



# Shire of Beverley

ANNUAL REPORT 2010 - 2011



# CONTENTS

<b>Our Purpose .....</b>	<b>1 - 2</b>
<b>Objectives and Achievements .....</b>	<b>3 - 4</b>
<b>Statement by the President.....</b>	<b>5 - 6</b>
<b>The Council .....</b>	<b>7</b>
<b>Chief Executive Officer's Report .....</b>	<b>9 - 10</b>
<b>Organisational Structure .....</b>	<b>11</b>
<b>Legislative Compliance .....</b>	<b>13 - 16</b>
<b>Financial Statements .....</b>	<b>17</b>
- Contents .....	19 - 20
- Statement by the Chief Executive Officer .....	21
- Statement of Comprehensive Income .....	23
- Statement of Financial Position.....	24
- Statement of Change in Equity .....	25
- Statement of Cash Flows .....	26
- Rate Setting Statement .....	28
- Statement of Rating Information .....	30
- Notes to and Forming Part of the Financial Report (Nos 1 - 35).....	31 - 72
- Councillors' Declaration .....	73
- Independent Audit Report .....	74



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# PURPOSE, MISSION AND VALUES

## OUR PURPOSE

Our vision is to have a community:

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

## OUR MISSION

To provide efficient, responsible government to the district by:

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

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



## OUR VALUES

The Shire of Beverley has a clear strength in the bond and affinity between its Councillors, the community, and staff. Staff 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 2010/2011

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

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

## ACHIEVEMENTS FOR 2010/2011

1. The Shire conducted a tender process and appointed a builder to construct two Independent Living Units for Aged Persons.
2. The Shire engaged CCS Strategic to prepare a feasibility study. A revised Concept Plan was compiled from the findings of workshops conducted as part of the Feasibility Study. A funding application was submitted to the Department of Sport and Recreation, which was successful in securing \$564,000 towards the project in 2011/2012.
3. The Shire completed construction of the Campers' Kitchen, and let the tender for the construction of a new ablution facility at the Caravan Park.
4. The community facilities were progressed in the following manner:
  - (a) Town Hall Refurbishment - Construction of a new entry and landscaping to front of hall;
  - (b) Railway Station Cultural Centre - Install new sound system, including lighting and sound control to stage;
  - (c) Railway Station Cultural Centre - Completed stage, viewing platform, and grassed areas;



- (d) Morbinning Fire Shed - Commenced construction of new fire shed;
  - (e) RV Dump Station - Installed new sewage dump station for recreational vehicles.
5. Asset Management - A SEARTG initiative, which resulted in the appointment of consultants to progress the preparation of Asset Management Plans. A draft Buildings and Structures Asset Management Plan has been prepared and is currently being evaluated by Council.

## HIGHLIGHTS OF 2010/2011

During the 2010/2011 Financial Year, the Shire achieved the following:

1. No new loans to fund Capital Works Programmes were raised.
2. Net surplus of \$1.28M, which included committed expenditure carried forward to 2011/2012.
3. Rate increases for 2010/2011 were limited to 3.0%. This level allowed the Shire to maintain existing services, fund a number of new initiatives, and continue to allocate funds to renew Shire infrastructure.
4. \$3.84M was spent to maintain services at current levels.
5. Expenditure on Capital Works is summarised as follows:
  - Land and Buildings \$0.56M
  - Road Infrastructure \$1.04M
  - Plant and Equipment \$0.47M
  - Furniture and Equipment \$0.01M

## STRATEGIC OBJECTIVES FOR 2011/2012

This section provides a description of the activities to be funded in the Budget for the 2011/2012 Financial Year, and how these will contribute to achieving the Strategic Objectives specified in the Plan for the Future.

Strategic Objective	Description
1. Development of Independent Living Units for Aged Persons	Project completion and full occupation by February 2012.
2. Development of Recreation Facility	Complete development by June 2013.
3. Caravan Park Development	Complete planned works by June 2012.
4. Community Facilities	Complete construction in time and within Budget.
5. Asset Management Programme	Complete Asset Management Plan by February 2012 - Length of roads, drains, footpaths replaced and constructed each year (measured in kilometres).

## STATEMENT BY SHIRE PRESIDENT



The Shire ended the 2010/2011 Financial Year with a surplus of \$1.28M, inclusive of \$566,855 of committed Capital Works projects to be carried forward into 2011/2012. These projects include road works, caravan park ablutions, Lesser Hall ceiling, external painting of retirement village, waste water reuse scheme, Christmas decorations, parkland redevelopment planning, and redevelopment of the recreation precinct.

Acceptable rate levels have been maintained with an overall modest rate increase of 3%, which has contributed to the continuing efficient provision of quality services and facilities to our residents and ratepayers.

The Shire is in the process of developing a Strategic Community Plan to meet the new Integrated Planning and Reporting requirements introduced by the State Government.

The strategic Community Plan is a visionary document, based on community input and our research, to ensure our future is sustainable. This Plan, once adopted by Council, will guide our decisions for the next ten years.

The Shire is also developing Asset Management Plans and a long term Financial Plan. These strategic documents, along with Council's Forward Capital Works Plan, will align with the Strategic Community Plan and form the basis of Council's financial management strategy for the future.

The Town Hall frontage project was completed, inclusive of a new entry to facilitate universal access to both Halls, landscaping, and low cost lighting which also features the building. This project cost \$74,154, and was supported by the Commonwealth Regional and Local Community Infrastructure Programme.

The Shire has commenced construction of two new independent living units, with an anticipated completion date early in 2012. These units are the first stage of ongoing planning to address the accommodation needs of our growing elderly population.

The community driven "Platform Theatre" project at the Railway Station Cultural Precinct has seen the completion of, and upgrades to, the elevated viewing area, stage, and a new sound and lighting system, which will provide opportunity to attract nationally recognised performers to the community and region.





Redevelopment of the caravan park is still a priority of Council. Works this year include the new campers' kitchen, and the engagement of a contractor to construct a much needed new ablutions facility.

Capital expenditure on Road Works amounted to \$1,045,238, with just over \$540,766 also spent on road maintenance activities.

The Shire, Avondale Farm Project Association, and Balladong Aboriginal Community, developed a Master Plan for the Avondale Farm Project, with assistance from the National Trust of Australia (WA), and the Wheatbelt Development Commission. This document determines a way forward for Avondale, and will inform funding submissions.

The Shire continued to be involved with the South East Avon Regional Transition Group (SEARTG). The following regional projects were progress by the Group:

- ◆ Regional Business Plan - Current State draft.
- ◆ Strategic Community Plan; and
- ◆ Asset Management Plans.

I extend my thanks to Councillors, Shire management and staff, who have worked tirelessly during the year on behalf of our community. We will continue to operate on the basis of cooperation, honesty and integrity in all our decisions, and work as a team for the progressive operation of the Shire.

**Cr Dee Ridgway  
President**

## THE COUNCIL



### YOUR ELECTED MEMBERS

#### Front (Left to Right)

Deputy Chief Executive Officer - Mr S Gollan;  
Chief Executive Officer - Mr K Byers;  
Shire President - Cr D Ridgway;  
Deputy President; Cr L Shaw

#### Back (Left to Right)

Cr C Egberts; Cr J Alexander; Cr B Foster; Cr P Gogol; Cr K Murray; Cr C Pepper

#### Absent:

Cr M Roberts



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# ACTING CHIEF EXECUTIVE OFFICER'S REPORT



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

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

**Plan for the Future** - The Plan for the Future was reviewed and a number of new initiatives were incorporated into the Plan. It is proposed in the coming year that the Strategic Community Plan will form part of the Plan for the Future and the Financial Plan.

**Asset Management** - In conjunction with the Participating Councils of the South East Avon Regional Transition Group (SEARTG), the preparation of Asset Management Plans has been progressed.



The aim of each plan is to ensure that each class of Council infrastructure is assessed, along with its condition, replacement cost, and projected replacement date.

The information will assist the Council in determining service levels and priorities in relation to Capital Works in future years.

This will aid in the calculation of any funding gap which will need to be addressed by the Council in ensuring that its infrastructure is maintained for future generations. It is proposed that the Asset Management Plans will be finalised in 2011/2012, and in turn be linked to the Strategic Community Plan, Long Term Financial Plan, and Annual Budget.

## Other Initiatives

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

Finalisation of the Concept Plan for the Function and Recreation Centre at Beverley Recreation Precinct allowed Council to submit a funding application to the Department of Sport and Recreation. This application was successful in securing Council funding of \$564,000 towards the construction of this project in 2011/2012.

The challenges faced by staff during the January 2011 storm were extensive, but their efforts in making the district safe and accessible were outstanding. Their response in difficult circumstances was exemplary.

May I take this opportunity to thank President Dee Ridgway for her dedication and commitment to the community. Thanks are extended to current Members of Council for their valuable input, and in supporting our staff.

