



# Annual Report

For the year ending 30 June 2010

As adopted at the Special Meeting of Council held 24 November 2010, resolution S2010-1104

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## KEY STATISTICS

	2009/10	2008/09	2007/08
Total number of residents	242 in the 2006 Census		
Total number of rateable properties	435	412	429
Rates levied	1,029,463	999,208	959,121
Minimum general residential rate	225	220	210
Minimum general commercial rate	225	220	210
Minimum general pastoral rate	225	220	210
Minimum general mining rate	225	220	210
Revenue from Ordinary Activities	5,043,240	4,875,579	2,353,949
Net current assets	3,274,657	2,792,255	2,221,601
Grants and Subsidies – Operating	2,187,719	1,878,035	1,101,664
Grants and Subsidies – Non-Operating	1,526,770	1,740,607	1,640,236
Debt servicing ratio	0.028	0.031	0.079
Total number of employees (full time)	16	21	17
Building applications approved	2	3	4
Value of building applications approved	832,030	6,500,000	5,945,760

## PRESIDENT'S REPORT

Working towards a positive future for Yalgoo has become the focus for Council from the many challenges faced with the Minister's reform process. It has also given us opportunities to review and reaffirm the region's ability to work together. Council has committed to developing a long term strategic and financial plan that will build, develop and sustain our community.

Stalwart Councillor Damian Morrissey retired after contributing 31 years of service to the community. October 2009 Council elections resulted in Councillors Anderson and Rowe returned with Councillors Valenzuela and Forster as new members. Unfortunately, due to other commitments Councillor Anderson resigned in November 2009 and Councillor Len Terry joined the team. I extend appreciation to all Councillors both past and present for their dedication, support and commitment in their roles of community advocates.

On behalf of Council I would also like to congratulate the works and town crews for their contribution to the projects within the town area – Community Park, Water Park, Health Centre and execution of the annual road program including the prompt rectification of storm damage that has ensured our roads are well maintained and safe. These achievements are evidence of pride and satisfaction in a job well done.

After three successful years at Yalgoo, CEO Neil Mitchell chose not to renew his contract and relocated to the Shire of Trayning. Many of the projects coming to fruition can be attributed to Neil's guiding hand. Kim Hastie provided an experienced capable caretaker CEO role until the appointment of Ms Sharon Daishe.

I feel sure that we will succeed in ensuring that Yalgoo has a strong and secure future acknowledging that it is from within that we will achieve our goals, working together to build our community

**Cr Terry Iturbide**  
President

## ELECTED MEMBERS REPORT

### Councillors

As at 30 June 2010:

President:	Cr Terry K Iturbide	Term expires 2011
Deputy President:	Cr Ellen C Rowe	Term expires 2013
Members:	Cr Laurence Hodder	Term expires 2011
	Cr Len Terry	Term expires 2011
	Cr Raul Valenzuela	Term expires 2013
	Cr Mick Forster	Term expires 2013

- President Don Anderson resigned in September 2009 and Cr Len Terry was elected to fill the balance of the term.
- Cr Morrissey did not re-nominate at the 2009 election.
- Councillors Forster, Rowe and Valenzuela were elected at the ordinary election in October 2009.

### Attendance at Council Meetings

There were 12 Ordinary Meetings and 6 Special Meetings of Council held between 1 July 2009 and 30 June 2010. A breakdown of Councillors' presence at meetings is detailed in the table below, for Councillors in office as at 30 June 2010.

Councillor	Ordinary Meeting	Special Meeting
Cr TK Iturbide	12/12	6/6
Cr EC Rowe	11/12	4/6
Cr L Hodder	10/12	6/6
Cr R Valenzuela	6/7	2/6
Cr L Terry	7/7	4/6
Cr M Forster	5/9	5/6

### Councillor's Remuneration

The following fees, expenses and allowances were paid to Council Members and the President.

Fees, Expenses, Allowances	Actual 2009/10 \$	Budget 2009/10 \$	Actual 2008/09 \$	Budget 2008/09 \$
Meeting Fees	16,307	16,840	10,427	6,000
President's Allowance	6,300	6,300	5,500	7,000
Deputy President's Allowance	958	1,050	833	0
Travelling Expenses	11,249	11,000	9,392	11,842
Telecommunication Allowance	0	0	2,300	0
<b>Total</b>	<b>34,814</b>	<b>35,190</b>	<b>28,452</b>	<b>24,842</b>

## CHIEF EXECUTIVE OFFICER'S REPORT

The Local Government Reform agenda has been a contemporary issue for Local Governments in Western Australia in 2009-10. Whilst the Shire consulted the community of Yalgoo and resolved unanimously to oppose amalgamation, Council is actively pursuing collaboration with other Shires in the region on operational and strategic matters that are of mutual regional and local benefit.

The pastoral industry in the Shire is enduring extended drought and along with wild dog predation of livestock, this is having a depressing effect on financial and social capital. The Shire has identified the Murchison vermin fence as a project of regional significance and may commit regional funds to this project in 2010-11. Unfortunately the Shire's application to the Stronger Rural Communities drought program for a project to strengthen social capital was not funded although it was assessed as eligible.

Royalties for Regions, through the Country Local Government Fund (CLGF), has provided the Shire with the opportunity to fund overdue renovations to existing infrastructure assets and provide much needed new community facilities. Projects completed in the 2009-10 financial year include installation of broadband, lunchroom at the Shire depot and solar lighting at the town entry statements. Tenders were called for the new Water Park, a transportable residence was erected at the Yalgoo Caravan Park, headworks have been completed for Shire housing in Gibbons Street and architectural plans have been drawn for a covered sports facility.

Construction of the covered courts had to be postponed because the 2009-10 financial year CLGF infrastructure component was permanently deferred. Instead, Shires were granted funds to develop a forward capital works plan, which must be submitted by 31 December 2010 to secure funds in 2010-11. Fortunately, alternative funding was secured for the Yalgoo Water Park and the new Health Centre. The Water Park will open before Christmas 2010 and the Health Centre will open early in 2011.

The Shire has been offered funding to upgrade security lighting in Yalgoo and to carry out a heritage assessment of the Anglican Church. The Shire committed funds to a military research project and a heritage assessment of the Yalgoo Railway Complex and applied to the Regional Airports Development Scheme (RADS) to install lights at Yalgoo and Paynes Find airstrips. RADS has offered 50% funding for these projects, which will proceed when the Shire is able to confirm matching funds.

As in previous years, 4 kilometres of new seal was laid on the Yalgoo-Ninghan and Morawa Roads, bringing us slowly closer to sealing their full length. The Shire applied for Blackspot funding for three intersections on the Great Northern Highway although only the Yalgoo-Ninghan Road intersection was approved.

Niel Mitchell resigned as CEO of the Shire in January to take up the position of CEO at the Shire of Trayning. Commencing mid March 2010, I have been busy getting to know the Shire's key strategic partners and assessing the efficiency of our operations. Replacement of computer hardware has solved some issues in the Shire office and the Local Government Insurance Service has been contracted to assess risks and review our occupational health and safety systems.

It has been a pleasure to move to the small and close knit community of Yalgoo. I extend my sincere appreciation to the Shire staff for achieving so many new projects this year despite the disruption of having a new CEO and acting deputy, both new to Local Government. I am looking forward to helping the Council continue to identify ways to achieve sustainable development in our Shire.

**Sharon Daishe**  
Chief Executive Officer

## OTHER REPORTS

### Plan for the Future

Pursuant to Section 5.56 of the Local Government Act 1995 and Regulations 19C (2) and (3) of the Local Government (Administration) Regulations 1996, "a local government is to make a plan for the future of its district in respect of the period specified in the plan (being at least 2 financial years), and is to set out the broad objectives of the local government for the period specified in the plan."

