

Shire of Beverley

ANNUAL REPORT 2012-2013



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VISION, AIM, GOALS AND VALUES

OUR VISION

A place for community.

Our Shire will be:

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

OUR AIM

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

OUR GOALS

Social

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

Environmental

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

Economic

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

OUR VALUES

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

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

OBJECTIVES AND ACHIEVEMENTS

STRATEGIC OBJECTIVES FOR 2012/2013

The Council in its 2012/2013 Annual Budget proposed to undertake and achieve the following:

Strategic Activities	Planned Works	Timeline
1. Lesser Hall	Undertake refurbishments.	Complete by February 2013.
2. Recreation Facility	Construction of the facility.	Complete by June 2013.
3. Netball Courts	Construction of courts and lighting.	Complete by June 2013.
4. Community Facilities	Complete construction.	
5. Asset Management	Complete and adopt Asset Management Plans for Buildings and Structures, along with Transport.	Complete by October 2012.

ACHIEVEMENTS FOR 2012/2013

1. **Lesser Hall** - The works to be completed by the middle of December 2013. The delay was due to design issues and the engagement of suitable contractors.
2. **Recreation Facility** - The project was completed in May 2013. The Shire plans to officially open the facility in March 2014.
3. **Netball Courts** - The Netball courts were constructed by 30 June 2013. The Shire is currently rectifying issues with the level of the playing surface. To be completed by January 2014.
4. **Asset Management Plan** - Council adopted the Asset Management Plans for Buildings and Structures, along with Transport in February 2012 and October 2013 respectively.
5. **Community Facilities** - The airfield upgrade was initiated and will be completed early this financial year. Improvements to the swimming pool and exhibition shed were completed during the year.

HIGHLIGHTS OF 2012/2013

During the 2012/2013 Financial Year, the Shire achieved the following:

1. Rate increases for the 2012/2013 Financial Year were limited to 4.0%. Rates levied allowed the Shire to continue to provide existing services and fund a number of new initiatives, whilst providing funds for the renewal of its infrastructure.
2. The completion of the Beverley Function and Recreation Centre.
3. Expenditure on Capital Works is summarised as follows:

Land and Building	\$0.056M
Road Infrastructure	\$1.865M
Plant and Equipment	\$0.548M
Recreation Facilities	\$3.269M
4. Progressing the Shire's Integrated Planning Framework, which saw the development of Asset Management Plans, Workforce Plan, Long Term Financial Plan, and the Corporate Business Plan.
5. Implementation of "Key Words for Councils" records management system.
6. Review of the Shire's Complaint Management System.
7. Net result of unspent committed funds of \$0.553M, after excluding committed expenditure carried forward to 2013-2014 of \$1.07M, and grants received in advance of \$0.617M.

KEY STRATEGIC ACTIVITIES FOR 2012/2014

The following are the key activities funded in the 2013-2014 Annual Budget, and these will contribute in achieving the strategic vision, goals and outcomes detailed in the Shire's Strategic Community Plan.

Strategic Activities	Planned Works	Timeline
1. Lesser Hall	Undertake refurbishments (ceiling, airconditioning and acoustics).	Complete by February 2014.
2. Recreation Facilities	Netball Court surfacing, oval lighting, playground and picnic area development.	Complete by June 2014.
3. Caravan Park	Onsite cabins and RV site (subject to funding).	Complete by March 2014.
4. Old School Building	Stabilisation of the building.	Complete by April 2014.

STATEMENT BY SHIRE PRESIDENT



It is with great pleasure that I present the activities of the past year for the Shire of Beverley. It has been a productive year which has seen the delivery of significant projects for our community, and the Council taking a long term approach to sustainability planning for our future.

Acceptable rate levels have continued to be maintained with an increase of 4%. The Shire ended the 2012/2013 Financial Year with a surplus of \$2,243,383, which includes \$1,073,000 of committed funds to be carried forward to 2013/2014, and grants received in advance of \$617,127.

In April 2013 the Shire completed the most significant project undertaken in recent times, the construction of the Beverley Function and Recreation Centre. The cost of the project was in excess of \$3.0M which was funded from the Department of Sport and Recreation (CSRFF) \$576,655, Royalties for Regions (CLGF Individual and Regional) \$1,537,798, Loan Borrowings \$1,000,000, with the balance of the funds being provided by the Shire.

The development has provided a number of local sporting and community groups with excellent facilities, and the Shire intends to hold an official opening for the facility in March 2014.

Capital expenditure on road works amounted to \$1,865,499, with just over \$615,000 being spent on road maintenance.

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

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

In order to achieve the above, the Shire has now completed the following plans:

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

The Corporate Business Plan is due to be adopted by Council in February 2014.

My thanks are extended to fellow Councillors, Chief Executive Officer, Steve Gollan, and his Management Team, and all staff for their collaboration and teamwork during the year which has been undertaken on the basis of cooperation, honesty and integrity for the continuing progressive operation of the Shire.

**Cr Dee Ridgway
President**

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THE COUNCIL



YOUR ELECTED MEMBERS

Front (Left to Right)

Cr Tom Buckland, Cr Chris Pepper (Deputy Shire President), Cr Dee Ridgway (President),
Cr Peter Gogol, Cr Don Davis.

Back (Left to Right)

Cr Jim Alexander, Cr David White, Cr Keith Murray, Cr Lew Shaw,
Mr Steve Gollan (Chief Executive Officer), Mr Simon Marshall (Deputy Chief Executive Officer)

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CHIEF EXECUTIVE OFFICER'S REPORT



One of the Shire's highlights in 2012/2013 was the development of a number of plans which were prepared in line with the State Governments Integrated Planning Framework.

Strategic Community Plan (SCP)

Our Strategic Community Plan is a Council Vision document for the next ten years, based on community input and our research to ensure our future is sustainable. The Plan will guide Council's decisions over the next ten years.

Corporate Business Plan (CBP)

To be adopted by Council in February 2014, it identifies what we will achieve in the shorter term, and the steps we will take to reach our long term vision, and will enable us and the community to review and monitor our progress towards achieving our aspirations.

Long Term Financial Plan (LTFP)

The Long Term Financial Plan is an important part of Council's strategic planning process. The Plan is aligned to the Strategic Community Plan and the Corporate Business Plan, and will form the basis for the preparation of Council's Annual Budget.

The LTFP covers a ten year planning period, and therefore cannot be set in concrete. It allows for the modelling of various scenarios based on assumptions and assesses the Shire's revenue capacity against community demands and service levels.

The Plan will also:

- Demonstrate greater accountability and transparency to the community;
- Link to various plans such as the SCP, CBP, AMP, WFP and the Annual Budget;
- Assess the financial sustainability of the Shire; and
- Identify potential financial issues and their long term impact.

Workforce Plan (WFP)

The Plan identifies and reports on the internal capacity to meet current and future needs of the goals and objectives of the Shire and the Community, both in capacity and capability. It identifies the gaps or surplus in human assets and financial resources and identifies strategies to ensure there are the right people in the right place and time to deliver on expectations.

Asset Management Plan (AMP)

Asset Management Planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner.

An Asset Management Plan details information about infrastructure assets including actions required to provide agreed levels of service in the most cost effective manner. The Plan defines the services to be provided, how the services are to be provided, and what funds are required to provide the services.

Other initiatives undertaken by the Shire during 2012/2013 were:

- Implementation of “Key Words for Councils” record management system.
- Review of the Shire’s Complaint Management System.

The implementation of the above systems has resulted in greater efficiencies and improved customer service.

