



# SHIRE OF BEVERLEY

ANNUAL REPORT 2018/19







# YOUR COUNCIL



**Elected Council 2017-2019** (L to R): Cr Don Davis, Cr Lew Shaw, Cr Tim Seed, Cr Susan Martin, Cr Darryl Brown, Cr Chris Pepper (Deputy President), Mr Stephen Gollan (CEO), Cr Dee Ridgway (President), Cr David White and Cr Peter Gogol.

## COUNCIL MEETINGS

An Ordinary meeting of Council is held on the fourth Tuesday of each month excluding January (11 in total). There were no Special Meetings of Council in 2018/19.

Council has four active Committees:

The **Audit and Risk Committee** met twice during the financial year. All Council members are members of the Audit and Risk Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to Financial Reporting, Internal Control & Risk Management Systems, Annual Business Plans, Internal Audits, External Audits and Other Investigations.

The **Corporate Strategy Committee** met four times during the financial year. All Council members are members of the Corporate Strategy Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to Strategic Planning, Budget, Asset Management, Policies and Integrated Planning.

The **Economic and Community Strategy Committee** met three times during the financial year. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to Community Development, Economic Development, Industrial Development, Land Use Planning and Tourism.

The **Cropping Committee** did not meet during the financial year. Crs Ridgway, Shaw, White and Seed are members of the Cropping Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to the Community Cropping Program.



## 2018/19 MEETING ATTENDANCE

COUNCILLOR	ORDINARY MEETINGS	COMMITTEE MEETINGS
Cr Darryl Brown	7	7
Cr Don Davis	11	8
Cr Peter Gogol	11	9
Cr Susan Martin	11	9
Cr Chris Pepper (Deputy President)	10	9
Cr Dee Ridgway (President)	10	7
Cr Tim Seed	8	6
Cr Lew Shaw	10	6
Cr David White	11	9

## 2018/19 COUNCILLOR REMUNERATION

POSITION	SITTING FEES	IT ALLOWANCE	TRAVEL ALLOWANCE	CONFERENCE ALLOWANCE***
President*	17,600	1,277	2,985	1,710
Deputy President**	4,975	1,277	0	1,710
Councillor	3,600	1,277	0	1,710

\*Sitting Fees include Presidential Allowance of \$5,500 per annum.

\*\* Sitting Fees include Deputy Presidential Allowance of \$1,375 per annum.

\*\*\*Crs Ridgway, Pepper, Martin and Gogol attended the 2019 WALGA State Conference.

In addition, all Councillors are supplied with a fully maintained Electronic Tablet to manage Council meeting documents and Council related email correspondence.



# STRATEGIC COMMUNITY PLAN

Our Strategic Community Plan 2017-2027 is a Council visionary document for the next ten years, based on community feedback, our current position and desired position.

## OUR VISION:

A vibrant and progressive community which values its history in a welcoming and friendly place to live, work and visit. Beverley is the place to BE!

## WE VALUE:

- The contributions made by our community towards an inclusive, active, diverse and friendly community
- Our natural resources and our place in the natural environment
- Economic diversity and opportunistic growth
- Forward thinking leadership and good governance

## COUNCIL PRIORITIES:

1. Our investments support or facilitate employment and local business growth.
2. Our people, the community and quality of life are important to our success.
3. Our relationships bring financial, social, health and environmental benefits to the organisation and residents



# ACHIEVEMENTS

During the 2018/19 Financial Year Council achieved the following:

STRATEGIC ACTIVITIES	OUTCOME
<p><b>1. Maintain moderate Rate increases</b></p>	<p>Council increased rates by 2.5%, reflecting consideration to the current economic climate, increasing household expenses and Rate Payers general ability to pay.</p> <p>Council also maintained its 10% discount for Rates paid by the due date. The Shire of Beverley is the only Local Government Authority that offers such an incentive in the State.</p>
<p><b>2. Beverley Cornerstone Community Centre</b></p>	<p>The Cornerstone was officially opened by Hon Christian Porter on 28 February 2019.</p> <p>The multi-purpose community building houses the Community Resource Centre, Community Library, State of the Art Visitors Centre, Conference facilities, Childcare centre and several new businesses including a Chiropractic Centre, Agronomist and an IT services company.</p> <p>The Cornerstone is a significant development for the Beverley district that will service the community well into the future.</p> <p>The Cornerstone was achieved through the contribution of several funding partners including the Department of Industry, Innovation and Science Building Better Regions Fund, LotteryWest, the Wheatbelt Development Commission through Royalties for Regions and the Beverley CRC.</p>
<p><b>3. Future Project Planning</b></p>	<p>Council invested funds into the planning of several exciting future projects for the community during 2018/19.</p> <p>Concept designs were completed for: Mainstreet Redevelopment; Swimming Pool Redevelopment; and A Youth Activity Area.</p> <p>Following significant community consultation, all concepts are due to progress to shovel ready design during 2019/20.</p> <p>Councils priority is the Youth Activity Area, with the Mainstreet Redevelopment and Swimming pool redevelopment to follow.</p> <p>All projects will require external funding to be realised with Councils contribution to be around a third of the project costs.</p>
<p><b>4. Plant Replacement</b></p>	<p>Council continued its successful Plant Asset renewal program in 2018/19. Investment in replacement plant for the 2018/19 financial year totalled \$257,000.</p>



STRATEGIC ACTIVITIES	OUTCOME
<b>5. Road Construction</b>	Upgrade and renewal of Roads throughout the Beverley District continued with an investment of \$1.8M, funded from Federal, State and Local revenue streams.
<b>6. Closing Surplus Position</b>	<p>Council achieved a closing Surplus position for the 2018/19 financial year of \$1.7M.</p> <p>This includes an advanced grant payment of \$680,000 from the State Government.</p>
<b>7. Maintain acceptable debt levels</b>	<p>Council did not raise any loans during 2018/19.</p> <p>Council's overall debt as at 30 June 2019 was \$1.67M.</p> <p>Council's debt servicing ratio, which compares operating surplus to principal and interest expenses, is a respectable 11.84.</p> <p>Council's internal ratio of Rates to Debt, which expresses Rates raised as a multiple of debt levels is also respectable at 1.61.</p>





# KEY STRATEGIC ACTIVITIES FOR 2019/20

The following are the key activities funded in the 2019/20 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
<b>Vincent Street Youth Activity Area</b>	Construction designs and project construction to progress on the Vincent Street site opposite Memorial Park.	Complete by <b>December 2020.</b>
<b>Town Hall Kitchen Refurbishment</b>	Refurbishment of the Town Hall kitchen.	Complete by <b>September 2019.</b>
<b>Railway Station Painting</b>	Internal and external Painting of the Railway Station.	Complete by <b>January 2020.</b>
<b>Recreation Ground Lighting Tower Lamp Replacement</b>	All lighting tower lights at the Recreation Ground will be replaced.	Complete by <b>January 2020.</b>
<b>Westdale Fire Shed</b>	Construction of a purpose built Fire Shed to house the Westdale Tender and service the Dale area.	Complete by <b>December 2019.</b>
<b>Kinetic Sculpture</b>	A locally produced artwork will be commissioned and located on Hunt Road.	Complete <b>December 2019.</b>
<b>Plant Replacement</b>	Ongoing replacement of Plant as per Councils 10 Year Program. 2019/20 replacements include a Specialised Water Truck, Backhoe and Loader.	Complete by <b>February 2020.</b>
<b>Footpath Renewal</b>	Year 4 of a 10 Year Footpath Renewal program to enhance the service level of the current path network.	Complete by <b>March 2020.</b>
<b>Road Construction</b>	Ongoing upgrade and renewal works across the Shire including West Dale, Mawson and Top Beverley Roads and a continued gravel resheeting, roadside spraying and tree lopping program.	Complete by <b>June 2020.</b>



# STATEMENT BY THE SHIRE PRESIDENT

2018/2019 has again been a productive year for the Shire of Beverley. Councillors and Staff, guided by the Strategic Community Plan 2017 – 2027, have continued to plan, manage and implement initiatives for the ongoing advancement and sustainable future of Beverley on behalf of our valued community.

Rate levels remained at a modest overall increase of 2.5% which is below the 10 year financial plan projection. Council is mindful of economic challenges for constituents along with increasing State Government fees and charges, which also create challenges for the Shire's budget.

Of significant note during the year was the completion, transition to using, and official opening of the Beverley Cornerstone Multipurpose Community Centre which is proving to be a valuable facility in servicing the needs of community, business and visitors.

Strategic activity over the year has included consultation and development of plans for Aquatic Centre redevelopment, Youth Activity Precinct, County Peak and Town Heritage Trails. The ongoing strategic officer role co-funded with the National Trust has seen some success in advancing sustainable initiatives for the future of Avondale Farm, and strategic planning for the Ag Museum at Avondale is underway. Discussion with relevant authorities to enable future development of facilities at Yenyening Lakes has commenced and implementation of the Tourism Planning Framework is resulting in an increasing number of visitors to the town. Unfortunately plans for the construction of an alternative river crossing as a back up to the town's one bridge will not proceed due to the exorbitant cost to construct.

The Shire's ongoing renewal of Council's assets has included a robust road capital and maintenance investment programme, footpath construction, town hall kitchen upgrade, continuing refurbishment of units at Hunt Road Village, and reserve allocation for the Vincent Street Urban Design Renewal. Amid an environment of decreasing State Government funding and increasingly competitive grants from other sources Council has supported the engagement of external assistance in the development and preparation of grant applications.

Appreciation is extended to the Shire's staff, particularly CEO Steve Gollan, Deputy CEO Simon Marshall, Manager of Planning Stefan de Beer, Manager of Works Steve Vincent and Executive Assistant Ali Lewis. This last financial year has been particularly busy and Beverley is indeed fortunate with the quality and commitment of our staff and the positive relationship that exists between Council and Administration.

Thanks are extended to Deputy Shire President Cr Chris Pepper and my fellow Councillors for their time and commitment as elected members representing our growing community.

I am not renominating as a Councillor at the forthcoming Local Government Elections and take this opportunity to recognise and congratulate Council and Staff for the sound oversight and progress which is being undertaken within the Shire for our constituents and community, which I look forward to seeing continue



**Cr Dee Ridgway**  
Shire President



# STATEMENT BY THE CHIEF EXECUTIVE OFFICER

I am pleased to present the 2018/19 Annual Report to elected members, residents and rate payers.

The Shire of Beverley Community Strategic Plan identifies the priorities and aspirations identified by the Community through public consultation. The Shire continues to work towards the implementation of strategies outlined in the Plan.

## Cornerstone

The Cornerstone Building opened for business in October 2018 with the Community Resource Centre managing the Visitor Centre and Library on behalf of the Shire. It was very pleasing to see three new businesses take up a lease in the office areas. The Official Opening was held on 28 February 2019 with Hon. Christian Porter MP and Shire President Cr Dee Ridgway cutting the red ribbon. A highlight of the day was the flyover of the Silver Centenary Aeroplane with its original owner, Selby Ford's nephew, Rod Edwards at the control. A replica of the plane and flight vision of the opening day is on display in the Visitor Centre.

## Beverley Youth Activity Area

Through a committed group of Community members Council began made a commitment to investigate a Youth Activity Area. A working group was formed made up of Councillors and Community. The response from the public workshops was very positive and Council are now taking steps to seek external funding to progress the final concept plan which will be located on Vincent Street.