Section 5.53(e) of the Local Government Act 1995 requires local governments to include in its Annual Report an overview of the Plan for the Future including major initiatives planned to commence or continue in the next year.

The Shire of Yalgoo's Plan for the Future was adopted by Council on 18 October 2007 and spans 4 years. The Shire has identified the following main programs and these form the basis of the Plan for the Future activities for 2009/10. Expected major activities for 2010/11 are detailed in the following report.

#### 1. Economic Prosperity

Program	Achieved 2009/10	Planned 2010/11
Maintenance and operation of the Yalgoo Airport:	<ul style="list-style-type: none"> <li>▪ Applied for Regional Airport Development Scheme funding</li> </ul>	<ul style="list-style-type: none"> <li>▪ Install solar lighting on strip and windsock</li> <li>▪ Install ambulance transfer bay/path</li> </ul>
Asset acquisition and replacement:	<ul style="list-style-type: none"> <li>▪ Changed over plant and equipment in accordance with the Shire's policy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Change over plant and equipment in accordance with the Shire's policy</li> </ul>
Develop partnerships with mining companies in the Shire area:	<ul style="list-style-type: none"> <li>▪ Entered into memorandum of understanding with MMG Golden Grove for upgrade and maintenance of Yalgoo Ninghan Road and joint community benefit project</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pursue agreement with Ferrowest</li> <li>▪ Community benefit agreement commences when MGM Extension Hill mine commences operation early in 2011</li> </ul>
Promote and progress partnerships and regional development opportunities:	<ul style="list-style-type: none"> <li>▪ Approached Councils in the Murchison region to discuss potential collaboration</li> <li>▪ CEO progressed regional partnerships through Murchison Executive Group</li> </ul>	<ul style="list-style-type: none"> <li>▪ Apply for regional Country Local Government funding for vermin fence with Murchison region Shires</li> <li>▪ Contribute to development of Mid West Regional Investment Plan</li> </ul>

## 2. Environmental Integrity

<b>Program</b>	<b>Achieved 2009/10</b>	<b>Planned 2010/11</b>
Improve the efficiency of the Bush Fire Brigade	<ul style="list-style-type: none"> <li>▪ FESA provided new fire truck for Yalgoo and new light fire unit for Paynes Find.</li> <li>▪ Shire arranged training for new members for the Yalgoo bush fire brigade</li> <li>▪ FESA conducted equipment maintenance schedule induction with Shire works crew; maintenance schedule and reporting regime established</li> <li>▪ Uniform, PPE &amp; fire unit equipment audited and replacements purchased</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish bush fire brigade at Paynes Find</li> <li>▪ Encourage FESA to fund construction of shed to house fire unit at Paynes Find</li> </ul>
Implementation of landfill waste reduction programs	<ul style="list-style-type: none"> <li>▪ Engaged consultant to prepare regional waste management strategy and waste audit</li> </ul>	<ul style="list-style-type: none"> <li>▪ To progress outcomes of strategy and audit through Murchison Executive Group</li> </ul>
Pursue increased State Government action to control feral animals.	<ul style="list-style-type: none"> <li>▪ Maintained membership of Vermin Council</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consider contributing Country Local Govt Fund regional component to upgrade of vermin fence</li> </ul>

## 3. Social Equity

<b>Program</b>	<b>Achieved 2009/10</b>	<b>Planned 2010/11</b>
Review asset and risk management programs	<ul style="list-style-type: none"> <li>▪ Applied for funding for consultant to prepare forward capital works and asset management plans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prepare forward capital works and asset management plans</li> </ul>
Progress training and development programs for Councillors and staff	<ul style="list-style-type: none"> <li>▪ Staff attended a broad range of training including communication, OH&amp;S and Local Govt Act</li> <li>▪ Approved attendance of President Iturbide at Diploma in Local Govt commencing August 2010</li> </ul>	<ul style="list-style-type: none"> <li>▪ President undertake Diploma in Local Government</li> <li>▪ Identify training needs of staff in conjunction with performance review and development program</li> </ul>
Review the Shire's governance structure, delegations and policies	<ul style="list-style-type: none"> <li>▪ CEO commenced holistic review of governance and structure</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue review of governance and structure, review policies and delegations</li> </ul>



<b>Program</b>	<b>Achieved 2009/10</b>	<b>Planned 2010/11</b>
Continue the sealing of Yalgoo–Ninghan Road, Yalgoo–Morawa Road and town streets	<ul style="list-style-type: none"> <li>▪ All town streets resealed except Gibbons Street, which was deferred in favour of developing a longer term main street beautification project</li> <li>▪ 4kms new seal Yalgoo-Ninghan and Morawa Roads</li> <li>▪ 8 km reseal Yalgoo-Ninghan Roads</li> </ul>	<ul style="list-style-type: none"> <li>▪ Scope Gibbons St beautification project</li> <li>▪ 4kms new seal Yalgoo-Ninghan and Morawa Roads</li> <li>▪ 8 km reseal Yalgoo-Ninghan Roads</li> </ul>
Develop plans and seek funding to construct a path and trails network within the town, on the town outskirts, and within the district	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ For consideration when developing forward capital works plan</li> </ul>

#### 4. Community Well-being

<b>Program</b>	<b>Achieved 2009/10</b>	<b>Planned 2010/11</b>
To make Budget allocation and transfer to Reserve Funds allowance for future development of recreation facilities, and provision for maintenance of the Railway Station as a Heritage listed building	<ul style="list-style-type: none"> <li>▪ \$4,175 transferred to sport complex reserve.</li> <li>▪ Consultant engaged to carry out heritage assessment of Railway Complex</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consider these projects when developing the forward capital works plan</li> </ul>
Identify priorities, source funding and implement actions for development of recreation facilities and reserves, arts and other cultural pursuits, sporting clubs and community organisations	<ul style="list-style-type: none"> <li>▪ Applied for Stronger Rural Communities Drought Support program (not funded)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop multi agency proposal for Youth Centre and include in considering forward capital works plan</li> </ul>
Encourage and support volunteers, with particular focus on promotion, training and recognition.	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
Implementation of the Disability Access and Inclusion Plan adopted in August 2007	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Include disabled amenities when Shire hall is refurbished</li> <li>▪ Install disabled access water fountain at Yalgoo Water Park</li> </ul>
Explore opportunities to expand and further develop the Healthy Community Project, in co-operation with FaCSIA, Oxiana Mining and other potential partners.	<ul style="list-style-type: none"> <li>▪ Entered into MOU with Centacare and MOU with MMG Golden Grove regarding Yalgoo Indigenous Children's Coordinator</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>

Pursuant to Regulation 19C (4) of the Local Government (Administration) Regulations 1996, the Shire's Plan for the Future will be reviewed every 2 years and was due for review in October 2009. This did not

occur due to the resignation of the CEO and the Shire will initiate a consultation process in 2011 to review the Plan for the Future and develop an integrated strategic plan.

Copies of the Plan can be obtained from the Shire Office or from the Shire's website.

## **National Competition Policy**

Regarding Council's responsibilities in relation to National Competition Policy the Shire reports that:

- No business enterprise of the Shire has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality were implemented in respect of any relevant activity undertaken during the 2009/10 year.

## **Competitive Neutrality**

This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector.

This policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over \$200,000 unless it can be shown that it is not in the public interest. In this regard, no significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no non-compliance allegations were made.

The Shire of Yalgoo conducts no activities where the user pays income exceeds \$200,000.

## **Legislation Review**

The Shire reviewed its Local Laws in November 2006, a result of the legislation review requirements. The next review of Local Laws is required in 2014.