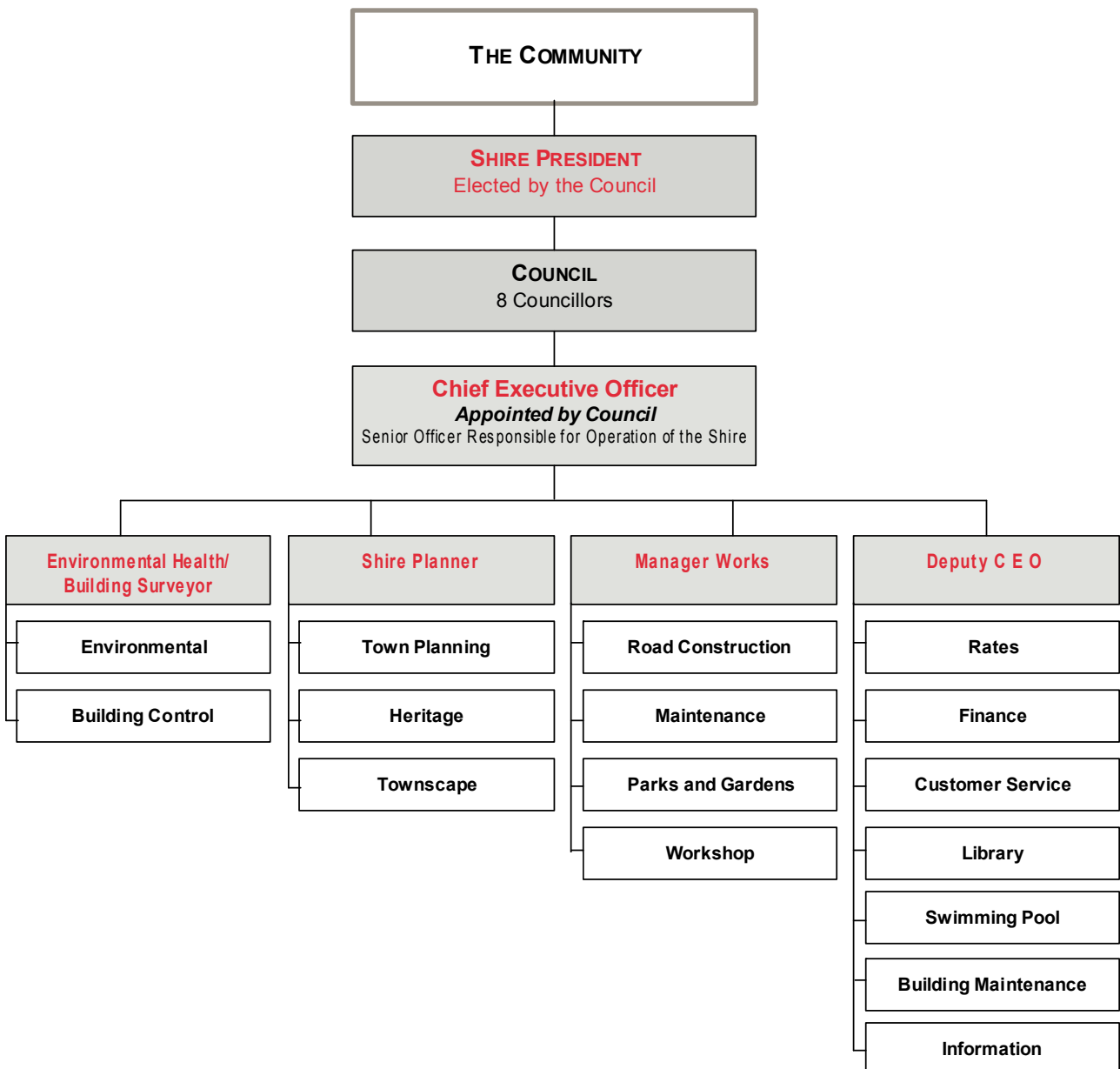
I would like to thank the Shire President and current Members of Council for their tireless work and valuable input. I express my appreciation to all the staff for their professionalism, hard work, and commitment throughout 2012–2013.

S P Gollan
Chief Executive Officer

ORGANISATIONAL STRUCTURE

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

The Shire's staff are organised across 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 are currently being reviewed.

DISABILITY ACCESS AND INCLUSION PLAN

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

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

Outcome 1

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

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

Outcome 2

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

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

Outcome 3

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

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

Outcome 4

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

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

Outcome 5

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

Strategy
Ensure that feedback and grievance mechanisms are known and accessible for people with disability.

Outcome 6

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

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

Outcome 7

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

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

PUBLIC INTEREST DISCLOSURE

PUBLIC INTEREST

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

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

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

During the 2012/2013 Financial Year there were no disclosures made under the Act.

RECORD KEEPING PLAN

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

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

Rationale

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

Minimum Compliance Requirements

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

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

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

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 2012/2013.

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.

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**FINANCIAL STATEMENTS
2012/2013**

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**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013
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 2013, are in my opinion, properly drawn up to present fairly the financial position of the Shire of Beverley as at 30 June 2013, 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 17th day of September 2013.

A handwritten signature in black ink, appearing to read 'S. Gollan', with a long horizontal stroke extending to the right.

**Stephen Gollan
Chief Executive Officer**

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

2011/2012 ACTUAL		Note	2012/2013 ADOPTED BUDGET	2012/2013 ACTUAL
\$	EXPENSES	2,3,4	\$	\$
(44,701)	General Purpose Funding		(45,087)	2,541
(219,813)	Governance		(291,037)	(257,735)
(168,545)	Law, Order, Public Safety		(189,946)	(170,721)
(77,571)	Health		(120,177)	(94,162)
(39,913)	Education and Welfare		(92,715)	(51,151)
(192,594)	Housing		(208,422)	(216,289)
(416,145)	Community Amenities		(535,542)	(452,685)
(1,015,400)	Recreation and Culture		(829,447)	(795,381)
(2,389,150)	Transport		(1,653,156)	(1,559,062)
(384,402)	Economic Services		(476,157)	(379,217)
(143,649)	Other Property and Services		(288,413)	(25,305)
(5,091,883)			(4,730,099)	(3,999,167)
	REVENUE	2,3,4		
	General Purpose Funding		3,366,346	3,178,572
3,870,572	Governance		29,900	22,771
1,774	Law, Order, Public Safety		149,497	151,900
172,735	Health		500	140
608	Education and Welfare		6,500	5,504
5,877	Housing		81,514	73,511
72,882	Community Amenities		122,425	120,383
116,794	Recreation and Culture		1,107,833	1,414,601
1,375,927	Transport		1,497,627	1,747,852
2,145,517	Economic Services		214,400	180,289
71,966	Other Property & Services		52,000	116,832
7,834,652			6,628,542	7,012,355
2,742,769	<i>Increase(Decrease)</i>		1,898,443	3,013,188
	DISPOSAL OF ASSETS	6		
0	Land		0	0
70,082	Plant and Equipment		9,043	31,182
0	Furniture and Equipment		0	0
70,082	<i>Gain (Loss) on Disposal</i>		9,043	31,182
	FINANCE COSTS	7		
(2,362)	Housing		(2,100)	(2,089)
(11,058)	Recreation and Culture		(9,671)	(16,600)
(3,469)	Economic Services		(2,786)	(3,323)
(16,889)	<i>Increase(Decrease)</i>		(14,557)	(22,012)
2,795,962	NET RESULT		1,892,929	3,022,358
0	Changes on revaluation of non - current assets	6	0	10,438,638
0	Total Other Comprehensive Income		0	0
(3)	Rounding			(2)
2,795,959	TOTAL COMPREHENSIVE INCOME		1,892,929	13,460,994

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

SHIRE OF BEVERLEY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2013

	NOTES	2011/2012 ACTUAL \$	2012/2013 ACTUAL \$	Variance \$
Current assets				
Cash and Cash Equivalents	5	4,718,543	3,607,179	(1,111,364)
Trade and Other Receivables	28	287,853	390,412	102,559
Inventories	29	13,096	11,478	(1,617)
Other Assets		0	0	0
Total Current Assets		5,019,491	4,009,069	(1,010,422)
Non-Current Assets				
Trade and Other Receivables	28	178,178	172,448	(5,730)
Property, Plant and Equipment	6	6,761,230	18,331,048	11,569,818
Infrastructure	6	35,983,802	39,332,895	3,349,093
Total Non-Current Assets		42,923,210	57,836,391	14,913,181
Total Assets		47,942,701	61,845,460	13,902,759
Current Liabilities				
Trade and Other Payables	30	690,658	125,065	565,593
Interest-Bearing Loans and Borrowings	31	38,081	66,517	(28,435)
Provisions	32	264,284	303,601	(39,318)
Total Current Liabilities		993,023	495,183	497,840
Non-Current Liabilities				
Interest-Bearing Loans and Borrowings	31	208,251	1,141,734	(933,484)
Provisions	32	30,498	36,619	(6,121)
Total Non-Current Liabilities		238,749	1,178,353	(939,605)
Total Liabilities		1,231,772	1,673,537	(441,765)
Net Assets		46,710,929	60,171,923	13,460,994
Equity				
Accumulated Surplus		41,659,137	44,675,503	3,016,366
Net Result		0	0	0
Asset Revaluation Reserve	8	3,479,093	13,917,731	10,438,638
Other Reserves	8	1,572,699	1,578,689	5,990
Total Equity		46,710,929	60,171,923	13,460,994

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	RETAINED SURPLUS	RESERVES CASH BACKED	ASSET REVALUATION RESERVE	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2011		38,252,085	1,954,971	3,479,093	43,686,149
Net Result		3,024,780	0	0	3,024,780
Total Other Comprehensive Income		0	0	0	0
Transfer from / (to) Retained Surplus		382,272	(382,272)	0	0
Balance as at 30 June 2012		41,659,137	1,572,699	3,479,093	46,710,929
Net Result		13,460,994	0	0	13,460,994
Total Other Comprehensive Income		0	0	0	0
Transfer from / (to) Retained Surplus		(10,444,627)	5,990	10,438,637	0
Balance as at 30 June 2013		44,675,503	1,578,689	13,917,730	60,171,923