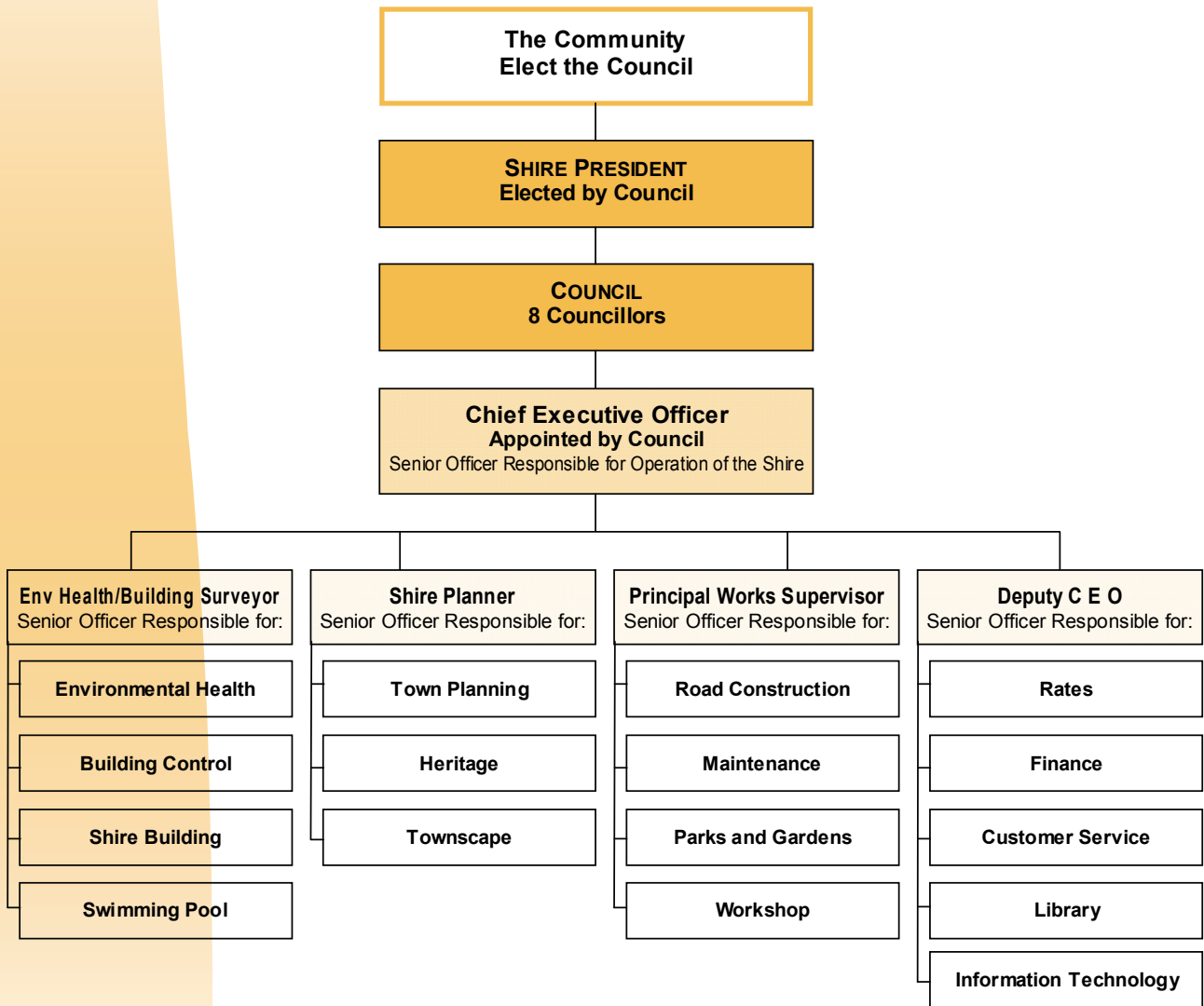
The dedication of the Shire staff has continued through 2010/2011, with all employees showing their professionalism, hard work and commitment, making them a credit to the organisation. I would personally like to extend my appreciation for their efforts.

**S P Gollan**  
**Acting Chief Executive Officer**

# ORGANISATIONAL STRUCTURE

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

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



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# LEGISLATIVE COMPLIANCE

## NATIONAL COMPETITION POLICY

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

### The Structural Reform of Public Monopolies

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

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

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

### Competitive Neutrality

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

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

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

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





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

## **Legislation Review**

In accordance with the National Competition Policy, all Local Laws have been reviewed and will be adopted in the 2011/2012 Financial Year.

## **DISABILITY ACCESS AND INCLUSION PLAN**

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

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

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

## **PUBLIC INTEREST DISCLOSURE**

### **Public Interest**

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

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

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

During the 2010/2011 Financial Year there were no disclosures made under the Act.

### **Annual Salaries**

One employee of the Shire of Beverley received a salary in excess of \$100,000 for the year ended 30 June 2011.

### **RECORD KEEPING PLAN**

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

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

### **Rationale**

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

### **Minimum Compliance Requirements**

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

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

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

## **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 2010/2011.

## **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.

# **ANNUAL FINANCIAL STATEMENTS 2010 - 2011**



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# CONTENTS

▶	Statement of Chief Executive Officer .....	21
▶	Statement of Comprehensive Income.....	23
▶	Statement of Financial Position .....	24
▶	Statement of Change in Equity .....	25
▶	Statement of Cash Flows.....	26 - 27
▶	Rate Setting Statement.....	28 - 29
▶	Statement of Rating Information .....	30
	<b>NOTES .....</b>	<b>31</b>
1.	Significant Accounting Policies.....	31 - 43
2.	Revenues and Expenses.....	44
3.	Description of Functions and Expenses.....	44
4.	Revenues and Expenses by Nature and Type.....	45
5.	Cash and Cash Equivalents.....	46
6.	Fixed Assets.....	47
7.	Borrowing Information.....	51
8.	Reserves.....	52
9.	Cash Flow Information.....	56
10.	Trust Fund Information.....	57
11.	Comparison with Rate Setting Statement.....	58
12.	Rating Information.....	59
13.	Service Charges.....	59
14.	Information About Discounts, Incentives, Concessions and Write Offs.....	60
15.	Interest Charges for the Late Payment of Rate Charges.....	60
16.	Fees and Charges Information.....	61
17.	Investments.....	62

18.	Council Members - Fees, Expenses, and Allowances.....	62
19.	Depreciation on Non Current Assets. ....	63
20.	Major Land Transactions .....	63
21.	Joint Venture.....	63
22.	Trading Undertakings and Major Trading Undertakings. ....	63
23.	Capital and Leasing Commitments. ....	64
24.	Financial Instruments.....	64
25.	Position at Commencement of Financial Year.....	67
26.	Capital Expenditure by Program. ....	67
27.	Financial Information by Ratio. ....	68
	- Definitions .....	69
28.	Trade and Other Receivables.....	70
29.	Inventories. ....	70
30.	Trade and Other Payables.....	70
31.	Long Term Borrowings.....	71
32.	Provisions. ....	71
33.	Employee Numbers and Remuneration.....	71
34.	Economic Dependency.....	72
35.	Contingent Liabilities.....	72
▶	Councillors' Declaration .....	73
▶	Independent Audit Report .....	74

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2011  
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 2011, are in my opinion, properly drawn up to present fairly the financial position of the Shire of Beverley as at 30 June 2011, and the results of the operations for the Financial Year ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the Regulations under the Act.

Signed on the 29th day of September 2011.

**Stephen Gollan  
Acting Chief Executive Officer**





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**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011**

2009/2010 ACTUAL		Note	2010/2011 ADOPTED BUDGET	2010/2011 ACTUAL
\$	<b>EXPENSES</b>	2,3,4	\$	\$
(32,300)	General Purpose Funding		(45,899)	(30,851)
(167,416)	Governance		(281,602)	(223,701)
(49,189)	Law, Order, Public Safety		(69,952)	(71,757)
(86,745)	Health		(105,652)	(70,714)
(39,297)	Education and Welfare		(45,794)	(44,156)
(200,898)	Housing		(188,372)	(150,676)
(365,597)	Community Amenities		(461,768)	(432,936)
(638,719)	Recreation and Culture		(837,249)	(752,174)
(1,218,485)	Transport		(1,188,792)	(2,388,587)
(234,801)	Economic Services		(288,870)	(318,688)
(28,134)	Other Property and Services		(302,542)	(184,780)
<b>(3,061,581)</b>			<b>(3,816,492)</b>	<b>(4,669,020)</b>
	<b>REVENUE</b>	2,3,4		
3,090,401	General Purpose Funding		2,897,950	3,251,763
42,976	Governance		5,050	52,278
46,372	Law, Order, Public Safety		177,511	46,971
9,950	Health		0	0
5,000	Education and Welfare		0	0
51,880	Housing		657,110	62,235
118,090	Community Amenities		118,090	122,242
202,851	Recreation and Culture		621,818	214,969
1,162,258	Transport		588,295	1,192,728
122,582	Economic Services		86,500	197,164
89,346	Other Property and Services		55,000	56,233
<b>4,941,706</b>			<b>5,207,324</b>	<b>5,196,583</b>
<b>1,880,125</b>	<b><u>Increase(Decrease)</u></b>		<b>1,390,832</b>	<b>527,563</b>
	<b>DISPOSAL OF ASSETS</b>	6		
0	Land		0	0
10,423	Plant and Equipment		86,205	45,135
0	Furniture and Equipment		0	0
<b>10,423</b>	<b><i>Gain (Loss) on Disposal</i></b>		<b>86,205</b>	<b>45,135</b>
	<b>FINANCE COSTS</b>	7		
(2,857)	Housing		(2,620)	(2,745)
(13,524)	Recreation and Culture		(12,198)	(12,728)
(4,858)	Economic Services		(4,030)	(4,113)
(21,239)	<b><u>Increase(Decrease)</u></b>		<b>(18,848)</b>	<b>(19,586)</b>
<b>1,869,309</b>	<b><u>NET RESULT</u></b>		<b>1,458,189</b>	<b>553,112</b>
(1,382,416)	Changes on revaluation of non - current assets	6	0	3,253,439
2	Rounding		0	(2)
<b>486,895</b>	<b><u>TOTAL COMPREHENSIVE INCOME</u></b>		<b>1,458,189</b>	<b>3,806,549</b>

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

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011**

	Note	2009/2010 ACTUAL \$	2010/2011 ACTUAL \$
<b>Current assets</b>			
Cash and Cash Equivalents	5	3,430,015	3,231,474
Trade and Other Receivables	28	168,318	597,178
Inventories	29	14,621	10,167
Other Assets		0	0
<b>Total Current Assets</b>		<b>3,612,953</b>	<b>3,838,818</b>
<b>Non Current Assets</b>			
Trade and Other Receivables	28	190,737	182,558
Property, Infrastructure, Plant and Equipment	6	36,846,649	40,838,442
<b>Total Non Current Assets</b>		<b>37,037,386</b>	<b>41,021,000</b>
<b>Total Assets</b>		<b>40,650,339</b>	<b>44,859,818</b>
<b>Current Liabilities</b>			
Trade and Other Payables	30	191,098	592,388
Interest Bearing Loans and Borrowings	7	33,792	35,873
Provisions	32	233,343	272,574
<b>Total Current Liabilities</b>		<b>458,233</b>	<b>900,835</b>
<b>Non Current Liabilities</b>			
Interest Bearing Loans and Borrowings	7	282,205	246,332
Provisions	32	30,300	26,502
<b>Total Non Current Liabilities</b>		<b>312,505</b>	<b>272,834</b>
<b>Total Liabilities</b>		<b>770,738</b>	<b>1,173,669</b>
<b>Net Assets</b>		<b>39,879,601</b>	<b>43,686,150</b>
<b>Equity</b>			
Retained Surplus		37,555,068	38,252,086
Reserve - Asset Revaluation	8	225,654	3,479,093
Reserves - Other (Cash/Investment Backed)	8,11	2,098,879	1,954,971
<b>Total Equity</b>		<b>39,879,601</b>	<b>43,686,150</b>