## Bridgeworks

The upgrade and widening of the Vincent Street bridge began in January 2019 and was expected to take approximately 36 weeks to complete. The Shire committed funds to establish a second crossing, south of the Vincent Street bridge to allow wide loads to cross the Avon River while repair works were undertaken, but this was cost prohibitive. Council will retain the land and has completed the road dedication in case the project can be completed in future years.

## Statutory Requirements

Council continues to fulfil its statutory compliance by completing returns such as (but not limited to) Annual Budget Review; Compliance Audit Return; Disability Access and Inclusion Reporting; Gift Disclosures; Freedom of Information statistical return; Related Party (AASB 124) Disclosures; Primary & Annual Returns; Fraud and Corruption survey in Local Government; Annual reviews of Policies, Delegations and Code of Conduct; and BCITF returns.

Council actively participated in the ongoing review of the Local Government Act 1995.

## Community Activities

Council continues to support activities and events that support health, wellbeing, history and community involvement and participation including the Beverley Heroic, Beverley Triathlon, Easter Art Exhibition, Beverley Agricultural Show sponsorship, Beverley District High School sponsorship and various not for profit groups through the Community Grants program.

## Thanks

I would like to thank the Shire President Cr Dee Ridgway, all Elected Members and all Shire Staff for their ongoing work and dedication to ensure the efficient running of Shire operations which in turns benefits our entire Community.



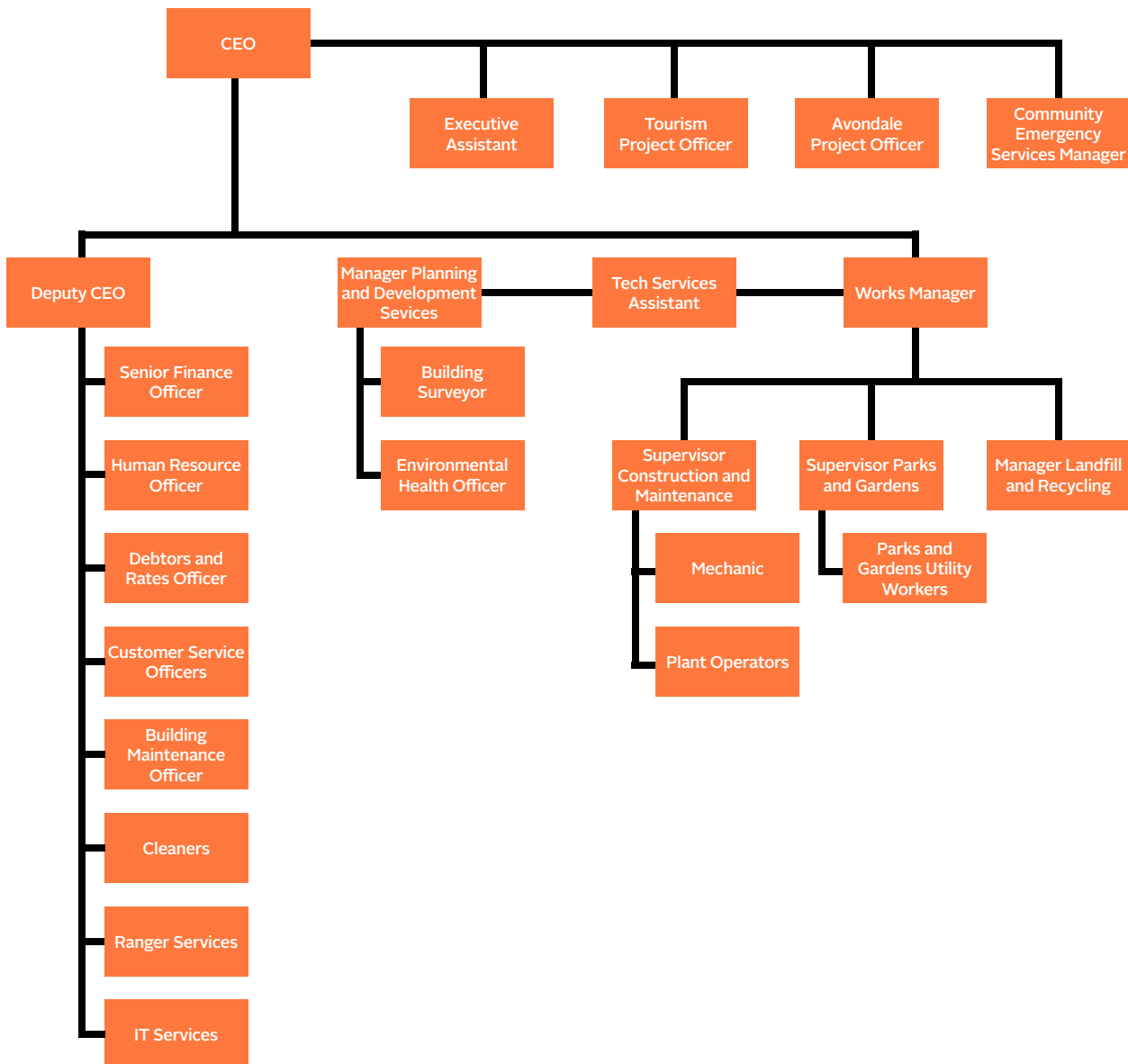
**Mr Stephen Gollan**  
Chief Executive Officer



# 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, Community Services, Corporate Services, Infrastructure Services and Technical Services. Whilst the Chief Executive Officer is responsible for the overall management of the organisation, each Division has its own Senior Officer who oversees the functioning of their respective Division. The Corporate Management Team implements and administers the policies of the Elected Members.



# LEGISLATIVE COMPLIANCE

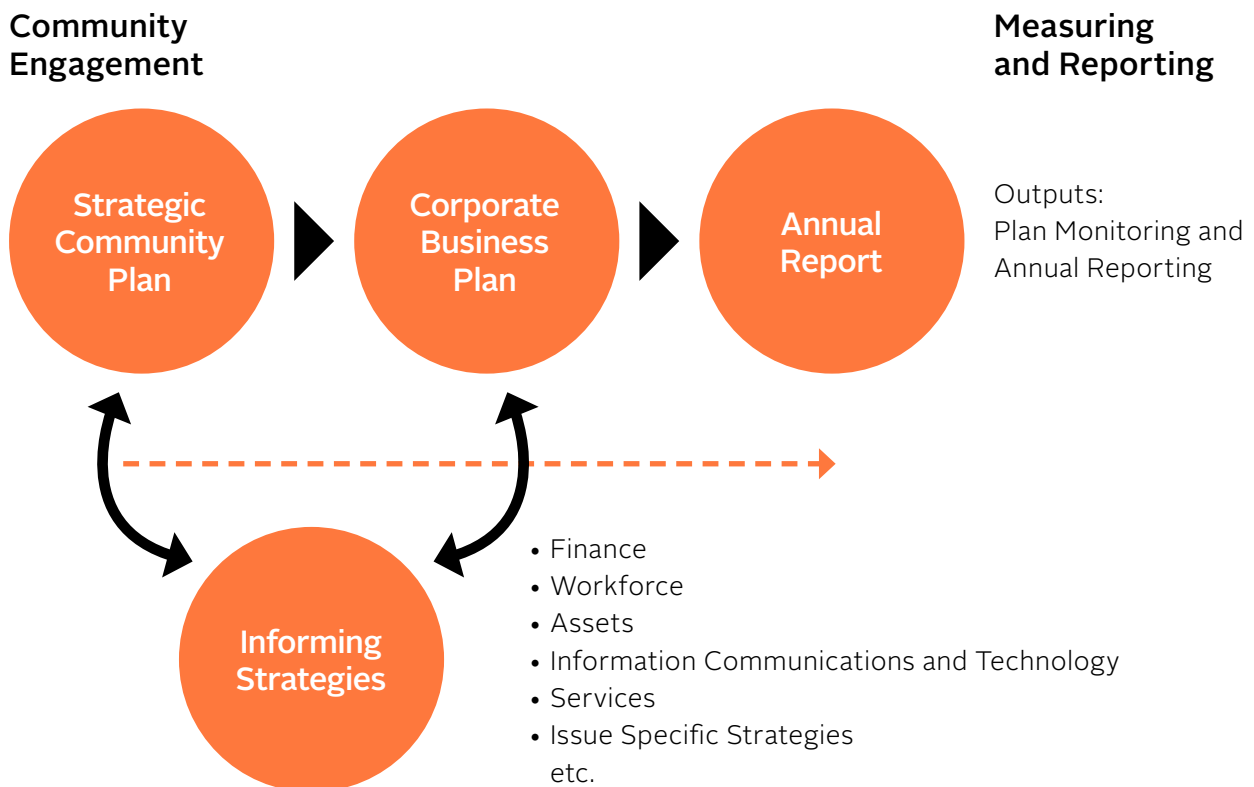
## INTEGRATED PLANNING AND REPORTING (IPR) FRAMEWORK

The IPR framework is designed to establish community priorities and linking this information into different parts of a local government's functions.

The IPR framework requirements are outlined in the Local Government (Administration) Regulations Division 3 – Planning for the Future.

The minimum requirements of the Regulations stipulate that the Local Government is to produce a Strategic Community Plan covering a period of no less than 10 years and a Corporate Business Plan covering a period of at least four years.

The diagram below illustrates the different elements of the IPR:



## ELEMENTS OF INTEGRATED PLANNING AND REPORTING FRAMEWORK



## STRATEGIC COMMUNITY PLAN (10 YEARS)

The Shire of Beverley's Strategic Community Plan was formulated and adopted in 2012. The Strategic Community Plan outlines the overarching strategies Council is to employ to achieve the aspirations of the Community across five key areas including Social, Environment, Built Environment, Economic Development and Governance.

A full review of the Strategic Community Plan was completed in December 2017.

## 2018/19 STRATEGIC COMMUNITY PLAN ACHIEVEMENTS

The following objectives as outlined in the Shire of Beverley's Strategic Community Plan were achieved during the 2018/19 financial year:

### SOCIAL – BUILDING A SENSE OF COMMUNITY

- **Foster community participation:** support sporting and community needs through support of local community events including the Beverley Show, Beverley Heroic Cycle Race, Beverley Triathlon and Senior's Morning Tea.
- **Ensure access to services and facilities as needs change within the community:** Council continued to work towards providing universal access to all Council facilities by continuing Council's 10 year footpath renewal plan.

### ENVIRONMENT – PRESERVING AND SUSTAINING OUR NATURAL ENVIRONMENT

- **Manage Resources Efficiently:** Water captured by Council's Storm Water Harvesting Dams and treated water provided by the Water Corporation is continuing to sustain the Town Oval and the main street gardens.

Solar power systems on the Shire Administration Building and Cornerstone Community Centre are working well,

reducing Council's use of non-renewable power sources and at the same time reducing operating expenses. Council is committed to incorporating solar power on all future building developments and is investigating ways of utilising roof space on other Council owned assets for the purpose of harvesting solar energy.

### BUILT ENVIRONMENT – ENHANCED LIFESTYLE CHOICES

- **Review Streetscape Plan and identify walking routes:** A Main Street redevelopment plan has been formulated with a finalised concept design ready to progress to construction design.

It is planned to finalise construction designs and seek granting funding to progress the project in 2019/20.

### ECONOMIC DEVELOPMENT – MAXIMISE DEVELOPMENT

- **Support the development of industry, such as business incubators through advocacy and land use availability:** The De Lisle Street Industrial area development has progressed with only one block remaining for purchase.
- **Enhance the town centre, facilitating linkages of Main Street and heritage areas:** The Main Street redevelopment plan has progressed during 2018/19 with a final concept design being completed.

