flows from Investing Activities</b>			
	<b>Payments</b>			
0	Purchase Tools		0	0
(56,718)	Purchase Land and Buildings		(1,327,640)	(304,609)
(1,865,499)	Purchase Infrastructure Assets- Roads		(131,275)	(942,184)
(796,592)	Purchase Infrastructure Assets - Recreational Facilities		(544,000)	(82,377)
(18,337)	Purchase Infrastructure Assets - Other		(20,000)	0
(548,418)	Purchase Plant and Equipment		(940,020)	(474,807)
(76,488)	Purchase Furniture and Equipment		(105,000)	(29,804)
<b>(3,362,052)</b>			<b>(3,067,935)</b>	<b>(1,833,781)</b>
	<b>Receipts</b>			
0	Disposal of Land		0	0
0	Disposal of Furniture and Equipment		0	0
231,805	Disposal of Plant and Equipment		247,000	245,060
0	Contributions from Other Parties		0	0
<b>231,805</b>			<b>247,000</b>	<b>245,060</b>
<b>(3,130,247)</b>	<b>Net Cash Flows used in Investing Activities</b>		<b>(2,820,935)</b>	<b>(1,588,721)</b>
	<b>Cash Flows used in Financing Activities</b>			
(38,081)	Loan Repayments - Principal		(66,517)	(66,517)
1,000,000	Loan Borrowings		0	0
10,640	Principal Repayments Received		11,306	0
<b>972,559</b>	<b>Net Cash flows from Financing Activities</b>		<b>(55,211)</b>	<b>(66,517)</b>
<b>(1,111,364)</b>	<b>Net Decrease in Cash Held</b>		<b>(2,286,512)</b>	<b>(640,876)</b>
<b>4,718,543</b>	<b>Cash at the Beginning of Reporting Period</b>		<b>3,607,178</b>	<b>3,607,179</b>
<b>3,607,179</b>	<b>Cash at the End of Reporting Period</b>	<b>9</b>	<b>1,320,666</b>	<b>2,966,303</b>

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



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**RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2014**

2012/2013 ACTUAL		NOTE	2013/2014 ADOPTED BUDGET	2013/2014 ACTUAL
<b>\$</b>	<b>REVENUE</b>	2,3,4	<b>\$</b>	<b>\$</b>
974,820	General Purpose Funding		798,580	841,151
22,771	Governance		88,200	10,273
151,900	Law, Order Public Safety		448,142	152,726
140	Health		0	13,600
5,504	Education and Welfare		4,500	2,850
73,511	Housing		86,316	72,572
120,383	Community Amenities		176,607	175,091
1,414,601	Recreation and Culture		1,388,010	535,711
1,747,852	Transport		736,332	743,405
180,289	Economic Services		79,000	78,985
116,830	Other Property and Services		67,700	94,510
<b>4,808,601</b>			<b>3,873,387</b>	<b>2,720,874</b>
	<b>LESS EXPENDITURE</b>	2,3,4		
2,541	General Purpose Funding		(40,853)	(44,552)
(257,735)	Governance		(208,616)	(229,372)
(170,721)	Law, Order, Public Safety		(180,569)	(181,471)
(94,162)	Health		(86,605)	(77,968)
(51,151)	Education and Welfare		(52,246)	(21,212)
(218,378)	Housing		(223,557)	(206,664)
(452,685)	Community Amenities		(524,453)	(493,869)
(811,981)	Recreation and Culture		(1,223,740)	(1,320,037)
(1,559,062)	Transport		(1,523,815)	(1,730,959)
(382,540)	Economic Services		(410,296)	(274,121)
(25,305)	Other Property & Services		(37,380)	(50,492)
<b>(4,021,179)</b>			<b>(4,512,130)</b>	<b>(4,630,716)</b>
<b>787,422</b>	<i>Increase (Decrease)</i>		<b>(638,743)</b>	<b>(1,909,842)</b>
	<b>ADD</b>			
6,122	Movement in Employee Benefits Entitlements		0	(7,572)
(4,910)	Accounts Receivable Current to Non Current		0	(26,436)
11,207	Cash Backed Reserves Employee Entitlement		0	9,126
0	Supporting Loan (Non Current)		0	0
10,640	Principal Repayment Received - Loans	7,11	11,306	0
31,182	Profit/ Loss on the Disposal of Assets	6,11	(32,500)	(90,892)
1,153,570	Depreciation Written Back	6	924,853	1,292,138
200,623	Book Value of Assets Sold Written Back	6	279,500	335,952
<b>1,408,434</b>			<b>1,183,159</b>	<b>1,512,316</b>
<b>2,195,856</b>	<i>Sub Total</i>		<b>544,416</b>	<b>(397,526)</b>

**RATE SETTING STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 30TH JUNE 2014**

2012/2013 ACTUAL		NOTE	2013/2014 ADOPTED BUDGET	2013/2014 ACTUAL
	<b>LESS CAPITAL PROGRAMME</b>			
0	Purchase Tools		0	0
(56,718)	Purchase Land and Buildings	6,26	(1,327,640)	(304,609)
(1,865,499)	Infrastructure Assets - Roads	6,26	(2,352,462)	(1,976,621)
(3,269,006)	Infrastructure Assets - Recreation Facilities	6,26	(544,000)	(82,377)
(18,337)	Infrastructure Assets - Other	6,26	(20,000)	0
(548,418)	Purchase Plant and Equipment	6,26	(940,020)	(474,807)
(76,488)	Purchase Furniture and Equipment	6,26	(105,000)	(29,805)
(38,081)	Repayment of Debt - Loan Principal	7,11	(66,517)	(66,517)
(105,990)	Transfer to Reserves	8,11	(126,081)	(84,613)
(5,978,537)			(5,481,720)	(3,019,349)
<b>(3,782,681)</b>	<i>Sub Total</i>		<b>(4,937,304)</b>	<b>(3,416,875)</b>
	<b>LESS FUNDING FROM</b>			
1,000,000	Loans	7,11	0	0
100,000	Reserves	8,11	400,000	0
2,722,310	Opening Funds - July 1 Brought Forward	25	2,250,615	2,243,381
(2,243,381)	Closing Funds - June 30 Carried Forward	25	0	(1,113,045)
<b>1,578,929</b>			<b>2,650,615</b>	<b>1,130,336</b>
<b>(2,203,752)</b>	<b>AMOUNT TO BE MADE UP FROM RATES</b>		<b>(2,286,689)</b>	<b>(2,286,539)</b>

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

**STATEMENT OF RATING INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2014**

	CURRENT YEAR ESTIMATED 2013/2014												CURRENT YEAR ACTUAL 2013/2014											
	GENERAL RATE						MINIMUM RATE						GENERAL RATE						MINIMUM RATE					
	No of Prop	Rateable value \$	GRV/UV Rate in \$	Rate Yield \$	No	Minimums Rateable value \$	Min Rate \$	Yield \$	TOTAL \$	No of Prop	Rateable Value \$	GRV/UV Rate in \$	Rate Yield \$	No	Minimums Rateable Value \$	Min Rate \$	Yield \$	TOTAL \$						
General Rate GRV	504	5,275,063	0.095318	502,808	155	465,290	697.00	108,004	610,812	504	5,275,063	0.095318	502,808	155	465,290	697.00	108,035	610,843						
General Rate UV - Rural	655	225,225,500	0.008136	1,832,484	39	1,217,400	697.00	27,175	1,859,659	652	224,481,349	0.008136	1,826,430	39	1,217,400	697.00	27,183	1,853,613						
General Rate UV - Mt Kokeby and Mawson	3	395,000	0.008136	3,214	9	412,500	697.00	6,271	9,485	3	395,000	0.008136	3,214	9	412,500	697.00	6,273	9,487						
General Rate UV- Mining	0	0	0.008136	0	8	155,023	697.00	5,575	5,575	0	0	0.008136	0	8	155,023	697.00	5,576	5,576						
<b>SUB TOTAL GENERAL RATE</b>	<b>1,162</b>	<b>230,895,563</b>		<b>2,338,506</b>	<b>211</b>	<b>2,250,213</b>		<b>147,025</b>	<b>2,485,531</b>	<b>1,159</b>	<b>230,151,412</b>		<b>2,332,452</b>	<b>211</b>	<b>2,250,213</b>		<b>147,067</b>	<b>2,479,519</b>						
Interim Rates Discount Allowed									0									(525)						
Rounding																			(192,455)					
<b>SUB TOTAL</b>		0		0	0	0		0	(198,842)		0		0		0		0	(192,980)						
<b>GRAND TOTAL</b>	<b>1,162</b>	<b>230,895,563</b>		<b>2,338,506</b>	<b>211</b>	<b>2,250,213</b>		<b>147,025</b>	<b>2,286,689</b>	<b>1,159</b>	<b>230,151,412</b>		<b>2,332,452</b>	<b>211</b>	<b>2,250,213</b>		<b>147,067</b>	<b>2,286,539</b>						

NOTE: ( 1 ) THE OBJECT AND REASON FOR GENERAL AND MINIMUM RATE ( 2 ) RATES LEVIED IF NO MINIMUM RATE OF \$697 PA WAS IMPOSED

Council has imposed a general rate of 0.095318 GRV and a minimum rate of \$697.00 per annum, as Council perceives it to be a "reasonable" minimum level of rates which all ratepayers in its district should pay. The minimum rate reflects the basic cost incurred by the Council in servicing each lot or dwelling in its district.