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Note	2009/2010 ACTUAL \$	2010/2011 ACTUAL \$
<b>Retained Surplus</b>			
Balance as at 1 July 2010		35,847,676	37,555,068
Total Comprehensive Income		486,895	3,806,549
Transfer from/(to) Reserves	8	1,220,497	(3,109,531)
<b>Balance as at 30 June 2011</b>		<b>37,555,068</b>	<b>38,252,086</b>
<b>Reserves - Cash Backed</b>			
Balance as at 1 July 2010		1,936,960	2,098,879
Transfer from/(to) Retained Surplus	8	161,919	(143,908)
<b>Balance as at 30 June 2011</b>		<b>2,098,879</b>	<b>1,954,971</b>
<b>Reserves - Asset Revaluation</b>			
Balance as at 1 July 2010		1,608,070	225,654
Revaluation Increment		0	3,253,439
Revaluation Decrement	6	(1,382,416)	0
<b>Balance as at 30 June 2011</b>		<b>225,654</b>	<b>3,479,093</b>
<b>Total Equity</b>		<b>39,879,601</b>	<b>43,686,150</b>

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

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

2009/2010 ACTUAL \$		Note	2010/2011 ADOPTED BUDGET \$	2010/2011 ACTUAL \$
	<b>Cash Flows from Operating Activities</b>			
	<b>PAYMENTS</b>			
(1,323,398)	Employee Costs		(1,547,355)	(1,557,033)
(668,760)	Materials and Contracts		(1,112,260)	(1,142,724)
(41,437)	Utilities		(40,480)	(13,494)
(117,248)	Insurance		(124,028)	(116,945)
(20,805)	Interest Expenses		(18,848)	(19,586)
0	Goods and Services Tax		0	(17,254)
(152,248)	Other		(219,523)	(92,850)
<b>(\$2,323,896)</b>			<b>(\$3,062,494)</b>	<b>(\$2,959,886)</b>
	<b>RECEIPTS</b>			
1,972,612	Rates		2,029,285	2,018,036
170,292	Subsidies and Contributions		770,855	458,406
423,923	Fees and Charges		340,010	384,903
146,914	Interest Received		99,700	186,232
0	Goods and Services Tax		0	0
8,901	Other		1,800	12,352
<b>\$2,722,642</b>			<b>\$3,241,650</b>	<b>\$3,059,929</b>
<b>\$398,746</b>	<b>Net Cash flows from Operating Activities</b>	<b>9</b>	<b>\$179,156</b>	<b>\$100,043</b>
	<b>Cash Flows from Investing Activities</b>			
	<b>Payments</b>			
0	Purchase Tools		(5,500)	(4,702)
(542,958)	Purchase Land and Buildings		(2,642,438)	(559,432)
(1,819,996)	Purchase Infrastructure Assets - Roads		(1,507,786)	(1,045,238)
	Purchase Infrastructure Assets - Recreational			
0	Facilities		(100,000)	(5,740)
0	Purchase Infrastructure Assets - Other		(10,000)	0
(473,121)	Purchase Plant and Equipment		(829,000)	(470,561)
(12,207)	Purchase Furniture and Equipment		(103,500)	(77,160)
<b>(2,848,282)</b>			<b>(5,198,224)</b>	<b>(2,162,833)</b>
	<b>Receipts</b>			
0	Disposal of Land		0	0
0	Disposal of Furniture and Equipment		0	0
235,494	Disposal of Plant and Equipment		329,000	164,819
0	Contributions from Other Parties		0	0
<b>235,494</b>			<b>329,000</b>	<b>164,819</b>
<b>(\$2,612,788)</b>	<b>Net Cash Flows used in Investing Activities</b>		<b>(\$4,869,224)</b>	<b>(\$1,998,014)</b>
	<b>Cash Flows from Financing Activities</b>			
(31,833)	Loan Repayments - Principal		(33,792)	(33,792)
0	Loan Borrowings		600,000	0
0	Principal Repayments Received		0	0
<b>(\$31,833)</b>	<b>Net cash flows from financing activities</b>		<b>\$566,208</b>	<b>(\$33,792)</b>
	<b>Cash Flows from Government</b>			
	Receipts from Appropriate Grants			
1,045,089	Recurrent		879,326	1,145,705
1,256,263	Capital		1,066,656	587,522
<b>\$2,301,352</b>	<b>Net cash Provided by Government</b>		<b>\$1,945,982</b>	<b>\$1,733,227</b>
<b>\$55,477</b>	<b>Net (Decrease)/Increase in Cash Held</b>		<b>(\$2,177,878)</b>	<b>(\$198,536)</b>
<b>3,374,540</b>	<b>Cash at the Beginning of Reporting Period</b>		<b>3,430,015</b>	<b>3,430,015</b>
(2)	<b>Rounding</b>		0	(5)
<b>\$3,430,015</b>	<b>Cash at the End of Reporting Period</b>	<b>9</b>	<b>\$1,252,137</b>	<b>\$3,231,474</b>

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

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

### Notes

	2009/2010 ACTUAL \$	2010/2011 ACTUAL \$
<b>RECONCILIATION OF CASH</b>		
Cash at Bank	3,427,142	3,231,174
Cash on Hand	2,873	300
<b>TOTAL CASH</b>	<b>3,430,015</b>	<b>3,231,474</b>
<b>RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT</b>		
Operating Result (As per Comprehensive Income Statement)	1,869,309	553,112
Depreciation	857,136	1,304,797
Gain on Disposal of Assets	(10,423)	(45,135)
Government Revenue	(2,301,352)	(1,733,227)
Changes in Assets and Liabilities		
Inventory	(227)	4,454
Receivable	68,679	(420,681)
Accounts Payable and Accruals	(75,450)	401,290
Provisions - Employees Entitlements	(8,927)	35,433
Rounding	1	0
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>398,746</b>	<b>100,043</b>

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

## RATE SETTING STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

2009/2010 ACTUAL		NOTES	2010/2011 ADOPTED BUDGET	2010/2011 ACTUAL
<b>\$</b>	<b>REVENUE</b>	2,3,4	<b>\$</b>	<b>\$</b>
1,116,532	General Purpose Funding		877,665	1,218,241
42,976	Governance		5,050	52,278
46,372	Law, Order Public Safety		177,511	46,971
9,950	Health		0	0
5,000	Education and Welfare		0	0
51,880	Housing		657,110	62,235
118,090	Community Amenities		118,090	122,242
202,851	Recreation and Culture		621,818	214,969
1,162,258	Transport		588,295	1,192,728
122,582	Economic Services		86,500	197,164
89,346	Other Property and Services		55,000	56,233
<b>\$2,967,837</b>	<b>LESS EXPENDITURE</b>	2,3,4	<b>\$3,187,039</b>	<b>\$3,163,061</b>
(32,300)	General Purpose Funding		(45,899)	(30,851)
(167,417)	Governance		(281,602)	(223,701)
(49,189)	Law, Order, Public Safety		(69,952)	(71,757)
(86,745)	Health		(105,652)	(70,714)
(39,297)	Education and Welfare		(45,794)	(44,156)
(203,755)	Housing		(190,992)	(153,421)
(365,597)	Community Amenities		(461,768)	(432,936)
(652,243)	Recreation and Culture		(849,447)	(764,902)
(1,218,485)	Transport		(1,188,792)	(2,388,587)
(239,659)	Economic Services		(292,900)	(322,801)
(28,133)	Other Property and Services		(302,542)	(184,780)
<b>(3,082,820)</b>			<b>(3,835,340)</b>	<b>(4,688,606)</b>
<b>(114,983)</b>	<i>Increase(Decrease)</i>		<b>(648,301)</b>	<b>(1,525,545)</b>
	<b>ADD</b>			
(8,927)	Provisions Employee Entitlements Accrued		0	35,433
0	Deferred Pensioner Rates (Non Current)		0	0
8,870	Principal Repayment Received - Loans	7,11	9,425	9,425
10,423	Profit/ Loss on the disposal of assets	6,11	86,205	45,135
857,136	Depreciation Written Back	6	857,127	1,304,797
225,071	Book Value of Assets Sold Written Back	6	242,795	119,684
<b>\$1,092,573</b>			<b>\$1,195,552</b>	<b>\$1,514,474</b>
<b>\$977,590</b>	<i>Sub Total</i>		<b>\$547,251</b>	<b>(\$11,071)</b>
	<b>LESS CAPITAL PROGRAMME</b>			
0	Purchase Tools		(5,500)	(4,702)
(542,958)	Purchase Land and Buildings	6,26	(2,642,438)	(559,432)
(1,819,996)	Infrastructure Assets - Roads	6,26	(1,507,786)	(1,045,238)
0	Infrastructure Assets - Recreation Facilities	6,26	(100,000)	(5,740)
0	Infrastructure Assets - Other	6,26	(10,000)	0
(473,121)	Purchase Plant and Equipment	6,26	(829,000)	(470,561)
(12,207)	Purchase Furniture and Equipment	6,26	(103,500)	(77,160)
(31,833)	Repayment of Debt - Loan Principal	7,11	(33,792)	(33,792)
(431,217)	Transfer to Reserves	8,11	(431,821)	(257,509)
<b>(3,311,332)</b>			<b>(5,663,837)</b>	<b>(2,454,133)</b>