Several new businesses have started operating at the site.

Concept planning for a Youth Activity Area to be located in the main street has also progressed and will form part of the overall Main Street Redevelopment project.

- **Facilitate and promote Beverley as a tourist destination:** The Tourism Project Officer continues to help progress the Tourism Strategy as guided by the Tourism Steering Committee.

During the 2018/19 year, Council took over control of the Avondale Machinery



Museum from the Avondale Farm Progress Association. A Steering Committee has been formed to guide the future development of the Museum into another visitor attraction for the Beverley district.

## GOVERNANCE – STRENGTHEN SHIRE LEADERSHIP

- **Develop the Human Resources and Workforce Plan to ensure Human Resources are available and future skills and development are identified:** Council reviewed the Workforce Plan in 2015 and will continue to monitor human resource requirements in the future.
- **Ensure governance and legislative requirements are met:** Council works closely with its Auditors to ensure all legislative requirements are met.
- **Advocate and lobby for improved services and infrastructure:** Council has engaged with multiple state government departments and commercial companies to lobby for improvements to services in the Beverley district. These included hosting visits from state and federal political representatives and strengthening ongoing relationships with the National Trust, Lotterywest, Water Corporation and Main Roads WA.

## CORPORATE BUSINESS PLAN (4 YEARS)

The Shire of Beverley's Corporate Business Plan demonstrates how Council is going to achieve the Communities aspirations as identified in the Strategic Community Plan covering a medium term, four year time frame.

The Corporate Business Plan was adopted in 2014 and provides direction to the CEO regarding medium term operational and capital investment parameters.

A desktop review of the Corporate Business Plan is completed annually as part of the annual budgeting process.

The Corporate Business Plan is currently under review.

## 2018/19 Corporate Business Plan Modifications

There were no modifications made to the Shire of Beverley's Corporate Business Plan in the 2018/19 financial year.

## INFORMING STRATEGIES

- **10 Year Long Term Financial Plan (LTFF)** adopted in 2013.  
The LTFF reflects detailed financial workings based on achieving the objectives of the Strategic Community Plan and incorporating elements of workforce planning and asset management.  
The LTFF is currently under review.
- **4 Year Workforce Plan (WFP)** adopted in 2013 and reviewed in 2015.  
The WFP provides a detailed management plan of Council's workforce which reflects the staffing requirements required to achieve the objectives of the Strategic Community Plan.  
The WFP will be reviewed as part of the LTFF review process.
- **10 Year Infrastructure Asset Management Plan (IAMP)** adopted in 2013.  
The IAMP reflects the renewal requirements of Council's infrastructure assets.  
The 10 Year Infrastructure Asset Management Plan was reviewed in 2018/19 to assist in informing the review of the 10 year Long Term Financial Plan.
- **10 Year Buildings Asset Management Plan (BAMP)** adopted in 2012.  
The BAMP reflects the renewal requirements of Council's building assets.  
The 10 Year Building Asset Management Plan was reviewed and updated in 2018/19 following the revaluation of Council's Building assets. The BAMP assists in informing the review of the 10 Year Long Term Financial Plan.
- **10 Year Plant Replacement Program (PRP)** adopted in 2015 and reviewed annually.  
The PRP reflects Council's Plant replacement requirements.



## 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 complete review of the 2013-2018 plan was completed in November 2018 with Council adopting the DAIP 2018-2023 in December 2018.

A DAIP progress report is completed annually and forwarded to the Disability Services Commission. The 2018/19 progress report was completed and submitted in May 2019.

The following overarching strategies have been developed to address each of the seven desired outcome areas of the Disability Services Act from feedback gained in the consultation process.

## OUTCOME 1

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

### 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 links between the DAIP and other Shire Integrated plans.

Shire organised or funded events are accessible to people with Disability.

Promote Disability Services and programs available within our Shire and neighbouring Shires.



**OUTCOME 2**

People with disability have the same opportunities as other people to access the buildings and other facilities of the Shire of Beverley.

**STRATEGY**

Ensure that all Shire buildings and facilities are physically accessible to people with Disability.

Ensure that all new or redevelopment work to public buildings and applications incorporates universal access and meets BCA standards.

Improvements to the accessibility and safe crossing on the main roads (Vincent Street) in Beverley.

Advocate to local businesses 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 the Shire of Beverley in a format that will enable them to access the information as readily as other people are able to access it.

**STRATEGY**

Improve community awareness of Shire information being available in alternative formats.

Improve employee awareness of accessible information needs and how to provide information in other formats.

Ensure that the Shire's website meets accessibility guidelines.

**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 the Shire of Beverley.

**STRATEGY**

Ensure that all employees, current and new, are aware of disability and access issues and have the skills to provide appropriate service and information.

Ensure that all elected members are aware of the Disability Access and Inclusion Plan and Shire's commitment to it.



**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 and are acted upon.

**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 Shire planning processes.

Ensure that all Shire public consultations, forums, workshops and meetings are inclusive and accessible and people with disability are aware of them.

**OUTCOME 7**

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

**STRATEGY**

Ensure that inclusive recruitment practices are undertaken when advertising all employment positions.

Improve methods of attracting, recruiting and retaining people with disability.



# 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 2018/19 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 2018/19.



# FREEDOM OF INFORMATION

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

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

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

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

No Freedom of Information requests were received in 2018/19.



**2018/19 ANNUAL  
FINANCIAL REPORT**









**SHIRE OF BEVERLEY  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Beverley for the financial year ended 30th June 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Beverley at 30th June 2019 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not consistent with the Act, the Australian Accounting Standards.

Signed on the 21st day of October, 2019



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S.P. Gollan  
Chief Executive Officer



**SHIRE OF BEVERLEY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2018/19 Actual \$	2018/19 Budget \$	2017/18 Actual \$
<b>Revenue</b>				
Rates	23(a)	2,694,744	2,734,941	2,642,202
Operating Grants, Subsidies and Contributions	29	1,683,236	1,005,000	3,022,275
Fees and Charges	28	589,732	555,291	567,822
Interest Earnings	2(a)	158,925	103,497	151,672
Other Revenue		480,248	397,098	405,707
		<u>5,606,885</u>	<u>4,795,827</u>	<u>6,789,678</u>
<b>Expenses</b>				
Employee Costs		(1,962,529)	(2,106,273)	(2,048,821)
Materials and Contracts		(1,464,477)	(1,895,323)	(1,338,299)
Utility Charges		(203,037)	(191,852)	(204,548)
Depreciation on Non-Current Assets	2(a)	(2,452,839)	(2,401,952)	(1,854,567)
Interest Expenses	2(a)	(81,547)	(84,013)	(59,036)
Insurance Expenses		(184,221)	(184,677)	(173,677)
Other Expenditure		(101,145)	(81,975)	(145,599)
		<u>(6,449,795)</u>	<u>(6,946,065)</u>	<u>(5,824,547)</u>
		(842,910)	(2,150,238)	965,131
Non-Operating Grants, Subsidies and Contributions	29	5,793,490	6,219,648	3,560,564
Profit on Asset Disposals	21	35,161	2,000	7,785
Loss on Asset Disposal	21	(25,483)	(24,000)	(163,513)
Loss on Non-Current Asset Revaluations		-	-	(2,169,799)
Asset Accounting Change - Regulations	7(b)	(96,513)	-	-
<b>Net Result</b>		<b>4,863,745</b>	<b>4,047,410</b>	<b>2,200,168</b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	13	238,273	-	29,267,587
<b>Total Other Comprehensive Income</b>		<b>238,273</b>	<b>-</b>	<b>29,267,587</b>
<b>Total Comprehensive Income</b>		<b>5,102,018</b>	<b>4,047,410</b>	<b>31,467,755</b>

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



**SHIRE OF BEVERLEY  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2018/19 Actual \$	2018/19 Budget \$	2017/18 Actual \$
<b>Revenue</b>				
General Purpose Funding		3,686,492	3,238,570	3,603,301
Governance		81,896	29,600	17,682
Law, Order, Public Safety		214,112	195,361	427,926
Health		364	100	455
Housing		119,433	108,454	99,612
Community Amenities		210,223	208,624	204,036
Recreation and Culture		128,164	117,941	131,752
Transport		1,543,925	369,629	1,771,174
Economic Services		129,240	141,750	140,461
Other Property and Services		56,632	43,450	57,915
		<u>6,170,481</u>	<u>4,453,479</u>	<u>6,454,314</u>
<b>Expenses</b>				
General Purpose Funding		(142,773)	(171,297)	(150,649)
Governance		(338,017)	(246,521)	(222,375)
Law, Order, Public Safety		(331,196)	(412,479)	(548,048)
Health		(136,060)	(144,808)	(123,971)
Education and Welfare		(62,605)	(85,143)	(55,858)
Housing		(298,426)	(213,191)	(289,672)
Community Amenities		(627,697)	(666,645)	(503,510)
Recreation and Culture		(1,289,393)	(1,348,158)	(1,101,837)
Transport		(2,378,080)	(2,704,666)	(2,046,391)
Economic Services		(385,443)	(509,340)	(362,518)
Other Property and Services		(43,045)	(17,456)	(25,318)
		<u>(6,032,735)</u>	<u>(6,519,704)</u>	<u>(5,430,147)</u>
<b>Finance Costs</b>				
Law, Order, Public Safety		-	-	(2,078)
Housing		(117)	(108)	(488)
Community Amenities		(2,437)	(2,347)	(2,839)
Recreation and Culture		(78,993)	(81,558)	(53,631)
	2(a)	<u>(81,547)</u>	<u>(84,013)</u>	<u>(59,036)</u>
<b>Fair Value Adjustments to Financial Assets at Fair Value through Profit or Loss</b>				
Loss on revaluation of Non-Current Assets		-	-	(2,169,799)
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Recreation and Culture		300,005	300,000	2,275,199
Transport		4,594,376	5,919,648	1,285,365
		<u>4,894,381</u>	<u>6,219,648</u>	<u>3,560,564</u>
<b>Profit/(Loss) on Disposal of Assets</b>				
Governance		(6,847)	(8,000)	1,256
Law, Order, Public Safety		(7,998)	(6,000)	-
Health		(8,638)	(10,000)	(2,329)
Economic Services		-	-	(159,328)
Other Property and Services		33,161	2,000	4,673
	21	<u>9,678</u>	<u>(22,000)</u>	<u>(155,728)</u>
Asset Accounting Change - Regulations	7(b)	(96,513)	-	-
<b>Net Result</b>		<b>4,863,745</b>	<b>4,047,410</b>	<b>2,200,168</b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	13	238,273	-	29,267,587
<b>Total Other Comprehensive Income</b>		<u><b>238,273</b></u>	<u><b>-</b></u>	<u><b>29,267,587</b></u>
<b>Total Comprehensive Income</b>		<u><u><b>5,102,018</b></u></u>	<u><u><b>4,047,410</b></u></u>	<u><u><b>31,467,755</b></u></u>