Total GRV and UV Applicable to Properties that Minimum Rate Applies	X	in Dollar	General Rate	Rates Levied on Properties that the Minimum Rate Applies
5,740,353	X		\$0.095318	= \$ 547,159
226,661,272	X		\$0.008136	= \$ 1,844,116



# Notes to and Forming Part of the Financial Report For the Year Ended 30 June 2014

## 1. Summary of Significant Accounting Policies

### (a) Basis of Preparation

The Financial Report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not for profit entities).

Australian Accounting Standards (AAS) are those standards set by the Australian Accounting Standards Board (AASB), which outlines the way in which financial information is to be presented.

Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying Regulations, and material accounting policies which have been adopted in the preparation of this Financial Report, are presented below and have been consistently applied unless stated otherwise.

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

### Critical Accounting Estimates

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

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

### 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. A separate statement of those monies appears at Note 10 to these Financial Statements.

**(b) Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with receivables or payables in the Financial Position Statement.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the Australian Taxation Office, are presented as operating cash flows.

**(c) Cash and Cash Equivalents**

Cash and cash equivalents include cash at hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are reported as short term borrowings in current liabilities in the Financial Position Statement.

**(d) Trade and Other Receivables**

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

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

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

**(e) Inventories**

***General***

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

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

***Land Held for Sale***

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

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

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

**(f) Fixed Assets**

Each class of fixed assets within either property, plant and equipment, or infrastructure, is carried at cost or fair value, as indicated, less where applicable, any accumulated depreciation and impairment losses.

***Mandatory Requirement to Revalue Non Current Assets***

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

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

- (a) For the Financial Year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment.
- (b) For the Financial Year ending on 30 June 2014, the fair value of all of the assets of the local government -
  - (I) that are plant and equipment; and
  - (II) that are -
    - (i) land and buildings; or -
    - (ii) infrastructure.
- (c) For a Financial Year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

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

In 2013, Council commenced the process of adopting fair value in accordance with the Regulations.

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

***Land Under Control***

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

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

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

Consequently, these assets were initially recognised at cost but revalued along with other items of land and buildings at 30 June 2014.

### ***Initial Recognition and Measurement between Mandatory Revaluation Dates***

All assets are initially recognised at cost, and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration, plus costs incidental to the acquisition. For assets acquired at no cost, or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class, in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

### ***Revaluation***

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

### ***Transitional Arrangements***

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

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

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

### ***Early Adoption of AASB 13 - Fair Value Measurement***

Whilst the new accounting standard in relation to fair value, AASB 13 - Fair Value Measurement, only becomes applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using fair value methodology in the previous reporting period (year ended 30 June 2013), Council chose to adopt AASB 13 early.

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

### ***Land Under Roads***

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income in the period in which they arise.

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

***Capitalisation Threshold***

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

**(g) Fair Value of Assets and Liabilities**

When performing a revaluation, the Council uses a mix of both independent and management valuations, using the following as a guide.

Fair value is the price that Council would receive to sell the asset, or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair value of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (ie the market with the greatest volume and level of activity for the asset, or in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the asset in its highest and best use.

***Fair Value Hierarchy***

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy which categorises fair value measurement into one of three possible levels, based on the lowest level that an input that is significant to the measurement can be categorised into, as follows.

***Level 1***

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

***Level 2***

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

***Level 3***

Measurements based on unobservable inputs for the asset or liability.

Whilst such treatment is inconsistent with the requirements of AASB 051, 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.

**Depreciation**

The depreciable amount of all fixed assets, including buildings, but excluding freehold land, are depreciated on a straight line basis over the individual asset’s useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the expired period of the lease, or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods used for each class of depreciable asset are:

Buildings ..... 30 to 50 Years

Furniture and Equipment..... 4 to 10 Years

Plant and Equipment..... 5 to 15 Years

*Infrastructure*

Sealed Roads and Streets:

- *Clearing and Earthworks* ..... *Not Depreciated*
- *Construction/Road Base* ..... *50 Years*

Original Surfacing and Major Resurfacing

- *Bituminous Seals* ..... *20 Years*

Gravel Roads

- *Clearing and Earthworks* ..... *Not Depreciated*
- *Construction Base*..... *50 Years*
- *Gravel Sheeting* ..... *12 Years*

Formed Roads (Unsealed)

- *Clearing and Earthworks* ..... *Not Depreciated*
- *Construction/Road Base* ..... *50 Years*

Footpaths (Slab)..... 40 Years

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

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

#### ***Valuation Techniques***

The Council selects a valuation technique that is appropriate in the circumstances, and for which sufficient data is available, to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches.

#### ***Market Approach***

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

#### ***Income Approach***

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

#### ***Cost Approach***

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs, and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions), and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and are considered observable, whereas inputs for which market data is not available, and therefore are developed using the best information available about such assumptions, are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations, requires as a minimum, all assets carried at a revalued amount to be revalued at least every three years.

### **(h) Financial Instruments**

#### ***Initial Recognition and Measurement***

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

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

#### ***Classification and Subsequent Measurement***

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

Amortised cost is calculated as:

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

The effective interest method is used to allocate interest income or interest expense over the relevant period, and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs, and other premiums or discounts), through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument, to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the varying value with a consequential recognition of an income or expense in profit or loss.

**(i) *Financial Assets at Fair Value through Profit and Loss***

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. 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, and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

**(iii) *Held to Maturity Investments***

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

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

**(iv) *Available for Sale Financial Assets***

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

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



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

**(v) Financial Liabilities**

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

**Impairment**

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

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

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

Or financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

**Derecognition**

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

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

**(i) Impairment of Assets**

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

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

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

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

**(j) Trade and Other Payables**

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

**(k) Employee Benefits**

***Short Term Employee Benefits***

Provision is made for the Council's obligations for short term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, and sick leave. Short term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council's obligations for short term employee benefits, such as wages, salaries and sick leave, are recognised as part of current trade and other payables in the Statement of Financial Position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the Statement of Financial Position.

***Other Long Term Employee Benefits***

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within twelve months after the end of the annual reporting period in which the employees render the related service. Other long term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions or obligations for other long term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long term employee benefits are presented as non current provisions in its Statement of Financial Position, except where the Council does not have an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case the obligations are presented as current provisions.

**(l) 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 until such time as the asset is substantially ready for its intended use or sale.

**(m) Provisions**

Provisions are recognised when the Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

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

**(n) Leases**

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

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

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

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

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

**(o) Investment in Associates**

An associate is an entity over which the Council has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity, but is not control or joint control of those policies. Investments in associates are accounted for in the Financial Statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post acquisition change in the Council's share of net assets of the associate. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

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

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

When the Council's share of losses in an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

**(p) Interest in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture, and accounted for using the equity method. Refer to Note 1 (o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the Financial Statements. Information about the joint ventures is set out in Note 21.

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

**(r) Superannuation**

The Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

**(s) 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 twelve months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond twelve months, such as vested long service leave, the liability is classified as current, even if not expected to be settled within the next twelve months. Inventories held for trading are classified as current, even if not expected to be realised in the next twelve months, except for land held for sale where it is held as non current based on the Council's intentions to release for sale.

**(t) Rounding Off Figures**

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

**(u) Comparative Figures**

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement, or reclassifies items in its Financial Statement, an additional (third) Statement of Financial Position as at the beginning of the preceding period, in addition to the minimum comparative Financial Statements is presented.

**(v) 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.

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

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

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

Title		Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i)	AASB 9 - Financial Instruments	December 2013	1 January 2017	Nil - The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the Standard will have any material effect.
(ii)	AASB 2010-7 - Amendments  To Australian Accounting Standards Arising from AASB 9 (December 2010)  (AASB 1, 3, 4., 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038; and Interpretations 2, 5, 10, 12, 19 and 27)	December 2013	1 January 2017	Nil - the revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9, which is not anticipated to have any material effect on the Council (refer (i) above).

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iii) AASB 2011-7 - Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards (Not for Profit Entities)  (AASB 1, 3, 5, 7, 9, 2009-11, 1011, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 and 1038; and Interpretations 5, 9, 16 and 17)	December 2012	1 January 2014	Consequential changes to various Standards arising from the issuance of AASB 10, 11, 12, 127 and 128.  It is not expected to have a significant impact on Council.
(iv) AASB 2012-3 - Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities  (AASB 132)	June 2012	1 January 2014	This Standard adds application guidance to AASB 132 - Financial Instruments - Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set off", and that some gross settlement systems may be considered equivalent to net settlement.  This Standard is not expected to significantly impact the Council's Financial Statements.
(v) AASB 2013-3 - Amendments to AASB 136 - Recoverable Amount Disclosures for Non Financial Assets	June 2013	1 January 2014	This standard makes amendments to AASB 136, and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.  It is not expected to have a significant impact on Council.
(vi) AASB 2013-8 - Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not for Profit Entities - Control and Structured Entities  (AASB 10, 12 and 1049)	October 2013	1 January 2014	This Standard adds Appendix E to AASB 10 to provide implementation guidance for Not for Profit Entities regarding control criteria from the perspective of Not for Profit Entities.  It is note expected to have a significant impact on Council.

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(vii) AASB 2013-9 - Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments  (Operative Dates: Part A Conceptual Framework - 20 December 2013; Part B Materiality - 1 January 2014; Part C Financial Instruments - 1 January 2015)	December 2013	Refer Title Column	<p>Part A of this Standard makes various editorial corrections to Australian Accounting Standards.</p> <p>Part B of this Standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031.</p> <p>Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards, and amends the permissions around certain applications relating to financial liabilities reissued at fair value.</p> <p>As the bulk of changes related either to editorial or reference changes, it is not expected to have a significant impact on Council.</p>
<p>Notes:  <sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.</p>			

**(x) Adoption of New and Revised Accounting Standards**

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

These new and revised Standards were:

- |          |              |              |
|----------|--------------|--------------|
| AASB 10  | AASB 128     | AASB 2012-2  |
| AASB 11  | AASB 2011-7  | AASB 2012-3  |
| AASB 12  | AASB 2011-9  | AASB 2012-5  |
| AASB 119 | AASB 2011-10 | AASB 2012-10 |
| AASB 127 |              |              |

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the Council, as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of International Financial Reporting Standards (IFRS), or related to topics not relevant to operations.