**RATE SETTING STATEMENT FOR THE YEAR ENDED 30 JUNE 2011 (Continued)**

<b>2009/2010 ACTUAL</b>		<b>NOTES</b>	<b>2010/2011 ADOPTED BUDGET</b>	<b>2010/2011 ACTUAL</b>
0	<b>ABNORMAL ITEMS</b>		0	0
\$0			\$0	\$0
(5)	Plus Rounding		0	(2)
(3,311,337)			(5,663,837)	(2,454,135)
<b>(\$2,333,747)</b>	<i>Sub Total</i>		<b>(\$5,116,586)</b>	<b>(\$2,465,206)</b>
	<b>LESS FUNDING FROM</b>			
0	Loans	7,11	600000	0
269,300	Reserves	8,11	1,177,800	401,417
1,409,070	Opening Funds - July 1 Brought Forward	25	1,318,501	1,318,501
(1,318,492)	Closing Funds - June 30 Carried Forward	25	0	(1,288,234)
<b>\$359,878</b>			<b>3,096,301</b>	<b>\$431,684</b>
<b>(\$1,973,869)</b>	<b>AMOUNT TO BE MADE UP FROM RATES</b>		<b>(\$2,020,285)</b>	<b>(\$2,033,522)</b>

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



**STATEMENT OF RATING INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2011**

	CURRENT YEAR ESTIMATED 2010/2011										CURRENT YEAR ACTUAL 2010/2011									
	GENERAL RATE					MINIMUM RATE					GENERAL RATE					MINIMUM RATE				
	No. of Prop.	Rateable value \$	U.V. Rate in \$	Rate Yield \$	No.	Minimums Rateable value \$	Min. Rate \$	Yield \$	TOTAL \$	No. of Prop.	Rateable value \$	U.V. Rate in \$	Rate Yield \$	No.	Minimums Rateable value \$	Min. Rate \$	Yield \$	TOTAL \$		
General Rate GRV.	490	3,398,768	0.128941	438,241	164	384,431	620.00	101,680	539,921	490	3,398,768	0.128941	438,241	164	384,431	620.00	101,680	539,921		
General Rate UV - Rural	638	250,789,500	0.006460	1,620,100	41	1,680,300	620.00	25,420	1,645,520	638	250,789,500	0.006460	1,620,100	41	1,680,300	620.00	25,420	1,645,520		
General Rate UV - Mt Kokeby and Mawson	2	285,000	0.006460	1,841	10	444,500	620.00	6,200	8,041	2	285,000	0.006460	1,841	10	444,500	620.00	6,200	8,041		
General Rate UV - Mining	0	0	0.006460	0	4	78,157	620.00	2,480	2,480	0	0	0.006460	0	4	78,157	620.00	2,480	2,480		
<b>SUB TOTAL GENERAL RATE</b>	<b>1,130</b>	<b>254,473,268</b>		<b>2,060,182</b>	<b>219</b>	<b>2,587,388</b>		<b>135,780</b>	<b>2,195,962</b>	<b>1,130</b>	<b>254,473,268</b>		<b>2,060,182</b>	<b>219</b>	<b>2,587,388</b>		<b>135,780</b>	<b>2,195,962</b>		
Interim Rates Discount Allowed									0									11,713	(174,165)	
Rounding									0									0	12	
<b>SUB TOTAL</b>									<b>(175,677)</b>									<b>0</b>	<b>(162,440)</b>	
<b>GRAND TOTAL</b>	<b>1,130</b>	<b>254,473,268</b>		<b>2,060,182</b>	<b>219</b>	<b>2,587,388</b>		<b>135,780</b>	<b>2,020,285</b>	<b>1,130</b>	<b>254,473,268</b>		<b>2,060,182</b>	<b>219</b>	<b>2,587,388</b>		<b>135,780</b>	<b>2,033,522</b>		

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

Council has imposed a general rate of 0.128941 GRV and 0.006460 UV and a minimum rate of \$620.00 pa, as Council perceives it to be a "reasonable" minimum level of rates which all ratepayers in its district should pay. The minimum rate reflects the basic cost incurred by the Council in servicing each lot or dwelling in its district.

(2) RATES LEVIED IF NO MINIMUM RATE OF \$620 PA WAS IMPOSED

Total GRV & U.V. Applicable to Properties that Minimum rate applies	3,783,199	X	General Rate in Dollar	\$0.128941	=	Rates Levied on Properties that the Minimum Rate Applies
	253,277,457	X		\$0.006460	=	\$ 487,809
					=	\$ 1,636,172

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

## 1. SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the applicable Australian Accounting Standards (as they apply to local governments and not for profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 (as amended), and companying regulations.

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at a fair value through profit and loss and certain classes of non current assets, financial assets and liabilities.

#### Critical Accounting Estimates

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

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

### (b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 10 to this financial report.

**(c) Goods and Services Tax**

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

**(d) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand, and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

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

**(e) Trade and Other Receivables**

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

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

**(f) Inventories**

General

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

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

Land Held for Resale

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

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

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

**(g) Fixed Assets**

Initial Recognition

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

Revaluation

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

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

Land Under Roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in the Australian Accounting Standard AASB1051 - land Under Roads and the fact Local Government (Financial Management) Regulation 16 (a) (i) prohibits local governments from recognising such land as an asset.

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

Whilst such treatment is inconsistent with the requirements of AASB1051, Local Government (Financial Management) Regulations prevail.

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

## (h) Depreciation of Non Current Assets

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

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

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

## (i) Investments and Other Financial Assets

### Classification

Council classifies its investments in the following categories:

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

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

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

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

(ii) *Loans and Receivables*

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

(iii) *Held to Maturity Investments*

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

(iv) *Available for Sale Financial Assets*

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

Recognition and Derecognition

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

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

### Subsequent Measurement

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

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

### Impairment

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

## **(j) Estimation of Fair Value**

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

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

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

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

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

**(k) Impairment**

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

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

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

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

**(l) Trade and Other Payables**

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

**(m) Employment Benefits**

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

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

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

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

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



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

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

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

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

Borrowing Costs

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

**(o) Provisions**

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

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

**(p) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

**(q) Joint Venture**

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

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

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period, or where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 5 (b). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation of the current reporting period.

**(s) Superannuation**

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

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

**(t) Rounding Off Figures**

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

**(u) Comparative Figures**

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

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

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

**(w) Budget Comparative Figures**

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Council for the annual reporting period ending 30 June 2011.

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 - Financial Instruments	December 2009	1 January 2013	Nil - The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 124 - Related Party Disclosures	December 2009	1 January 2011	Nil - It is not anticipated the Council will have any related parties, as defined by the Standard.
(iii) AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	1 July 2013	Nil - Due to its nature and statutory requirements, the Council will be deemed a Tier 1 entity, and will continue to prepare general purpose financial statements.
(iv) AASB 2009 - 12 Amendments to Australian Accounting Standard (AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031, and Interpretations 2, 4, 16, 1039 and 1052)	December 2009	1 January 2011	Nil - The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB 8), or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.

Title and Topic	Issued	Applicable (* )	Impact
(v) AASB 2009 - 11 Amendments to Australian Accounting Standards arising from AASB 9 (AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12)	December 2009	1 January 2013	Nil - The revisions embodied in this standard give effect to consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 and 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 and 1052)	June 2010	1 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(vii) AASB 2010 - 4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 1, AASB 7, AASB 101 and AASB 134, and Interpretation 13)	June 2010	1 January 2011	Nil - The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition, and measurement criteria of IFRS's. It is not anticipated these will have any effect on the Council.
(viii) AASB 2010 - 5 Amendments to Australian Standards (AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 and 1038 and Interpretations 112, 115, 127, 132 and 1042)	October 2010	1 January 2011	Nil - The revisions embodied in this standard are largely editorial in nature or relate to standards not applicable to the Council, and will have minimal effect (if any) on the accounting practices of the Council.
(ix) AASB 2010 - 6 Amendments to Australian Accounting Standards - Disclosure of Transfer of Financial Assets (AASB 1 and AASB 7)	November 2010	1 July 2011	Nil - The revisions embodied in this standard amend disclosures required on transfer of financial assets. The Council is not expected to have any qualifying transfer.

Title and Topic	Issued	Applicable (*)	Impact
(x) 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 127)	December 2010	1 January 2013	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(xi) AASB 2010 - 8 - Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets (AASB 112)	December 2010	1 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
(xii) AASB 2010 - 9 - Amendments to Australian Accounting Standards - Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters (AASB 1)	December 2010	1 July 2011	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
(xiii) AASB 2009 - 14 Amendments to Australian Interpretations - Prepayments of a Minimum Funding Requirements (AASB Interpretation 14)	December 2009	1 January 2011	Nil - None of these amendments will have any effect on the financial report as one of the topics are relevant to the operations of the Council.
(xiv) AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First Time Adopters (AASB 2009 - 11 and AASB 2010 - 7)	December 2010	1 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

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

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

These new and revised Standards were:

- ▶ AASB 2009 - 5
- ▶ AASB 2009 - 8
- ▶ AASB 2009 - 10
- ▶ AASB 2009 - 13
- ▶ AASB 2010 - 1
- ▶ AASB 2010 - 3
- ▶ Interpretation 19

The Standards adopted had a minimal effect on the accounting and reporting practices of the Council, as they were either largely editorial in nature and were revisions to help ensure consistency with presentation, recognition and measured criteria of IFRS's, or related to topics not relevant to operations.