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



**SHIRE OF BEVERLEY  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2019**

	NOTE	2018/19 Actual \$	2017/18 Actual \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	4,453,120	4,161,347
Trade and Other Receivables	4	624,974	966,558
Inventories	6	12,501	9,938
<b>TOTAL CURRENT ASSETS</b>		<u>5,090,595</u>	<u>5,137,843</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	154,483	174,015
Other Financial Assets	5	46,400	-
Property, Plant and Equipment	7(a)	23,360,563	23,487,289
Infrastructure	8(a)	60,219,209	56,115,882
<b>TOTAL NON-CURRENT ASSETS</b>		<u>83,780,655</u>	<u>79,777,186</u>
<b>TOTAL ASSETS</b>		<u>88,871,250</u>	<u>84,915,029</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	814,267	1,762,104
Long Term Borrowings	10	153,429	129,929
Provisions	11	342,435	414,680
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,310,131</u>	<u>2,306,713</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	10	1,517,163	1,670,592
Provisions	11	25,790	21,576
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,542,953</u>	<u>1,692,168</u>
<b>TOTAL LIABILITIES</b>		<u>2,853,084</u>	<u>3,998,881</u>
<b>NET ASSETS</b>		<u>86,018,166</u>	<u>80,916,148</u>
<b>EQUITY</b>			
Retained Surplus		43,643,768	38,881,645
Reserves - Cash Backed	12	2,372,868	2,271,246
Revaluation Surplus	13	40,001,530	39,763,257
<b>TOTAL EQUITY</b>		<u>86,018,166</u>	<u>80,916,148</u>

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



**SHIRE OF BEVERLEY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2017		36,666,951	2,285,772	10,495,670	49,448,393
Comprehensive Income					
Net Result		2,200,168	-	-	2,200,168
Changes on Revaluation of Non-Current Assets	13	-	-	29,267,587	29,267,587
Total Comprehensive Income		2,200,168	-	29,267,587	31,467,755
Reserve Transfers		14,526	(14,526)	-	-
<b>Balance as at 30 June 2018</b>		<b>38,881,645</b>	<b>2,271,246</b>	<b>39,763,257</b>	<b>80,916,148</b>
Comprehensive Income					
Net Result		4,863,745	-	-	4,863,745
Changes on Revaluation of Non-Current Assets	13	-	-	238,273	238,273
Total Other Comprehensive Income		4,863,745	-	238,273	5,102,018
Reserve Transfers		(101,622)	101,622	-	-
<b>Balance as at 30 June 2019</b>		<b>43,643,768</b>	<b>2,372,868</b>	<b>40,001,530</b>	<b>86,018,166</b>

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



**SHIRE OF BEVERLEY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2018/19 Actual \$	2018/19 Budget \$	2017/18 Actual \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		2,694,744	2,734,941	2,642,202
Operating Grants, Subsidies and Contributions		1,683,236	1,005,000	3,022,275
Fees and Charges		589,733	555,291	567,822
Interest Earnings		158,925	103,497	151,672
Other Revenue		852,730	397,098	210,133
		<u>5,979,368</u>	<u>4,795,827</u>	<u>6,594,104</u>
<b>Payments</b>				
Employee Costs		(1,922,012)	(2,106,273)	(2,067,647)
Materials and Contracts		(1,464,477)	(1,895,323)	(1,338,299)
Utility Charges		(203,037)	(191,852)	(204,548)
Insurance Expenses		(184,221)	(184,677)	(173,677)
Interest expenses		(82,855)	(84,013)	(33,149)
Other Expenditure		(1,231,865)	(81,975)	863,120
		<u>(5,088,467)</u>	<u>(4,544,113)</u>	<u>(2,954,200)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	14(b)	<u>890,901</u>	<u>251,714</u>	<u>3,639,904</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment	7(b)	(972,877)	(1,177,201)	(4,230,501)
Payments for Construction of Infrastructure	8(b)	(5,473,045)	(6,729,786)	(4,471,315)
Non-Operating Grants, Subsidies and Contributions	29	5,793,490	6,219,648	3,560,564
Proceeds from Sale of Plant & Equipment	21	167,920	162,000	211,636
Proceeds from Advances		-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>		(484,512)	(1,525,339)	(4,929,616)
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	22	(129,929)	(129,929)	(69,209)
Proceeds from Self Supporting Loans	22	15,313	(43,000)	14,411
Proceeds from New Debentures	22	-	-	800,000
		<u>-</u>	<u>-</u>	<u>800,000</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>		(114,616)	(157,616)	745,202
<b>Net Increase (Decrease) in Cash Held</b>		291,773	(1,431,241)	(544,510)
Cash at Beginning of Year		4,161,347	4,161,347	4,705,857
<b>Cash and Cash Equivalents at the End of the Year</b>	14(a)	<u>4,453,120</u>	<u>2,730,106</u>	<u>4,161,347</u>

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





**SHIRE OF BEVERLEY  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2018/19 Actual \$	2018/19 Budget \$	2017/18 Actual \$
<b>Revenue</b>				
General Purpose Funding		991,754	503,629	961,104
Governance		81,896	21,600	18,938
Law, Order, Public Safety		214,112	195,361	427,926
Health		364	100	455
Housing		119,433	108,454	99,612
Community Amenities		210,223	208,624	204,036
Recreation and Culture		428,169	417,941	2,406,951
Transport		6,138,301	6,289,277	3,056,539
Economic Services		129,240	141,750	140,461
Other Property and Services		56,632	45,450	64,444
		<u>8,370,124</u>	<u>7,932,186</u>	<u>7,380,466</u>
<b>Expenses</b>				
General Purpose Funding		(142,773)	(171,297)	(150,649)
Governance		(344,864)	(246,521)	(222,375)
Law, Order, Public Safety		(339,194)	(418,479)	(552,455)
Health		(144,698)	(154,808)	(123,971)
Education and Welfare		(62,605)	(85,143)	(55,858)
Housing		(298,543)	(213,299)	(290,160)
Community Amenities		(630,134)	(668,992)	(506,349)
Recreation and Culture		(1,368,386)	(1,429,716)	(1,155,468)
Transport		(2,474,593)	(2,704,666)	(4,216,190)
Economic Services		(385,443)	(509,340)	(521,846)
Other Property and Services		(9,884)	(17,456)	(27,174)
		<u>(6,201,117)</u>	<u>(6,619,717)</u>	<u>(7,822,495)</u>
<b>Net Result Excluding Rates</b>		2,169,007	1,312,469	(442,029)
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
Loss on Revaluation of Non Current Assets		-	-	2,169,799
(Profit)/Loss on Asset Disposals	21	(9,678)	22,000	155,728
Asset Accounting Change - Regulations	7(b)	96,513	-	-
Movements in Non-Current to Current Items		(54,716)	-	(51,165)
Depreciation and Amortisation on Assets	2(a)	2,452,839	2,401,952	1,854,567
<b>Capital Expenditure and Revenue</b>				
Purchase Land and Buildings	7(b)	(656,551)	(852,201)	(3,691,061)
Purchase Plant and Equipment	7(b)	(257,329)	(265,000)	(524,607)
Purchase Furniture and Equipment	7(b)	(58,997)	(60,000)	(14,832)
Purchase Infrastructure Assets - Roads	8(b)	(1,798,238)	(2,714,578)	(4,142,570)
Purchase Infrastructure Assets - Other	8(b)	(3,674,807)	(4,015,208)	(328,745)
Proceeds from Disposal of Assets	21	167,920	162,000	211,636
Repayment of Debentures	22	(129,929)	(129,929)	(69,209)
Proceeds from New Debentures	22	-	-	800,000
Self-Supporting Loan Principal Income		15,313	15,313	14,411
Transfers to Reserves (Restricted Assets)	12	(262,401)	(142,617)	(349,474)
Transfers from Reserves (Restricted Assets)	12	160,779	660,683	364,000
ADD Surplus/(Deficit) July 1 B/Fwd.	23(b)	870,175	870,175	2,271,524
LESS Surplus/(Deficit) June 30 C/Fwd.	23(b)	1,724,644	-	870,175
<b>Total Amount Raised from General Rate</b>	23(a)	<u>(2,694,744)</u>	<u>(2,734,941)</u>	<u>(2,642,202)</u>

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

**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 statement 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* and accompanying 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 effect the application of policies and reported amounts of assets and liabilities, income and expenses.

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

**(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 20 to these financial statements.

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

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to the 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 financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(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.

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

**(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.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(g) Fixed Assets**

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

**Initial Recognition And Measurement Between Mandatory Revaluation Dates**

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

**Revaluation**

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

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

**Land Under Control**

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

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

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

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2015.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(g) Fixed Assets (Continued)**

***Land under Roads***

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

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

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

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

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(g) Fixed Assets (Continued)**

***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:

Land	not depreciated
Buildings	25 to 50 years
Furniture and Equipment	3 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
- Formation	not depreciated
- Pavement	40 years
- Bituminous seals	15 years
Gravel roads	
- Formation	not depreciated
- Pavement	40 years
- Gravel sheet	20 years
Formed roads (unsealed)	
- Formation	not depreciated
- Pavement	40 years
Bridges	100 years
Footpaths - slab	20 years
Water supply piping & drainage systems	54 years
Parks and Ovals	25 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 \$5,000 is not capitalised. Rather, it is recorded on an minor asset inventory listing.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

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

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

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

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

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

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

***Fair value hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(h) Fair Value of Assets and Liabilities (Continued)**

***Valuation techniques***

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 5 years.





**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(i) 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 (i.e. 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 initially 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 expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the 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. The Shire does not deal in derivatives.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(i) Financial Instruments (Continued)**

***Classification and Subsequent Measurement (Continued)***

*(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 (i.e. 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.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(i) Financial Instruments (Continued)**

***Derecognition***

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant 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 and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(j) 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 (e.g. AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

**(k) 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.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(l) Employee Benefits**

**Short-term employee benefits**

Provision is made for Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Other long-term employee benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**(m) 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.

**(n) 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.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(o) Leases**

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

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

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.

From 1 July 2019, both Finance and Operating Leases will be capitalised in accordance with AASB 16.

**(p) Investments in Associates**

The Council has no investments held in any third party entities.

**(q) Joint Venture**

The Council has no interest in any Joint Venture.

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

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(s) Superannuation**

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

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

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where 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 non-current based on Council's intentions to release for sale.

**(u) Rounding Off Figures**

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

**(v) Comparative Figures**

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

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.

**(w) Budget Comparative Figures**

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

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

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

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

	<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(i)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(ii)	AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p>

Notes:

\* Applicable to periods commencing on or after the given date.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

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

	Title and Topic	Issued	Applicable (*)	Impact
(iii)	AASB 1058 Income for Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

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

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

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is as follows:

Nil - No new or revised Accounting Standards with material application were adopted during 2018/19.





**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

<b>2. REVENUE AND EXPENSES</b>	<b>2018/19</b>	<b>2017/18</b>	
	<b>Actual</b>	<b>Actual</b>	
	<b>\$</b>	<b>\$</b>	
<b>(a) Net Result</b>			
The Net Result includes:			
(i) Charging as an Expense:			
<b>Auditors Remuneration</b>			
Audit Expenses	15,500	15,000	
<b>Depreciation</b>			
Buildings	783,764	672,882	
Furniture and Equipment	27,029	35,710	
Plant and Equipment	272,328	323,422	
Roads	822,389	783,849	
Bridges	385,142	-	
Footpaths	37,944	38,704	
Drainage	49,658	-	
Parks and Gardens	74,585	-	
	<u>2,452,839</u>	<u>1,854,567</u>	
<b>Interest Expenses (Finance Costs)</b>			
Finance Lease Charges	-	2,078	
Debentures ( <i>refer Note 22(a)</i> )	81,547	56,958	
	<u>81,547</u>	<u>59,036</u>	
<b>Rental Charges</b>			
- Operating Leases	<u>6,364</u>	<u>6,364</u>	
(ii) Crediting as Revenue:			
	<b>2018/19</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	58,519	58,497	55,959
- Other Funds	65,420	24,000	60,564
Other Interest Revenue ( <i>refer Note 27</i> )	34,986	21,000	35,149
	<u>158,925</u>	<u>103,497</u>	<u>151,672</u>



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(b) Statement of Objective**

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

Council operations as disclosed in this report encompass the following service orientated activities/programs:

**GOVERNANCE**

Member of Council Allowances and Reimbursements, Civic Functions, Election Expenses and Administration Expenses.