## 2. Revenues and Expenses

### (a) The Net Result includes:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
	<b>Charging as Expenses</b>		
1,153,570	Depreciation on Non Current Assets	924,853	1,292,138
9,550	Auditors Remuneration	10,000	17,155
22,012	Interest Expenses	66,203	59,459
<b>1,185,132</b>		<b>1,001,056</b>	<b>1,368,752</b>
	<b>Crediting as Revenue</b>		
	Interest on Earnings		
83,859	Reserve Funds	47,360	59,250
96,740	Other Funds	60,000	87,779
28,609	Other Interest Revenue	18,000	22,786
<b>209,208</b>		<b>125,360</b>	<b>169,815</b>
	Profit/(Loss) on Sale of Non-Current Assets		
0	Land	0	0
0	Buildings	0	0
31,182	Plant and Equipment	(32,500)	(90,892)
0	Furniture and Equipment	0	0
<b>31,182</b>		<b>(32,500)</b>	<b>(90,892)</b>

### (b) Conditions Over Grants and Contributions

	Opening Balance	Received	Expended	Closing Balance
	30/06/2013	2013/2014	2013/2014	30/06/2014
Grant and Contribution				
Recreation and Culture				
- CLGF Individual Grant - Recreation Centre	0	335,640	(54,504)	281,136
- Conservation Plan Grant	9,950	0	(9,950)	0
- CSRFF Grant - Playground	0	97,677	(97,677)	0
- Community Arts Training	0	4,000	(4,000)	0
Transport				
- MRWA - Direct Road Grant	0	83,962	(83,962)	0
- Regional Road Group Grant	0	299,347	(299,347)	0
- Roads to Recovery	0	213,773	(213,773)	0
- Special Bridge Grant	0	88,000	0	88,000
- Special Bridge Grant	584,000	0	(584,000)	0
	<b>593,950</b>	<b>1,122,399</b>	<b>(1,347,213)</b>	<b>369,136</b>

- Notes: 1. Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
2. New grants/contributions which were recognised as revenues during the reporting period, and which had not yet been fully expended in the manner specified by the contributor.

## 3. Description of Functions/Activities

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



## Description of Programs

General Purpose Funding	Rates levied, interest on late payment of rates, general purpose grants, and interest received on investments.
Governance	Member of Council allowances and reimbursements, civic functions, election expenses, and administration expenses.
Law, Order, Public Safety	Supervision of various local laws, fire prevention, animal control.
Health	Environmental Health, food control, pest control, immunisation services, and maintenance of maternal infant health clinics.
Education and Welfare	Pre Schools and other education, care of families and children.
Housing	Aged persons residence and staff housing.
Community Amenities	Refuse collection services, landfill site operations, protection of the environment, administration of the Town Planning Scheme and urban stormwater and drainage works.
Recreation and Culture	Maintenance of halls, swimming pool, reserves, libraries and other culture.
Transport	Maintenance of roads, drainage works, footpaths, street lighting, crossovers, verge maintenance, and street sweeping.
Economic Services	Weed control, area promotion, implementation of building controls, swimming pool inspections.
Other Property and Services	Private works, public works overheads, plant operations, materials, salaries and wages controls, and other unclassified activities.

## 4. Revenues and Expenses by Nature and Type

Expenses and revenues classified according to nature and type.

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
	<b>Operating Expenses</b>		
(1,245,286)	Employee Costs	(1,689,045)	(1,813,322)
(1,126,100)	Materials and Contracts	(1,011,629)	(1,378,196)
(168,054)	Utility Charges (Gas, Electricity, Water, etc)	(225,509)	(189,972)
(1,153,570)	Depreciation on Non Current Assets	(924,853)	(1,292,138)
(13,367)	Loss on Asset Disposals	(32,500)	(105,769)
(22,012)	Interest Expenses	(66,203)	(59,459)
(148,228)	Insurance Expenses	(195,148)	(126,057)
(157,929)	Other Expenses	(399,743)	228,428
<b>(4,034,546)</b>	<b>Agrees with Comprehensive Income Statement</b>	<b>(4,544,630)</b>	<b>(4,736,485)</b>
	<b>Operating Revenues</b>		
2,203,752	Rates	2,286,689	2,286,539
283,924	Operating Grants, Subsidies and Contributions	996,462	955,596
3,794,860	Non Operating Grants, Subsidies and Contributions	2,221,187	1,034,437
44,549	Profit on Asset Disposals	0	14,877
426,906	Fees and Charges	464,078	481,110
209,208	Interest Earnings	125,360	169,815
93,703	Other Revenue	66,300	79,913
<b>7,056,902</b>	<b>Agrees with Comprehensive Income Statement</b>	<b>6,160,076</b>	<b>5,022,287</b>
<b>10,438,638</b>	Changes on Revaluation of Non Current Assets	<b>0</b>	<b>6,889,594</b>
<b>13,460,994</b>	<b>Net Result</b>	<b>1,615,446</b>	<b>7,175,396</b>

## 5. Cash and Cash Equivalents

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
300	Cash on Hand	300	300
204,254	Cash at Bank	1,320,366	59,429
3,402,625	Investments	0	2,906,574
<b>3,607,179</b>	Represented by:-	<b>1,320,666</b>	<b>2,966,303</b>
2,172,639	Restricted	1,304,770	2,032,438
1,434,540	Unrestricted	15,896	933,865
<b>3,607,179</b>		<b>1,320,666</b>	<b>2,966,303</b>

## 5. Cash and Cash Equivalents (Continued)

Actual 2012/2013 \$		Adopted Budget 2013/2014 \$	Actual 2013/2014 \$
<b>(a) Restricted Funds</b>			
The following restrictions have been imposed by regulations or other externally imposed requirements.			
79,169	Plant Reserve	81,544	82,159
105,975	Fire Fighters Reserve	109,153	109,976
105,147	Long Service Leave and Gratuity Reserve	108,301	109,117
325,542	Building Reserve	155,308	337,835
320,749	Recreation Ground Reserve	330,372	332,861
136,520	Annual Leave Reserve	140,617	141,676
21,300	Avon River Development Reserve	21,940	22,105
31,917	Community Bus Reserve	33,873	33,122
221,698	Cropping Reserve	206,070	255,069
230,672	Road Construction Reserve	117,592	239,382
593,950	Unspent Grants	0	369,136
<b>2,172,639</b>		<b>1,304,770</b>	<b>2,032,438</b>
<b>(b) Conditions Over Contributions</b>			
Contributions and Grants recognised as revenues during the financial year in respect of which expenditure had not been made.			
0	- Government Grant - Special Bridge Funding	0	88,000
0	- Government Grant - Country Local Government Fund	0	281,136
584,000	- Government Grant - Special Bridge Funding	0	0
9,950	- Government Grant - Conservation Plan	0	0
<b>593,950</b>		<b>0</b>	<b>369,136</b>
Grants received in a previous financial year which were expended during the financial year.			
0	- Government Grant - Special Bridge Funding	0	584,000
0	- Government Grant - Conservation Plan	0	9,950
<b>0</b>		<b>0</b>	<b>593,950</b>

## 6. Fixed Assets

### (a) Disposal of Assets

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

Asset by Class	Proceeds Sale of Assets		Written Down Value		Gain (Loss) on Disposal	
	2013/2014	2013/2014	2013/2014	2013/2014	2013/2014	2013/2014
	Adopted Budget	Actual	Adopted Budget	Actual	Adopted Budget	Actual
	\$	\$	\$	\$	\$	\$
Plant and Equipment	247,000	245,060	279,500	234,259	(32,500)	10,801
Land and Buildings	0	0	0	58,800	0	(58,800)
Furniture and Equipment	0	0	0	42,893	0	(42,893)
<b>TOTAL BY CLASS OF ASSET</b>	<b>247,000</b>	<b>245,060</b>	<b>279,500</b>	<b>335,952</b>	<b>(32,500)</b>	<b>(90,892)</b>

**(a) Disposal of Assets (Continued)**

Asset by Program	Proceeds from Sale		Written Down Value		Gain/(Loss) on Disposal	
	2013/2014	2013/2014	2013/2014	2013/2014	2013/2014	2013/2014
	Adopted Budget	Actual	Adopted Budget	Actual	Adopted Budget	Actual
	\$	\$	\$	\$	\$	\$
Governance	75,000	72,876	88,000	114,822	(13,000)	(41,946)
Law, Order, Public Safety	0	0	0	0	0	0
Health	0	0	0	61,333	0	(61,333)
Education and Welfare	0	0	0	0	0	0
Housing	0	0	0	0	0	0
Community Amenities	0	0	0	0	0	0
Recreation and Culture	0	19,454	0	15,545	0	3,909
Transport	172,000	152,730	191,500	144,252	(19,500)	8,478
Economic Services	0	0	0	0	0	0
Other Property and Services	0	0	0	0	0	0
<b>TOTAL BY PROGRAM</b>	<b>247,000</b>	<b>245,060</b>	<b>279,500</b>	<b>335,952</b>	<b>(32,500)</b>	<b>(90,892)</b>

**(b) Summary**

Profit on Asset Disposals	0	14,877
Loss on Asset Disposals	(32,500)	(105,769)
	<b>(32,500)</b>	<b>(90,892)</b>

**(c) Borrowing Costs Incurred and Capitalised as Part of a Qualifying Asset**

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

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

Actual 2012/2013			Actual 2013/2014	
\$	\$		\$	\$
16,665,176		Land and Buildings (At Valuation)	19,589,752	
(52,906)	16,612,270	Less Accumulated Depreciation	(425,412)	19,164,339
356,925		Furniture and Equipment (At Valuation)	343,835	
(170,448)	186,477	Less Accumulated Depreciation	(186,340)	157,494
1,967,185		Plant and Machinery (At Valuation)	2,198,875	
(434,884)	1,532,301	Less Accumulated Depreciation	(554,218)	1,644,658
	18,331,048	<b>Sub-Total Property, Plant and Equipment</b>		<b>20,966,491</b>
60,497,756		Roads (At Valuation)	66,682,587	
(21,164,861)	39,332,895	Less Accumulated Depreciation	(21,855,413)	44,827,174
	57,663,943	<b>TOTAL FIXED ASSETS</b>		<b>65,793,665</b>

Assets at cost are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB136 - Impairment of Assets.