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

2011/2012 ACTUAL		Note	2012/2013 ADOPTED BUDGET	2012/2013 ACTUAL
\$			\$	\$
	Cash Flows from Operating Activities			
	PAYMENTS			
(1,664,630)	Employee Costs		(1,803,014)	(1,221,452)
(1,956,851)	Materials and Contracts		(1,785,508)	(1,691,415)
(164,071)	Utilities		(144,315)	(168,054)
(123,230)	Insurance		(169,101)	(148,228)
(16,990)	Interest Expenses		(14,557)	(15,258)
(416,869)	Goods and Services Tax		0	(411,746)
(7,334)	Other		0	(146,653)
(4,349,975)			(3,916,495)	(3,802,807)
	RECEIPTS			
2,030,173	Rates		2,197,704	2,192,647
1,845,032	Subsidies and Contributions		284,509	196,631
390,146	Fees and Charges		383,393	426,906
182,269	Interest Received		115,804	208,613
416,869	Goods and Services Tax		0	411,746
104,091	Other		67,750	90,137
4,968,580			3,049,160	3,526,681
618,605	Net Cash flows from Operating Activities	9	(867,335)	(276,125)
	Cash flows from Investing Activities			
	Payments			
0	Purchase Tools		0	0
(810,669)	Purchase Land and Buildings		(533,072)	(56,718)
(1,610,522)	Purchase Infrastructure Assets- Roads		(2,497,841)	(1,865,499)
(266,705)	Purchase Infrastructure Assets - Recreational Facilities		(3,262,997)	(3,269,006)
(4,229)	Purchase Infrastructure Assets - Other		(89,414)	(18,337)
(284,202)	Purchase Plant and Equipment		(634,200)	(548,418)
(9,461)	Purchase Furniture and Equipment		(96,000)	(76,488)
(2,985,788)			(7,113,524)	(5,834,466)
	Receipts			
0	Disposal of Land		0	0
0	Disposal of Furniture and Equipment		0	0
107,162	Disposal of Plant and Equipment		288,000	231,805
0	Contributions from Other Parties		0	0
107,162			288,000	231,805
(2,878,626)	Net Cash Flows Used in Investing Activities		(6,825,524)	(5,602,661)
	Cash flows from Financing Activities			
(35,873)	Loan Repayments - Principal		(38,081)	(38,081)
0	Loan Borrowings		1,000,000	1,000,000
10,014	Principal Repayments Received		10,590	10,640
(25,859)	Net Cash Flows from Financing Activities		972,509	972,559
	Cash Flows from Government			
	Receipts from Appropriate Grants			
1,456,565	Recurrent		698,306	1,322,446
2,316,383	Capital		2,873,476	2,472,414
3,772,948	Net Cash Provided by Government		3,571,782	3,794,860
1,487,068	Net (Decrease)/Increase in Cash Held		(3,148,568)	(1,111,367)
3,231,474	Cash at the Beginning of Reporting Period		4,718,543	4,718,543
1	Rounding		(2)	3
4,718,543	Cash at the End of Reporting Period	9	1,569,973	3,607,179

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

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	2011/2012 ACTUAL \$	2012/2013 ACTUAL \$
RECONCILIATION OF CASH		
Cash at Bank	4,718,243	3,606,879
Cash on Hand	300	300
TOTAL CASH	4,718,543	3,607,179
RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT		
Operating Result (As per Comprehensive Income Statement)	3,024,780	13,460,994
Depreciation	1,042,117	1,153,570
Gain on Disposal of Assets	(70,082)	(31,182)
Government Revenue	(3,772,948)	(3,794,860)
Accounts Receivable Current to Non - Current		(4,910)
Change in Revaluation of Non Current Assets		(10,438,638)
Changes in Assets and Liabilities		
Inventory	(2,929)	1,617
Receivable	261,187	(565,599)
Accounts Payable and Accruals	140,773	(102,559)
Provisions - Employees Entitlements	(4,294)	45,439
Rounding	1	3
NET CASH USED IN OPERATING ACTIVITIES	618,605	(276,125)

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

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

2011/2012 ACTUAL		NOTES	2012/2013 ADOPTED BUDGET	2012/2013 ACTUAL
\$	REVENUE	2,3,4	\$	\$
1,751,704	General Purpose Funding		1,168,642	974,820
1,774	Governance		29,900	22,771
172,735	Law, Order Public Safety		149,497	151,900
608	Health		500	140
5,877	Education and Welfare		6,500	5,504
72,882	Housing		81,514	73,511
116,794	Community Amenities		122,425	120,383
1,375,927	Recreation and Culture		1,107,833	1,414,601
2,145,517	Transport		1,497,627	1,747,852
228,821	Economic Services		214,400	180,289
71,966	Other Property and Services		52,000	116,832
5,944,605			4,430,838	4,808,603
	LESS EXPENDITURE	2,3,4		
	General Purpose Funding		(45,087)	2,541
(44,701)	Governance		(291,037)	(257,735)
(219,813)	Law, Order, Public Safety		(189,946)	(170,721)
(168,545)	Health		(120,177)	(94,162)
(77,571)	Education and Welfare		(92,715)	(51,151)
(39,913)	Housing		(210,522)	(218,378)
(194,956)	Community Amenities		(535,542)	(452,685)
(416,145)	Recreation and Culture		(839,118)	(811,981)
(1,026,458)	Transport		(1,653,156)	(1,559,062)
(2,389,150)	Economic Services		(478,943)	(382,540)
(143,649)	Other Property & Services		(288,413)	(25,305)
(4,720,901)			(4,744,656)	(4,021,179)
1,223,704	<i>Increase(Decrease)</i>		(313,818)	787,424
	ADD			
(38,118)	Movement in Employee Benefits Entitlements		0	6,122
0	Accounts Receivable Current to Non - Current		0	(4,910)
0	Cash Backed Reserves Employee Entitlement		0	11,207
(2,397)	Supporting Loan (Non - Current)		0	0
10,014	Principal Repayment Received -Loans	7,11	10,590	10,640
70,082	Profit/ Loss on the disposal of assets	6,11	9,043	31,182
1,042,117	Depreciation Written Back	6	1,005,872	1,153,570
37,080	Book Value of Assets Sold Written Back	6	278,957	200,623
1,118,778			1,304,462	1,408,434
2,342,482	<i>Sub Total</i>		990,644	2,195,858

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

2011/2012 ACTUAL		NOTES	2012/2013 ADOPTED BUDGET	2012/2013 ACTUAL
	LESS CAPITAL PROGRAMME			
0	Purchase Tools		0	0
(810,669)	Purchase Land & Buildings	6,26	(533,072)	(56,718)
(1,610,522)	Infrastructure Assets - Roads	6,26	(2,497,841)	(1,865,499)
(266,705)	Infrastructure Assets - Recreation Facilities	6,26	(3,262,997)	(3,269,006)
(4,229)	Infrastructure Assets - Other	6,26	(89,414)	(18,337)
(284,202)	Purchase Plant and Equipment	6,26	(634,200)	(548,418)
(9,461)	Purchase Furniture and Equipment	6,26	(96,000)	(76,488)
(35,873)	Repayment of Debt - Loan Principal	7,11	(38,081)	(38,081)
(317,613)	Transfer to Reserves	8,11	(55,274)	(105,990)
(3,339,274)			(7,206,879)	(5,978,537)
	ABNORMAL ITEMS			
0			0	0
0			0	0
(14)	Plus Rounding		0	(2)
(3,339,288)			(7,206,879)	(5,978,539)
(996,806)	<i>Sub Total</i>		(6,216,235)	(3,782,681)
	LESS FUNDING FROM			
0	Loans	7,11	1,000,000	1,000,000
699,885	Reserves	8,11	260,000	100,000
1,288,234	Opening Funds - July 1 B/Fwd	25	2,758,531	2,722,310
(2,722,310)	Closing Funds - June 30 C/Fwd	25	0	(2,243,381)
(734,191)			4,018,531	1,578,929
(1,730,997)	AMOUNT TO BE MADE UP FROM RATES		(2,197,704)	(2,203,752)

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

**STATEMENT OF RATING INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013**

	CURRENT YEAR ESTIMATED 2012/2013										CURRENT YEAR ACTUAL 2012/2013										
	GENERAL RATE					MINIMUM RATE					GENERAL RATE					MINIMUM RATE					
	No. of Prop.	Rateable value \$	GRV/UV Rate in \$	Rate Yield \$	TOTAL \$	No.	Minimums Rateable value \$	Min. Rate \$	Yield \$	TOTAL \$	No. of Prop.	Rateable value \$	GRV/UV Rate in \$	Rate Yield \$	TOTAL \$	No.	Minimums Rateable value \$	Min. Rate \$	Yield \$	TOTAL \$	
General Rate GRV.	501	5,241,055	0.09165200	480,353	587,553	160	467,220	670.00	107,200	587,553	501	5,241,055	0.09165200	480,353	587,553	160	467,220	670.00	107,200	587,553	
General Rate UV - Rural	664	253,104,000	0.00692761	1,753,406	1,785,566	48	1,645,800	670.00	32,160	1,785,566	663	253,049,000	0.00692761	1,753,025	1,785,185	48	1,645,800	670.00	32,160	1,785,185	
General Rate UV - Mt Kokeby & Mawson	3	395,000	0.00692761	2,736	8,766	9	412,500	670.00	6,030	8,766	3	395,000	0.00692761	2,736	8,766	9	412,500	670.00	6,030	8,766	
General Rate UV - Mining	0	0	0.00692761	0	8,040	12	179,705	670.00	8,040	8,040	0	0	0.00692761	0	8,040	10	167,044	670.00	6,700	6,700	
SUB TOTAL GENERAL RATE	1,168	258,740,055		2,236,495	2,389,925	229	2,705,225		153,430	2,389,925	1,167	258,685,055		2,236,114	2,388,204	227	2,692,564		152,090	2,388,204	
Interim Rates					0					0											
Discount Allowed					(192,221)					(192,221)											(184,452)
Rounding					0					0											0
SUB TOTAL	1,168	258,740,055		2,236,495	2,197,704	229	2,705,225		153,430	2,197,704	1,167	258,685,055		2,236,114	2,203,752	227	2,692,564		152,090	2,203,752	
GRAND TOTAL																					

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

Council has imposed a general rate of 0.091652 GRV and 0.00692761 UV and a minimum rate of \$670.00 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 \$670 PA WAS IMPOSED

Total GRV & U.V. Applicable to Properties that Minimum rate applies	X	General Rate in Dollar	=	Rates Levied on Properties that the Minimum Rate Applies
5,708,275	X	\$0.091652	=	\$ 523,175
255,669,344	X	\$0.006928	=	\$ 1,771,178

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise:

(a) Basis of Preparation

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

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

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that 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 which form the basis of making the judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

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

Receivables and payable are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO, is included with receivables or payables in the statement of financial position.