**GENERAL PURPOSE FUNDING**

Rates Levied, Interest on Late Payment of Rates, General Purpose Grants and Interest Received on Investments.

**LAW, ORDER, PUBLIC SAFETY**

Supervision of various Local Laws, Fire Prevention and Animal Control.

**HEALTH**

Subsidisation of the Beverley Medical Practice, Environmental Health, Food Control and Pest Control.

**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, Recreation Ground, 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 & SERVICES**

Private Works, Public Works Overheads, Plant Operations, Materials, Salaries and Wages Controls and Other Unclassified Activities.



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(c) Conditions Over Grants/Contributions**

<b>Grant/Contribution</b>	<b>Function/ Activity</b>	<b>Opening Balance (*) 1-Jul-17 \$</b>	<b>Received (+) 2017/18 \$</b>	<b>Expended (#) 2017/18 \$</b>	<b>Closing Balance (*) 30-Jun-18 \$</b>	<b>Received (+) 2018/19 \$</b>	<b>Expended (#) 2018/19 \$</b>	<b>Closing Balance 30-Jun-19 \$</b>
Building Better Regions Grant	Recreation & Culture	-	1,020,000	(1,020,000)	-	-	-	-
LotteryWest Capital Grant	Recreation & Culture	-	745,000	(745,000)	-	-	-	-
Wheatbelt Development Commission Grant	Recreation & Culture	-	195,000	(195,000)	-	-	-	-
CRC Capital Grant	Recreation & Culture	-	250,000	(250,000)	-	-	-	-
CRC Capital Contribution	Recreation & Culture	-	25,000	(25,000)	-	-	-	-
MRWA Direct Road Grant	Transport	-	63,610	(63,610)	-	108,404	(108,404)	-
Regional Road Group Grant	Transport	-	337,872	(337,872)	-	322,385	(322,385)	-
Roads To Recovery Grant	Transport	165,768	431,941	(597,709)	-	4,081,472	(4,081,472)	-
Special Bridge Grant	Transport	-	342,000	(342,000)	-	134,067	-	<b>134,067</b>
Bush Fire Risk Management Grant	Law, Order, Public Safety	-	159,971	(159,971)	-	26,950	-	<b>26,950</b>
Bush Fire Risk Mitigation Grant	Law, Order, Public Safety	-	95,400	(95,400)	-	-	-	-
<b>Total</b>		<b><u>165,768</u></b>	<b><u>3,665,794</u></b>	<b><u>(3,831,562)</u></b>	<b><u>-</u></b>	<b><u>4,673,278</u></b>	<b><u>(4,512,261)</u></b>	<b><u>161,017</u></b>

**Notes:**

(\*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(+) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(#) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

**Economic dependency**

A significant portion of revenue is received by way of grants from State and Federal Government. Total grant revenue from government sources is disclosed within the Statement of Comprehensive Income.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

	<b>2018/19 Actual \$</b>	<b>2017/18 Actual \$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	1,919,235	1,890,101
Restricted	2,533,885	2,271,246
	4,453,120	4,161,347
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Reserve Funds - Cash Backed ( <i>refer Note 12</i> )	2,372,868	2,271,246
Unspent Grants ( <i>refer Note 2(c)</i> )	161,017	-
	2,533,885	2,271,246
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	246,474	341,899
Sundry Debtors	143,583	426,708
GST Receivable	218,646	143,009
Prepaid Expenses	-	39,629
Loans - Clubs/Institutions	16,271	15,313
	624,974	966,558
<b>Non-Current</b>		
Rates Outstanding - Pensioners	111,942	115,203
Loans - Clubs/Institutions	42,541	58,812
	154,483	174,015
<b>5. OTHER FINANCIAL ASSETS</b>		
<b>Non-Current</b>		
Investment - Local Government House*	46,400	-
	46,400	-
*The Shire of Beverley holds three units in the Local Government House Trust.		
<b>6. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	12,501	9,938
	12,501	9,938



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

	2018/19 Actual \$	2017/18 Actual \$
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>(a) Land and Buildings</b>		
Freehold Land at Fair Value	2,679,196	2,659,196
	<u>2,679,196</u>	<u>2,659,196</u>
Land Under Control at Fair Value	99,000	99,000
<b>Total Land</b>	<b>2,778,196</b>	<b>2,758,196</b>
Buildings at Fair Value	33,410,350	32,786,800
Less Accumulated Depreciation	(14,982,507)	(14,198,744)
<b>Total Buildings</b>	<b>18,427,843</b>	<b>18,588,056</b>
<b>Total Land and Buildings</b>	<b>21,206,039</b>	<b>21,346,252</b>
<b>Plant and Equipment</b>		
Plant and Equipment at Fair Value	3,631,501	4,226,467
Less Accumulated Depreciation	(1,602,750)	(2,237,028)
<b>Total Plant and Equipment</b>	<b>2,028,751</b>	<b>1,989,439</b>
<b>Furniture and Equipment</b>		
Furniture and Equipment at Fair Value	192,349	309,640
Less Accumulated Depreciation	(66,576)	(158,042)
<b>Total Furniture and Equipment</b>	<b>125,773</b>	<b>151,598</b>
<b>Total Property, Plant and Equipment</b>	<b>23,360,563</b>	<b>23,487,289</b>

**Land and Buildings:**

A valuation of land and building assets was undertaken by an external consultant in December 2016 and the valuation was adopted as the fair value in June 2017.

The revaluation of land and building assets resulted in an increase on revaluation of \$454,061 in the net value of land and buildings.

All of this increase was credited to the revaluation surplus (refer Note 12) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

**Plant and Equipment:**

A valuation of plant and machinery assets was undertaken by an external consultant in June 2019 and the valuation was adopted as the fair value in June 2019.

The revaluation of plant and machinery assets resulted in a increase on revaluation of \$238,272 in the net value of plant and machinery.

All of this increase was credited to the revaluation surplus (refer Note 12) and was recognised as Changes on Revaluation of Non-Current Assets in the Statement of Comprehensive Income.

**Furniture and Equipment:**

Furniture and Equipment items were valued in 2017 as part of the mandatory requirements as per Local Government (Financial Management) Regulation 17A.

The Furniture and Equipment currently on the Council's asset register was identified during a stocktake in 2019 and is replaced on a regular basis. Based on this, the cost approach is deemed to be the most appropriate and a very conservative fair value measurement.



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

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

**(b) 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.

Fair Value Hierarchy Valuation Approach Last Valued	<u>Land</u>	<u>Non- Specialised Buildings</u>	<u>Specialised Buildings</u>	<u>Total Buildings</u>	<u>Total Land and Buildings</u>	<u>Plant and Equipment</u>	<u>Furniture and Equipment</u>	<u>Total</u>
	Level 2 Market 2017	Level 2/3 Market/Cost 2017	Level 3 Cost 2017			Level 2/3 Market/Cost 2019	Level 3 Cost 2017	
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at the beginning of the year	2,758,196	7,686,981	10,901,075	18,588,056	21,346,252	1,989,439	151,598	23,487,289
Additions	33,000	461,556	161,995	623,551	656,551	257,329	58,997	972,877
(Disposals)	-	-	-	-	-	(158,242)	-	(158,242)
(Asset Accounting Change - Regulations)	(13,000)	-	-	-	(13,000)	(25,720)	(57,793)	(96,513)
Revaluation - Increments	-	-	-	-	-	502,856	-	502,856
- (Decrements)	-	-	-	-	-	(264,583)	-	(264,583)
Impairment - (Losses)	-	-	-	-	-	-	-	-
- Reversals	-	-	-	-	-	-	-	-
Depreciation (Expense)	-	(327,936)	(455,828)	(783,764)	(783,764)	(272,328)	(27,029)	(1,083,121)
<b>Carrying amount at the end of year</b>	<b><u>2,778,196</u></b>	<b><u>7,820,601</u></b>	<b><u>10,607,242</u></b>	<b><u>18,427,843</u></b>	<b><u>21,206,039</u></b>	<b><u>2,028,751</u></b>	<b><u>125,773</u></b>	<b><u>23,360,563</u></b>



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**7 PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(c) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
<b>Land and buildings</b>					
Freehold land	2	Market approach using recent observable market data for similar properties.	Independent Registered Valuer	June 2017	Inputs, other than quoted prices, that are observable for the asset, either directly or indirectly e.g. local land sales.
Land vested in and under the control of Council	3	Improvements to land valued using depreciated replacement cost.	Independent Registered Valuer	June 2017	Depreciated replacement cost to acquire a modern equivalent that would provide equal utility.
Non-specialised buildings	2/3	Market approach using recent observable market data for similar properties & Cost approach using depreciated replacement cost.	Independent Registered Valuer	June 2017	Inputs, other than quoted prices, that are observable for the asset, either directly or indirectly e.g. local property sales and Depreciated replacement cost to acquire a modern equivalent that would provide equal utility.
Specialised buildings	3	Cost approach using depreciated replacement cost.	Independent Registered Valuer	June 2017	Depreciated replacement cost to acquire a modern equivalent that would provide equal utility.
Plant and Equipment	2/3	Market approach using recent observable market data for similar properties & Cost approach using depreciated replacement cost.	Independent Registered Valuer	June 2019	Inputs, other than quoted prices, that are observable for the asset, either directly or indirectly e.g. Plant auction sales.
Furniture and Equipment	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2017	Residual values and remaining useful life assessment inputs.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 1, level 2 or level 3 inputs.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

	2018/19 Actual \$	2017/18 Actual \$
<b>8. INFRASTRUCTURE</b>		
(a) Roads - Valuation	36,390,971	34,592,733
Less Accumulated Depreciation	<u>(10,252,149)</u>	<u>(9,429,760)</u>
	26,138,822	25,162,973
Bridges - Valuation	42,084,386	38,514,199
Less Accumulated Depreciation	<u>(12,327,588)</u>	<u>(11,942,446)</u>
	29,756,798	26,571,753
Footpaths - Valuation	1,730,481	1,636,175
Less Accumulated Depreciation	<u>(1,149,482)</u>	<u>(1,111,538)</u>
	580,999	524,637
Drainage - Valuation	2,703,200	2,692,886
Less Accumulated Depreciation	<u>(570,975)</u>	<u>(521,317)</u>
	2,132,225	2,171,569
Parks & Ovals - Valuation	2,034,941	2,034,941
Less Accumulated Depreciation	<u>(424,576)</u>	<u>(349,991)</u>
	1,610,365	1,684,950
	<u>60,219,209</u>	<u>56,115,882</u>

**Infrastructure:**

A full road asset network revaluation was undertaken by external consultants in December 2017. The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired economic benefits. This approach is consistent with AASB 116 and following review of current market rates were adopted as the fair value at 30 June 2018.

A full bridge asset valuation was undertaken by external consultants in December 2017. The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired economic benefits. This approach is consistent with AASB 116 and were adopted as the fair value at 30 June 2018.