Pursuant to the Local Government (Financial Management) Regulation 17A(3), the Shire of Beverley is required to measure non current assets at fair value as follows:

—	Plant and Equipment	By 30 June 2013
—	Plant and Equipment, Land, Buildings and Infrastructure	By 30 June 2014
—	All Assets	By 30 June 2015

### Details of Revaluation of Assets

Pursuant to Local Government (Financial Management) Regulation 17A(3), the Shire, as at 30 June 2014 has measured the following asset categories to fair value.

#### Land and Buildings

In the case of land and building, a valuation was undertaken by external consultants in 2013, and were adopted as the fair value by the Shire of Beverley.

#### Furniture and Equipment

Furniture and equipment were valued in 2013 as part of the mandatory requirements as per Local Government (Financial Management) Regulation 17A.

The furniture and equipment currently on the Shire's asset register was identified during the stocktake and is replaced on a regular basis. Based on the above, the cost approach is deemed to be the most appropriate and a very conservative fair value measurement.

#### Plant and Machinery

Plant and machinery were valued in 2013 as part of the mandatory requirements as per Local Government (Financial Management) Regulation 17A.

A stocktake of plant and machinery was undertaken in 2013, resulting in non existing items, predominantly old items that had been fully depreciated or could not be found being written off, and any item below the value of \$2,000 capitalisation threshold was removed from the asset register. The items were internally valued through the use of external suppliers.

#### Roads Infrastructure

In the case of roads a full road asset network valuation was undertaken by external consultants. The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired future economic benefits. This approach is consistent with AASB116 and were adopted as the fair value by the Shire of Beverley.

## (e) Movements in Carrying Amounts

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

Program	Land (Level 2)	Non Specialised Buildings (Level 2)	Specialised Buildings (Level 3)	Total Land and Buildings	Furniture and Equip (Level 3)	Plant and Machinery (Level 3)	Roads (Level 3)	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Asset Balance at the Beginning of the Year	1,467,352	4,069,117	11,075,801	16,612,270	186,477	1,532,301	39,332,895	57,663,943
Assets Acquired During the Year	0	0	386,986	386,986	29,805	474,806	1,976,621	2,868,218
Assets Disposed During the Year	0	(60,000)	0	(60,000)	(42,893)	(254,371)	0	(357,264)
Revaluation Increments/ (Decrements)	1,205,800	520,155	872,426	2,598,381	0	31,842	4,259,371	6,889,594
Impairment (Losses)/ Reversals	0	0	0	0	0	0	0	0
Depreciation Expense Raised	0	(92,418)	(282,080)	(374,498)	(15,895)	(160,032)	(741,713)	(1,292,138)
Depreciation Written Back on Disposals		1,200		1,200		20,112		21,312
Carrying Amount at End of the Year	2,673,152	4,438,054	12,053,133	19,164,339	157,494	1,644,658	44,827,174	65,793,665

## 7. Borrowing Information

### (a) Unspent Balance of Money Borrowed

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

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
0	Loans Unspent	0	0
0	Amount Expended	0	0
<b>Nil</b>	<b>CLOSING BALANCE</b>	<b>Nil</b>	<b>Nil</b>

### (b) Loans Raised in Financial Year

New loans raised during the 2013/2014 Financial Year:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
1,000,000	Loan 118 - Recreation Centre	0	0
<b>1,000,000</b>		<b>0</b>	<b>0</b>

### (c) Loan Repayments

Program	Loan No	Principal 30.6.2013	Loans Raised		Interest		Loan Repayment		Principal 30.6.2014
			Budget 2013/2014	Actual 2013/2014	Budget 2013/2014	Actual 2013/2014	Budget 2013/2014	Actual 2013/2014	
Housing - Frail Aged Lodge <b>Loan Date - 15 April 1999</b>	112	\$ 30,372	\$ 0	\$ 0	\$ 1,816	\$ 1,816	\$ 4,789	\$ 4,789	\$ 25,583
Recreation - Oval Water Supply <b>Loan Date - 29 October 2004</b>	115	19,870	0	0	1,010	1,010	13,060	13,060	6,810
Recreation - Bowling Club <b>Loan Date - 22 November 2006</b>	117	121,977	0	0	7,449	7,449	11,306	11,307	110,670
Economic - Caravan Park <b>Loan Date - 28 June 2006</b>	116	36,032	0	0	2,162	2,162	11,271	11,270	24,762
Recreation - Recreation Centre <b>Loan Date - 10 May 2013</b>	118	1,000,000	0	0	53,766	53,766	26,091	26,091	973,909
		<b>1,208,251</b>	<b>0</b>	<b>0</b>	<b>66,203</b>	<b>66,203</b>	<b>66,517</b>	<b>66,517</b>	<b>1,141,734</b>
<b>PLUS</b> Change in Net Accrual					0	(6,744)	0	0	
<b>TOTAL</b>		<b>1,208,251</b>	<b>0</b>	<b>0</b>	<b>66,203</b>	<b>59,459</b>	<b>66,517</b>	<b>66,517</b>	<b>1,141,734</b>
Loan Repayments to be Financed by the Shire					58,754	52,010	55,211	55,210	
Loan Repayments Reimbursed from External Sources					7,449	7,449	11,306	11,307	
<b>TOTAL</b>					<b>66,203</b>	<b>59,459</b>	<b>66,517</b>	<b>66,517</b>	

## 8. Reserves

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

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

Purpose: Acquisition of Major Plant - The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$ 75,655	Opening Balance	\$ 79,169	\$ 79,169
3,514	Plus Transfer from Accumulated Surplus		
0	- Interest Received	2,375	2,990
0	- Other	0	0
0	Less Transfer to Accumulated Surplus		
0	- Plant Purchases	0	0
<b>79,169</b>	<b>CLOSING BALANCE</b>	<b>81,544</b>	<b>82,159</b>

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

Purpose: Acquisition of Major Fire Fighting Equipment - The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$ 101,270	Opening Balance	\$ 105,974	\$ 105,974
4,704	Plus Transfer from Accumulated Surplus		
0	- Interest Received	3,179	4,002
0	Less Transfer to Accumulated Surplus		
<b>105,974</b>	<b>CLOSING BALANCE</b>	<b>109,153</b>	<b>109,976</b>

**(c) Office Equipment Reserve (Cash Backed)**

Purpose: Purchase and Replacement of Office Equipment - The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
0	Opening Balance	0	0
0	Plus Transfer from Accumulated Surplus - Interest Received	0	0
0	Less Transfer to Accumulated Surplus - Purchase Office Equipment	0	0
<u>0</u>	<b>CLOSING BALANCE</b>	<u>0</u>	<u>0</u>

**(d) Building Reserve (Cash Backed)**

Purpose: Fund the Construction of New and Renovation of Existing Council Buildings - The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
311,576	Opening Balance	325,542	325,542
13,966	Plus Transfer from Accumulated Surplus - Interest Received	9,766	12,293
0	Less Transfer to Accumulated Surplus - Health Centre Stabilisation	(30,000)	0
<u>0</u>	- Old School Building	<u>(150,000)</u>	<u>0</u>
<u>325,542</u>	<b>CLOSING BALANCE</b>	<u>155,308</u>	<u>337,835</u>

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

Purpose: Fund the Enhancement of Recreation Grounds and Buildings - The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
306,511	Opening Balance	320,749	320,749
14,238	Plus Transfer from Accumulated Surplus - Interest Received	9,623	12,112
<u>320,749</u>	<b>CLOSING BALANCE</b>	<u>330,372</u>	<u>332,861</u>

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

Purpose: Fund the Enhancement of Recreation Grounds and Buildings - The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
130,460	Opening Balance	136,521	136,521
6,061	Plus Transfer from Accumulated Surplus - Interest Received	4,096	5,155
<u>136,521</u>	<b>CLOSING BALANCE</b>	<u>140,617</u>	<u>141,676</u>



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

Purpose: Fund the Annual Leave Payments - The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
20,354	Opening Balance	21,301	21,301
	Plus Transfer from Accumulated Surplus		
947	- Interest Received	639	804
	Less Transfer to Accumulated Surplus		
<u>21,301</u>	<b>CLOSING BALANCE</b>	<u>21,940</u>	<u>22,105</u>

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

Purpose: Fund the Development of the Avon River Pool and Environment - The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
28,515	Opening Balance	31,916	31,916
	Plus Transfer from Accumulated Surplus		
1,323	- Interest Received	957	1,205
2,078	- Other	1,000	0
	Less Transfer to Accumulated Surplus		
<u>31,916</u>	<b>CLOSING BALANCE</b>	<u>33,873</u>	<u>33,121</u>