## 2. REVENUES AND EXPENSES

The Net Result includes:

Actual 2009/2010 \$		Adopted Budget 2010/2011 \$	Actual 2010/2011 \$
	<b>Charging as Expenses</b>		
857,136	Depreciation on Non-Current Assets	857,127	1,304,797
6,550	Auditors Remuneration	7,000	7,150
21,239	Interest Expenses	18,848	19,586
	<b>Crediting as Revenue</b>		
	Interest on Earnings Reserve Funds	50,000	107,509
93,508	Other Funds	40,000	56,341
26,160	Other Interest Revenue	7,000	22,381
27,246		<b>97,000</b>	<b>186,231</b>
<b>146,914</b>			
	Profit/(Loss) on Sale of Non-Current Assets		
0	Land	0	0
0	Buildings	0	0
10,423	Plant and Equipment	86,205	45,135
0	Furniture and Equipment	0	0
<b>10,423</b>		<b>86,205</b>	<b>45,135</b>

## 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 2009/2010 \$		Adopted Budget 2010/2011 \$	Actual 2010/2011 \$
	<b>Operating Expenses</b>		
(1,301,675)	Employee Costs	(1,545,247)	(1,595,604)
(592,271)	Materials and Contracts	(1,030,087)	(1,545,330)
(41,437)	Utility Charges (Gas, Electricity, Water, etc)	(40,480)	(13,494)
(857,134)	Depreciation on Non-Current Assets	(857,127)	(1,304,797)
(15,636)	Loss on Asset Disposals	0	(7,317)
(20,805)	Interest Expenses	(18,848)	(19,586)
(117,248)	Insurance Expenses	(124,028)	(116,945)
(152,250)	Other Expenses	(219,523)	(92,850)
<b><u>(3,098,456)</u></b>	<b>Agrees with Comprehensive Income Statement</b>	<b><u>(3,835,340)</u></b>	<b><u>(4,695,923)</u></b>
	<b>Operating Revenues</b>		
1,982,377	Rates	2,029,285	2,025,270
1,242,547	Operating Grants, Subsidies and Contributions	1,669,873	2,000,304
1,215,488	Non - Operating Grants, Subsidies and Contributions	1,066,656	587,522
26,059	Profit on Asset Disposals	86,205	52,452
354,349	Fees and Charges	340,010	384,903
146,914	Interest Earnings	99,700	186,232
31	Other Revenue	1,800	12,352
<b><u>4,967,765</u></b>	<b>Agrees with Comprehensive Income Statement</b>	<b><u>5,293,529</u></b>	<b><u>5,249,035</u></b>
<b><u>0</u></b>	Rounding	<b><u>0</u></b>	<b><u>0</u></b>
<b><u>\$1,869,309</u></b>	<b>Net Result</b>	<b><u>\$1,458,189</u></b>	<b><u>\$553,112</u></b>



## 5. CASH AND CASH EQUIVALENTS

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
2,873	Cash on Hand	300	300
3,427,142	Cash at Bank	(101,063)	3,231,174
0	Investments	1,352,900	0
<b>3,430,015</b>	Represented by:-	<b>1,252,137</b>	<b>3,231,474</b>
2,133,879	Restricted	1,352,900	1,972,521
1,296,136	Unrestricted	(100,763)	1,258,953
<b>3,430,015</b>		<b>1,252,137</b>	<b>3,231,474</b>

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
<b>(a) Restricted Funds</b>			
The following restrictions have been imposed by regulations or other externally imposed requirements			
295,026	Plant Reserve	42,156	197,888
90,944	Fire Fighters Reserve	93,142	95,654
23,678	Office Equipment Reserve	0	0
903,340	Building Reserve	260,898	835,218
276,211	Recreation Ground Reserve	464,707	290,371
117,661	Annual Leave Reserve	90,504	123,644
18,260	Avon River Development Reserve	18,701	19,207
24,145	Community Bus Reserve	24,729	25,397
151,505	Cropping Reserve	155,166	159,350
198,109	Road Construction Reserve	202,897	208,242
35,000	Unspent Grants	337,840	17,550
<b>2,133,879</b>		<b>1,690,740</b>	<b>1,972,521</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.			
Nil			
Grants received in a previous financial year which will be expended during the financial year.			
35,000	-Govt Grant - Country Local Government Fund Capital Works Plan	35,000	17,550
0	-Govt Grant - Country Local Government Fund - Independent Living Units (Funds Held in Building Reserve - Cash Backed)	605,681	490,796
<b>35,000</b>		<b>640,681</b>	<b>508,346</b>

## 6. FIXED ASSETS

### (a) Disposal of Assets

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

Asset by Class	Proceeds Sale of Assets		Written Down Value		Gain(Loss) on Disposal	
	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011
	Adopted		Adopted		Adopted	
	Budget	Actual	Budget	Actual	Budget	Actual
	\$	\$	\$	\$	\$	\$
Plant and Equipment	329,000	164,819	242,795	119,684	86,205	45,135
<b>TOTAL BY CLASS OF ASSET</b>	<b>329,000</b>	<b>164,819</b>	<b>242,795</b>	<b>119,684</b>	<b>86,205</b>	<b>45,135</b>

Asset by Program	Proceeds	Written	Gain/(Loss)
	Sale of	Down	on Disposal
	Assets	Value	
	\$	\$	\$
Governance	21,819	29,136	(7,317)
Law, Order, Public Safety	0	0	0
Health	0	0	0
Education and Welfare	0	0	0
Housing	0	0	0
Community Amenities	0	0	0
Recreation and Culture	0	0	0
Transport	143,000	90,548	52,452
Economic Services	0	0	0
Other Property and Services	0	0	0
<b>TOTAL BY PROGRAM</b>	<b>164,819</b>	<b>119,684</b>	<b>45,135</b>

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

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

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

<b>Actual 2009/2010</b>			<b>Actual 2010/2011</b>	
\$	\$		\$	\$
4,805,596		Land and Buildings (at cost)	5,370,768	
<u>(1,306,506)</u>	3,499,090	Less Accumulated Depreciation	<u>(1,417,793)</u>	3,952,975
414,605		Furniture and Equipment (at cost)	457,429	
<u>(355,384)</u>	59,221	Less Accumulated Depreciation	<u>(366,156)</u>	91,273
3,246,488		Plant and Equipment (at cost)	3,361,946	
<u>(1,647,065)</u>	1,599,423	Less Accumulated Depreciation	<u>(1,652,309)</u>	1,709,637
65,864		Hall Equipment (at cost)	86,289	
<u>(48,127)</u>	17,737	Less Accumulated Depreciation	<u>(52,241)</u>	34,048
238,601		Bushfire Unit (at cost)	238,601	
<u>(234,309)</u>	4,292	Less Accumulated Depreciation	<u>(235,096)</u>	3,505
18,824		Library Equipment (at cost)	18,824	
<u>(18,184)</u>	640	Less Accumulated Depreciation	<u>(18,412)</u>	412
90,648		Swimming Pool (at cost)	90,649	
<u>(82,165)</u>	8,483	Less Accumulated Depreciation	<u>(82,982)</u>	7,667
144,941		Other Equipment (at cost)	144,940	
<u>(134,244)</u>	10,697	Less Accumulated Depreciation	<u>(137,604)</u>	7,336
39,838		Dental Equipment (at cost)	39,838	
<u>(38,496)</u>	1,342	Less Accumulated Depreciation	<u>(38,577)</u>	1,261
35,423		Medical Practice (at cost)	49,333	
<u>(14,719)</u>	20,704	Less Accumulated Depreciation	<u>(19,697)</u>	29,636
		<b>Infrastructure Assets</b>		
43,675,861		Roads (at valuation)	44,337,975	
<u>(13,047,414)</u>	30,628,447	Less Accumulated Depreciation	<u>(10,297,610)</u>	34,040,365
1,449,786		Other Structures (at cost)	1,449,785	
<u>(453,213)</u>	996,573	Less Accumulated Depreciation	<u>(489,458)</u>	960,327
		Rounding		
	<u>36,846,649</u>	<b>TOTAL FIXED ASSETS</b>		<u>40,838,442</u>

Assets at cost are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 - Impairment of Assets.

During 2009/2010, the Shire engaged Cardno Pty Ltd to conduct a full road inventory and condition rating audit. This audit resulted in the Shire revaluing its road assets to reflect the current replacement valuation, less depreciation based on the current condition.

#### (d) Movements in Carrying Amounts

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

Program	Land and Buildings	Furniture and Equip	Plant and Equip	Hall Equip	Bushfire Unit	Library Equip	Swimming Pool	Other Equipment	Dental Equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Balance at the Beginning of the Year</b>	4,805,595	414,605	3,246,490	65,865	238,601	18,824	90649	144940	39838
<b>Assets Acquired During the Year</b>	565,173	42,824	475,262	20,424	0	0	0	0	0
<b>Assets Disposed During the Year</b>	0	0	(359,806)	0	0	0	0	0	0
<b>Revaluation Increments/ (Decrements)</b>	0	0	0	0	0	0	0	0	0
<b>Asset Balance at the End of the Year</b>	<b>5,370,768</b>	<b>457,429</b>	<b>3,361,946</b>	<b>86,289</b>	<b>238,601</b>	<b>18,824</b>	<b>90,649</b>	<b>144,940</b>	<b>39,838</b>
<b>Depreciation at the Beginning of the Year</b>	(1,306,505)	(355,384)	(1,647,067)	(48,128)	(234,309)	(18,184)	(82,166)	(134,243)	(38,496)
<b>Depreciation Expense Raised</b>	(111,288)	(10,772)	(245,364)	(4,113)	(787)	(228)	(816)	(3,361)	(81)
<b>Depreciation Expense Written Back on Disposals</b>	0	0	240,122	0	0	0	0	0	0
<b>Revaluation Increments/ (Decrements)</b>	0	0	0	0	0	0	0	0	0
<b>Depreciation at the End of Year</b>	<b>(1,417,793)</b>	<b>(366,156)</b>	<b>(1,652,309)</b>	<b>(52,241)</b>	<b>(235,096)</b>	<b>(18,412)</b>	<b>(82,982)</b>	<b>(137,604)</b>	<b>(38,577)</b>
<b>Net Asset Values at the End of the Year</b>	<b>3,952,975</b>	<b>91,273</b>	<b>1,709,637</b>	<b>34,048</b>	<b>3,505</b>	<b>412</b>	<b>7,667</b>	<b>7,336</b>	<b>1,261</b>

Program	Medical Practice	Roads	Other infrastruct.	Total
	\$	\$	\$	\$
<b>Asset Balance at the Beginning of the Year</b>	35,422	43,675,865	1,449,785	54,226,479
<b>Assets Acquired During the Year</b>	13,911	1,045,239	0	2,162,833
<b>Assets Disposed During the Year</b>	0	0	0	(359,806)
<b>Revaluation Increments/ (Decrements)</b>	0	(383,129)	0	(383,129)
<b>Asset Balance at the End of the Year</b>	<b>49,333</b>	<b>44,337,975</b>	<b>1,449,785</b>	<b>55,646,377</b>
<b>Depreciation at the Beginning of the Year</b>	(14,718)	(13,047,418)	(453,213)	(17,379,831)
<b>Depreciation Expense Raised</b>	(4,979)	(886,760)	(36,245)	(1,304,794)
<b>Depreciation Expense Written Back on Disposals</b>	0	0	0	240,122
<b>Revaluation Increments/ Decrements)</b>	0	3,636,568	0	3,636,568
<b>Depreciation at the End of the Year</b>	<b>(19,697)</b>	<b>(10,297,610)</b>	<b>(489,458)</b>	<b>(14,807,935)</b>
<b>Rounding</b>				
<b>Net Asset Values at the End of the Year</b>	<b>29,636</b>	<b>34,040,365</b>	<b>960,327</b>	<b>40,838,442</b>

## 7. BORROWINGS INFORMATION

### (a) Borrowings

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

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

### (b) Loans Raised in Financial Year

No new loans were raised during the 2010/2011 Financial Year.