## Register of Certain Complaints of Minor Breaches

*Local Government Act sections 5.121 and 5.110 (6) (b) or (c)*

The Act requires the annual report to contain details about certain complaints of minor breaches that result in certain action taken against the person. Generally a minor breach is a breach of a local law or code of conduct and the action taken may be public censure, making the person say sorry or sending them to training. A register must be kept of all such breaches.

There were no such complaints recorded during 2009-10.

## Public Interest Disclosures

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

The Chief Executive Officer has complied with all obligations under the Act including:

- appointing the Deputy Chief Executive Officer as the PID Officer for the organisation and publishing an internal procedure relating to the Shire's obligations.
- providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

## Disability Access and Inclusion Plan

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

The Shire is committed to achieving the six standards of its disability access and inclusion plan which are as follows:

- Outcome 1 – Provide a means of ensuring that people with disabilities have the same opportunities as others to access the services of, and any event organised by, the Shire of Yalgoo.
- *Public events are held at venues providing disabled access*
- Outcome 2 – Provide a means of ensuring that people with disabilities have the same opportunities as others to access buildings and other facilities of the Shire of Yalgoo.
- *Shire has included disabled facilities in planned refurbishment of Yalgoo Town Hall*
  - *Shire has included disabled water fountain in planned construction of Yalgoo Water Park*
- Outcome 3 – Provide a means of ensuring that people with disabilities receive information from the Shire in a format that will enable them to access information as readily as others are able to.
- *Information about the functions, facilities and services provided by the Shire is prepared using clear and concise language.*
  - *Where necessary, or requested, information can be made available in alternative formats such as large print or verbally. During the year, no requests were received.*
- Outcome 4 – Provide a means of ensuring that people with disabilities receive the same level and quality of service from the staff of the Shire of Yalgoo.
- *Staff are aware of the need to assist where necessary*
  - *Separate interview room is used extensively for meeting and discussion with the public, rather than over the counter in an open area.*
- Outcome 5 – Provide a means of ensuring that people with disabilities have the same opportunities as others to make complaints to the Shire of Yalgoo.
- and*
- Outcome 6 – Provide a means of ensuring that people with disabilities have the same opportunities as others to participate in any public consultation with the Shire of Yalgoo.
- *People are invited to a separate interview room for any discussion*
  - *Email facilities to contact staff for those with internet access*

## Freedom of Information Statement

This information statement is published by the Shire of Yalgoo in accordance with the requirements of the Freedom of Information Act 1992.

An updated information statement will be published at least every twelve months. It is intended that the statement be included as part of the Annual Report and received each year as part of the Annual Electors meeting.

### 1. Structure and Functions of Council

#### a) Establishment

The Shire of Yalgoo is established under the *Local Government Act 1995*, which governs how the administration for the Shire is carried out. Other major legislation which creates a duty or an authority for Council to act includes –

- Local Government Act (Miscellaneous Provisions) Act 1960
- Town Planning and Development 1928
- Bush Fires Act 1954
- Dog Act 1976
- Cemeteries Act 1986
- Health Act 1911
- Freedom of Information Act 1992
- Disabilities and Amendment Act 1999
- Occupational Health and Safety Act 1994
- Equal Opportunities Act 1984

In addition, there is a wide range of other legislative responsibilities.

#### b) Council

Council's affairs are managed by six people elected from the community who represent the whole Shire. Council acts as a "community board", establishing policies and making decisions within the Local Government Act on a wide range of issues affecting the community, in keeping with legislation requirements to:

- determine policies to be applied by Council in exercising its discretionary powers;
- determine the type, range and scope of projects to be undertaken by Council;
- develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of Council.

Council makes decisions which direct and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken and the allocation of resources to such works and services.

Decisions are also made to determine whether or not approvals are to be granted for applications for residential and commercial development.

Meetings of Council and Committees are advertised at least once each year. Unless changed, Ordinary meetings of Council usually are held on the second last Thursday of each month commencing at 11.00 am. All members of the public are welcome to attend. Two meetings per year are held at Paynes Find.

Local public notice is given before any change of date of a meeting.

c) *Regional Involvement*

Elected members are involved with many organisations within the community, and also actively represent the community at a regional or state level. Council's nominations include –

- Murchison Country Zone of the WA Local Government Association (regional)
- Murchison Vermin Regional Council (regional)
- State Road Funds for Local Roads Sub-Group (regional)

d) *Committees*

Council utilises occasional committees as and when required. An Audit Committee meets as needed, in accordance with the requirements of the Local Government Act.

e) *Agendas*

To ensure that all items are included in the agenda, matters for consideration should reach the Council office at least 12 days before the Council meeting date as agendas are prepared for distribution 8 days in advance. A copy of the agenda is available to the public before the meeting.

f) *Minutes*

The Minutes are available for inspection after the meeting (usually about one week). Please note that all Minutes are subject to confirmation by Council at the following meeting.

g) *Delegated Authority*

The Chief Executive Officer and other officers of Council have delegated authority to make decisions on a number of specified administration and policy matters. These delegations are listed in the Delegations Register and are reviewed annually by Council.

## 2. **Service to the Community**

Council provides an extensive variety of services for the community under authority of a wide range of legislation. Services provided include –

- building control
- cemetery
- bush fire control
- citizenship ceremonies
- dog control
- community bus
- environmental health
- demolition permits
- litter bins
- drainage
- parks & reserves
- fire prevention
- playground equipment
- library services
- public toilets
- media releases
- planning control
- rubbish collection
- public health services
- stormwater drainage
- public buildings for hire
- recreational /sporting facilities
- street lighting
- roads / footpaths /kerbing
- street tree planting
- vehicle licencing agency

### 3. Public Participation

Members of the public have a number of opportunities to put forward their views on particular issues before Council. These include:

- Deputations – With the permission of the President, a member of the public may address Council personally, on behalf of another or on behalf of an organisation.
- Submissions – Some development applications do not require special approval of Council. Where special approval is required, residents are notified by advertising in the local newspaper, and in some instances they may also be notified individually by Council or the developer. When an application is publicly notified, residents have the opportunity to make a written submission to Council expressing their views regarding the application.
- Petitions – Written petitions can be addressed to Council on any issue within the Council's jurisdiction.
- Written request – Members of the public can write to Council on any Council policy, activity or service.
- Elected members – Members of the public can contact any of the elected members to discuss any issue relevant to Council.
- Council meetings – public question time.

### 4. Access to Council Documents

Many documents are available for public inspection free of charge at the Council office. Copies of some documents can be made available, although some will incur a charge to cover photocopying. Information that is available includes –

- |                                 |                                 |
|---------------------------------|---------------------------------|
| • Committee Agendas             | • Annual Report                 |
| • Council Agendas               | • Annual Financial Statement    |
| • Minutes of Committee Meetings | • Council Local Laws            |
| • Minutes of Council Meetings   | • Town Planning Scheme          |
| • Delegations Manual            | • Electoral Rolls               |
| • Policy Manual                 | • Plan for the Future           |
| • Annual Budget                 | • Disability and Inclusion Plan |

Requests for other information will be considered in accordance with the Freedom of Information Act. Under this legislation, an application fee and search fee must be submitted with the completed request form unless the information required is personal or an exemption is granted.

### 5. Amending Personal Information

Applications for information or to view / amend personal information should be made to the CEO.

### 6. Procedures and Access Arrangements

#### a) *FOI Operations*

It is the aim of the agency to make information available promptly and at the lowest cost. Documents will therefore be provided outside the FOI process where possible.

If information is not routinely available, the *Freedom of Information Act 1992* provides the right to apply for documents held by the agency and to enable the public to ensure that personal information in documents is accurate, complete, up to date and not misleading.

*b) Freedom of Information Applications*

Access applications have to -

- be in writing;
- give enough information so that the documents requested can be identified;
- give an Australian address to which notices can be sent; and
- be lodged at the agency with any application fee payable.