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

Purpose: Fund the Capital Improvements to the Community Bus - The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
277,925	Opening Balance	221,698	221,698
	Plus Transfer from Accumulated Surplus		
12,911	- Interest Received	6,651	8,372
30,862	- Other	27,721	25,000
	Less Transfer to Accumulated Surplus		
0	- Building Grant Contribution	(50,000)	0
(100,000)	- Relocation of Netball Courts and Lighting	0	0
<u>221,698</u>	<b>CLOSING BALANCE</b>	<u>206,070</u>	<u>255,070</u>

**(i) Cropping Reserve (Cash Backed)**

Purpose: Assist Community Groups with Funding Opportunities - The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
220,433	Opening Balance	230,672	230,672
	Plus Transfer from Accumulated Surplus		
10,239	- Interest Received	6,920	8,710
0	- Other	50,000	0
	Less Transfer to Accumulated Surplus		
0	- Muni Road Construction	(170,000)	0
<u>230,672</u>	<b>CLOSING BALANCE</b>	<u>117,592</u>	<u>239,382</u>

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

Purpose: Fund the Construction of Roads - The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
100,000	Opening Balance	105,147	105,147
	Plus Transfer from Accumulated Surplus		
5,147	- Interest Received	3,154	3,970
<u>105,147</u>	Less Transfer to Accumulated Surplus		
	<b>CLOSING BALANCE</b>	<u>108,301</u>	<u>109,117</u>
<u>1,578,689</u>	<b>TOTAL</b>	<u>1,304,770</u>	<u>1,663,302</u>

**(k) Long Service Leave and Gratuity Reserve (Cash Backed)**

Purpose: Fund Long Service Leave and Gratuity Payment Obligations - The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
100,000	Opening Balance	105,147	105,147
	Plus Transfer from Accumulated Surplus		
5,147	- Interest Received	3,154	3,970
<u>105,147</u>	Less Transfer to Accumulated Surplus		
	<b>CLOSING BALANCE</b>	<u>108,301</u>	<u>109,117</u>
<u>1,578,689</u>	<b>TOTAL</b>	<u>1,304,770</u>	<u>1,663,302</u>

**(l) Cash Backed Reserve Summary**

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
1,572,699	Opening Balance	1,578,689	1,578,689
105,990	Plus Transfer from Accumulated Surplus	126,081	84,613
(100,000)	Less Transfer to Accumulated Surplus	(400,000)	0
<u>1,578,689</u>	<b>TOTAL</b>	<u>1,304,770</u>	<u>1,663,302</u>

All of the above Reserve Accounts are cash backed, and are disclosed as Restricted Cash Assets in Note 5 of the Annual Financial Statements. It is anticipated that the Reserves will be utilised over the next one to ten years. Council would expect further transfers to be made to some of the Reserves as funds are utilised.

## (m) Reserves - Asset Revaluation

The Shire of Beverley is required to measure non current assets at fair value, and this has resulted in a revaluation of the assets, which are detailed below. The Asset Revaluation Reserve is not cash backed.

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
	<b>Asset Revaluation Reserve (Roads)</b>		
3,479,093	Balance Brought Forward 1 July	6,540,040	6,540,040
12,683,762	Revaluation Increment	0	4,259,373
(9,622,815)	Revaluation Decrement	0	0
<b>6,540,040</b>	<b>CLOSING BALANCE</b>	<b>6,540,040</b>	<b>10,799,413</b>
	<b>Asset Revaluation Reserve (Land and Buildings)</b>		
0	Balance Brought Forward 1 July	7,617,238	7,617,238
7,617,238	Revaluation Increment	0	2,598,381
0	Revaluation Decrement	0	0
<b>7,617,238</b>	<b>CLOSING BALANCE</b>	<b>7,617,238</b>	<b>10,215,619</b>
	<b>Asset Revaluation Reserve (Plant and machinery)</b>		
0	Balance Brought Forward 1 July	(239,548)	(239,548)
0	Restated Balance Brought Forward 1 July	0	0
1,556,788	Revaluation Increment	0	31,842
(1,796,336)	Revaluation Decrement	0	0
<b>(239,548)</b>	<b>CLOSING BALANCE</b>	<b>(239,548)</b>	<b>31,842</b>
	<b>Asset Revaluation Reserve (Furniture and Equipment)</b>		
0	Balance Brought Forward 1 July	0	0
133,344	Revaluation Increment	0	0
(133,344)	Revaluation Decrement	0	0
<b>0</b>	<b>CLOSING BALANCE</b>	<b>0</b>	<b>0</b>
<b>13,917,730</b>	<b>TOTAL ASSET REVALUATION SURPLUS</b>	<b>13,917,730</b>	<b>21,046,874</b>

## 9. Cash Flow Information

Reconciliation of cash flows from operations with change in net equity resulting from operations. For the purpose of the Cash Flow Statement, cash includes cash on hand, and in or at call deposits with Banks or financial institutions.

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
	<b>Change in Net Equity from Operations</b>		
3,022,356	Net Result	1,615,446	285,802
1,153,570	Depreciation	924,853	1,292,138
(31,182)	(Profit) Loss on Sale of Fixed Assets	32,500	90,892
(3,794,860)	Government Revenue	(2,997,999)	(1,034,437)
(4,910)	Accounts Receivable Current to Non Current	0	0
	<b>Change in Assets and Liabilities</b>		
1,617	(Increase)/Decrease in Inventory	(6,522)	(571)
45,440	Increase/(Decrease) in Employee Provisions	(7,250)	50,755
(565,597)	(Increase)/Decrease in Debtors	151,794	54,692
(102,557)	Increase/(Decrease) in Creditors	100,000	275,090
<b>(276,123)</b>	<b>Cash Flows from Operations</b>	<b>(187,178)</b>	<b>1,014,361</b>
	<b>Reconciliation of Cash</b>		
10,000	Credit Facility	10,000	10,000
(1,773)	Amount Utilised	0	(798)
<b>8,227</b>	<b>Unused Facility Available</b>	<b>10,000</b>	<b>9,202</b>
	<b>RECONCILIATION OF CASH</b>		
2,028,490	Cash at Bank - Operating	15,896	933,865
1,578,689	Restricted Reserves and Grants	1,304,770	2,032,438
<b>3,607,179</b>	<b>TOTAL CASH</b>	<b>1,320,666</b>	<b>2,966,303</b>

## 10. Trust Fund Information

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

TRUST FUND FOR THE PERIOD ENDED 30 JUNE 2014							
PARTICULARS	OPENING	RECEIPTS		PAYMENTS		CLOSING BALANCE	
	BALANCE	ADOPTED	ACTUAL	ADOPTED	ACTUAL	ADOPTED	ACTUAL
	1/07/2013	BUDGET	2013/2014	BUDGET	2013/2014	BUDGET	30/06/2014
	\$	\$	\$	\$	\$	\$	\$
<b>DEPOSITS</b>							
Unclaimed Monies	1,132	20	1,815	0	1,815	1,152	1,132
Nominations Deposits	0	240	480	240	480	0	0
House Bonds	15,000	1,000	5,000	1,000	0	15,000	20,000
Second House Deposits	4,600	0	0	0	0	4,600	4,600
Retirement Village Bond	3,395	400	880	400	276	3,395	3,999
Subdivision Costs	1,500	0	0	0	0	1,500	1,500
Recreation Ground Hire Bonds	0	0	600	0	400	0	200
Rates Advance Payments	0	0	150	0	150	0	0
Retention Fees - ILU	32,290	0	0	32,290	32,290	0	0
Housing Rental Bonds	500	0	600	0	1,100	500	0
Hall Hire Bonds	0	0	250	0	200	0	50
Airfield Emergency Lighting	0	0	84,872	0	0	0	84,872
Cat Trap Bonds	0	0	100	0	0	0	100
Gym Key Deposit	1,080	400	600	400	630	1,080	1,050
<b>TOTAL</b>	<b>59,497</b>	<b>2,060</b>	<b>95,347</b>	<b>34,330</b>	<b>37,341</b>	<b>27,227</b>	<b>117,503</b>

## 11. Comparison with Rate Setting Statement

The following information provides details of all income and expenditure, together with movements to and from Reserve Accounts.

Actual		Adopted Budget	Actual
2012/2013		2013/2014	2013/2014
\$		\$	\$
	<b>Non Operating Income</b>		
10,640	Principal Repayment	11,306	0
0	Proceeds from Disposal of Assets		
231,805	Furniture and Equipment	0	0
100,000	Plant and Equipment	247,000	245,060
1,000,000	Transfer from Reserves	400,000	0
<u>1,342,445</u>	Loan Borrowings	0	0
	<b>TOTAL</b>	<b>658,306</b>	<b>245,060</b>
	<b>Non Operating Expenditure</b>		
(56,718)	Purchase Land and Buildings	(1,327,640)	(304,609)
(548,418)	Purchase Plant and Equipment	(940,020)	(474,807)
(76,488)	Purchase Furniture and Equipment	(105,000)	(29,805)
(1,865,499)	Infrastructure Assets - Roads	(2,352,462)	(1,976,621)
(3,269,006)	Infrastructure Assets - Recreation	(544,000)	(82,377)
0	Purchase Tools	0	0
(18,337)	Infrastructure Assets - Other	(20,000)	0
(38,081)	Repayments of Debt - Principal	(66,517)	(66,517)
(105,990)	Transfer to Reserves	(126,081)	(84,613)
6,122	Provisions Employee Entitlements Accrued	0	0
<u>(5,972,415)</u>	<b>TOTAL</b>	<b>(5,481,720)</b>	<b>(3,019,349)</b>

## 12. Rating Information

### (a) Rates

Statement of Rating Information for the year ending 30 June 2014.