A full footpath asset network revaluation was undertaken by external consultants in December 2017. The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired economic benefits. This approach is consistent with AASB 116 and were adopted as the fair value at 30 June 2018.

A full drainage asset network valuation was undertaken by external consultants in December 2017. The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired economic benefits. This approach is consistent with AASB 116 and were adopted as the fair value at 30 June 2018.

A full parks and ovals asset valuation was undertaken by external consultants in December 2017. The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired economic benefits. This approach is consistent with AASB 116 and were adopted as the fair value at 30 June 2018.





**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

**8. INFRASTRUCTURE (Continued)**

**(b) Movements in Carrying Amounts**

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

Fair Value Hierarchy Valuation Approach Last Valued	<u>Roads</u>	<u>Bridges</u>	<u>Footpaths</u>	<u>Drainage</u>	<u>Parks &amp; Ovals</u>	<u>Total</u>
	Level 3 Cost 2018	Level 3 Cost 2018	Level 3 Cost 2018	Level 3 Cost 2018	Level 3 Cost 2018	
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	25,162,973	26,571,753	524,637	2,171,569	1,684,950	56,115,882
Additions	1,798,238	3,570,187	94,306	10,314	-	5,473,045
(Disposals)	-	-	-	-	-	-
Revaluation - Increments - (Decrements)	-	-	-	-	-	-
Impairment - (Losses) - Reversals	-	-	-	-	-	-
Depreciation (Expense)	(822,389)	(385,142)	(37,944)	(49,658)	(74,585)	(1,369,718)
<b>Carrying amount at the end of year</b>	<b><u>26,138,822</u></b>	<b><u>29,756,798</u></b>	<b><u>580,999</u></b>	<b><u>2,132,225</u></b>	<b><u>1,610,365</u></b>	<b><u>60,219,209</u></b>



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

**8. INFRASTRUCTURE (Continued)****(c) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
<b>Roads</b>	3	Cost approach using depreciated replacement cost.	Independent Valuation	June 2018	Sample assessment of Road assets conducted.
<b>Bridges</b>	3	Cost approach using depreciated replacement cost.	Independent Valuation	June 2018	Full pick up and condition assessment of Bridge assets conducted.
<b>Footpaths</b>	3	Cost approach using depreciated replacement cost.	Independent Valuation	June 2018	Sample assessment of Footpath assets conducted.
<b>Drainage</b>	3	Cost approach using depreciated replacement cost.	Independent Valuation	June 2018	Full pick up and condition assessment of Drainage assets conducted.
<b>Parks &amp; Ovals</b>	3	Cost approach using depreciated replacement cost.	Independent Valuation	June 2018	Full pick up and condition assessment of Parks & Ovals assets conducted.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

	2018/19 Actual \$	2017/18 Actual \$
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	766,795	1,713,969
Accrued Interest on Debentures	24,890	26,198
Accrued Salaries and Wages	22,582	21,937
	<u>814,267</u>	<u>1,762,104</u>
<b>10. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge Debentures	<u>153,429</u>	<u>129,929</u>
	<u>153,429</u>	<u>129,929</u>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	<u>1,517,163</u>	<u>1,670,592</u>
	<u>1,517,163</u>	<u>1,670,592</u>

Additional detail on borrowings is provided in Note 22.

**11. PROVISIONS**

Analysis of Total Provisions

Current Provisions	342,435	414,680
Non Current Provisions	25,790	21,576
	<u>368,225</u>	<u>436,256</u>

	Provision for Doubtful Debts \$	Provision for Annual Leave \$	Provision for Long Service Leave \$
Opening balance as at 1 July 2018	108,548	168,900	158,808
Additional provisions	-	52,881	39,478
Amounts used	(108,548)	(37,662)	(14,180)
Used amounts reversed	-	-	-
Balance at 30 June 2019	<u>-</u>	<u>184,119</u>	<u>184,106</u>



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	2018/19 Actual \$	2018/19 Budget \$	2017/18 Actual \$
<b>12. RESERVES - CASH BACKED</b>			
<b>(a) Annual Leave Reserve</b>			
<i>Purpose - to be used to fund annual leave requirements.</i>			
Opening Balance	133,067	133,068	129,881
Amount Set Aside / Transfer to Reserve	3,522	3,460	3,186
	<u>136,589</u>	<u>136,528</u>	<u>133,067</u>
<b>(b) Avon River Development Reserve</b>			
<i>Purpose - to be used to develop the Avon River pool and surrounding environment.</i>			
Opening Balance	24,752	24,751	24,159
Amount Set Aside / Transfer to Reserve	632	-	593
Amount Used / Transfer from Reserve	-	(24,751)	-
	<u>25,384</u>	<u>-</u>	<u>24,752</u>
<b>(c) Building Reserve</b>			
<i>Purpose - to be used to fund the construction of new and renovation of existing Council buildings.</i>			
Opening Balance	411,853	411,853	402,229
Amount Set Aside / Transfer to Reserve	10,785	10,708	9,624
Amount Used / Transfer from Reserve	(70,000)	(230,000)	-
	<u>352,638</u>	<u>192,561</u>	<u>411,853</u>
<b>(d) Community Bus Reserve</b>			
<i>Purpose - to be used for the replacement of the Community Bus.</i>			
Opening Balance	32,652	32,652	31,870
Amount Set Aside / Transfer to Reserve	3,423	1,993	782
	<u>36,075</u>	<u>34,645</u>	<u>32,652</u>
<b>(e) Cropping Committee Reserve</b>			
<i>Purpose - to be used to fund Community Based projects and assist Community Groups.</i>			
Opening Balance	101,540	101,540	378,494
Amount Set Aside / Transfer to Reserve	40,549	38,368	8,046
Amount Used / Transfer from Reserve	(7,950)	(20,000)	(285,000)
	<u>134,139</u>	<u>119,908</u>	<u>101,540</u>
<b>(f) Emergency Services Reserve</b>			
<i>Purpose - to be used to acquire Emergency Service support equipment.</i>			
Opening Balance	123,145	123,145	120,196
Amount Set Aside / Transfer to Reserve	3,148	3,202	2,949
Amount Used / Transfer from Reserve	-	(20,000)	-
	<u>126,293</u>	<u>106,347</u>	<u>123,145</u>
<b>(g) LSL and Gratuity Reserve</b>			
<i>Purpose - to be used to fund Long Service Leave and Gratuity payment obligations.</i>			
Opening Balance	62,607	62,609	99,175
Amount Set Aside / Transfer to Reserve	1,692	1,628	2,433
Amount Used / Transfer from Reserve	(21,000)	(21,180)	(39,000)
	<u>43,299</u>	<u>43,057</u>	<u>62,608</u>



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	2018/19 Actual \$	2018/19 Budget \$	2017/18 Actual \$
<b>12. RESERVES - CASH BACKED (Continued)</b>			
<b>(h) Office Equipment Replacement Reserve</b>			
<i>Purpose - to be used for the replacement of office equipment.</i>			
Opening Balance	21,352	21,351	20,840
Amount Set Aside / Transfer to Reserve	571	-	511
Amount Used / Transfer from Reserve	<u>(21,829)</u>	<u>(21,351)</u>	<u>-</u>
	<u>94</u>	<u>-</u>	<u>21,351</u>
<b>(i) Plant Replacement Reserve</b>			
<i>Purpose - to be used for the purchase of major plant.</i>			
Opening Balance	475,659	475,658	210,494
Amount Set Aside / Transfer to Reserve	<u>12,498</u>	<u>12,367</u>	<u>265,164</u>
	<u>488,157</u>	<u>488,025</u>	<u>475,658</u>
<b>(j) Recreation Ground Reserve</b>			
<i>Purpose - to be used for the upgrade or maintenance of recreation areas and buildings, including the Swimming Pool.</i>			
Opening Balance	404,191	404,191	389,632
Amount Set Aside / Transfer to Reserve	<u>15,651</u>	<u>15,509</u>	<u>14,559</u>
	<u>419,842</u>	<u>419,700</u>	<u>404,191</u>
<b>(k) Road Construction Reserve</b>			
<i>Purpose - to be used to fund the construction and maintenance of roads.</i>			
Opening Balance	374,801	374,801	365,826
Amount Set Aside / Transfer to Reserve	120,939	9,745	8,976
Amount Used / Transfer from Reserve	<u>-</u>	<u>(303,400)</u>	<u>-</u>
	<u>495,740</u>	<u>81,146</u>	<u>374,802</u>
<b>(l) Airfield Emergency Lighting Reserve</b>			
<i>Purpose - to be used for the upgrade and maintenance of the Airfield runway lighting.</i>			
Opening Balance	38,173	38,174	37,259
Amount Set Aside / Transfer to Reserve	<u>1,066</u>	<u>993</u>	<u>914</u>
	<u>39,239</u>	<u>39,167</u>	<u>38,173</u>
<b>(m) Senior's Housing Reserve</b>			
<i>Purpose - to be used for the future development and current maintenance of Senior's Housing.</i>			
Opening Balance	67,454	67,454	75,717
Amount Set Aside / Transfer to Reserve	47,925	44,644	31,737
Amount Used / Transfer from Reserve	<u>(40,000)</u>	<u>(20,000)</u>	<u>(40,000)</u>
	<u>75,379</u>	<u>92,098</u>	<u>67,454</u>
<b>(n) Summary</b>			
Opening Balance	2,271,246	2,271,247	2,285,772
Amount Set Aside / Transfer to Reserve	262,401	142,617	349,474
Amount Used / Transfer from Reserve	<u>(160,779)</u>	<u>(660,682)</u>	<u>(364,000)</u>
<b>Total Reserves</b>	<u>2,372,868</u>	<u>1,753,182</u>	<u>2,271,246</u>

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



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	2018/19 Actual \$	2017/18 Actual \$
<b>13. RESERVES - ASSET REVALUATION</b>		
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
<b>(a) Land and Buildings</b>		
Opening balance	9,621,871	9,621,871
	<u>9,621,871</u>	<u>9,621,871</u>
<b>(b) Plant and Equipment</b>		
Opening Balance	198,115	198,115
Revaluation Increment	238,273	-
	<u>436,388</u>	<u>198,115</u>
<b>(c) Infrastructure - Footpaths</b>		
Opening Balance	538,684	675,684
Revaluation Decrement	-	(137,000)
	<u>538,684</u>	<u>538,684</u>
<b>(d) Infrastructure - Bridges</b>		
Opening Balance	25,921,379	-
Revaluation Increment	-	25,921,379
	<u>25,921,379</u>	<u>25,921,379</u>
<b>(e) Infrastructure - Drainage</b>		
Opening Balance	1,798,258	-
Revaluation Increment	-	1,798,258
	<u>1,798,258</u>	<u>1,798,258</u>
<b>(f) Infrastructure - Parks &amp; Ovals</b>		
Opening Balance	1,684,950	-
Revaluation Increment	-	1,684,950
	<u>1,684,950</u>	<u>1,684,950</u>
<b>TOTAL ASSET REVALUATION RESERVES</b>	<u><u>40,001,530</u></u>	<u><u>39,763,257</u></u>



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**14. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	<b>2018/19 Actual \$</b>	<b>2018/19 Budget \$</b>	<b>2017/18 Actual \$</b>
Cash and Cash Equivalents	<u>4,453,120</u>	<u>2,730,106</u>	<u>4,161,347</u>