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

(d) Cash and Cash Equivalents

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

Bank overdrafts are shown as short term borrowings in current liabilities in the Statement of financial Position.

(e) Trade and Other Receivables

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

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non current assets.

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

(f) Inventories

General

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

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

Land Held for Resale

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, borrowing costs, and holding costs, until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

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

Land held for 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

Each class of fixed assets is carried at cost or fair value as indicated, less where applicable, any accumulated depreciation or impairment losses.

Mandatory Requirement to Revalue Non Current Assets

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

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

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

and

- (c) For a Financial Year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the Regulations, each asset class must be revalued at least every three (3) years.

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

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

Land Under control

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

Upon initial recognition, these assets were recorded at cost in accordance with AASB116. They were then classified as Land, and revalued along with other land in accordance with other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB116.

Consequently, these assets were initially recognised at cost, but revalued along with other items of Land and Buildings at 30 June 2013.

Initial Recognition

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council, and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the Statement of Comprehensive Income in the period in which they are incurred.

Revaluation

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy), less where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

Land Under Roads

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

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

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

Whilst such treatment is inconsistent with the requirements of AASAB1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

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

(h) Depreciation of Non Current Assets

All non current assets having a limited useful life (excluding freehold land) 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.

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

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

Buildings..... 30 to 50 Years

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

Plant and Equipment 5 to 15 Years

Sealed Roads and Streets:

- *Clearing and Earthworks*..... *Not Depreciated*

- *Construction/Road Base* *50 Years*

Original Surfacing and Major Resurfacing

- *Bituminous Seals* *20 Years*

- *Asphalt Surfaces* *25 Years*

Gravel Roads

- *Clearing and Earthworks*..... *Not Depreciated*

- *Construction Base*..... *50 Years*

- *Gravel Sheeting* *12 Years*

Any accumulated depreciation at the date of revaluation is estimated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of three (3) years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every three (3) years.

Hierarchy of Fair Value Inputs—Definitions

Level 1 Inputs - are quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date.

Level 2 Inputs - are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 Inputs included quoted prices for similar assets in active markets and quotes for identical or similar assets in markets that are not active.

Level 3 Inputs - are unobservable inputs for the asset. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date.

Transitional Arrangement

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

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

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

Early Adoption of AASB13 - Fair Value Measurement

Whilst the new accounting standard in relation to fair value, AASB13—Fair Value Measurement, does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB13 (as allowed for in the standard).

As a consequence, the principles embodied in AASB13—Fair Value Measurement have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

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

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

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

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

Capitalisation Threshold

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

(i) **Intangible Assets**

Easements

Due to legislative changes, Easements are required to be recognised as assets.

If significant, they are initially recognised at cost and have an indefinite useful life.

(j) **Financial Instruments**

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

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

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

(ii) *Loans and Receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) *Held to Maturity Investments*

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

Held to maturity investments are included in current assets where they are expected to mature within 12 months, after the end of the reporting period. All other investments are classified as non current.

(iv) *Available for Sale Financial Assets*

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

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

Available for sale financial assets are included in current assets where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non current.

(v) *Financial Liabilities*

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

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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

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

Derecognition

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

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

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

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (eg AASB116). Any impairment loss of a revalued asset is treated as a revaluation decreases in accordance with that other standard.

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

(l) Trade and Other Payables

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

(m) Employment Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

(n) 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:

- (a) The Council has a present legal or constructive obligation as a result of past events;
- (b) For which it is probable that an outflow of economic benefits will result; and

(c) That outflow can be reliably measured.

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

(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 Council, are classified as finance leases.

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

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

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

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

(q) Investments in Associates

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost adjusted thereafter for the post acquisition change in the Council's share of net assets of the associate entity. In addition, Council's share of the profit or loss of the associated entity is included in the Council's profit or loss.

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

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

(r) Joint Venture

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 21.

The Council's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1(p) for details) in the financial report.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(s) 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 at 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 for the current reporting period.

(t) Superannuation

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

(u) Current and Non Current Classification

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

(v) Rounding Off Figures

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

(w) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement, or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

(x) Budget Comparative Figures

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

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

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

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

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB9 - Financial Instruments AASB2012 - 6 Amendments to Australian Accounting Standards - Mandatory effective date of AASB9 and Transition Disclosures	December 2009 September 2012	01 January 2013 Deferred AASB9 until 1 January 2015	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 AASB139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii)	AASB2009 - 11 Amendments to Australian Accounting Standards arising from AASB9 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	01 January 2013	Nil - The revision embodied in this Standard give effect to the consequential changes arising from the issuance of AASB9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iii)	AASB2010 - 7 Amendmenmts to Australian Accounting Standards arising from AASB9 (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	01 January 2013	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB9, which is not anticipated to have any material effect on the Council (refer (i) above).

	Title and Topic	Issued	Applicable (*)	Impact
(iv)	<p>AASB10 - Consolidated Financial Statements, AASB11 - Joint Arrangements, AASB12 - Disclosure of Interests in Other Entities, AASB 127 -Separate Financial Statements, AASB128 - Investments in Associates and Joint Ventures, AASB2011 - 7 Amendments to Australian Accounting Standards Arising from the Consolidation and Joint Arrangement Standards</p> <p>AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 and 1038, and Interpretations 5, 9, 16 and 17</p>	August 2011	01 January 2013	<p>Nil - None of these, except for AASB128, are expected to have significant application to the operations of the Council. With respect to AASB128, where the Council has an interest in a Joint Venture, the requirements of AASB128 supersede those of the current Joint Venture Standard AASB131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.</p>
(v)	<p>AASB2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</p> <p>AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 and 1049</p>	September 2011	01 July 2013	<p>The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially re-classifiable to profit or loss subsequently.</p>
(vi)	<p>AASB119 - Employee Benefits, AASB2011 - 10 Amendments to Australian Accounting Standards arising from AASB119</p> <p>AASB 1, 8, 101, 124, 134, 1049 and 2012-8, and Interpretation 14</p>	September 2011	01 January 2013	<p>The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council, nor are the changes to AASBs in relation to termination benefits.</p>
(vii)	<p>AASB2012 - 2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities</p> <p>AASB 7 and 32</p>	June 2012	01 January 2013	<p>Principally amends AASB7 - Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.</p> <p>This Standard is not expected to significantly impact on the Council's financial statements.</p>

	Title and Topic	Issued	Applicable (*)	Impact
(viii)	<p>AASB2012-3 - Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities</p> <p>AASB 32</p>	June 2012	01 January 2014	<p>This Standard adds application guidance to AASB132 - Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact on the Council’s financial statements.</p>
(ix)	<p>AASB2012-5 - Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle</p> <p>AASB 1, 101, 116, 132, and 134</p>	June 2012	01 January 2013	<p>Outlines changes to the various standards and interpretations, as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council’s financial statements.</p>
(x)	<p>AASB2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</p> <p>AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 and 2011-7, and Interpretation 12</p>	December 2012	01 January 2013	<p>Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.</p>

(z) 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:

- AASB2010-8
- AASB2011-3
- AASB2011-13

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

The Council chose to early adopt AASB13 - Fair Value Measurement, as allowed for in the Standard. For further details with respect to this early adoption refer to Note 1(g).

2. REVENUES AND EXPENSES

The Net Result includes:

Actual 2011/2012 \$		Adopted Budget 2012/2013 \$	Actual 2012/2013 \$
	Charging as Expenses		
1,042,117	Depreciation on Non-Current Assets	1,005,872	1,153,570
7,450	Auditors Remuneration	8,900	9,550
16,889	Interest Expenses	14,557	22,012
	Crediting as Revenue		
	Interest on Earnings		
107,917	Reserve Funds	32,854	83,859
50,912	Other Funds	70,000	96,740
23,440	Other Interest Revenue	12,950	28,609
<u>182,269</u>		<u>115,804</u>	<u>209,208</u>
	Profit/(Loss) on Sale of Non-Current Assets		
0	Land	0	0
0	Buildings	0	0
70,082	Plant and Equipment	9,043	31,182
0	Furniture and Equipment	0	0
<u>70,082</u>		<u>9,043</u>	<u>31,182</u>

3. DESCRIPTION OF FUNCTIONS / ACTIVITIES

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

Description of Programs

General Purpose Funding	Rates levied, interest on late payment of rates, general purpose grants, and interest received on investments.
Governance	Member of Council allowances and reimbursements, civic functions, election expenses, and administration expenses.
Law, Order, Public Safety	Supervision of various local laws, fire prevention, animal control.
Health	Environmental health, food control, pest control, immunisation services, and maintenance of maternal infant health clinics.
Education and Welfare	Pre schools and other education. Care of families and children.
Housing	Aged persons residence and staff housing.