RATE TYPE	2012/2013 Actual Rate Revenue \$	Rate in \$	Number of Properties	Rateable Value \$	2013/2014 Budgeted Rate Revenue \$	2013/2014 Actual Rate Revenue \$
<b>General Rate</b>						
General Rate GRV	480,353	0.095318	504	5,275,063	502,808	502,808
General Rate UV	1,755,761	0.008136	655	224,876,349	1,835,698	1,829,644
<b>Sub-Totals</b>	2,236,114		1,159	230,151,412	2,338,506	2,332,452
<b>Minimum Payment</b>		<b>Minimum \$</b>				
General Rate GRV	107,200	697	155	465,290	108,004	108,035
General Rate UV	44,890	697	56	1,784,923	39,021	39,032
<b>Sub Totals</b>	152,090		211	2,250,213	147,025	147,067
Discounts (Note 14)	(184,452)				(198,842)	(192,455)
<b>Total Amount Raised from General Rate</b>	2,203,752				2,286,689	2,287,064
Interim Rates	0				0	(525)
Specified Area Rates (Note 12)	0				0	0
<b>Total Rates</b>	2,203,752				2,286,689	2,286,539

### (b) General and Minimum Rate

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

Actual 2012/2013 \$		Actual 2013/2014 \$
0.091652	- General Rate	0.095318
Rate in \$	(The basis for the rate is Gross Rental Value.)	Rate in \$
0.00692761	- General Rate Rural	0.008136
Rate in \$	(The basis for the rate is Unimproved Value.)	Rate in \$
0.00692761	- General Rate Mt Kokeby and Mawson	0.008136
Rate in \$	(The basis for the rate is Unimproved Value.)	Rate in \$
0.00692761	- General Rate Mining	0.008136
Rate in \$	(The basis for the rate is Unimproved Value.)	Rate in \$
\$670.00 pa	- Minimum Rate	\$697.00 pa

#### ***The Objectives and Reasons for General and Minimum Rate***

All land, except exempt land in the Shire of Beverley is rated according to its Gross Rental Value (GRV) in town sites, or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2013/2014 Financial Year have been determined by the Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the Budget, and the estimated revenue to be received from all sources other than rates.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of Council's services and facilities.

For additional information on the rates levied, refer to the "Statement of Rating Information".

**(c) Specified Area Rates**

No specified area rates will be levied during the year 2013/2014.

### 13. Service Charges

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

### 14. Information About Discounts, Incentives, Concessions and Write Offs

Pursuant to Section 6.12 of the Local Government Act 1995, and Financial Management Regulation 42, the Shire of Beverley has granted the following discount for the payment of rates and rubbish charge, to apply as follows:

(i) Discount on Rates and Service Charges

The Council offered a discount in 2013/2014 if rates and charges are paid within 35 days of the date of service (which appears on the rate notice).

General Rates	Discount	For Early Payment of Rates	10%	Value - \$192,455
2013/2014 Budget	Discount	For Early Payment of Rates	10%	Value - \$198,842

(ii) Incentive Scheme (Rates)

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

### 15. Interest Charges for the Late Payment of Rates Charges

1. Pursuant to Section 6.51 of the Local Government Act 1995, and Financial Management Regulation 43(a), the Shire of Beverley imposed the following rate of interest applicable for the late payment of rates and rubbish charge, to apply as follows:

(a) Where no election has been made to pay the rate and rubbish charge by instalments due:

- (i) After it becomes due and payable;
- (ii) 35 days after the date of issue of the rate notice, whichever is the later.

(b) Where an election has been made to pay the rate and rubbish charge by instalments, and an instalment remains unpaid after it is due and payable.

The rate of interest to apply is 11% and the revenue derived from the imposition of the interest amounts to \$21,965 for the 2013/2014 Financial Year.

The budgeted revenue from the imposition of the 11% penalty interest rate totalled \$15,000 for the 2013/2014 Financial Year.

2. Pursuant to Section 6.45 of the Local Government Act 1995 and Financial Management Regulation 27(c), the due date of each instalment is as follows:
- First Instalment - Monday, 14 October 2013
  - Second Instalment - Monday, 16 December 2013
  - Third Instalment - Monday, 17 February 2014
  - Fourth Instalment - Monday, 14 April 2014

Charges on instalment plan is a \$10.00 Administration Charge, and rate of interest of 5.5%, the revenue derived from the imposition amounts to \$6,655 for the 2013/2014 Financial Year. Budgeted instalment charges for 2013/2014 totalled \$6,000.

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

## 16. Fees and Charges Information

- (a) In accordance with Financial Management Regulation 41, the total revenue from Fees and Charges for each program is summarised as follows:

Actual 2012/2013		Adopted Budget 2013/2014	Actual 2013/2014
\$		\$	\$
18,506	General Purpose Funding	16,300	19,224
0	Governance	0	0
2,953	Law, Order, Public Safety	2,400	7,463
0	Health	0	100
2,520	Education and Welfare	2,500	2,467
73,511	Housing	86,316	72,572
114,974	Community Amenities	171,898	174,582
74,225	Recreation and Culture	72,964	79,063
26,207	Transport	14,000	19,591
80,264	Economic Services	78,200	76,808
33,746	Other Property and Services	19,500	29,240
<b>426,906</b>	<b>TOTAL FEES AND CHARGES</b>	<b>464,078</b>	<b>481,110</b>

- (b) Fees and Charges amended during the Financial Year are as follows:

No amendments were made during the 2013/2014 Financial Year.

## 17. Investments

Earnings from investments is summarised as follows:

Actual 2012/2013		Adopted Budget 2013/2014	Actual 2013/2014
\$		\$	\$
83,859	General Account	60,000	87,779
96,740	Reserve Funds	47,360	59,250
28,609	Other Interest on Late Payment of Rates	18,000	22,786
<b>209,208</b>	<b>TOTAL</b>	<b>125,360</b>	<b>169,815</b>

## 18. Council Members - Fees, Expenses and Allowances

In accordance with Financial Management Regulation 44, fees, expenses and allowances paid to Council Members are summarised as follows:

Actual 2012/2013 \$		Adopted Budget 2013/2014 \$	Actual 2013/2014 \$
	<b>- Annual Attendance Fee</b>		
26,000	Councillor (8)	28,000	28,000
9,250	President	12,000	11,750
	<b>- Telecommunication, Travel, and Information Technology Allowance</b>		
5,400	- Telecommunication	5,400	5,100
3,600	- Information Technology	3,600	3,400
2,684	- Travel Expenses	3,000	4,177
	<b>- Annual Local Government Allowance</b>		
5,000	- President	5,500	6,000
1,250	- Deputy President	1,375	1,750
<b>53,184</b>	<b>TOTAL</b>	<b>58,875</b>	<b>60,177</b>

## 19. Depreciation on Non Current Assets

The depreciation charges included in the Financial Statements are summarised as follows:

Actual 2012/2013 \$		Adopted Budget 2013/2014 \$	Actual 2013/2014 \$
0	General Purpose Funding	0	0
37,760	Governance	30,347	40,393
12,606	Law, Order, Public Safety	10,333	12,730
8,399	Health	7,890	4,904
0	Education and Welfare	0	0
57,899	Housing	48,665	68,335
2,920	Community Amenities	2,920	7,183
79,052	Recreation and Culture	78,847	239,303
653,848	Transport	501,969	746,004
36,040	Economic Services	14,453	17,225
265,046	Other Property and Services	229,429	156,061
<b>1,153,570</b>	<b>TOTAL</b>	<b>924,853</b>	<b>1,292,138</b>

## 20. Major Land Transactions

Council did not participate in any major land transactions during the 2013/2014 Financial Year.



## 21. Joint Venture

Council did not participate in any joint venture during the 2013/2014 Financial Year.

## 22. Trading Undertakings and Major Trading Undertakings

Council did not participate in any trading undertakings or major trading undertakings during the 2013/2014 Financial Year.

## 23. Capital and Leasing Commitments

- (a) Leasing commitments during the 2013/2014 Financial Year: Nil
- (b) Capital commitments during the 2013/2014 Financial Year: Recreation Lighting Tower Project  
- \$161,842

## 24. Financial Risk Management

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value 2012/2013	Fair Value 2012/2013	Average Interest %	Variable Interest Rate	Less than 1 Year	Non Interest Bearing	Carrying Value 2013/2014	Fair Value 2013/2014
	\$	\$		\$	\$	\$	\$	\$
<b>Financial Assets</b>								
Cash	3,607,179	3,607,179	3.70	2.25	2,966,003	300	2,966,303	2,966,303
Trade Receivables	562,860	562,860			0	508,166	508,166	508,166
	<b>4,170,039</b>	<b>4,170,039</b>			<b>2,966,003</b>	<b>508,466</b>	<b>3,474,469</b>	<b>3,474,469</b>
<b>Financial Liabilities</b>								
Accounts Payable	125,065	125,065			0	400,155	400,155	400,155
Borrowings	1,208,251	855,928			0	1,141,735	1,141,735	819,977
	<b>1,333,316</b>	<b>980,993</b>			<b>0</b>	<b>1,541,890</b>	<b>1,541,890</b>	<b>1,220,132</b>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.
- Borrowings, Held to Maturity Investments - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets at Fair Value through Profit and Loss, Available for Sale Financial Assets - based on quoted market prices at the reporting date or independent valuation.

**(a) Investment of Council Funds**

The Local Government (Financial Management) Regulation 19C prohibits a local government from:

- Depositing funds with an unauthorised institution (an authorised institution is defined in (3) below).
- Depositing funds for a fixed term of more than twelve months.
- Investing in bonds that are not guaranteed by the Commonwealth Government or a State or Territory Government.
- Investing in bonds with a term to maturity of more than three years.
- Investing in a foreign currency.