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

Net Result	4,863,745	4,047,410	2,200,168
Depreciation	2,452,839	2,401,952	1,854,567
(Profit)/Loss on Sale of Asset	86,835	22,000	155,728
(Increase)/Decrease in Receivables	265,185	-	(233,286)
(Increase)/Decrease in Inventories	(2,563)	-	3,653
Increase/(Decrease) in Payables	(1,022,167)	-	1,068,665
Increase/(Decrease) in Employee Provisions	40,517	-	(18,826)
Grants/Contributions for the Development of Assets	(5,793,490)	(6,219,648)	(3,560,564)
Loss on Revaluation of Non Current Assets	-	-	2,169,799
Net Cash from Operating Activities	<u>890,901</u>	<u>251,714</u>	<u>3,639,904</u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Credit Card limit	10,000	10,000
Credit Card Balance at Balance Date	(3,571)	(4,788)
<b>Total Amount of Credit Unused</b>	<u>6,429</u>	<u>5,212</u>

**Loan Facilities**

Loan Facilities - Current	153,429	129,929
Loan Facilities - Non-Current	1,517,163	1,670,592
<b>Total Facilities in Use at Balance Date</b>	<u>1,670,592</u>	<u>1,800,521</u>

<b>Unused Loan Facilities at Balance Date</b>	<u>-</u>	<u>-</u>
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**15. CONTINGENT LIABILITIES**

Council does not have any known contingent liabilities as at 30 June 2019.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

	<b>2018/19 Actual \$</b>	<b>2017/18 Actual \$</b>
<b>16. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	6,364	6,364
	6,364	6,364

**Note:** With the implementation of AASB 16, from 1 July 2019 all Leased assets will be capitalised and applicable interest components and applicable depreciation of the leased item will be expensed.

**(b) Capital Expenditure Commitments**

Council does not have any known Capital expenditure commitments as at 30 June 2019.

**17. JOINT VENTURE**

The Shire of Beverley did not participate in any joint venture in the 2018/19 financial year.

	<b>2018/19 Actual \$</b>	<b>2017/18 Actual \$</b>
<b>18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>		
General Purpose Funding	-	174,015
Governance	1,061,926	1,052,670
Law, Order, Public Safety	144,122	149,901
Health	476,046	225,637
Housing	3,393,260	3,772,385
Community Amenities	101,407	81,052
Recreation and Culture	11,144,409	11,526,875
Transport	64,962,099	56,551,078
Economic Services	582,256	513,068
Other Property and Services	1,714,247	1,681,039
Unallocated	5,291,478	9,187,308
	88,871,250	84,915,028





**SHIRE OF BEVERLEY  
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<b>19. FINANCIAL RATIOS</b>	<b>2018/19</b>	<b>2017/18</b>	<b>2016/17</b>
<b>(a) Current Ratio</b>	2.26	1.36	3.41
Asset Sustainability Ratio	2.17	0.79	0.98
Debt Service Cover Ratio	8.04	21.58	14.87
Operating Surplus Ratio	(0.20)	0.16	0.11
Own Source Revenue Coverage Ratio	0.64	0.86	0.69
Asset Consumption Ratio	0.75	0.61	0.63
Asset Renewal Funding Ratio	1.56	0.65	0.90
Rates to Borrowings Ratio	1.61	1.47	2.44

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$
Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Rates to Borrowings Ratio	$\frac{\text{Total Rates}}{\text{Total Borrowings}}$



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

**20. TRUST FUNDS**

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

<b>Description</b>	<b>Balance 1-Jul-18 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance 30-Jun-19 \$</b>
Unclaimed Monies	134	-	-	134
Second Hand Housing Deposits	5,000	5,000	(5,000)	5,000
Housing Rental Bonds	5,467	600	(300)	5,767
Subdivision Bonds	10,000	-	-	10,000
Key Bonds	2,170	1,835	(1,380)	2,625
Cleaning Bonds	2,100	2,100	(2,700)	1,500
Funds held on behalf of the Community	-	63,604	-	63,604
ILU Retention Fee Fund	160,018	180,000	(11,988)	328,030
Cornerstone Retention Fee Fund	174,203	-	(116,135)	58,068
Cornerstone Commercial Tenancy Bond	-	8,628	(1,320)	7,308
	<u>359,091</u>			<u>482,035</u>



**SHIRE OF BEVERLEY**  
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**21. DISPOSAL OF ASSETS**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>						
Mazda CX-9	48,847	50,000	40,000	42,000	(8,847)	(8,000)
Lukin St Easement	-	-	2,000	-	2,000	-
<b>Law, Order, Public Safety</b>						
Holden Colorado	21,517	30,000	14,727	25,000	(6,790)	(5,000)
Toyota Prado	49,492	46,000	48,284	45,000	(1,208)	(1,000)
<b>Health</b>						
Holden Commodore	23,365	40,000	14,727	30,000	(8,638)	(10,000)
<b>Other Property &amp; Services</b>						
New Holland Tractor	2,935	9,000	14,000	10,000	11,065	1,000
Case Skid Steer Loader	11,108	9,000	12,000	10,000	892	1,000
Cat Wheel Loader	-	-	19,000	-	19,000	-
Afron Cherry Picker	978	-	3,182	-	2,204	-
	158,242	184,000	167,920	162,000	9,678	(22,000)

Profit on Asset Disposal  
(Loss) on Asset Disposal

35,161  
(25,483)  
9,678



**SHIRE OF BEVERLEY**  
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**22. INFORMATION ON BORROWINGS****(a) Repayments - Debentures**

Particulars	Principal 1-Jul-18 \$	New Loans \$	Principal Repayments		Principal 30-Jun-19		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Housing</b>								
Loan 112 - Frail Aged Lodge <i>Loan Date - 15 April 1999</i>	3,202	-	3,202	3,203	-	-	117	108
<b>Recreation &amp; Culture</b>								
Loan 117 - Bowling Greens* <i>Loan Date - 22 November 2006</i>	57,917	-	15,314	15,313	42,603	42,604	3,786	3,765
Loan 118 - Recreation Centre <i>Loan Date - 10 May 2013</i>	847,426	-	40,062	40,062	807,364	807,364	43,864	44,687
Loan 120 - Cornerstone Centre <i>Loan Date - 12 April 2018</i>	800,000	-	41,366	41,366	758,634	758,634	31,343	33,106
<b>Community Amenities</b>								
Loan 119 - Storm Water Dams <i>Loan Date - 23 June 2016</i>	91,976	-	29,985	29,985	61,991	61,991	2,437	2,347
	1,800,521	-	129,929	129,929	1,670,592	1,670,593	81,547	84,013

(\*) Self supporting loan financed by payments from third parties. All other loan repayments were financed by general purpose revenue.

**(b) New Debentures**

Council did not raise any new debentures during the 2018/19 financial year.

**(c) Unspent Debentures**

Council had no unspent debentures at the balance date.

**(d) Overdraft**

Council did not utilise an overdraft facility in the 2018/19 financial year.



**SHIRE OF BEVERLEY**  
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**23. RATING INFORMATION****(a) Rates**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>	<b>Budget Rate Revenue \$</b>	<b>Budget Interim Rate \$</b>	<b>Budget Back Rate \$</b>	<b>Budget Total Revenue \$</b>
<b>General Rate</b>											
General Rate - GRV	0.108958	501	5,815,498	633,645	1,207	-	634,852	633,645	2,000	-	635,645
General Rate - UV	0.008972	659	237,609,000	2,131,828	494	-	2,132,322	2,131,828	2,000	-	2,133,828
General Rate - UV Mining	0.008972	-	-	-	-	-	-	-	-	-	-
<b>Sub-Totals</b>		1,160	243,424,498	2,765,473	1,701	-	2,767,174	2,765,473	4,000	-	2,769,473
<b>Minimum Rates</b>											
<b>Minimum Rates</b>	<b>Minimum \$</b>										
Minimum Rates - GRV	832	162	559,087	134,784	-	-	134,784	137,280	-	-	137,280
Minimum Rates - UV	832	65	4,068,300	54,080	-	-	54,080	59,072	-	-	59,072
Minimum Rates - UV Mining	832	4	75,992	3,328	-	-	3,328	3,328	-	-	3,328
<b>Sub-Totals</b>		231	4,703,379	192,192	-	-	192,192	199,680	-	-	199,680
Discounts (refer note 26)							2,959,366 (235,536)				2,969,153 (237,212)
<b>Total Amount Raised from General Rate</b>							2,723,830				2,731,941
Ex-Gratia Rates							3,137				3,000
Rates Written Off							(32,223)				-
Specified Area Rate (refer note 24)							-				-
<b>Total Rates</b>							2,694,744				2,734,941



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**23. RATING INFORMATION (Continued)**

<b>(b) Information on Surplus/(Deficit)</b>	<b>2018/19</b>	<b>2018/19</b>	<b>2017/18</b>
<b>Brought Forward</b>	<b>(30 June 2019</b>	<b>(1 July 2018</b>	<b>(30 June 2018</b>
	<b>Carried</b>	<b>Brought</b>	<b>Carried</b>
	<b>Forward)</b>	<b>Forward)</b>	<b>Forward)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Surplus/(Deficit) - Rate Setting Statement</b>	<u>1,724,644</u>	<u>870,175</u>	<u>870,175</u>
<b><u>Comprises:</u></b>			
Cash - Unrestricted	1,919,235	1,890,101	1,890,101
Cash - Restricted Grant Funds	161,017	-	-
Cash - Restricted Reserves	2,372,868	2,271,246	2,271,246
Rates - Current	246,474	341,899	341,899
Sundry Debtors	143,585	426,708	426,708
Prepaid Expenses	-	39,629	39,629
GST Receivable	218,646	143,009	143,009
Inventories			
- Fuel and Materials	12,501	9,938	9,938
<b>Less:</b>			
Reserves - Cash Backed	(2,372,868)	(2,271,246)	(2,271,246)
Sundry Creditors	(766,795)	(1,713,969)	(1,713,969)
Accrued Interest on Debentures	(24,890)	(26,198)	(26,198)
Accrued Salaries and Wages	(22,582)	(21,938)	(21,938)
Provision for Doubtful Debts	-	(108,546)	(108,546)
Current Employee Benefits Provision	(342,435)	(306,134)	(306,134)
Employee Benefits - Cash Backed	179,888	195,676	195,676
<b>Surplus/(Deficit)</b>	<u>1,724,644</u>	<u>870,175</u>	<u>870,175</u>

**Difference:**

There was no difference between the Surplus/(Deficit) 1 July 2018 Brought Forward position used in the 2018/19 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2017/18 audited financial report.



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**24. SPECIFIED AREA RATE**

Council has not levied any Specified Area Rates during 2018/19 financial year.

**25. SERVICE CHARGES**

Council has not levied any Service Charges during the 2018/19 financial year.

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	10.00%	235,536	237,212
Minimum Rate	Discount	10.00%	235,536	237,212

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

**27. INTEREST CHARGES AND INSTALMENTS**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	-	27,136	15,000
Interest on Deferred Pensioner Rates	2.26%	-	3,134	2,000
Interest on Instalments Plan	5.50%	-	4,716	4,000
Admin. Charge on Instalments Plan	0.00%	10	4,730	4,000
			39,716	25,000

Ratepayers had the option of paying rates in four equal instalments, due on 10th September 2018, 12th November 2018, 14th January 2019 and 14th March 2019. Administration charges and interest applied to the final three instalments.