Applications and enquiries should be addressed to the CEO.

Applications will be acknowledged in writing and you will be notified of the decision within 45 days.

*c) Freedom of Information Charges*

The scale of fees and charges is set under the FOI Act Regulations. Apart from the application fee for non-personal information all charges are discretionary. The charges are as follows.

• <i>Personal information about the applicant</i>	<i>No fee</i>
• <i>Application fee (for non personal information)</i>	<i>\$30.00</i>
• <i>Charge for time dealing with the application (per hour, or pro rata)</i>	<i>\$30.00</i>
• <i>Access time supervised by staff (per hour, or pro rata)</i>	<i>\$30.00</i>
• <i>Photocopying staff time (per hour, or pro rata)</i>	<i>\$30.00</i>
• <i>Per photocopy</i>	<i>\$0.20</i>
• <i>Transcribing from tape, film or computer (per hour, or pro rata)</i>	<i>\$30.00</i>
• <i>Duplicating a tape, film or computer information</i>	<i>Actual Cost</i>
• <i>Delivery, packaging and postage</i>	<i>Actual Cost</i>

*d) Deposits*

• <i>Advance deposit may be required of the estimated charges</i>	<i>25%</i>
• <i>Further advance deposit may be required to meet the charges for dealing with the application</i>	<i>75%</i>

For financially disadvantaged applicants or those issued with prescribed pensioner concession cards, the charge payable is reduced by 25%.

*e) Access Arrangements*

Access to documents can be granted by way of inspection, a copy of a document, a copy of an audio or video tape, a computer disk, a transcript of a recorded, shorthand or encoded document from which words can be reproduced.

*f) Notice of Decision*

As soon as possible but in any case within 45 days you will be provided with a notice of decision which will include details such as -

- the date which the decision was made
- the name and the designation of the officer who made the decision
- if the document is an exempt document the reasons for classifying the matter exempt; or the fact that access is given to an edited document



- information on the right to review and the procedures to be followed to exercise those rights.

*f) Refusal of Access*

Applicants who are dissatisfied with a decision of the agency are entitled to ask for an internal review by the agency. Application should be made in writing within 30 days of receiving the notice of decision.

You will be notified of the outcome of the review within 15 days.

If you disagree with the result you then can apply to the Information Commissioner for an external review, and details would be advised to applicants when the internal review decision is issued.

Enquiries, applications for information or to view / amend personal information, should be made to –

Chief Executive Officer  
Shire of Yalgoo  
37 Gibbons Street  
YALGOO 6635

Enquiries can also be made to –

Office of the Information Commissioner  
PO Box Z5386  
PERTH WA 6831

Phone: 9220 7888 or 1800 621 244  
Fax: 9325 2152  
Email: [info@foi.wa.gov.au](mailto:info@foi.wa.gov.au)  
Website: [www.foi.wa.gov.au](http://www.foi.wa.gov.au)

## Record Keeping

### Background

The State Records Act 2000 is an Act to provide for the keeping of State records and for related purposes. Section 19 of the Act requires each government organisation have a Record Keeping Plan that has been approved by the State Records Commission.

The purpose of a Record Keeping Plan is to set out which records are to be created by the organisation and how it is to keep those records. Record Keeping Plans are to provide an accurate reflection of the record keeping program within the organisation, including information regarding the organisation's record keeping system(s), disposal arrangements, policies, practices and procedures. The Record Keeping Plan is the primary means of providing evidence of compliance with the Act and that best practices have been implemented in the organisation. In accordance with Section 17 of the Act, the Shire of Yalgoo and all its employees are legally required to comply with the contents of this plan.

The Shire of Yalgoo has prepared a Record Keeping Plan and its objectives are to ensure –

- compliance with Section 19 of the State Records Act 2000,
- record keeping within the local government is moving toward compliance with State Records Commission Standards and Records Management Standard AS15489,
- processes are in place to facilitate the complete and accurate record of business transactions and decisions,
- recorded information can be retrieved quickly, accurately and cheaply when required,
- protection and preservation of government records.

### Minimum Compliance Requirements

The record keeping plan is to provide evidence to address that –

- From time to time (where necessary) an external consultant is engaged to conduct a recordkeeping training session for staff. Staff are also encouraged to attend training courses outside the organisation whenever practicable.
- Information sessions are conducted for staff as required.
- The Shire provides brochures or newsletters to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.
- The Shire's Induction Program for new employees includes an introduction to the local government's recordkeeping system and program, and information on their recordkeeping responsibilities.

The Shire has engaged a records consultant to undertake a major record keeping project in 2010-11 including archiving and destruction, improved record keeping facilities, implementation of record keeping system "Key Words for Councils" and training of all staff responsible for keeping records.

### Review

The State Records Act 2000 s.28 (5) requires that Records Keeping Plan must be reviewed at least every five years. Between reviews, the implementation / continuation of requirements is to be further developed.

**Anderson Munro & Wyllie**

CHARTERED ACCOUNTANTS

2nd Floor 1174 Hay Street, West Perth WA 6005  
PO Box 309, West Perth WA 6872Phone: (08) 9322 7200 Fax: (08) 9322 3229  
ABN 59 125 425 274**INDEPENDENT AUDIT REPORT  
TO THE ELECTORS OF THE SHIRE OF YALGOO****Scope**

We have audited the financial report of Shire of Yalgoo for the year ended 30 June 2010. The financial report comprises the Statement by Chief Executive Officer, Statement of Financial Performance, Statement of Financial Position, Equity Statement, Cash Flow Statement and accompanying notes to the financial statements.

The Council is responsible for the preparation of a financial report which provides a true and fair view of the financial performance and position of the council in accordance with the Local Government Act 1995, and Regulations. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for accounting policies and estimates inherent to the financial report.

**Audit Approach**

We conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Shire of Yalgoo. Our audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995, and Regulations, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and of their performance which is represented by the results of operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining on a test basis, information to provide evidence, supporting the amounts and disclosures in the financial report.
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the directors.

Whilst we considered the effectiveness of managements internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions were accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the executive and management of the Shire of Yalgoo.



### Independence

Anderson Munro & Wyllie are independent of the Shire of Yalgoo, and have met the independence requirements of Australian professional ethical pronouncements and the Local Government Act 1995.

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

### Audit Opinion

In our opinion, the financial statements of the Shire of Yalgoo are properly drawn up:

- a) So as to give a true and fair view of the state of affairs of the Shire as at 30 June 2010 and the results of its operations and cash flows for the year then ended;
- b) In accordance with the requirements of the Local Government Act 1995; and
- c) In Accordance with Applicable Australian Accounting Standards.

### Other Matters

During our review of the Compliance Audit Return 2009 we noted instances of non-compliance with the following sections of the Local Government Act 1995, and Regulations.

- S5.67
- S5.38
- S5.39
- S5.4
- S5.8
- S5.10(1)(a)
- Admin Reg 12(1)
- F&G Reg 14(3)(4)

### Statutory Compliance

- a) Except for the issues identified in the above 'Other Matters' paragraph we did not during the course of the audit, become aware of any other instances where the Council did not comply with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.
- b) There were no material or significant adverse trends in financial position or financial management practices revealed during the course of our audit.
- c) We have obtained all necessary information and explanations in relation to our audit.
- d) Our audit procedures were all satisfactorily completed.

Dated the 10<sup>th</sup> day of November 2010 in Perth, Western Australia

**BILLY-JOE THOMAS**  
Director

*Anderson Munro & Wyllie*  
**ANDERSON MUNRO & WYLLIE**  
Chartered Accountants

**SHIRE OF YALGOO**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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**SHIRE OF YALGOO**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**  
**LOCAL GOVERNMENT ACT 1995**  
**LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Yalgoo being the annual financial report and other information for the financial year ended 30th June 2010 are in my opinion properly drawn up to present fairly the financial position of the Shire of Yalgoo at 30th June 2010 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.