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

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

<u>2012/2013</u>		<u>2013/2014</u>
\$		\$
36,069	Impact of 1% Movement in Interest Rates on Investment Earnings (+/-)	29,660
90,172	Impact of 2.5% Movement in Interest Rates on Investment Earnings (+/-)	74,150

**(b) Receivables**

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

2012/2013			2013/2014	
Current	Non Current		Current	Non Current
\$	\$		\$	\$
		<b>Financial Assets</b>		
186,284	61,778	Rates and Annual Charges	226,525	72,006
11,306	110,670	Self Supporting Loans	12,013	114,864
0	0	Goods and Services Tax	35,799	0
192,822	0	General Debtors	46,959	0
<b>390,412</b>	<b>172,448</b>		<b>321,296</b>	<b>186,870</b>

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

2012/2013		2013/2014
%		%
	<b>Rates and Annual Charges</b>	
17%	- Current	14%
83%	- Overdue	86%
	<b>Other receivables</b>	
58%	- Current	80%
42%	- Overdue	20%

**(c) Payables and 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. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels, and maintaining an adequate cash buffer.

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

	Carrying Value 2012/2013	Less than 1 Year	1 to 5 Years	Greater than 5 Years	Carrying Value 2013/2014
	\$	\$	\$	\$	\$
<b>Financial Liabilities</b>					
Accounts Payable - Current	125,065	400,155	0	0	400,155
Interest Bearing Liabilities	1,208,251	69,985	242,419	829,330	1,141,734
	<b>1,333,316</b>	<b>470,140</b>	<b>242,419</b>	<b>829,330</b>	<b>1,541,889</b>

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

	Less than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	Greater than 5 Years	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Year Ended 30 June 2014</b>							
Debentures		6,810	24,762		25,583	1,084,579	1,141,734
Weighted Average - Interest Rate		4.87%	4.83%		4.78%	4.76%	4.90%
<b>Year Ended 30 June 2013</b>							
Debentures			19,870	36,032		1,152,349	1,208,251
Weighted Average - Interest Rate			4.87%	4.83%		4.78%	4.93%

## 25. Position at Commencement of Financial Year

### (a) Determination of Opening Funds

ACTUAL 30.06.2013	BROUGHT FORWARD 01.07.2013		Budget 2013/2014	ACTUAL 30.06.2014
\$	\$		\$	\$
		<b>Current Assets</b>		
3,606,879	3,606,879	Cash at Bank	300	300
300	300	Cash Advances	1,320,366	2,966,003
390,412	387,184	Receivables	200,000	321,296
11,478	11,478	Stock on Hand	18,000	12,051
<b>4,009,069</b>	<b>4,005,841</b>		<b>1,538,666</b>	<b>3,299,650</b>
		<b>Less Current Liabilities</b>		
(125,065)	(114,603)	Accounts Payable	(179,213)	(400,155)
(66,517)	(66,617)	Interest Bearing Loans and Borrowings	0	(69,985)
(303,601)	(303,601)	Provision for Annual and Long Service Leave	(303,601)	(361,929)
<b>(495,183)</b>	<b>(484,821)</b>		<b>(482,814)</b>	<b>(832,069)</b>
		<b>SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES</b>		
<b>3,513,886</b>	<b>3,521,020</b>		<b>1,055,852</b>	<b>2,467,581</b>
		<b>ADJUSTMENTS</b>		
(1,578,689)	(1,578,689)	Less Cash Backed Reserves	(1,055,852)	(1,663,302)
66,517	66,517	Plus Interest Bearing Loans and Borrowings	0	69,985
136,520	136,520	Plus Annual Leave Cash Backed Reserve	0	141,676
105,147	105,147	Plus Long Service Leave and Gratuity Cash Backed Reserve	0	109,118
0	0	Less Current Portion of Self Supporting Loan	0	(12,013)
<b>2,243,381</b>	<b>2,250,515</b>	<b>OPENING/CLOSING FUNDS</b>	<b>0</b>	<b>1,113,045</b>

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

In accordance with Financial Management Regulation 36(1)(b), the following reconciliation is provided between the Net Current Assets carried forward from the previous Financial Year, compared to the Net Current Assets detailed in the 2012/2013 Annual Budget.

—	Net Current Asset Detailed in the 2013/2014 Annual Budget	2,250,615
—	Net Current Assets Brought Forward as at 1 July 2013	2,243,381

## 26. Capital Expenditure by Program

Actual Capital Expenditure incurred by program is summarised as follows:

Program	Furniture and Equipment		Land and Buildings	Plant and Equipment	Infrastructure			2013/2014
	2012/2013				Roads	Recreation Facilities	Other	
	\$	\$	\$	\$	\$	\$	\$	\$
Governance	131,216	7,767	8,737	88,422	0	0	0	104,926
Law, Order, Public Safety	0	0	0	0	0	0	0	0
Health	36,409	1,045	0	0	0	0	0	1,045
Education and Welfare	0	0	0	0	0	0	0	0
Housing	41,670	0	29,360	0	0	0	0	29,360
Community Amenities	0	0	0	0	0	0	0	0
Recreation and Culture	3,294,827	20,993	256,445	48,296	0	82,377	0	408,111
Transport	2,324,478	0	0	338,089	1,976,621	0	0	2,314,710
Economic Services	5,866	0	10,067	0	0	0	0	10,067
Other Property and Services	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>5,834,466</b>	<b>29,805</b>	<b>304,609</b>	<b>474,807</b>	<b>1,976,621</b>	<b>82,377</b>	<b>0</b>	<b>2,868,219</b>

## 27. Financial Information by Ratio

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

2011/2012	2012/2013		2013/2014
2.818	7.244	(a) <b>Current Ratio</b> <u>Current Assets Minus Restricted Current Assets</u> Current Liabilities Minus Liabilities Associated with Restricted Assets	2.180
0.460	0.547	(b) <b>Asset Sustainability Ratio</b> <u>Capital Renewal and Replacement Expenditure</u> Depreciation Expense	1.133
33.498	28.714	(c) <b>Debt Service Cover Ratio</b> <u>Annual Operating Surplus before Interest and Depreciation</u> Principal and Interest	4.786
0.162	0.169	(d) <b>Operating Surplus Ratio</b> <u>Operating Revenue Minus Operating Expense</u> Own Source Operating Revenue	(0.238)
0.854	0.748	(e) <b>Own Source Revenue Ratio</b> <u>Own Source Operating Revenue</u> Operating Expense	0.673

### Additional Information\*

The following information relates to those ratios which only require an attestation they have been checked and are supported by verifiable information.

0.732	0.725	(f) <b>Asset Consumption Ratio</b> <u>Depreciated Replacement Cost of Assets</u> Current Replacement Cost of Depreciated Assets	0.730
N/A	0.65	(g) <b>Asset Renewal Funding Ratio</b> <u>NPV of Planned Capital Renewals Over 10 Years</u> NPV of Required Capital Expenditure Over 10 Years	0.962

\* See note over page.

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

## Definitions

<b>Term</b>	<b>Definition</b>
Annual Operating Surplus before Interest and Depreciation	Operating revenue minus net operating expense.
Capital Renewal and Replacement Expenditure	Expenditure to renew or replace existing assets.
Current Assets	The total current assets as shown in the balance sheet.
Current Liabilities	The total current liabilities as shown in the balance sheets.
Current Replacement Cost of Depreciable Assets	The cost of replacement assets at current prices.
Depreciable Assets	Has the meaning given in the AAS.
Depreciated Replacement Cost of Assets	Has the meaning given in the AAS.
Depreciation	Has the meaning given in the AAS.
Interest	Interest expense for moneys borrowed, credit obtained, or financial accommodation arranged under Section 6.20.
Liabilities Associated with Restricts Assets	The lesser value of a current liability or the cash component of restricted assets held to fund that liability.
Net Operating Expense	Operating expense excluding interest and depreciation.
NPV	Net present value.
Operating Expense	The expense that is operating expense for the purposes of the AAS.
Operating Revenue	The revenue that is operating revenue for the purposes of the AAS, excluding: (a) Grants for the development or acquisition of assets; and (b) Contributions for the development or acquisition of assets.
Other Comprehensive Income	Has the meaning given in the AAS.
Own Source Operating Revenue	Revenue from rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets.
Planned Capital Renewals	Capital renewal and replacement expenditure as estimated in the Long Term Financial Plan.
Principal and Interest	All principal and interest for moneys borrowed, credit obtained, or financial accommodation arranged under Section 6.20.
Required Capital Expenditure	Capital renewal and replacement expenditure as estimated in the Asset Management Plan.

## 28. Trade and Other Receivables

Receivables due to the Shire include the following:

<b>ACTUAL 2012/2013</b>		<b>ACTUAL 2013/2014</b>
\$		\$
221,674	<b>Current</b>	
157,432	Rates	226,525
0	Sundry Debtors	46,959
11,306	Less Provision for Doubtful Debts	0
0	Loan Receivable	12,013
<b>390,412</b>	Goods and Services Tax	<b>35,799</b>
		<b>321,296</b>
61,778	<b>Non Current</b>	
110,670	Rates Outstanding-Pensioner Deferred	72,006
	Long Term Loans - Clubs/Institutions	114,864
<b>172,448</b>		<b>186,870</b>

## 29. Inventories

<b>ACTUAL 2012/2013</b>		<b>ACTUAL 2013/2014</b>
\$		\$
<b>11,478</b>	Comprises of Fuels and Consumables	<b>12,050</b>

All inventories at balance date have been valued at cost.