### (c) Loan Repayments

Program	Loan No	Principal 01.07.10	Loans Raised		Interest		Loan Repayment		Principal 30.6.2011
			Budget 2010/2011	Actual 2010/2011	Budget 2010/2011	Actual 2010/2011	Budget 2010/2011	Actual 2010/2011	
		\$	\$	\$	\$	\$	\$	\$	\$
Housing	112	43,099	0	0	2620	2620	3985	3985	39,114
Housing	118	0	600,000	0	0	0	0	0	0
Recreation	115	54,920	0	0	2,975	2,975	11,033	11,033	43,887
Recreation	117	152,056	0	0	9,223	9,223	9,425	9,425	142,631
Economic	116	65,922	0	0	4,030	4,027	9,349	9,349	56,573
		<b>315,997</b>	<b>0</b>	<b>0</b>	<b>18,848</b>	<b>18,845</b>	<b>33,792</b>	<b>33,792</b>	<b>282,205</b>
PLUS Change in Net Accrual					0	741	0	0	
<b>TOTAL</b>		<b>315,997</b>	<b>600,000</b>	<b>0</b>	<b>18,848</b>	<b>19,586</b>	<b>33,792</b>	<b>33,792</b>	<b>282,205</b>
Loan Repayments to be Financed by the Shire					9,625	0	24,367	0	
Loan Repayments Reimbursed from External Sources					9,223	0	9,425	0	
<b>TOTAL</b>					<b>18,848</b>	<b>0</b>	<b>33,792</b>	<b>0</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
2009/2010		2010/2011	2010/2011
\$		\$	\$
423,944	<b>Opening Balance</b>	295,026	295,026
	<b>Plus Transfer from Accumulated Surplus</b>		
17,182	- Interest Received	7,130	14,488
0	- Transfer	0	150,000
	<b>Less Transfer to Accumulated Surplus</b>		
(146,100)	- Plant Purchases	(260,000)	(261,626)
<b>295,026</b>	<b>CLOSING BALANCE</b>	<b>42,156</b>	<b>197,888</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
2009/2010		2010/2011	2010/2011
\$		\$	\$
87,295	<b>Opening Balance</b>	90,944	90,944
	<b>Plus Transfer from Accumulated Surplus</b>		
3,649	- Interest Received	2,198	4,710
	<b>Less Transfer to Accumulated Surplus</b>		
<b>90,944</b>	<b>CLOSING BALANCE</b>	<b>93,142</b>	<b>95,654</b>

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

Purpose - Purchase and Replacement of Office Equipment.

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2009/2010		2010/2011	2010/2011
\$		\$	\$
22,728	<b>Opening Balance</b>	23,678	23,678
	<b>Plus Transfer from Accumulated Surplus</b>		
950	- Interest Received	572	1,228
	<b>Less Transfer to Accumulated Surplus</b>		
0	-Purchase Office Equipment	(24,250)	(24,906)
<b>23,678</b>	<b>CLOSING BALANCE</b>	<b>0</b>	<b>0</b>

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

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

The transactions of the Reserve Fund are summarised as follows:

<b>Actual</b>		<b>Adopted Budget</b>	<b>Actual</b>
<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>
\$		\$	\$
682,277	<b>Opening Balance</b>	903,340	903,340
41,423	<b>Plus Transfer from Accumulated Surplus</b>		
302,840	- Interest Received	21,108	46,763
	- Other		
(123,200)	<b>Less Transfer to Accumulated Surplus</b>		
0	- Housing Swimming Pool Manager	0	0
	- Independent Living Units	(663,550)	(114,885)
<b>903,340</b>	<b>CLOSING BALANCE</b>	<b>260,898</b>	<b>835,218</b>

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

Purpose - Fund the Enhancement of Recreation Grounds and Buildings.

The transactions of the Reserve Fund are summarised as follows:

<b>Actual</b>		<b>Adopted Budget</b>	<b>Actual</b>
<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>
\$		\$	\$
265,253	<b>Opening Balance</b>	276,211	276,211
10,958	<b>Plus Transfer from Accumulated Surplus</b>		
0	- Interest Received	0	14,160
	- Other Royalties for Regions	388,496	0
0	<b>Less Transfer to Accumulated Surplus</b>		
	- Railway Station	(200,000)	0
<b>276,211</b>	<b>CLOSING BALANCE</b>	<b>464,707</b>	<b>290,371</b>

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

Purpose - Fund the Annual Leave Payments.

The transactions of the Reserve Fund are summarised as follows:

<b>Actual</b>		<b>Adopted Budget</b>	<b>Actual</b>
<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>
\$		\$	\$
112,997	<b>Opening Balance</b>	117,661	117,661
4,664	<b>Plus Transfer from Accumulated Surplus</b>		
	- Interest Received	2,843	5,983
0	<b>Less Transfer to Accumulated Surplus</b>		
	- Other	(30,000)	0
<b>117,661</b>	<b>CLOSING BALANCE</b>	<b>90,504</b>	<b>123,644</b>



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

Purpose - Fund the Development of Avon River pool and environment.

The transactions of the Reserve Fund are summarised as follows:

<b>Actual</b>		<b>Adopted Budget</b>	<b>Actual</b>
<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>
\$		\$	\$
17,618	<b>Opening Balance</b>	18,260	18,260
	<b>Plus Transfer from Accumulated Surplus</b>		
642	- Interest Received	441	947
	<b>Less Transfer to Accumulated Surplus</b>		
<b>18,260</b>	<b>CLOSING BALANCE</b>	<b>18,701</b>	<b>19,207</b>

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

Purpose - Fund the Capital Improvements to Community Bus.

The transactions of the Reserve Fund are summarised as follows:

<b>Actual</b>		<b>Adopted Budget</b>	<b>Actual</b>
<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>
\$		\$	\$
21,860	<b>Opening Balance</b>	24,145	24,145
	<b>Plus Transfer from Accumulated Surplus</b>		
2,285	- Interest Received	584	1,252
	<b>Less Transfer to Accumulated Surplus</b>		
<b>24,145</b>	<b>CLOSING BALANCE</b>	<b>24,729</b>	<b>25,397</b>

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

Purpose - Assist Community Groups with Funding Opportunities.

The transactions of the Reserve Fund are summarised as follows:

<b>Actual</b>		<b>Adopted Budget</b>	<b>Actual</b>
<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>
\$		\$	\$
112,899	<b>Opening Balance</b>	151,505	151,505
	<b>Plus Transfer from Accumulated Surplus</b>		
4,719	- Interest Received	3,661	7,845
33,887	- Other	0	0
	<b>Less Transfer to Accumulated Surplus</b>		
<b>151,505</b>	<b>CLOSING BALANCE</b>	<b>155,166</b>	<b>159,350</b>

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

Purpose - Fund the Construction of Roads.

The transactions of the Reserve Fund are summarised as follows:

<b>Actual</b>		<b>Adopted Budget</b>	<b>Actual</b>
<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>
\$		\$	\$
190,091	<b>Opening Balance</b>	198,109	198,109
8,018	<b>Plus Transfer from Accumulated Surplus</b> - Interest Received	4,788	10,133
<b>198,109</b>	<b>CLOSING BALANCE</b>	<b>202,897</b>	<b>208,242</b>
<b>2,098,879</b>	<b>TOTAL</b>	<b>1,352,900</b>	<b>1,954,971</b>

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

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

## (k) Reserves - Asset Revaluation

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

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

<b>Actual</b>		<b>Adopted Budget</b>	<b>Actual</b>
<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>
\$	<b>Asset Revaluation Reserve (Roads)</b>	\$	\$
1,608,070	Balance Brought Forward 1st July	0	225,654
(1,382,416)	Revaluation of Assets During Current Financial Year	0	3,253,439
<b>225,654</b>	<b>CLOSING BALANCE</b>	<b>0</b>	<b>3,479,093</b>

## 9. CASH FLOW INFORMATION

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

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

<b>Actual</b>		<b>Adopted Budget</b>	<b>Actual</b>
<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>
\$		\$	\$
	<b>Change in net equity from operations</b>		
1,869,309	Net Result	1,458,189	553,112
857,136	Depreciation	857,127	1,304,797
(10,423)	(Profit) loss on sale of Fixed Assets	(86,205)	(45,135)
(2,301,352)	Government Revenue	(1,945,982)	(1,733,227)
	<b>Change in Assets and Liabilities</b>		
(227)	(Increase)/Decrease in Inventory	1,621	4,454
(8,927)	(Increase)/Decrease in Employee Provisions	(2,108)	35,433
68,679	(Increase)/Decrease in Debtors	(19,692)	401,290
(75,450)	(Increase)/Decrease in Creditors	(83,794)	(420,681)
1	Rounding		
<b>398,746</b>	Cash flows from Operations	<b>179,156</b>	<b>100,043</b>
10,000	Credit Facility	10,000	10,000
(165)	Amount Utilised	0	(717)
<b>9,835</b>	Unused Facility available	<b>10,000</b>	<b>9,283</b>
	<b>RECONCILIATION OF CASH</b>		
1,296,136	Cash at Bank - Operating	(100,763)	1,276,503
2,133,879	Restricted Reserves	1,352,900	1,954,971
<b>3,430,015</b>	<b>TOTAL CASH</b>	<b>1,252,137</b>	<b>3,231,474</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 2011