Community Amenities	Refuse collection services, landfill site operations, protection of the environment. Administration of the Town Planning Scheme and urban stormwater and drainage works.
Recreation and Culture	Maintenance of halls, swimming pool, reserves, libraries and other culture.
Transport	Maintenance of roads, drainage works, footpaths, street lighting, crossovers, verge maintenance and street sweeping.
Economic Services	Weed control, area promotion, implementation of building controls, swimming pool inspections.
Other Property and Services	Private works, public works overheads, plant operations, materials, salaries and wages controls, and other unclassified activities.

4. REVENUES AND EXPENSES BY NATURE AND TYPE

Expenses and revenues classified according to nature and type:

Actual 2011/2012 \$		Adopted Budget 2012/2013 \$	Actual 2012/2013 \$
	Operating Expenses		
(1,664,424)	Employee Costs	(1,803,014)	(1,245,286)
(2,014,142)	Materials and Contracts	(1,607,797)	(1,126,100)
(164,072)	Utility Charges (Gas, Electricity, Water, etc)	(144,315)	(168,054)
(1,042,117)	Depreciation on Non-Current Assets	(1,005,872)	(1,153,570)
(9,352)	Loss on Asset Disposals	(8,148)	(13,367)
(16,889)	Interest Expenses	(14,557)	(22,012)
(123,230)	Insurance Expenses	(169,101)	(148,228)
(120,121)	Other Expenses	0	(157,929)
(5,154,347)	Agrees with Comprehensive Income Statement	(4,752,804)	(4,034,546)
	Operating Revenues		
2,131,226	Rates	2,197,704	2,203,752
2,988,301	Operating Grants, Subsidies and Contributions	982,815	283,924
2,316,383	Non - Operating Grants, Subsidies and Contributions	2,873,476	3,794,860
79,434	Profit on Asset Disposals	17,191	44,549
390,147	Fees and Charges	390,993	426,906
182,269	Interest Earnings	115,804	209,208
91,367	Other Revenue	67,750	93,705
8,179,127	Agrees with Comprehensive Income Statement	6,645,733	7,056,904
0	Changes on revaluation of non- current assets	0	10,438,638
0	Rounding	0	(2)
\$3,024,780	Net Result	\$1,892,929	\$13,460,994

5. CASH AND CASH EQUIVALENTS

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
300	Cash on Hand	300	300
4,718,243	Cash at Bank	201,700	204,254
0	Investments	1,367,973	3,402,625
4,718,543	Represented by:-	1,569,973	3,607,179
2,870,399	Restricted	1,367,973	2,172,639
1,848,144	Unrestricted	202,000	1,434,540
4,718,543		1,569,973	3,607,179

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
	(a) Restricted Funds		
	The following restrictions have been imposed by regulations or other externally imposed requirements		
75,655	Plant Reserve	77,235	79,169
101,270	Fire Fighters Reserve	103,385	105,975
100,000	Long Service Leave and Gratuity Reserve	102,090	105,147
311,576	Building Reserve	158,085	325,542
306,511	Recreation Ground Reserve	312,914	320,749
130,460	Annual Leave Reserve	133,185	136,520
20,355	Avon River Development Reserve	20,779	21,300
28,514	Community Bus Reserve	29,111	31,917
277,926	Cropping Reserve	206,151	221,698
220,432	Road Construction Reserve	225,038	230,672
1,297,700	Unspent Grants	1,238,282	593,950
2,870,399		2,606,255	2,172,639

(b) Conditions Over Contributions

Contributions and Grants recognised as revenues during the financial year in respect of which expenditure had not been made.

2,173	-Govt Grant - Special Bridge Funding - Lupton Road	0	0
372,000	-Govt Grant - Special Bridge Funding - Greenhills Road	332,305	0
905,977	-Govt Grant - Country Local Government Fund Regional	905,977	0
0	-Govt Grant - Special Bridge Funding	0	584,000
0	-Govt Grant - Conservation Plan	0	9,950
	Grants received in a previous financial year which will be expended during the financial year.		
17,550	-Govt Grant - Country Local Government Fund Capital Works Plan	0	0
1,297,700		1,238,282	593,950

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	
	2012/2013	2012/2013	2012/2013	2012/2013	2012/2013	2012/2013
	Adopted Budget	Actual	Adopted Budget	Actual	Adopted Budget	Actual
	\$	\$	\$	\$	\$	\$
Plant and Equipment	288,000	231,805	278,957	200,623	9,043	31,182
TOTAL BY CLASS OF ASSET	288,000	231,805	278,957	200,623	9,043	31,182

Asset by Program	Proceeds	Written	Gain/(Loss)
	Sale of Assets	Down Value	on Disposal
	\$	\$	\$
Governance	62,494	68,533	(6,039)
Law, Order, Public Safety	0	0	0
Health	14,798	22,126	(7,328)
Education and Welfare	0	0	0
Housing	0	0	0
Community Amenities	0	0	0
Recreation and Culture	0	0	0
Transport	154,513	109,964	44,549
Economic Services	0	0	0
Other Property and Services	0	0	0
TOTAL BY PROGRAM	231,805	200,623	31,182

(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

Actual 2011/2012			Actual 2012/2013	
\$	\$		\$	\$
6,452,371		Property Plant and Equipment	16,665,176	
<u>(1,544,415)</u>	4,907,956	Land and Buildings (at valuation)	<u>(52,906)</u>	16,612,270
		Less Accumulated Depreciation		
462,452		Furniture and Equipment (at valuation)	356,925	
<u>(381,149)</u>	81,303	Less Accumulated Depreciation	<u>(170,448)</u>	186,477
3,436,859		Plant and Machinery (at valuation)	1,967,185	
<u>(1,737,207)</u>	1,699,652	Less Accumulated Depreciation	<u>(434,884)</u>	1,532,301
86,289		Hall Equipment (at cost)	0	
<u>(57,406)</u>	28,883	Less Accumulated Depreciation	<u>0</u>	0
238,601		Bushfire Unit (at cost)	0	
<u>(235,883)</u>	2,718	Less Accumulated Depreciation	<u>0</u>	0
18,824		Library Equipment (at cost)	0	
<u>(18,624)</u>	200	Less Accumulated Depreciation	<u>0</u>	0
90,649		Swimming Pool (at cost)	0	
<u>(83,754)</u>	6,895	Less Accumulated Depreciation	<u>0</u>	0
144,940		Other Equipment (at cost)	0	
<u>(140,966)</u>	3,974	Less Accumulated Depreciation	<u>0</u>	0
39,838		Dental Equipment (at cost)	0	
<u>(38,658)</u>	1,180	Less Accumulated Depreciation	<u>0</u>	0
53,772		Medical Practice (at cost)	0	
<u>(25,303)</u>	28,469	Less Accumulated Depreciation	<u>0</u>	0
	6,761,230	Sub Total - Property Plant and Equipment		18,331,048
45,948,494		Infrastructure Assets	60,497,756	
<u>(10,888,774)</u>	35,059,720	Roads (at valuation)	<u>(21,164,861)</u>	39,332,895
		Less Accumulated Depreciation		
1,449,785		Other Structures (at cost)	0	
<u>(525,703)</u>	924,082	Less Accumulated Depreciation	<u>0</u>	0
	0	Rounding		0
	35,983,802	Sub Total - Infrastructure		39,332,895
	<u>42,745,032</u>	TOTAL FIXED ASSETS		<u>57,663,943</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 AASB136 - Impairment of Assets.

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

- Plant and Equipment by 30 June 2013.
- Plant and Equipment, Land, Buildings and Infrastructure by 30 June 2014.
- All Assets by 30 June 2015.

The Shire as at 30 June 2013 has measured the following asset categories at fair value:

- Land and Buildings.
- Office Furniture and Plant.
- Plant and Machinery.
- Road Infrastructure.

(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 Machinery	Roads	Total
	\$	\$	\$	\$	\$
Asset Balance at the Beginning of the Year	7,955,386	668,179	3,850,817	45,948,495	58,422,877
Assets Acquired During the Year	3,344,061	76,488	548,418	1,865,499	0 5,834,466
Assets Disposed During the Year	0	(254,398)	(635,714)	0	0 (890,112)
Revaluation Increments/ (Decrements)	5,365,729	(133,344)	(1,796,336)	12,683,762	0 16,119,811
Asset Balance at the End of the Year	16,665,176	356,925	1,967,185	60,497,756	0 79,487,042
Depreciation at the Beginning of the Year	(2,112,117)	(529,256)	(2,147,696)	(10,888,774)	(15,677,843)
Depreciation Expense Raised	(192,298)	(28,934)	(279,066)	(653,272)	(1,153,570)
Depreciation Expense Written Back on Disposals	0	254,398	435,090	0	0 689,488
Revaluation Increments/ (Decrements)	2,251,509	133,344	1,556,788	(9,622,815)	0 (5,681,174)
Depreciation at the end of Year	(52,906)	(170,448)	(434,884)	(21,164,861)	0 (21,823,099)
Net Asset Values at the End of the Year	16,612,270	186,477	1,532,301	39,332,895	0 57,663,943

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			Adopted Budget	Actual
2011/2012			2012/2013	2012/2013
\$			\$	\$
0	Loans Unspent		0	0
0	Amount Expended		0	0
Nil	CLOSING BALANCE		Nil	Nil

(b) Loans Raised in Financial Year

New loans raised during the 2012/2013 Financial Year.