Signed on the 10th day of November 2010.

---

Sharon Daishe  
Chief Executive Officer

**SHIRE OF YALGOO**  
**STATEMENT OF COMPEREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2010 \$	2010 Budget \$	2009 \$
<b>REVENUE</b>				
Rates	22	1,029,463	1,073,104	999,209
Operating Grants, Subsidies and Contributions	28	2,187,719	1,441,460	1,878,035
Fees and Charges	27	94,829	80,903	86,287
Interest Earnings	2(a)	138,433	69,319	107,313
Other Revenue		20,147	3,180	57,068
		<u>3,470,591</u>	<u>2,667,966</u>	<u>3,127,912</u>
<b>EXPENSES</b>				
Employee Costs		(969,312)	(833,914)	(928,307)
Materials and Contracts		(710,593)	(944,412)	(929,230)
Utility Charges		(66,902)	(74,850)	(57,269)
Depreciation on Non-Current Assets	2(a)	(1,247,535)	(1,246,459)	(1,230,168)
Interest Expenses	2(a)	(41,821)	(38,053)	(42,261)
Insurance Expenses		(135,098)	(143,920)	(116,230)
Other Expenditure		(83,066)	(55,379)	(42,949)
		<u>(3,254,327)</u>	<u>(3,336,987)</u>	<u>(3,346,414)</u>
		216,264	(669,021)	(218,502)
Non-Operating Grants, Subsidies and Contributions	28	1,526,770	2,714,149	1,740,607
Profit on Asset Disposals	20	45,881	25,485	7,060
Loss on Asset Disposal	20	(17,300)	(33,003)	(19,154)
<b>NET RESULT</b>		<b>1,771,615</b>	<b>2,037,610</b>	<b>1,510,011</b>
<b>Other Comprehensive Income</b>		0	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>1,771,615</u></u>	<u><u>2,037,610</u></u>	<u><u>1,510,011</u></u>

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

**SHIRE OF YALGOO**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2010 \$	2010 Budget \$	2009 \$
<b>REVENUE</b>				
Governance		10,000	10,000	0
General Purpose Funding		3,268,296	2,365,327	3,643,121
Law, Order, Public Safety		284,037	123,250	7,485
Health		419,205	577,975	18,481
Housing		19,494	23,632	17,211
Community Amenities		13,558	21,489	11,155
Recreation and Culture		43,717	420,174	18,865
Transport		814,641	1,222,993	867,553
Economic Services		92,586	616,268	222,488
Other Property and Services		77,706	13,850	69,220
	2 (a)	<u>5,043,240</u>	<u>5,394,958</u>	<u>4,875,579</u>
<b>EXPENSES EXCLUDING FINANCE COSTS</b>				
Governance		(264,803)	(272,386)	(231,125)
General Purpose Funding		(209,832)	(213,989)	(85,207)
Law, Order, Public Safety		(65,194)	(59,900)	(80,562)
Health		(57,868)	(66,813)	(99,057)
Education and Welfare		(805)	(2,100)	(669)
Housing		(160,815)	(188,237)	(169,466)
Community Amenities		(115,360)	(119,619)	(114,794)
Recreation & Culture		(307,474)	(358,635)	(383,085)
Transport		(1,796,813)	(1,560,893)	(1,824,062)
Economic Services		(189,314)	(274,139)	(323,480)
Other Property and Services		(61,526)	(203,134)	(11,799)
	2 (a)	<u>(3,229,804)</u>	<u>(3,319,845)</u>	<u>(3,323,306)</u>
<b>FINANCE COSTS</b>				
General Purpose Funding		0	0	(148)
Housing		(30,724)	(30,862)	(35,040)
Community Amenities		(6,544)	(6,641)	(6,829)
Other Property and Services		(4,553)	0	(245)
	2 (a)	<u>(41,821)</u>	<u>(37,503)</u>	<u>(42,262)</u>
<b>NET RESULT</b>		<u>1,771,615</u>	<u>2,037,610</u>	<u>1,510,011</u>
<b>Total Other Comprehensive Income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>1,771,615</u></u>	<u><u>2,037,610</u></u>	<u><u>1,510,011</u></u>

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



**SHIRE OF YALGOO  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2010**

	NOTE	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	3,162,001	3,022,107
Trade and Other Receivables	4	351,791	153,374
Inventories	5	<u>0</u>	<u>5,495</u>
<b>TOTAL CURRENT ASSETS</b>		<u>3,513,792</u>	<u>3,180,976</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	6,362,538	5,922,898
Infrastructure	7	<u>13,962,098</u>	<u>13,141,987</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>20,324,636</u>	<u>19,064,885</u>
<b>TOTAL ASSETS</b>	16	<u>23,838,428</u>	<u>22,245,861</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	95,657	223,947
Long Term Borrowings	9	25,164	59,323
Provisions	10	<u>118,314</u>	<u>105,451</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>239,135</u>	<u>388,721</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9	534,176	559,340
Provisions	10	<u>10,204</u>	<u>14,502</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>544,380</u>	<u>573,842</u>
<b>TOTAL LIABILITIES</b>		<u>783,515</u>	<u>962,563</u>
<b>NET ASSETS</b>		<u>23,054,913</u>	<u>21,283,298</u>
<b>EQUITY</b>			
Retained Surplus		20,113,005	18,084,771
Reserves - Cash Backed	11	1,789,804	2,046,423
Reserves - Asset Revaluation	12	<u>1,152,104</u>	<u>1,152,104</u>
<b>TOTAL EQUITY</b>		<u>23,054,913</u>	<u>21,283,298</u>

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

**SHIRE OF YALGOO  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2010**

NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2008	16,535,998	2,085,185	1,152,104	19,773,287
Changes in Accounting Policy	0	0	0	0
Correction of Errors	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Restated Balance	16,535,998	2,085,185	1,152,104	19,773,287
Net Result	1,510,011	0	0	1,510,011
Total Other Comprehensive Income	0	0	0	0
Reserve Transfers	38,762	(38,762)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 June 2009</b>	<b>18,084,771</b>	<b>2,046,423</b>	<b>1,152,104</b>	<b>21,283,298</b>
Net Result	1,771,615	0	0	1,771,615
Total Other Comprehensive Income	0	0	0	0
Reserve Transfers	256,619	(256,619)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 June 2010</b>	<b><u>20,113,005</u></b>	<b><u>1,789,804</u></b>	<b><u>1,152,104</u></b>	<b><u>23,054,913</u></b>

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

**SHIRE OF YALGOO  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2010 \$	2010 Budget \$	2009 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,072,479	1,073,104	947,347
Operating Grants, Subsidies and Contributions		1,969,083	1,441,460	1,878,035
Fees and Charges		94,829	62,930	119,246
Interest Earnings		138,433	69,319	107,313
Goods and Services Tax		113,813	275,000	315,710
Other Revenue		24,616	3,180	57,068
		<u>3,413,253</u>	<u>2,924,993</u>	<u>3,424,719</u>
<b>Payments</b>				
Employee Costs		(960,747)	(833,914)	(947,672)
Materials and Contracts		(831,390)	(1,109,128)	(914,114)
Utility Charges		(66,902)	(74,850)	(57,269)
Insurance Expenses		(135,098)	(143,920)	(116,230)
Interest expenses		(43,819)	(38,053)	(43,375)
Goods and Services Tax		(141,079)	(275,000)	(268,388)
Other Expenditure		(83,066)	(55,379)	(42,949)
		<u>(2,262,101)</u>	<u>(2,530,244)</u>	<u>(2,389,997)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>1,151,152</u>	<u>394,749</u>	<u>1,034,722</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(1,225,451)	(2,915,350)	(955,322)
Payments for Construction of Infrastructure		(1,408,375)	(2,179,513)	(1,238,316)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,526,770	2,714,149	1,740,607
Proceeds from Sale of Plant & Equipment		155,121	239,000	91,001
		<u>155,121</u>	<u>239,000</u>	<u>91,001</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>		(951,935)	(2,141,714)	(362,030)
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(59,323)	(41,755)	(55,607)
<b>Net Cash Provided By (Used In) Financing Activities</b>		(59,323)	(41,755)	(55,607)
<b>Net Increase (Decrease) in Cash Held</b>		139,894	(1,788,720)	617,085
Cash at Beginning of Year		3,022,107	3,022,825	2,405,022
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u>3,162,001</u>	<u>1,234,105</u>	<u>3,022,107</u>