## 30. Trade and Other Payables

<b>ACTUAL 2012/2013</b>		<b>ACTUAL 2013/2014</b>
\$		\$
89,675	Trade Creditors	274,636
0	Accrued Interest on Debentures	425
0	Accrued Salaries and Wages	53,305
35,390	Rates Paid in Advance	48,933
0	PAYG Withholding	22,856
<b>125,065</b>	<b>Total</b>	<b>400,155</b>

## 31. Long Term Borrowings

<b>ACTUAL 2012/2013</b>		<b>ACTUAL 2013/2014</b>
\$		\$
<b>66,517</b>	Current - secured by a floating charge debenture.	<b>69,985</b>
<b>ACTUAL 2012/2013</b>		<b>ACTUAL 2013/2014</b>
\$		\$
<b>1,141,734</b>	Non Current - secured by a floating charge debenture.	<b>1,071,750</b>

## 32. Provisions

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

<u>ACTUAL</u> <u>2012/2013</u> \$		<u>ACTUAL</u> <u>2013/2014</u> \$
	<b>Current</b>	
169,684	Provision for Annual Leave	179,942
133,917	Provision for Long Service Leave	181,987
<u>303,601</u>		<u>361,929</u>
	<b>Non Current</b>	
36,619	Provision for Long Service Leave	29,046
<u>36,619</u>		<u>29,046</u>

	Provision Annual Leave	Provision Long Service Leave	Total
	\$	\$	\$
Opening Balance as at 1 July 2013	169,684	170,536	340,220
Additional Provision	10,258	40,497	50,755

## 33. Employee Numbers and Remuneration

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

<u>2012/2013</u>		<u>2013/2014</u>
1	<b>Annual Salary Range</b> \$100,000 or more per annum.	1
24	<b>Total Number of Employees</b> The number of full time equivalent employees at 30 June.	26



## 34. Economic Dependency

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

<u>ACTUAL</u> <u>2012/2013</u>		<u>ACTUAL</u> <u>2013/2014</u>
\$		\$
	<b>By Nature and Type:</b>	
1,322,446	Operating Grants	770,702
<u>2,472,414</u>	Non Operating Grants	<u>1,034,437</u>
<u>3,794,860</u>	<b>Total</b>	<u>1,805,139</u>
	<b>By Program:</b>	
4,670	Governance	0
737,762	General Purpose Funding	633,533
62,993	Law, Order, Public Safety	49,207
0	Health	0
0	Education and Welfare	0
0	Housing	0
0	Community Amenities	0
1,310,066	Recreation and Culture	437,317
1,679,369	Transport	685,082
0	Economic Services	0
0	Other Property and Services	0
<u>3,794,860</u>	<b>Total</b>	<u>1,805,139</u>

The operating grants disclosed above include reimbursements received during the 2013/2014 Financial Year, totalling \$196,819.

## 35. Contingent Liabilities

Council does not have any known contingent liabilities as at 30 June 2014.

## 36. Total Assets Classified by Function and Activity

<u>ACTUAL</u> <u>2012/2013</u>		<u>ACTUAL</u> <u>2013/2014</u>
\$		\$
	<b>By Program:</b>	
2,185,171	Governance	2,141,082
0	General Purpose Funding	0
549,072	Law, Order, Public Safety	477,568
147,386	Health	160,001
0	Education and Welfare	0
3,329,618	Housing	4,180,731
144,474	Community Amenities	351,599
9,243,733	Recreation and Culture	10,747,285
376,558	Transport	45,210,157
40,195,668	Economic Services	910,623
1,492,262	Other Property and Services	1,614,621
4,181,517	Unallocated	3,486,520
<u>61,845,460</u>	<b>Total</b>	<u>69,280,185</u>



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## INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF BEVERLEY

### Report on the Financial Report

We have audited the accompanying financial report of the Shire of Beverley, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year ended 30 June 2014, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

### Management's responsibility for the financial report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), and for such internal control as Management determines necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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

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

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



**Chartered  
Accountants**

Independent Member of  
**BKR**  
INTERNATIONAL

Liability limited by a scheme approved under Professional Standards Legislation

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## **Opinion**

In our opinion, the financial report of the Shire of Beverley

- i. gives a true and fair view of the Shire of Beverley's financial position as at 30 June 2014 and of its performance for the financial year ended 30 June 2014;
- ii. complies with Australian Accounting Standards; and
- iii. is prepared in accordance with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

## **Statutory Compliance**

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- i. There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- ii. There are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit, with exception of the following:
  - Borrowings Information in the 2014 annual budget (note 7) does not include details of the purpose for which the money was borrowed and the year in which money was borrowed as required by Regulation 29 a) sections ii) and iii) of the Local Government (Financial Management Regulations) 1996.
- iii. The asset consumption ratio and the asset renewal funding ratio included in the annual financial report are supported by verifiable information and reasonable assumptions.
- iv. All necessary information and explanations were obtained by us.
- v. All audit procedures were satisfactorily completed during our audit.

## **AMD Chartered Accountants**



**MARIA CAVALLO**

**Partner**

Bunbury, Western Australia

Dated this 22<sup>nd</sup> day of October 2014

# Councillors Declaration

In accordance with a resolution of the Councillors of the Shire of Beverley, we state that:

1. In the opinion of the Councillors:

1.1 The Financial Statements and Notes of the Shire of Beverley are in accordance with the Local Government Act 1995 and Regulations, including:

- (a) Giving a true and fair view of the Shire of Beverley's financial position as at 30 June 2014, and of its performance for the year ended on that date; and
- (b) Complying with applicable Australian Accounting Standards; and

1.2 There are reasonable grounds to believe that the Shire of Beverley will be able to pay its debts as and when they become due and payable.

On behalf of the Council:

**Cr D J Ridgway**  
**President**

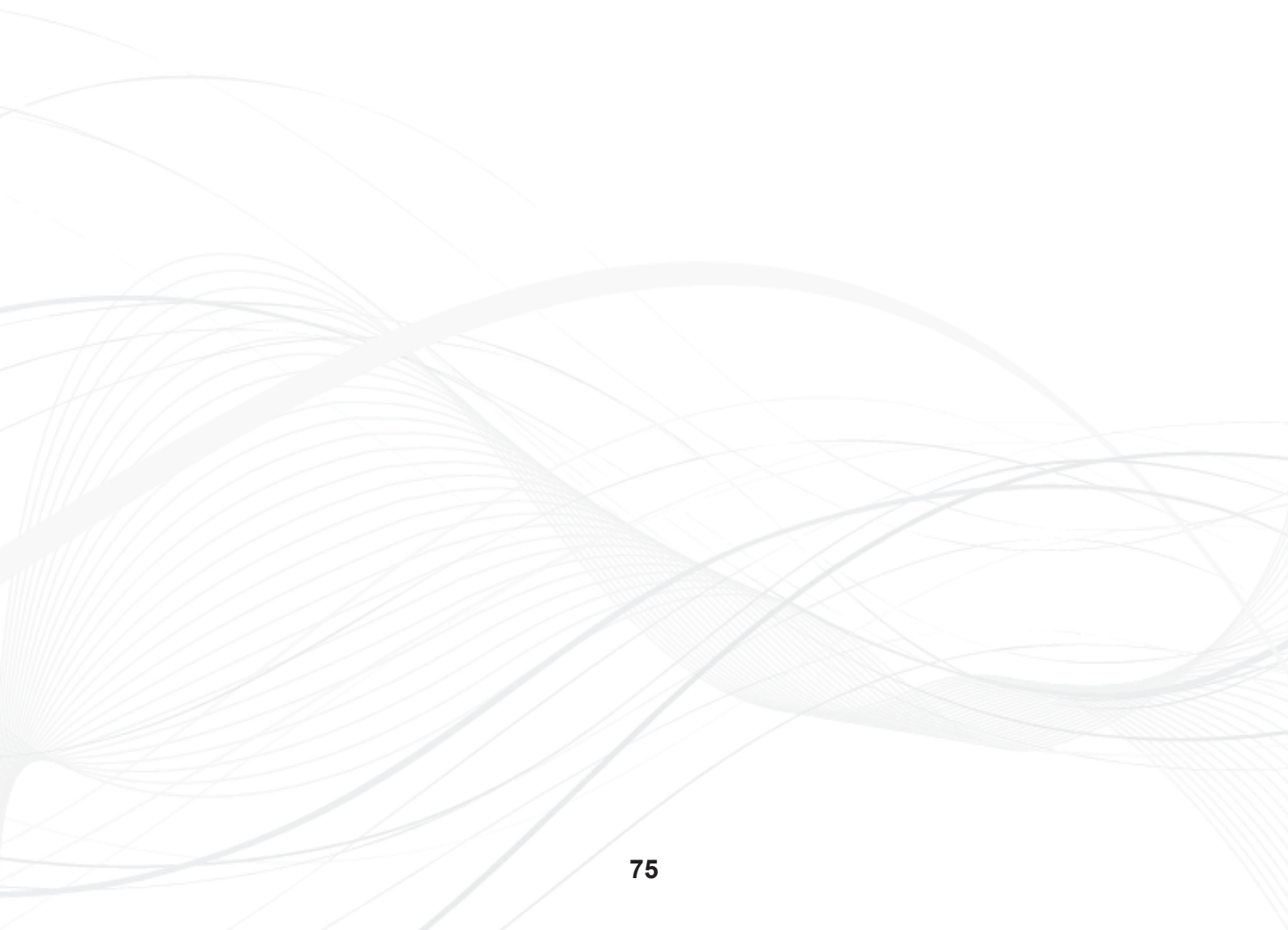
**Cr C J Pepper**  
**Deputy President**

Signed on the 28th Day of October 2014.



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## Notes



## Notes







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