Actual			Adopted Budget	Actual
2011/2012			2012/2013	2012/2013
\$			\$	\$
0	Loan 118 - Recreation Facilities		1,000,000	1,000,000
0			1,000,000	1,000,000

(c) Loan Repayments

Program	Loan No.	Principal 01.07.12	Loans Raised		Interest		Loan Repayment		Principal 30.6.2013
			Budget 2012/2013	Actual 2012/2013	Budget 2012/2013	Actual 2012/2013	Budget 2012/2013	Actual 2012/2013	
		\$	\$	\$	\$	\$	\$	\$	
Housing	112	34,877	0	0	2,100	2,067	4,504	4,505	30,372
Recreation	115	32,216	0	0	1,663	1,663	12,347	12,346	19,870
Recreation	117	132,617	0	0	8,008	8,008	10,640	10,640	121,977
Economic	116	46,622	0	0	2,786	2,786	10,590	10,590	36,032
Recreation	118	0	1,000,000	1,000,000	0	0	0	0	1,000,000
		246,332	1,000,000	1,000,000	14,557	14,524	38,081	38,081	1,208,251
PLUS Change in Net Accrual					0	7,169	0	0	
PLUS Guarantee Fee						319			
TOTAL		246,332	1,000,000	1,000,000	14,557	22,012	38,081	38,081	1,208,251
Loan Repayments to be financed by the Shire					6,549	14,004	27,491	27,441	
Loan Repayments reimbursed from external sources					8,008	8,008	10,590	10,640	
TOTAL					14,557	22,012	38,081	38,081	

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
2011/2012		2012/2013	2012/2013
\$		\$	\$
197,888	Opening Balance	75,655	75,655
	Plus Transfer from Accumulated Surplus		
10,947	- Interest Received	1,580	3,514
0	- Other	0	0
	Less Transfer to Accumulated Surplus		
(133,180)	- Plant Purchases	-	
75,655	CLOSING BALANCE	77,235	79,169

(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
2011/2012		2012/2013	2012/2013
\$		\$	\$
95,654	Opening Balance	101,270	101,270
	Plus Transfer from Accumulated Surplus		
5,616	- Interest Received	2,115	4,704
	Less Transfer to Accumulated Surplus		
101,270	CLOSING BALANCE	103,385	105,974

(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
2011/2012		2012/2013	2012/2013
\$		\$	\$
0	Opening Balance	0	0
	Plus Transfer from Accumulated Surplus		
0	- Interest Received	0	0
	Less Transfer to Accumulated Surplus		
0	-Purchase Office Equipment	0	0
0	CLOSING BALANCE	0	0

(d) Building Reserve (Cash Backed)

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

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
835,218	Opening Balance	311,576	311,576
	Plus Transfer from Accumulated Surplus		
43,063	- Interest Received	6,509	13,966
	Less Transfer to Accumulated Surplus		
(566,705)	- Independent Living Units	(10,000)	0
0	- Old School Building	(150,000)	0
<u>311,576</u>	CLOSING BALANCE	<u>158,085</u>	<u>325,542</u>

(e) Recreation Ground Reserve (Cash Backed)

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

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
290,371	Opening Balance	306,511	306,511
	Plus Transfer from Accumulated Surplus		
16,140	- Interest Received	6,403	14,238
	Less Transfer to Accumulated Surplus		
<u>306,511</u>	CLOSING BALANCE	<u>312,914</u>	<u>320,749</u>

(f) Annual Leave Reserve (Cash backed)

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

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
123,644	Opening Balance	130,460	130,460
	Plus Transfer from Accumulated Surplus		
6,816	- Interest Received	2,725	6,061
	Less Transfer to Accumulated Surplus		
<u>130,460</u>	CLOSING BALANCE	<u>133,185</u>	<u>136,521</u>

(g) Avon River Development Reserve (Cash Backed)

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

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
19,207	Opening Balance	20,354	20,354
	Plus Transfer from Accumulated Surplus		
1,147	- Interest Received	425	947
	Less Transfer to Accumulated Surplus		
20,354	CLOSING BALANCE	20,779	21,301

(h) Community Bus Reserve (Cash Backed)

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

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
25,397	Opening Balance	28,515	28,515
	Plus Transfer from Accumulated Surplus		
1,486	- Interest Received	596	1,323
1,632	- Other	0	2,078
	Less Transfer to Accumulated Surplus		
28,515	CLOSING BALANCE	29,111	31,916

(i) Cropping Reserve (Cash Backed)

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

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
159,350	Opening Balance	277,925	277,925
	Plus Transfer from Accumulated Surplus		
10,511	- Interest Received	5,806	12,911
108,064	- Other	22,420	30,862
	Less Transfer to Accumulated Surplus		
0	- Relocation of Netball Courts and Lighting	(100,000)	(100,000)
277,925	CLOSING BALANCE	206,151	221,698

(j) Road Construction Reserve (Cash Backed)

Purpose - Fund the Construction of Roads

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
208,242	Opening Balance	220,433	220,433
	Plus Transfer from Accumulated Surplus		
12,191	- Interest Received	4,605	10,239
	Less Transfer to Accumulated Surplus		
<u>220,433</u>	CLOSING BALANCE	<u>225,038</u>	<u>230,672</u>

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

Purpose - Fund Long Service Leave and Gratuity Payment Obligations

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
100,000	Opening Balance	100,000	100,000
	Plus Transfer from Accumulated Surplus		
0	- Interest Received	2,090	5,147
0	- Other	0	0
	Less Transfer to Accumulated Surplus		
<u>100,000</u>	CLOSING BALANCE	<u>102,090</u>	<u>105,147</u>
<u>1,572,699</u>	TOTAL	<u>1,367,973</u>	<u>1,578,689</u>

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

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

(I) Reserves - Asset Revaluation

The Shire of Beverley is required to measure non current assets at fair value. This resulted in a revaluation of the assets, which are detailed below.

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.

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
3,479,093	Asset Revaluation Reserve (Roads)	3,479,093	3,479,093
0	Balance brought forward 1st July	0	10,438,638
	Revaluation of Assets during current financial year		
3,479,093	CLOSING BALANCE	3,479,093	13,917,731

9. CASH FLOW INFORMATION

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

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

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
	Change in net equity from operations		
3,024,780	Net Result	1,892,929	13,460,994
1,042,117	Depreciation	1,005,872	1,153,570
(70,082)	(Profit) loss on sale of Fixed Assets	(9,043)	(31,182)
(3,772,948)	Government Revenue	(3,571,782)	(3,794,860)
0	Accounts Receivable Current to Non - Current	0	(4,910)
0	Change in Revaluation of Non Current Assets	0	(10,438,638)
	Change in Assets and Liabilities		
(2,929)	(Increase)/Decrease in Inventory	(4,904)	1,617
(4,294)	Increase/(Decrease) in Employee Provisions	0	45,439
261,187	(Increase)/Decrease in Debtors	(7,600)	(565,599)
140,773	Increase/(Decrease) in Creditors	(172,807)	(102,559)
1	Rounding	0	3
618,605	Cash flows from Operations	(867,335)	(276,125)
10,000	Credit Facility	10,000	10,000
(4,086)	Amount Utilised	0	(1,773)
5,914	Unused Facility available	10,000	8,227
	RECONCILIATION OF CASH		
3,145,844	Cash at Bank - Operating	1,367,973	2,028,490
1,572,699	Restricted Reserves	202,000	1,578,689
4,718,543	TOTAL CASH	1,569,973	3,607,179

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 2013

PARTICULARS	OPENING	RECEIPTS		PAYMENTS		CLOSING BALANCE	
	BALANCE	ADOPTED	ACTUAL	ADOPTED	ACTUAL	ADOPTED	ACTUAL
	1/07/2012	BUDGET	2012/2013	BUDGET	2012/2013	BUDGET	30/06/2013
	\$	\$	\$	\$	\$	\$	\$
DEPOSITS							
Unclaimed Monies	1,115	300	17	375	0	1,040	1,132
Nominations Deposits	17	0	0	0	17	17	0
House Bonds	5,500	0	10,000	360	0	5,140	15,500
Second House Deposits	4,600	0	0	0	0	4,600	4,600
Retirement Village Bond	3,343	400	412	800	360	2,943	3,395
Subdivision Costs	1,500	0	0	0	0	1,500	1,500
Recreation Cent. Amenities B	7,802	0	0	7,802	7,802	0	0
Rates Advance Payments	15,690	12,000	1,900	15,690	17,590	12,000	0
Rention Fees -ILU	64,580	0	0	64,580	32,290	0	32,290
ILU Bonds	0	600,000	0	0	0	600,000	0
Gym Key Deposit	870	400	470	0	260	1,270	1,080
TOTAL	105,017	613,100	12,799	89,607	58,319	628,510	59,497

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.