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

**SHIRE OF YALGOO  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2010 \$	2010 Budget \$
<b>REVENUE</b>			
Governance		10,000	10,000
General Purpose Funding		2,238,833	1,292,223
Law, Order, Public Safety		284,037	123,250
Health		419,205	577,975
Housing		19,494	23,632
Community Amenities		13,558	21,489
Recreation and Culture		43,717	420,174
Transport		814,641	1,235,635
Economic Services		92,586	616,268
Other Property and Services		<u>77,706</u>	<u>13,850</u>
		4,013,777	4,334,496
<b>EXPENSES</b>			
Governance		(264,803)	(272,386)
General Purpose Funding		(209,832)	(213,989)
Law, Order, Public Safety		(65,194)	(59,900)
Health		(57,868)	(66,813)
Education and Welfare		(805)	(2,100)
Housing		(191,539)	(219,099)
Community Amenities		(121,904)	(126,260)
Recreation & Culture		(312,027)	(358,635)
Transport		(1,796,813)	(1,573,535)
Economic Services		(189,314)	(274,139)
Other Property and Services		<u>(61,526)</u>	<u>(203,134)</u>
		(3,271,625)	(3,369,990)
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
(Profit)/Loss on Asset Disposals	20	(28,581)	7,518
Movement in Accrued Interest		(1,998)	0
Movement in Employee Benefit Provisions		8,565	0
Depreciation and Amortisation on Assets	2(a)	1,247,535	1,246,459
<b>Capital Expenditure and Revenue</b>			
Purchase Land and Buildings		(369,330)	(1,997,878)
Purchase Infrastructure Assets - Roads		(1,208,176)	(1,670,761)
Purchase Infrastructure Assets - Other		(200,199)	(508,752)
Purchase Plant and Equipment		(805,820)	(868,200)
Purchase Furniture and Equipment		(50,302)	(49,272)
Proceeds from Disposal of Assets	20	155,121	239,000
Repayment of Debentures	22(a)	(59,323)	(41,755)
Transfers to Reserves (Restricted Assets)	11	(88,661)	(51,019)
Transfers from Reserves (Restricted Assets)	11	345,280	880,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		895,921	794,886
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		1,611,647	17,836
<b>Amount Required to be Raised from Rates</b>	<b>22</b>	<b><u>(1,029,463)</u></b>	<b><u>(1,073,104)</u></b>

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

**SHIRE OF YALGOO  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

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

**Critical Accounting Estimates**

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

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

**(b) The Local Government Reporting Entity**

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

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

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

**(c) Goods and Services Tax**

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

**(d) Cash and Cash Equivalents**

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

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the statement of financial position.

**(e) Trade and Other Receivables**

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

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

**SHIRE OF YALGOO  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(f) Inventories**

***General***

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

***Land Held for Resale***

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

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

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

**(g) Fixed Assets**

***Initial Recognition***

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

***Revaluation***

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

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

***Land under Roads***

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

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

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

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

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

**SHIRE OF YALGOO  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(h) Depreciation of Non-Current Assets**

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

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

Buildings	35 years
Furniture and Equipment	3 to 10 years
Plant and Equipment	5 to 10 years
Sealed roads and streets clearing and earthworks construction/road base	not depreciated 41 years
Gravel roads clearing and earthworks construction/road base gravel sheet	not depreciated 23 years 23 years
Formed roads (unsealed) clearing and earthworks construction/road base	not depreciated 14 years
Footpaths - slab	not depreciated

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

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

***Classification***

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

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

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

*(ii) Loans and receivables*

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

*(iii) Held-to-maturity investments*

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

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

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

***Recognition and derecognition***

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

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



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

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

***Subsequent measurement***

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

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

***Impairment***

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

**(j) Estimation of Fair Value**

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

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

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

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

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(k) Impairment**

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

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

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

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

**(l) Trade and Other Payables**

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

**(m) Employee Benefits**

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

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

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

**(ii) Long Service Leave (Long-term Benefits)**

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

**(n) Interest-bearing Loans and Borrowings**

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

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

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

***Borrowing Costs***

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(o) Provisions**

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

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

**(p) Leases**

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

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

**(q) Joint Venture**

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the statement of financial position and statement of comprehensive income. Information about the joint venture is set out in Note 16.

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

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

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

**(s) Superannuation**

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

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

**SHIRE OF YALGOO  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

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

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

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

**(u) Rounding Off Figures**

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

**(v) Comparative Figures**

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

**(w) Budget Comparative Figures**

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2010.

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

	<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(i)	AASB 9– Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii)	AASB 124– Related Party Disclosures	December 2009	01 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii)	AASB 2009-5 - Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	May 2009	01 January 2010	Nil – The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
(iv)	AASB 2009-8 - Amendments to Australian Accounting Standards – Group Cash – Settled Share-based Payment Transactions [AASB 2]	July 2009	01 January 2010	Nil - The Council will not have applicable transactions.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	December 2009	01 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(vi) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (ii) above).
(vii) AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	December 2009	01 July 2010	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2010- 1 Amendment to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosure for First-time Adopters [AASB 1 & AASB 7]	February 2010	01 July 2010	

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

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

Title and Topic	Issued	Applicable (*)	Impact
(vi) (Continued)			
AASB 2009- 10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB132]	October 2009	01 February 2010	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
Interpretation 19– Extinguishing Financial Liabilities with Equity Instruments	December 2009	01 July 2010	
AASB 2009– 14 Amendments to Australian Interpretations – Prepayments of a minimum Funding Requirement [AASB Interpretation 14]	December 2009	01 January 2011	

Notes:

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

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

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

The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Council.

**AASB 101: Presentation of Financial Statements**

In September 2007, the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Council's financial statements.

*Disclosure Impact*

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required owner changes in equity and other comprehensive income to be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either a single statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Council has adopted the single statement approach and the financial statements now contain a statement of comprehensive income.

Other Comprehensive Income – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises income and expenses not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

<b>2. REVENUE AND EXPENSES</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net Result includes:		
(i) Charging as an Expense:		
<b>Auditors Remuneration</b>		
- Audit	8,755	12,597
- Other Services	950	9,269
<b>Depreciation</b>		
Land & Buildings	156,961	142,628
Furniture and Equipment	32,953	29,458
Plant and Equipment	469,357	431,432
Roads	584,701	624,234
Other Infrastructure	3,563	0
NWHS Joint Venture	0	2,416
	<u>1,247,535</u>	<u>1,230,168</u>
<b>Interest Expenses (Finance Costs)</b>		
Other	2,556	299
Debentures ( <i>refer Note 21(a)</i> )	39,265	41,962
	<u>41,821</u>	<u>42,261</u>
(ii) Crediting as Revenue:		
	<b>2010</b>	<b>2010</b>
	<b>\$</b>	<b>Budget</b>
		<b>\$</b>
<b>Interest Earnings</b>		
Investments		
- Reserve Funds	89,316	51,019
- Other Funds	39,955	15,300
Other Interest Revenue ( <i>refer note 26</i> )	9,162	3,000
	<u>138,433</u>	<u>69,319</u>
	<u>138,433</u>	<u>107,313</u>

**SHIRE OF YALGOO  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(b) Statement of Objective**

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

**GOVERNANCE**

Administration and operation facilities and services to the members of the Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters that do not concern other specific functions/activities of the Shire are also recorded here.

**GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

Supervision of various by-laws, fire prevention, emergency services and animal control.

**HEALTH**

Food quality, pest control and immunisation services.

**EDUCATION AND WELFARE**

Telecentre Access Point Service.

**HOUSING**

Provision and maintenance of staff, rental and Joint Venture Housing.

**COMMUNITY AMENITIES**

Rubbish collection services, operation of tips, noise control, litter control, administration of the town planning scheme, strategic planning, maintenance of the cemetery, public conveniences and town storm water drainage.

**RECREATION AND CULTURE**

Maintenance of halls, recreation centres and various reserves, operation of libraries, maintenance of cultural heritage assets and TV/radio retransmission services.

**TRANSPORT**

Construction and maintenance of streets, roads, footpaths, drainage works, lighting of streets, maintenance of the depot and airstrips.

**ECONOMIC SERVICES**

Regulation and provision of tourism, area promotion, building control, noxious weeds and vermin control.

**OTHER PROPERTY & SERVICES**

Private works operations, plant repairs and operation costs.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

<b>(c) Conditions Over Grants/Contributions</b>		<b>Opening</b>	<b>Received (+)</b>	<b>Expended (#)</b>	<b>Closing</b>	<b>Received (+)</b>	<b>Expended (#)</b>	<b>Closing</b>
<b>Grant/Contribution</b>	<b>Function/ Activity</b>	<b>Balance (*) 1-Jul-08</b>	<b>2008/09</b>	<b>2008/09</b>	<b>Balance (*) 30-Jun-09</b>	<b>2009/10</b>	<b>2009/10</b>	<b>Balance 30-Jun-10</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Roads to Recovery	Transport	126,410	0	(126,410)	0			0
CLGF	Various	0	380,331	0	380,331	380,331	(283,519)	477,143
RLCIP	Various	0	60,000	0	60,000		(60,000)	0
RLCIP	Rec & Culture	0	0	0	0	30,000	0	30,000
CLGF	GPF	0	0	0	0	35,000	0	35,000
Crime Prevention Grant	Law Order	0	0	0	0	20,000	0	20,000
Black Spot Funding	Transport	0	0	0	0	13,875	0	13,875
National Rural & Remote Health	Health	0	0	0	0	376,125	(22,304)	353,821
<b>Total</b>		<b>126,410</b>	<b>440,331</b>	<b>(126,410)</b>	<b>440,331</b>	<b>855,331</b>	<b>(365,823)</b>	<b>929,839</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.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	442,358	535,353
Restricted	2,719,643	2,486,754
	<u>3,162,001</u>	<u>3,022,107</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	80,852	77,503
Plant Reserve	183,273	367,473
Yalgoo Ninghan Road Reserve	198,008	285,701
Building Reserve	754,338	766,165
Housing Maintenance Reserve	30,939	29,657
General Road Reserve	68,043	65,224
Sports Complex Reserve	100,790	96,615
Community Amenities Maintenance Reserve	106,983	102,550
HCP Reserve	2,804	2,688
Yalgoo Morawa Road Reserve	55,011	52,732
Superannuation Back-Pay Reserve	208,763	200,115
Unspent Grants	929,839	440,331
	<u>2,719,643</u>	<u>2,486,754</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	28,327	71,343
Sundry Debtors	288,619	92,070
Provision for Doubtful Debts	(11,794)	(29,412)
GST Receivable	27,266	0
Prepayments	19,373	19,373
	<u>351,791</u>	<u>153,374</u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	0	5,495
	<u>0</u>	<u>5,495</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings - Cost	5,620,497	5,251,167
Less Accumulated Depreciation	<u>(1,114,775)</u>	<u>(957,814)</u>
	4,505,722	4,293,353
Furniture and Equipment - Cost	410,066	359,765
Less Accumulated Depreciation	<u>(317,571)</u>	<u>(284,618)</u>
	92,495	75,147
Plant and Equipment - Cost	4,058,785	3,547,854
Less Accumulated Depreciation	<u>(2,296,140)</u>	<u>(1,995,132)</u>
	1,762,645	1,552,722
Tools - Cost	6,250	6,250
Less Accumulated Depreciation	<u>(4,574)</u>	<u>(4,574)</u>
	1,676	1,676
	<u>6,362,538</u>	<u>5,922,898</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**Movements in Carrying Amounts**

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

	<b>Land &amp; Buildings \$</b>	<b>Furniture &amp; Equipment \$</b>	<b>Plant &amp; Equipment \$</b>	<b>Tools \$</b>	<b>Total \$</b>
Balance as at 1 July 2009	4,293,353	75,147	1,552,722	1,676	5,922,898
Additions	369,330	50,301	805,820	0	1,225,451
(Disposals)	0	0	(126,540)	0	(126,540)
Revaluation - Increments	0	0	0	0	0
- (Decrements)	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0
- reversals	0	0	0	0	0
Depreciation (Expense)	(156,961)	(32,953)	(469,357)	0	(659,271)
Other Movements	0	0	0	0	0
<b>Balance as at 30 June 2010</b>	<b><u>4,505,722</u></b>	<b><u>92,495</u></b>	<b><u>1,762,645</u></b>	<b><u>1,676</u></b>	<b><u>6,362,538</u></b>

**SHIRE OF YALGOO**  
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	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>7. INFRASTRUCTURE</b>		
Roads - Cost	32,617,235	31,409,059
Less Accumulated Depreciation	<u>(18,950,943)</u>	<u>(18,366,242)</u>
	13,666,292	13,042,817
Infrastructure - Other	299,369	99,170
Less Accumulated Depreciation	<u>(3,563)</u>	<u>0</u>
	295,806	99,170
	<u>13,962,098</u>	<u>13,141,987</u>

**SHIRE OF YALGOO**  
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**7. INFRASTRUCTURE (Continued)**

**Movements in Carrying Amounts**

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

	<u>Roads</u> \$	<u>Other</u> \$	<u>Total</u> \$
Balance as at 1 July 2009	13,042,817	99,170	13,141,987
Additions	1,208,176	200,199	1,408,375
(Disposals)	0	0	0
Revaluation - Increments	0	0	0
- (Decrements)	0	0	0
Impairment - (losses)	0	0	0
- reversals	0	0	0
Depreciation (Expense)	(584,701)	(3,563)	(588,264)
Other Movements	0	0	0
<b>Balance as at 30 June 2010</b>	<b><u>13,666,292</u></b>	<b><u>295,806</u></b>	<b><u>13,962,098</u></b>