**28. FEES & CHARGES**

	<b>2018/19</b>	<b>2017/18</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
General Purpose Funding	14,730	12,965
Governance	6,271	1,639
Law, Order, Public Safety	12,731	13,289
Health	164	255
Housing	98,473	81,870
Community Amenities	220,248	209,136
Recreation and Culture	119,357	86,393
Transport	7,859	7,780
Economic Services	94,893	131,758
Other Property and Services	15,006	22,737
	<u>589,732</u>	<u>567,822</u>

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



**SHIRE OF BEVERLEY  
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**29. GRANT REVENUE**

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

	<b>2018/19 Actual \$</b>	<b>2017/18 Actual \$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions*	1,683,236	3,022,275
Non-Operating Grants, Subsidies and Contributions	<u>5,793,490</u>	<u>3,560,564</u>
	<u><u>7,476,726</u></u>	<u><u>6,582,839</u></u>
<b>By Program:</b>		
General Purpose Funding	818,099	796,466
Governance	579	-
Law, Order, Public Safety	198,541	414,637
Housing	8,971	11,748
Community Amenities	1,962	894
Recreation and Culture	308,835	2,319,399
Transport	6,097,791	3,015,364
Economic Services	34,054	8,241
Other Property and Services	<u>7,894</u>	<u>16,090</u>
	<u><u>7,476,726</u></u>	<u><u>6,582,839</u></u>

\* Operating Grants, Subsidies and Contributions total includes Reimbursements of \$199,577.

**30. ELECTED MEMBERS REMUNERATION**

The following fees, expenses and allowances were paid to council members and/or the president.

	<b>2018/19 Actual \$</b>	<b>2018/19 Budget \$</b>	<b>2017/18 Actual \$</b>
Meeting Fees	40,900	40,900	39,100
President's Allowance	5,500	5,500	5,500
Deputy President's Allowance	1,375	1,375	1,375
Travelling Expenses	2,985	5,000	2,807
Telecommunications Allowance	<u>11,532</u>	<u>11,160</u>	<u>14,148</u>
	<u><u>62,292</u></u>	<u><u>63,935</u></u>	<u><u>62,930</u></u>

**31. EMPLOYEE NUMBERS**

	<b>2018/19 Actual \$</b>	<b>2017/18 Actual \$</b>
The number of full-time equivalent employees at balance date	<u>28</u>	<u>29</u>
Number of Employees earning \$100,000+ Gross Salary per annum.	<u>1</u>	<u>2</u>

The Chief Executive Officer earned a gross salary of \$100,000+ in 2018/19.

**32. MAJOR LAND TRANSACTIONS**

Council did not participate in any major land transactions during the 2018/19 financial year.

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

Council did not participate in any trading undertakings or major trading undertakings during the 2018/19 financial year.





**SHIRE OF BEVERLEY**  
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**34. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018/19 Actual \$	2017/18 Actual \$	2018/19 Actual \$	2017/18 Actual \$
<b>Financial Assets</b>				
Cash and cash equivalents	4,453,120	4,161,347	4,453,120	4,161,347
Receivables	779,457	1,140,573	779,457	1,032,025
	<u>5,232,577</u>	<u>5,301,920</u>	<u>5,232,577</u>	<u>5,193,372</u>
<b>Financial Liabilities</b>				
Payables	814,267	1,762,104	814,267	1,762,104
Borrowings	1,670,592	1,800,521	1,926,381	1,923,713
	<u>2,484,859</u>	<u>3,562,625</u>	<u>2,740,648</u>	<u>3,685,817</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.



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

**(a) Cash and Cash Equivalents**

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

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

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

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

Council manages these risks by only investing in term deposits with APRA approved financial institutions. Council does not invest in any financial product where capital value may be diminished.

	<b>2018/19</b>	<b>2017/18</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Impact of a 2.5% (*) movement in interest rates on cash and investments:		
- Equity	111,328	104,034
- Statement of Comprehensive Income	111,328	104,034
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	44,531	41,613
- Statement of Comprehensive Income	44,531	41,613

**Notes:**

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



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

**(b) Receivables**

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date by offering a 10% discount.

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

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

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

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

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

	<b>2018/19</b>	<b>2017/18</b>
	<b>Actual</b>	<b>Actual</b>
Percentage of Rates and Annual Charges	<b>\$</b>	<b>\$</b>
- Current	4%	16%
- Overdue (greater than 12 months)	96%	84%
Percentage of Other Receivables		
- Current	99%	99%
- Overdue (greater than 30 days)	1%	1%



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**34. FINANCIAL RISK MANAGEMENT (Continued)****(c) Payables****Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2018/19</u></b>					
Payables	814,267	-	-	814,267	814,267
Borrowings	-	104,594	1,565,998	1,670,592	1,670,592
	<u>814,267</u>	<u>104,594</u>	<u>1,565,998</u>	<u>2,484,859</u>	<u>2,484,859</u>
<b><u>2017/18</u></b>					
Payables	1,762,104	-	-	1,762,104	1,762,104
Borrowings	3,202	149,893	1,647,426	1,800,521	1,800,521
	<u>1,765,306</u>	<u>149,893</u>	<u>1,647,426</u>	<u>3,562,625</u>	<u>3,562,625</u>



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

**(c) Payables**

**Borrowings (Continued)**

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

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

	<b>&lt;1 year</b>	<b>&gt;1&lt;2 years</b>	<b>&gt;2&lt;3 years</b>	<b>&gt;3&lt;4 years</b>	<b>&gt;4&lt;5 years</b>	<b>&gt;5 years</b>	<b>Total</b>	<b>Weighted Average Effective Interest Rate</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b><u>Year Ended 30 June 2019</u></b>								
<b>Fixed Rate</b>								
Debentures	-	61,990	42,604	-	-	1,565,998	1,670,592	4.13%
Weighted Average Effective Interest Rate	0.00%	2.21%	6.16%	0.00%	0.00%	4.11%		
<b><u>Year Ended 30 June 2018</u></b>								
<b>Fixed Rate</b>								
Debentures	3,202	-	91,976	57,917	-	1,647,426	1,800,521	4.12%
Weighted Average Effective Interest Rate	6.12%	0.00%	2.21%	6.16%	0.00%	4.11%		



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**35. RELATED PARTY DISCLOSURES**

**(a) Key Management Personnel Compensation**

<b>Key Management Personnel (KMP)</b> <i>Executive Staff with decision making responsibilities regarding the allocation of Council's resources.</i>	<b>Short Term Benefits *</b>	<b>Post- Employment Benefits **</b>	<b>Other Long Term Benefits ***</b>	<b>Termination Benefits ****</b>
Executive Staff Total	459,195	49,418	61,548	-

**\* Short-term employee benefits**

These amounts include all gross salary, paid leave, fringe benefits and cash bonuses awarded to KMP.

Details in respect to fees and benefits paid to Elected Members may be found at Note 30.

**\*\* Post-employment benefits**

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

**\*\*\* Other long term benefits**

These amounts represent long service benefits accruing during the year.

**\*\*\*\* Termination benefits**

These amounts represent termination benefits paid to KMP (Note: this may or may not be applicable in any given year).



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**35. RELATED PARTY DISCLOSURES (Continued)**

**(b) Related Party Disclosures**

**i) Ordinary Citizen Transactions**

Use of facilities or any other Council provided service where a discount or special terms were applied that would not otherwise be offered to any other person.

<b>KMP/Elected Member</b>	<b>Related Party</b>	<b>Nature</b>	<b>Value</b>
Chief Executive Officer	N/A	Subsidised Gym Membership	296
Deputy Chief Executive Officer	N/A	Subsidised Gym Membership	296
Manager of Works	N/A	Subsidised Gym Membership	296
Manager of Planning and Development Services	N/A	Subsidised Gym Membership	296

**ii) Leasing Agreements - Domestic Residential**

Use of Council owned Domestic Residential Property whether by lease agreement or provisions under any other special terms that would not otherwise be offered to any other member of the public.

<b>KMP/Elected Member</b>	<b>Related Party</b>	<b>Nature</b>	<b>Value</b>
Chief Executive Officer	N/A	Subsidised Housing Lease	13,000
Deputy Chief Executive Officer	N/A	Subsidised Housing Lease	13,000
Manager of Planning and Development Services	N/A	Subsidised Housing Lease	13,000

**iii) Leasing Agreements - Commercial**

Use of Council owned Commercial Property whether by lease agreement or provisions under any other special terms that would not otherwise be offered to any other member of the public.

<b>KMP/Elected Member</b>	<b>Related Party</b>	<b>Nature</b>	<b>Value</b>
Cr D Ridgway	CR & J Ridgway Pty Ltd	Commercial lease of farm land by tender.	5,200
Manager of Planning and Development Services	Fun 2B Kids Family Day Care	Commercial lease of Office Space.	6,160

**iii) Trading Arrangements - Provision of Goods or Services**

Provision of Goods and/or Services to the Shire of Beverley.

<b>KMP/Elected Member</b>	<b>Related Party</b>	<b>Nature</b>	<b>Value</b>
Deputy Chief Executive Officer	Forsica Solutions	3D Imagery Services	440
Cr L Shaw	Campbell Shaw Pty Ltd	Supply of gravel for roadworks.	4,224
Cr C Pepper	Beverley Supermarket & Liquor (IGA)	Supply of groceries/consumables.	9,888



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

**35. RELATED PARTY DISCLOSURES (Continued)**

**(b) Related Party Disclosures (Continued)**

**iv) Fees and Charges for Applications**

Application for a trading, building, planning or development application, licence or approval or any other type of permit or licence.

<b>KMP/Elected Member</b>	<b>Related Party</b>	<b>Nature</b>	<b>Value</b>
Cr S Martin	M Martin	Building Licence	98







## INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Beverley

Report on the Audit of the Financial Report

### Opinion

We have audited the annual financial report of the Shire of Beverley which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In our opinion the annual financial report of the Shire of Beverley:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire of Beverley for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Shire of Beverley in accordance with the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Shire of Beverley's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

### Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the Shire of Beverley is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the CEO is responsible for assessing the Shire of Beverley's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire of Beverley.

The Council is responsible for overseeing the Shire of Beverley's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Report**

The objectives of our audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 of Beverley's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire of Beverley's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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## Report on Other Legal and Regulatory Requirements

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

- (i) In our opinion, the following matters indicate significant adverse trends in the financial position of the Shire of Beverley:
  - a. Operating surplus ratio as reported in Note 19 of the financial report is below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard of zero for the current year (2017: 0.11, 2018: 0.16 and 2019: -0.20).
- (ii) There were no instances of non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law identified during the course of our audit.
- (iii) All required information and explanations were obtained by us.
- (iv) All audit procedures were satisfactorily completed.
- (v) In our opinion, the asset consumption included in the annual financial report were supported by verifiable information and reasonable assumptions.
- (vi) In our opinion, the asset renewal funding ratio included in the annual financial report was not supported by verifiable information and reasonable assumptions.

### Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Beverley for the year ended 30 June 2019 included on the Shire of Beverley's website. The Shire of Beverley's management is responsible for the integrity of the Shire of Beverley's website. This audit does not provide assurance on the integrity of the Shire of Beverley's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

### AMD Chartered Accountants



**MARIA CAVALLO CA**  
Director

28-30 Wellington Street, Bunbury, Western Australia  
5 November 2019

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## 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 2019 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 DW Davis  
President



Cr CJ Pepper  
Deputy President

Dated this 5th day of November 2019