Actual 2011/2012 \$		Adopted Budget 2012/2013 \$	Actual 2012/2013 \$
	Non Operating Income		
10,014	Principal Repayment	10,590	10,640
	Proceeds from Disposal of Assets		
0	Furniture and Equipment	0	0
107,162	Plant and Equipment	288,000	231,805
699,885	Transfer from Reserves	260,000	100,000
0	Loan Borrowings	1,000,000	1,000,000
817,061	TOTAL	1,558,590	1,342,445
	Non Operating Expenditure		
(810,669)	Purchase Land and Buildings	(533,072)	(56,718)
(284,202)	Purchase Plant and Equipment	(634,200)	(548,418)
(9,461)	Purchase Furniture and Equipment	(96,000)	(76,488)
(1,610,522)	Infrastructure Assets-Roads	(2,497,841)	(1,865,499)
(266,705)	Infrastructure Assets-Recreation	(3,262,997)	(3,269,006)
0	Purchase Tools	0	0
(4,229)	Infrastructure Assets-Other	(89,414)	(18,337)
(35,873)	Repayments of Debt-Principal	(38,081)	(38,081)
(317,613)	Transfer to Reserves	(55,274)	(105,990)
(4,294)	Provisions Employee Entitlements Accrued	0	6,122
(3,343,568)	TOTAL	(7,206,879)	(5,972,415)

12. RATING INFORMATION

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

(a) General and Minimum Rate

<u>Actual 2011/2012</u>		<u>Actual 2012/2013</u>
\$		\$
0.134099	- General Rate	0.091652
Rate in \$	(The basis for the rate is Gross Rental Value)	Rate in \$
0.006718	- General Rate Rural	0.00692761
Rate in \$	(The basis for the rate is Unimproved Value)	Rate in \$
0.006718	- General Rate Mt Kokeby and Mawson	0.00692761
Rate in \$	(The basis for the rate is Unimproved Value)	Rate in \$
0.006718	- General Rate Mining	0.00692761
Rate in \$	(The basis for the rate is Unimproved Value)	Rate in \$
\$645.00 pa	- Minimum Rate	\$670.00 pa

The Objectives and Reasons for General and Minimum Rate

Council has imposed a general rate of 0.091652 GRV and 0.00692761 UV and a minimum rate of \$670.00 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 2012/2013.

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 2012/2013 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 - \$184,452
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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 \$25,487 for the 2012/2013 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, 15 October 2012
- 2nd Instalment - Monday, 17 December 2012
- 3rd Instalment - Monday, 18 February 2013
- 4th Instalment - Monday, 15 April 2013

Charges on instalment plan is \$8.00 administration charges, and rate of interest of 5.5%, the revenue derived from the imposition amounts to \$6,811 for the 2012/2013 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 2011/2012 \$		Adopted Budget 2012/2013 \$	Actual 2012/2013 \$
13,348	General Purpose Funding	14,300	18,506
830	Governance	0	0
5,951	Law, Order, Public Safety	6,075	2,953
608	Health	500	0
1,858	Education and Welfare	2,500	2,520
67,396	Housing	76,514	73,511
116,278	Community Amenities	121,675	114,974
70,590	Recreation and Culture	69,470	74,225
19,935	Transport	19,709	26,207
73,218	Economic Services	53,750	80,264
20,135	Other Property and Services	26,500	33,746
390,147	TOTAL FEES AND CHARGES	390,993	426,906

(b) Amended Fees and Charges

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

- No amendments were made during the 2012/2013 Financial Year.

17. INVESTMENTS

Earnings from investments is summarised as follows:

Actual 2011/2012		Adopted Budget 2012/2013	Actual 2012/2013
\$		\$	\$
50,912	General Account	70,000	83,859
107,917	Reserve Funds	32,854	96,740
23,440	Other Interest on Late Payment of Rates	12,950	28,609
182,269	TOTAL	115,804	209,208

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:

Actual 2011/2012		Adopted Budget 2012/2013	Actual 2012/2013
\$		\$	\$
	- Annual Attendance Fee		
22,500	Councillor (8)	28,000	26,000
7,500	President	12,000	9,250
	- Telecommunication, Travel, and Information Technology Allowance		
5,300	- Telecommunication	5,400	5,400
3,533	- Information Technology	3,600	3,600
2,620	- Travel Expenses	2,500	2,684
	- Annual Local Government Allowance		
4,500	- President	5,500	5,000
1,125	- Deputy President	1,375	1,250

19. DEPRECIATION OF NON CURRENT ASSETS

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

Actual		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
0	General Purpose Funding	0	0
36,375	Governance	36,375	37,760
11,674	Law, Order, Public Safety	11,674	12,606
8,360	Health	8,361	8,399
0	Education and Welfare	0	0
50,988	Housing	50,988	57,899
2,920	Community Amenities	2,920	2,920
51,885	Recreation and Culture	51,885	79,052
591,534	Transport	591,534	653,848
5,290	Economic Services	5,290	36,040
283,091	Other Property and Services	246,845	265,046
1,042,117	TOTAL	1,005,872	1,153,570

20. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2012/2013 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		Adopted Budget	Actual
2011/2012		2012/2013	2012/2013
\$		\$	\$
40,751	Resource Sharing - Town Planning Services	80,000	62,483

22. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2012/2013 Financial Year.

23. CAPITAL AND LEASING COMMITMENTS

(a) Leasing commitments during the 2012/2013 Financial Year

Nil.

(b) Capital commitments during the 2012/2013 Financial Year

Construction of two Independent Living Units on Lot 101 Dawson Street, Beverley - Sims Construction Pty Ltd - Original contract Price \$582,218 (GST exclusive), plus extras \$75,000 (GST exclusive), \$126,375 was spent in 2010-2011, and \$530,903 was spent in 2011/2012. Retention funds amounting to \$32,290 are held in the Trust Fund as at 30 June 2013.

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 2013.

	2011/2012	Average Interest %	Variable Interest Rate	Less than 1 year	1 to 5 years	5 to 10 years	Non Interest Bearing	2012/2013
	\$		\$	\$	\$	\$	\$	\$
Financial Assets								
Cash	4,718,543	4.20	2.50	3,606,879	0	0	300	3,607,179
Trade Receivables-Current	287,853			0	0	0	390,412	390,412
	<u>5,006,396</u>			<u>3,606,879</u>	<u>0</u>	<u>0</u>	<u>390,712</u>	<u>3,997,591</u>
Financial Liabilities								
Accounts Payable - Current	690,658			0	0	0	125,065	125,065
Employee entitlements - Current	264,284			0	0	0		303,601
Borrowings	38,081			0	0	0	66,517	66,517
	<u>993,023</u>			<u>-</u>	<u>-</u>	<u>-</u>	<u>191,582</u>	<u>495,183</u>

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

- Depositing funds with an unauthorised institution (an authorised institution is defined in 3 below).
- Depositing funds for a fixed term of more than 12 months.
- Investing in bonds that are not guaranteed by the Commonwealth Government or a State or Territory Government.
- Investing in bonds with a term to maturity of more than 3 years.
- Investing in a foreign currency.

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

(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 being secured by the property to which they relate.

The Shire accounts for Self Supporting Loans as part of its current receivables as and when payments fall due; amounts due in future years are shown as non current. Self Supporting Loans shown as debtors represent the repayments of a loan that the Shire has drawn on behalf of Community Groups.

Goods and Services Tax represents monies owed by the Australian Taxation Office to the Shire.

The Shire's General Debtors include receivables for goods and services provided to members of the community, government departments, and 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.

2011/2012			2012/2013	
Current	Non Current		Current	Non Current
\$	\$		\$	\$
186,473	56,202	Financial Assets		
10,640	121,976	Rates and Annual Charges	186,284	61,778
0	0	Self Supporting Loans	11,306	110,670
90,740	0	Goods and Services Tax	0	0
		General Debtors	192,822	0
287,853	178,178		390,412	172,448

(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</u> <u>2011/2012</u> \$		<u>Actual</u> <u>2012/2013</u> \$
32,414	Impact of 1% Movement in Interest Rates on Investment Earnings (+/-)	36,069

(g) Liquidity Risk

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

	<u>2011/2012</u> \$	<u>Less than</u> <u>1 year</u> \$	<u>1 to 5</u> <u>years</u> \$	<u>Greater than</u> <u>5 years</u> \$	<u>2012/2013</u> \$
Financial Liabilities					
Accounts Payable - Current	690,658	125,065	0	0	125,065
Interest Bearing Liabilities	246,332	66,517	312,504	829,230	1,208,251
	936,990	191,582	312,504	829,230	1,333,316

25. POSITION AT COMMENCEMENT OF FINANCIAL YEAR

(a) Determination of Opening Funds

ACTUAL 30.06.2012		Budget 2012/13	ACTUAL 30.06.2013
\$		\$	\$
	Current Assets		
4,718,243	Cash at Bank	1,569,673	3,606,879
300	Cash Advances	300	300
287,853	Receivables	280,000	390,412
13,096	Stock on Hand	18,000	11,478
5,019,492		1,867,973	4,009,069
	Less Current Liabilities		
(690,658)	Accounts Payable	(500,000)	(125,065)
(38,081)	Interest Bearing Loans and Borrowings	0	(66,517)
(264,284)	Provision for Annual and Long Service Leave	0	(303,601)
(993,023)		(500,000)	(495,183)
4,026,469	SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES	1,367,973	3,513,886
	ADJUSTMENTS		
(1,572,699)	Less Cash Backed Reserves	(1,367,973)	(1,578,689)
38,081	Plus Interest Bearing Loans and Borrowings	0	66,517
130,460	Plus Annual Leave Cash Backed Reserve	0	136,520
100,000	Plus Long Service Leave and Gratuity Cash Backed Reserve	0	105,147
(1)	Rounding		0
2,722,310	OPENING/CLOSING FUNDS	0	2,243,381

(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 Asset detailed in the 2012/2013 Annual Budget.