PARTICULARS	OPENING	RECEIPTS		PAYMENTS		CLOSING BALANCE	
	BALANCE	ADOPTED	ACTUAL	ADOPTED	ACTUAL	ADOPTED	ACTUAL
		BUDGET		BUDGET		BUDGET	
	1/07/2010	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	30/06/2011
<b>DEPOSITS</b>	\$	\$	\$	\$	\$	\$	\$
Unclaimed Monies	536	500	613	450	0	0	1,149
Nominations Deposits	0	0	0	0	0	0	0
House Bonds	5,000	0	500	0	0	0	5,500
Second House Deposits	4,600	1,000	0	1,000	0	0	4,600
Retirement Village Bond	2,490	750	376	400	0	0	2,866
Subdivision Costs	1,500	0	0	0	0	0	1,500
Gibson Raison Settlement	2,329	0	0	0	2,329	0	0
Rates Advance Payments	18,610	12,000	17,627	15,000	19,588	0	16,649
Rention Fees -ILU	0	0	11,490	0	0	0	11,490
Gym Key Deposit	780	60	570	60	420	0	930
<b>TOTAL</b>	<b>35,845</b>	<b>14,310</b>	<b>31,176</b>	<b>16,910</b>	<b>22,337</b>	<b>0</b>	<b>44,684</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 which have been included in the rate setting statement, but which have not been included in the comprehensive income statement.

<b>Actual</b>		<b>Adopted Budget</b>	<b>Actual</b>
<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>
\$		\$	\$
	<b>Non Operating Income</b>		
8,870	Principal Repayment	9,425	9,425
0	Proceeds from Disposal of Assets		
10,423	Furniture and Equipment	0	0
269,300	Plant and Equipment	329,000	164,819
0	Transfer from Reserves	1,177,800	401,417
<u>288,593</u>	Loan Borrowings	<u>600,000</u>	<u>0</u>
	<b>TOTAL</b>	<b><u>2,116,225</u></b>	<b><u>575,661</u></b>
	<b>Non Operating Expenditure</b>		
(542,958)	Purchase Land and Buildings	(2,642,438)	(559,432)
(473,121)	Purchase Plant and Equipment	(829,000)	(470,561)
(12,207)	Purchase Furniture and Equipment	(103,500)	(77,160)
(1,819,996)	Infrastructure Assets-Roads	(1,507,786)	(1,045,238)
0	Infrastructure Assets-Recreation	(100,000)	(5,740)
0	Purchase Tools	(5,500)	(4,702)
0	Infrastructure Assets-Other	(10,000)	0
(31,833)	Repayments of Debt-Principal	(33,792)	(33,792)
(431,217)	Transfer to Reserves	(431,821)	(257,509)
<u>(3,311,332)</u>	<b>TOTAL</b>	<b><u>(5,663,837)</u></b>	<b><u>(2,454,134)</u></b>

## 12. RATING INFORMATION

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

### (a) General and Minimum Rate

<u>Actual 2009/2010</u>		<u>Actual 2009/2010</u>
\$		\$
0.125185	- General Rate	0.128941
Rate in \$	(The basis for the rate is Gross Rental Value)	Rate in \$
0.006310	- General Rate Rural	0.006460
Rate in \$	(The basis for the rate is Unimproved Value)	Rate in \$
0.006310	- General Rate Mt Kokeby and Mawson	0.006460
Rate in \$	(The basis for the rate is Unimproved Value)	Rate in \$
0.006310	- General Rate Mining	0.006460
Rate in \$	(The basis for the rate is Unimproved Value)	Rate in \$
\$600.00 pa	- Minimum Rate	\$620.00 pa

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

Council has imposed a general rate of 0.128941 GRV and 0.006460 UV and a minimum rate of \$620.00 per annum, as Council perceives it to be a 'reasonable' minimum level of rates which all ratepayers in its district should pay. The minimum rate reflects the basic cost incurred by the Council in servicing each lot or dwelling in its district.

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

### (b) Specified Area Rates

No specified area rates will be levied during the year 2010/2011.

## 13. SERVICE CHARGES

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

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

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

### 1. Discount on Rates and Service Charges

The Council offered a discount in 2010/2011 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 - \$174,165
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### 2. Incentive Scheme (Rates)

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

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

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

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

(i) after it becomes due and payable;

or

(ii) 35 days after the date of issue of the rate notice;

whichever is the later.

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

The rate of interest to apply is 11% and the revenue derived from the imposition of the interest amounts to \$19,057 for the 2010/2011 Financial Year.

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

- 1st Instalment - Monday, 18 October 2010
- 2nd Instalment - Monday, 20 December 2010
- 3rd Instalment - Monday, 21 February 2011
- 4th Instalment - Monday, 18 April 2011

Charges on instalment plan is \$8.00 administration charges, and rate of interest of 5.5%, the revenue derived from the imposition amounts to \$5,978 for the 2010/2011 Financial Year.

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

## 16. FEES AND CHARGES INFORMATION

### (a) Revenue from Fees and Charges

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

Actual 2009/2010		Adopted Budget 2010/2011	Actual 2010/2011
\$		\$	\$
8,420	General Purpose Funding	7,300	13,233
0	Governance	0	1,456
6,892	Law, Order, Public Safety	6,500	3,729
0	Health	0	0
0	Education and Welfare	0	0
51,880	Housing	54,860	61,921
114,688	Community Amenities	115,590	117,145
67,691	Recreation and Culture	56,000	66,574
12,677	Transport	12,760	4,047
61,870	Economic Services	60,500	89,121
30,231	Other Property and Services	26,500	27,677
<b>354,349</b>	<b>TOTAL FEES AND CHARGES</b>	<b>340,010</b>	<b>384,903</b>

### (b) Amended Fees and Charges

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

- No amendments were made during the 2010/2011 Financial Year.



## 17. INVESTMENTS

Earnings from investments is summarised as follows:

<b>Actual</b>		<b>Adopted Budget</b>	<b>Actual</b>
<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>
\$		\$	\$
26,160	General Account	40,000	56,341
93,509	Reserve Funds	50,000	107,509
<u>27,245</u>	Other Interest on Late Payment of Rates	<u>7,000</u>	<u>22,381</u>
<b><u>146,914</u></b>	<b>TOTAL</b>	<b><u>97,000</u></b>	<b><u>186,231</u></b>

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

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

<b>Actual</b>		<b>Adopted Budget</b>	<b>Actual</b>
<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>
\$		\$	\$
	<b>- Annual Attendance Fee</b>		
29,000	Councillor (8)	24,000	24,000
6,500	President	6,500	6,500
	<b>- Telecommunication, Travel, and Information Technology Allowance</b>		
431	- Telecommunication	5,400	5,100
0	- Information Technology	3,600	3,400
2,392	- Travel Expenses	3,000	2,215
	<b>- Annual Local Government Allowance</b>		
4,500	- President	4,500	4,500
563	- Deputy President	1,125	1,125

## 19. DEPRECIATION OF NON CURRENT ASSETS

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

Actual 2009/2010		Adopted Budget 2010/2011	Actual 2010/2011
\$		\$	\$
0	General Purpose Funding	0	0
30,243	Governance	30,242	31,478
8,736	Law, Order, Public Safety	8,734	8,798
6,299	Health	6,298	7,736
0	Education and Welfare	0	0
44,756	Housing	44,755	44,825
2,918	Community Amenities	2,918	2,918
39,906	Recreation and Culture	39,905	47,844
492,641	Transport	492,640	887,122
662	Economic Services	661	928
230,975	Other Property and Services	230,974	273,145
<b>857,136</b>	<b>TOTAL</b>	<b>857,127</b>	<b>1,304,794</b>

## 20. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2010/2011 Financial Year.

## 21. JOINT VENTURE

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

Actual 2009/2010		Adopted Budget 2010/2011	Actual 2010/2011
\$		\$	\$
66,587	Resource Sharing - Town Planning Services	75,000	91,208

## 22. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2010/2011 Financial Year.

## 23. CAPITAL AND LEASING COMMITMENTS

### (a) Leasing commitments during the 2010/2011 Financial Year

Nil.

### (b) Capital commitments during the 2010/2011 Financial Year

Construction of two Independent Living Units on Lot 101 Dawson Street, Beverley - Sims Construction Pty Ltd - \$582,218 (GST exclusive). \$114,885 was spent in 2010//2011 and the balance to be expended in the 2011/2012 Financial Year.

## 24. FINANCIAL INSTRUMENTS

### (a) Interest Rate Risk

The following table details the Shire of Beverley's exposure to interest rate risks as at 30 June 2011.

	Average Interest %	Variable Interest Rate	Less than 1 year	1 to 5 years	5 to 10 years	Non Interest Bearing	Total
		\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>							
Cash	5.68	2.50	3,231,174	0	0	300	3,231,474
Trade Receivables-Current			0	0	0	587,164	587,164
			<b>3,231,174</b>	<b>0</b>	<b>0</b>	<b>587,464</b>	<b>3,818,638</b>
<b>Financial Liabilities</b>							
Accounts Payable - Current			0	0	0	592,388	592,388
Employee Entitlements - Current			0	0	0	272,574	272,574
Borrowings	6.10	0	0	0	0	35,873	35,873
			<b>0</b>	<b>0</b>	<b>0</b>	<b>900,835</b>	<b>900,835</b>

### (b) Material Credit Risk

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

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

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

**(d) Investment of Council Funds**

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

**(e) Credit Risk**

The Shire's receivables are classified as rates and annual charges, self supporting loans, goods and services tax and general debtors. Rates and annual charges are charges that are considered as charges against the property, and as such are considered as being secured by the property to which they relate.