Net Current Asset detailed in the 2012/2013 Annual Budget	<u>2,758,531</u>
Net Current Assets Brought Forward as at 1st July 2012.	<u>2,243,381</u>

26. CAPITAL EXPENDITURE BY PROGRAM

Actual capital expenditure incurred by program is summarised as follows:

Program	2011/2012	Furniture and Equipment	Land and Buildings	Plant and Equipment	Infrastructure			2012/2013
					Roads	Recreation Facilities	Other	
	\$	\$	\$	\$	\$	\$	\$	
Governance	49,482	54,854		76,362			131,216	
Law, Order, Public Safety	46,794						0	
Health	4,439	21,634	14,775				36,409	
Education and Welfare	0						0	
Housing	591,455		11,810	29,860			41,670	
Community Amenities	0						0	
Recreation and Culture	266,705		24,267	1,554		3,269,006	3,294,827	
Transport	1,854,493			440,642	1,865,499		2,324,478	
Economic Services	172,419		5,866				5,866	
Other Property & Services	0						0	
TOTAL	2,985,787	76,488	56,718	548,418	1,865,499	3,269,006	5,834,466	

27. FINANCIAL INFORMATION BY RATIO

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

2010/2011	2011/2012		2012/2013
2.072	2.818	(a) Current Ratio <u>current assets minus restricted current assets</u> current liabilities minus liabilities associated with restricted assets	7.244
0.549	0.460	(b) Asset Sustainability Ratio <u>capital renewal and replacement expenditure</u> depreciation expense	0.547
24.167	33.498	(c) Debt Service Cover Ratio <u>annual operating surplus before interest and depreciation</u> principal and interest	28.714
-0.010	0.162	(d) Operating Surplus Ratio <u>operating revenue minus operating expense</u> own source operating revenue	0.169
0.748	0.854	(e) Own Source Revenue Ratio <u>own source operating revenue</u> operating expense	0.748
0.734	0.732	(f) Asset Consumption Ratio <u>depreciated replacement cost of assets</u> current replacement cost of depreciated assets	0.725
N/A	N/A	(g) Asset Renewal Funding Ratio <u>NPV of planned capital renewals over 10 years</u> NPV of required capital expenditure over 10 years	0.65

Definitions

- **Australian Accounting Standards (AAS)** - Means standards set by the Australian Accounting Standards Board for the financial reporting applicable to entities in the private and public sector.
- **Annual Operating Surplus Before Interest and Depreciation** - Means operating revenue minus net operating expense.
- **Capital Renewal and Replacement Expenditure** - Means expenditure to renew or replace existing assets.
- **Current Assets** - Means the total current assets as shown in the statement of financial position.
- **Current Liabilities** - Means the total current liabilities as shown in the statement of financial position.
- **Current Replacement Cost of Depreciable Assets** - Means the cost of replacing assets at current prices.
- **Depreciable Assets** has the meaning given in the AAS.
- **Depreciated Replacement Cost of Assets** has the meaning given in the AAS.
- **Depreciation** has the meaning given in the AAS.
- **Interest** means interest expense for moneys borrowed, credit obtained or financial accommodation.
- **Liabilities Associated with Restricted Assets**- Means the lesser value of a current liability or the cash component of restricted assets held to fund that liability.
- **Net Operating Expense** - Means operating expense excluding interest and depreciation.
- **NPV** - Means net present value.
- **Operating Expense** - Means the expense that is operating expense for the purposes of the AAS.

Definitions (Continued)

- **Operating Revenue** - Means the revenue that is operating revenue for the purposes of the AAS, excluding:
 - (a) Grants for the development or acquisition of assets; and
 - (b) Contributions for the development or acquisition of assets.

- **Other Comprehensive Income** has the meaning given in the AAS.

- **Own Source Operating Revenue** - Means revenue from rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets.

- **Planned Capital Renewals** - Means capital renewal and replacement expenditure as estimated in the long-term financial plan;

- **Principal and Interest** - Means all principal and interest for moneys borrowed, credit obtained or financial accommodation arranged under section 6.20;

- **Required Capital Expenditure** - Means capital renewal and replacement expenditure as estimated in the asset management plan.

28. TRADE AND OTHER RECEIVABLES

Receivables due to the Shire include the following:

<u>ACTUAL</u> <u>2011/2012</u>		<u>ACTUAL</u> <u>2012/2013</u>
\$		\$
	Current	
186,473	Rates	221,674
145,946	Sundry Debtors	157,432
(55,206)	Less Provision for Doubtful Debts	0
10,640	Loan Receivable	11,306
0	Goods and Services Tax	0
<u>287,853</u>		<u>390,412</u>
	Non Current	
56,202	Rates Outstanding-Pensioner Deferred	61,778
121,976	Long Term Loans-Clubs/Institutions	110,670
<u>178,178</u>		<u>172,448</u>

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

29. INVENTORIES

<u>ACTUAL</u> <u>2011/2012</u>		<u>ACTUAL</u> <u>2012/2013</u>
\$		\$
<u>13,096</u>	Comprises of Fuels and Consumables	<u>11,478</u>

All inventories at balance date have been valued at cost.

30. TRADE AND OTHER PAYABLES

<u>ACTUAL</u> <u>2011/2012</u>		<u>ACTUAL</u> <u>2012/2013</u>
\$		\$
640,434	Trade Creditors and Accruals	89,675
0	Rates Paid in Advance	35,390
28618	Goods and Services Tax	0
21,606	PAYG Withholding	0
<u>690,658</u>	Total	<u>125,065</u>

31. LONG TERM BORROWINGS

<u>ACTUAL</u> <u>2011/2012</u> \$ <u>38,081</u>	Current - secured by a floating charge debenture	<u>ACTUAL</u> <u>2012/2013</u> \$ <u>66,517</u>
<u>ACTUAL</u> <u>2011/2012</u> \$ <u>208,251</u>	Non - Current - secured by a floating charge debenture	<u>ACTUAL</u> <u>2012/2013</u> \$ <u>1,141,734</u>

32. PROVISIONS

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

<u>ACTUAL</u> <u>2011/2012</u> \$		<u>ACTUAL</u> <u>2012/2013</u> \$
	Current	
145,432	Provision for Annual Leave	169,684
118,852	Provision for Long Service Leave	133,917
<u>264,284</u>		<u>303,601</u>
	Non - Current	
30,498	Provision for Long Service Leave	36,619
<u>30,498</u>		<u>36,619</u>

33. EMPLOYEE NUMBERS AND REMUNERATION

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

<u>2011/2012</u>		<u>2012/2013</u>
1	Annual Salary Range \$100,000 or more per annum	1
24	Total Number of Employees The number of full time equivalent employees at 30 June	24

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>2010/2011</u>		<u>ACTUAL</u> <u>2012/2013</u>
\$		\$
	By Nature and Type:	
1,456,565	Operating Grants	1,322,446
<u>2,316,383</u>	Non-Operating Grants	<u>2,472,414</u>
<u>3,772,948</u>	Total	<u>3,794,860</u>
	By Program:	
0	Governance	4,670
802,711	General Purpose Funding	737,762
96,576	Law, Order, Public Safety	62,993
0	Health	0
0	Education and Welfare	0
0	Housing	0
0	Community Amenities	0
905,977	Recreation and Culture	1,310,066
1,967,684	Transport	1,679,369
0	Economic Services	0
<u>0</u>	Other Property and Services	<u>0</u>
<u>3,772,948</u>	Total	<u>3,794,860</u>

35. CONTINGENT LIABILITIES

Council does not have any known contingent liabilities as at 30 June 2013.

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 2013, 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 M Pepper
Deputy President

Signed on the 17th Day of December 2013.

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 statement of financial position, statements of income, statement of cash flows, rate setting statement and supporting notes for the year ended **30 June 2013**.

Management's Responsibility for the Financial Report

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

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 shire's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

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 2013** and of its performance for the year ended on that date and complying with Australian Accounting Standards and substantially complying with the Act and Regulations.

Report on other legal and regulatory requirements

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) In relation to the supplementary ratio information in this report, I have reviewed the calculations and they are based on verifiable information and reasonable assumptions.
- (d) All necessary information and explanations were obtained by me and
- (e) All audit procedures were satisfactorily completed in conducting my audit.



Gregory Froomes Wyllie CPA
Perth, Western Australia
18 November 2013

Notes



136 Vincent Street, Beverley WA 6304

PO Box 20, Beverley WA 6304

Phone - 9646 1200 Fax - 9646 1409

Email: admin@beverley.wa.gov.au

Web: www.beverley.wa.gov.au