The Shire accounts for self supporting loans as part of its current receivables, as and when payments fall due; amounts due in future years are shown as non current. Self supporting loans shown as debtors represent the repayments of a loan that the Shire has drawn on behalf of community groups.

Good and services tax represents monies owed by the Australian Taxation Office to the Shire. The Shire's general debtors include receivables for goods and services provided to members of the community, government departments, and businesses.

The Shire has exposure to credit risk in that debtors may not be able to meet their commitments to repay debts. The Shire reviews its outstanding debts regularly, and commences a variety of recovery techniques in accordance with its debt recovery procedures. The Shire reviews outstanding debts annually, and provides a provision should debts become doubtful.

<b>2009/2010</b>			<b>2010/2011</b>	
<b>Current</b>	<b>Current</b>		<b>Current</b>	<b>Current</b>
<b>\$</b>	<b>\$</b>		<b>\$</b>	<b>\$</b>
		Financial Assets		
136,223	48,107	Rates and Annual Charges	141,622	49,942
9,425	142,630	Self Supporting Loans	10,014	132,616
31,691	0	Goods and Services Tax	48,945	0
46,184	0	General Debtors	396,597	0
<b>223,523</b>	<b>190,737</b>		<b>597,178</b>	<b>182,558</b>

**(f) Market Risk**

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

<u>Actual 2009/2010</u> \$		<u>Actual 2010/2011</u> \$
34,271	Impact of 1% Movement in Interest Rates on Investment Earnings (+/-)	28,847

**(g) Liquidity Risk**

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

	<u>Less than 1 year</u> \$	<u>1 to 5 years</u> \$	<u>Greater than 5 years</u> \$	<u>Total</u> \$
<b>Financial Liabilities</b>				
Accounts Payable - Current	592,388	0	0	592,388
Interest Bearing Liabilities	35,873	160,440	85,892	282,205
	<b>628,261</b>	<b>160,440</b>	<b>85,892</b>	<b>874,593</b>

## 25. POSITION AT COMMENCEMENT OF FINANCIAL YEAR

### (a) Determination of Opening Funds

<b>ACTUAL</b> <b>30.06.2010</b>		<b>Adopted</b> <b>Budget</b> <b>2010/2011</b>	<b>ACTUAL</b> <b>30.06.2011</b>
\$		\$	\$
	<b>Current Assets</b>		
3,427,142	Cash at Bank	1,251,837	3,231,174
2,873	Cash Advances	300	300
131,527	Receivables	162,763	593,941
14,621	Stock on Hand	13,000	10,167
<b>3,576,163</b>		<b>1,427,900</b>	<b>3,835,582</b>
	<b>Less Current Liabilities</b>		
(158,790)	Accounts Payable	(75,000)	(592,388)
0	Employee Entitlements	0	0
(158,790)		(75,000)	(592,388)
<b>3,417,373</b>	<b>SURPLUS OF CURRENT ASSETS OVER</b> <b>CURRENT LIABILITIES</b>	<b>1,352,900</b>	<b>3,243,194</b>
	<b>ADJUSTMENTS</b>		
(2,098,879)	Less Cash Backed Reserves and Restricted Funds	(1,352,900)	(1,954,971)
(2)	Rounding		11
<b>1,318,492</b>	<b>OPENING/CLOSING FUNDS</b>	<b>0</b>	<b>1,288,234</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 2010/2011 Annual Budget.

Net Current Asset detailed in the 2010/2011 Annual Budget	<b>1,318,501</b>
Net Current Assets Brought Forward as at 1st July 2010.	<b>1,318,501</b>

## 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			Total
				Roads	Recreation Facilities	Other	
	\$	\$	\$	\$	\$	\$	\$
Governance	42,825	0	33,279	0	0	0	76,104
Law, Order, Public Safety	0	16,118	0	0	0	0	16,118
Health	13,910	0	0	0	0	0	13,910
Education and Welfare	0	0	0	0	0	0	0
Housing	0	167,074	0	0	0	0	167,074
Community Amenities	0	159,581	0	0	0	0	159,581
Recreation and Culture	20,425	74,154	0	0	5,740	0	100,319
Transport	0	57,158	441,983	1,045,238	0	0	1,544,379
Economic Services	0	85,347	0	0	0	0	85,347
Other Property and Services	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>77,160</b>	<b>559,432</b>	<b>475,262</b>	<b>1,045,238</b>	<b>5,740</b>	<b>0</b>	<b>2,162,832</b>

## 27. FINANCIAL INFORMATION BY RATIO

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

2008/2009	2009/2010		2010/2011
2.703	3.464	(a) <b>Current Ratio</b> <u>(Current Assets Minus Restricted Assets)</u> (Current Liabilities-Liabilities Associated with Restricted Assets)	2.401
0.021	0.018	(b) <b>Debt Ratio</b> <u>Total Liabilities</u> Total Assets	0.026
0.011	0.014	(c) <b>Debt Service Ratio</b> <u>Debt Service Cost</u> Available Operating Revenue	0.011
0.362	0.398	(d) <b>Rate Coverage Ratio</b> <u>Net Rate Revenue</u> Operating Revenue	0.393
0.066	0.092	(e) <b>Outstanding Rates Ratio</b> <u>Rates Outstanding</u> Rates Collectable	0.090
0.054	0.119	(f) <b>Gross Debt to Revenue Ratio</b> <u>Gross Debt</u> Total Revenue	0.080
4.516	7.334	(g) <b>Untied Cash to Trade Creditors Ratio</b> <u>Untied Cash</u> Unpaid Trade Creditors	2.190
0.052	0.083	(h) <b>Gross Debt to Economically Realisable Assets Ratio</b> <u>Gross Debt</u> Economically Realisable Assets	0.070

## Definitions

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



## 28. TRADE AND OTHER RECEIVABLES

Receivables due to the Shire include the following:

<u>Actual 2009/2010</u>		<u>Actual 2010/2011</u>
\$		\$
	<b>Current</b>	
136,223	Rates	141,622
46,185	Sundry Debtors	451,803
(55,206)	Less Provision for Doubtful Debts	(55,206)
9,425	Loan Receivable	10,014
31,691	Goods and Services Tax	48,945
<b>168,318</b>		<b>597,178</b>
	<b>Non Current</b>	
48,107	Rates Outstanding-Pensioner Deferred	49,942
142,630	Long Term Loans - Clubs / Institutions	132,616
<b>190,737</b>		<b>182,558</b>

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

## 29. INVENTORIES

<u>ACTUAL 2009/2010</u>		<u>ACTUAL 2010/2011</u>
\$		\$
<b>14,621</b>	Comprises of Fuels and Consumables	<b>10,167</b>

All inventories at balance date have been valued at cost.

## 30. TRADE AND OTHER PAYABLES

<u>ACTUAL 2009/2010</u>		<u>ACTUAL 2010/2011</u>
\$		\$
176,718	Trade Creditors and Accruals	574,870
0	Goods and Services Tax	0
14,380	PAYG Withholding	17,518
<b>191,098</b>	<b>Total</b>	<b>592,388</b>

### 31. LONG TERM BORROWINGS

ACTUAL 2009/2010		ACTUAL 2010/2011
\$ <u>33,792</u>	Current - Secured by a Floating Charge Debenture	\$ <u>35,873</u>
ACTUAL 2009/2010 \$ <u>282,205</u>	Non - Current - secured by a floating charge debenture	ACTUAL 2010/2011 \$ <u>246,332</u>

### 32. PROVISIONS

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

ACTUAL 2009/2010		ACTUAL 2010/2011
\$		\$
	<b>Current</b>	
128,119	Provision for Annual Leave	145,145
105,224	Provision for Long Service Leave	127,429
<u>233,343</u>		<u>272,574</u>
	<b>Non - Current</b>	
30,300	Provision for Long Service Leave	26,502
<u>30,300</u>		<u>26,502</u>

### 33. EMPLOYEE NUMBERS AND REMUNERATION

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

2009/2010		2010/2011
0	<b>Annual Salary Range</b> \$100,000 or More per Annum	1
26	<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 Governments. The total of grant revenue from government sources is as follows:

<u>ACTUAL</u> <u>2009/2010</u>		<u>ACTUAL</u> <u>2010/2011</u>
\$		\$
	<b>By Nature and Type:</b>	
1,045,089	Operating Grants	1,145,705
<u>1,256,263</u>	Non Operating Grants	<u>587,522</u>
<b><u>2,301,352</u></b>	<b>Total</b>	<b><u>1,733,227</u></b>
	<b>By Program:</b>	
35,000	Governance	2,386
952,659	General Purpose Funding	1,026,867
39,480	Law, Order, Public Safety	31,011
9,950	Health	0
5,000	Education and Welfare	0
0	Housing	0
0	Community Amenities	0
120,775	Recreation and Culture	133,388
1,108,488	Transport	539,575
30,000	Economic Services	0
<u>0</u>	Other Property and Services	<u>0</u>
<b><u>2,301,352</u></b>	<b>Total</b>	<b><u>1,733,227</u></b>

### 35. CONTINGENT LIABILITIES

Council does not have any known contingent liabilities as at 30 June 2011.

## 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 2011, 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 20th Day of December 2011.



## 36. INDEPENDENT AUDIT REPORT

### SHIRE OF BEVERLEY

#### INDEPENDENT AUDIT REPORT

#### TO THE ELECTORS OF THE SHIRE OF BEVERLEY

I have audited the accompanying financial report of the **Shire of BEVERLEY** which comprises the balance sheet, income statements, cash flow statement, rate setting statement and supporting notes for the year ended **30 June 2011**.

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

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

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

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

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

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

#### **Independence**

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

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

In my opinion the financial report of the **Shire of BEVERLEY** is in accordance with the Act and the Regulations including giving a true and fair view of the shire's financial position as at **30 June 2011** and the results of its operations for the year ended on that date and complying with Australian Accounting Standards.

#### **Other Matters**

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

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



**Gregory Froomes Wyllie CPA**

Perth, Western Australia

2 December 2011



## Notes

## Notes

## Notes



## Notes



Dead Finish Museum - Circa 1871

## Shire of Beverley

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