**SHIRE OF YALGOO**  
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	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	67,259	145,773
Other Payables	4,408	55,638
PAYGW	21,300	17,848
Accrued Interest on Debentures	2,690	4,688
	<u>95,657</u>	<u>223,947</u>
<b>9. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge Debentures	<u>25,164</u>	<u>59,323</u>
	<u>25,164</u>	<u>59,323</u>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	<u>534,176</u>	<u>559,340</u>
	<u>534,176</u>	<u>559,340</u>
Additional detail on borrowings is provided in Note 21.		
<b>10. PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	65,619	65,302
Provision for Long Service Leave	52,695	40,149
	<u>118,314</u>	<u>105,451</u>
<b>Non-Current</b>		
Provision for Long Service Leave	<u>10,204</u>	<u>14,502</u>
	<u>10,204</u>	<u>14,502</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	2010 \$	2010 Budget \$	2009 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Long Service Leave Reserve</b>			
Opening Balance	77,503	77,458	76,750
Amount Set Aside / Transfer to Reserve	3,349	1,930	3,955
Amount Used / Transfer from Reserve	0	0	(3,202)
	<u>80,852</u>	<u>79,388</u>	<u>77,503</u>
<b>(b) Plant Reserve</b>			
Opening Balance	367,473	367,263	345,915
Amount Set Aside / Transfer to Reserve	15,800	9,164	156,705
Amount Used / Transfer from Reserve	(200,000)	(200,000)	(135,147)
	<u>183,273</u>	<u>176,427</u>	<u>367,473</u>
<b>(c) Building Reserve</b>			
Opening Balance	766,165	765,727	1,131,388
Amount Set Aside / Transfer to Reserve	33,453	19,098	234,777
Amount Used / Transfer from Reserve	(45,280)	(350,000)	(600,000)
	<u>754,338</u>	<u>434,825</u>	<u>766,165</u>
<b>(d) Yalgoo Ninghan Road Reserve</b>			
Opening Balance	285,701	285,538	271,182
Amount Set Aside / Transfer to Reserve	12,307	7,116	14,519
Amount Used / Transfer from Reserve	(100,000)	(100,000)	0
	<u>198,008</u>	<u>192,654</u>	<u>285,701</u>
<b>(e) Sport Complex Reserve</b>			
Opening Balance	96,615	96,560	53,716
Amount Set Aside / Transfer to Reserve	4,175	2,410	42,899
Amount Used / Transfer from Reserve	0	0	0
	<u>100,790</u>	<u>98,970</u>	<u>96,615</u>
<b>(f) Housing Maintenance Reserve</b>			
Opening Balance	29,657	29,641	32,373
Amount Set Aside / Transfer to Reserve	1,282	740	13,084
Amount Used / Transfer from Reserve	0	0	(15,800)
	<u>30,939</u>	<u>30,381</u>	<u>29,657</u>
<b>(g) General Road Reserve</b>			
Opening Balance	65,224	65,186	61,909
Amount Set Aside / Transfer to Reserve	2,819	1,624	3,315
Amount Used / Transfer from Reserve	0	0	0
	<u>68,043</u>	<u>66,810</u>	<u>65,224</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	2010 \$	2010 Budget \$	2009 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(h) Community Amenities Maintenance Reserve</b>			
Opening Balance	102,550	102,491	59,349
Amount Set Aside / Transfer to Reserve	4,433	2,557	43,201
Amount Used / Transfer from Reserve	0	(30,000)	0
	<u>106,983</u>	<u>75,048</u>	<u>102,550</u>
<b>(i) HCP Reserve</b>			
Opening Balance	2,688	2,686	2,551
Amount Set Aside / Transfer to Reserve	116	67	137
Amount Used / Transfer from Reserve	0	0	0
	<u>2,804</u>	<u>2,753</u>	<u>2,688</u>
<b>(j) Yalgoo Morawa Road Reserve</b>			
Opening Balance	52,732	52,701	50,052
Amount Set Aside / Transfer to Reserve	2,279	1,313	2,680
Amount Used / Transfer from Reserve	0	0	0
	<u>55,011</u>	<u>54,014</u>	<u>52,732</u>
<b>(k) Superannuation Back-pay Reserve</b>			
Opening Balance	200,115	200,000	0
Amount Set Aside / Transfer to Reserve	8,648	5,000	200,115
Amount Used / Transfer from Reserve	0	(200,000)	0
	<u>208,763</u>	<u>5,000</u>	<u>200,115</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u><u>1,789,804</u></u>	<u><u>1,216,270</u></u>	<u><u>2,046,423</u></u>

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

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**Long Service Leave Reserve (Previously Titled Leave Reserve)**

- To be used to fund annual and long service leave requirements.
- The title of the reserve account was changed to better reflect the purpose of the reserve.

**Plant Reserve**

- To be used for the purchase of major plant.

**Building Reserve**

- For the replacement of council properties including housing and other properties.

**Yalgoo Ninghan Road Reserve**

- To be used to maintain the sealed road Yalgoo Ninghan Road.

**Sports Complex Reserve**

- For the development of new recreational facilities.

**Community Amenities Maintenance Reserves**

- For the maintenance of community amenities.

**HCP Reserve**

- For future community projects operating expenditure.

**Housing Maintenance Reserve**

- For the maintenance of staff & other housing owned by the Shire.

**Yalgoo Morawa Road Reserve**

- To be used to maintain the sealed road Yalgoo Ninghan Road.

**General Road Reserve**

- For the maintenance of grids, etc on roads in the Shire.

**Superannuation Back-Pay Reserve**

- For the purpose of paying any superannuation back pay costs.

The Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

**12. RESERVES - ASSET REVALUATION**

**2010**

**2009**

**\$**

**\$**

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

(a) **Land and Buildings**

Balance as at 1 July 2009	1,152,104	1,152,104
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2010	<u>1,152,104</u>	<u>1,152,104</u>

TOTAL ASSET REVALUATION RESERVES

1,152,104

1,152,104

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**13. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	2010 \$	2010 Budget \$	2009 \$
Cash and Cash Equivalents	<u>3,162,001</u>	<u>1,234,105</u>	<u>3,022,107</u>

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

Net Result	1,771,615	2,037,610	1,510,011
Depreciation	1,247,535	1,246,459	1,230,168
(Profit)/Loss on Sale of Asset	(28,581)	7,518	12,096
(Increase)/Decrease in Receivables	(198,417)	(15,969)	28,419
(Increase)/Decrease in Inventories	5,495	(2,005)	4,005
Increase/(Decrease) in Payables	(128,290)	(164,715)	9,995
Increase/(Decrease) in Employee Provisions	8,565	0	(19,365)
Grants/Contributions for the Development of Assets	<u>(1,526,770)</u>	<u>(2,714,149)</u>	<u>(1,740,607)</u>
<b>Net Cash from Operating Activities</b>	<u>1,151,152</u>	<u>394,749</u>	<u>1,034,722</u>

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

Bank Overdraft limit	50,000	50,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	15,000	5,000
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>
<b>Total Amount of Credit Unused</b>	<u>65,000</u>	<u>55,000</u>

**Loan Facilities**

Loan Facilities - Current	25,164	59,323
Loan Facilities - Non-Current	<u>534,176</u>	<u>559,340</u>
<b>Total Facilities in Use at Balance Date</b>	<u>559,340</u>	<u>618,663</u>

<b>Unused Loan Facilities at Balance Date</b>	<u>0</u>	<u>0</u>
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**SHIRE OF YALGOO  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

**14. CONTINGENT LIABILITIES**

There are no known contingent liabilities as at balance date.

**15. CAPITAL AND LEASING COMMITMENTS**

**2010**

**2009**

**\$**

**\$**

**(a) Finance Lease Commitments**

There were no finance lease commitments at balance date.

**(b) Operating Lease Commitments**

There were no operating lease commitments at balance date.

**(c) Capital Expenditure Commitments**

Contracted for:

- capital expenditure projects

763,715

0

Payable:

- not later than one year

763,715

0

The capital expenditure project outstanding at the end of the current reporting period represents \$396,545 for the Health Centre, \$356,790 for Water Playground, \$4,380 for ramp at Paynes Find and \$6,000 for solar lights at Town Entry Statements.

**SHIRE OF YALGOO  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

**16. JOINT VENTURE**

The Shire does not participate in any joint ventures.

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

Governance	3,216	399,825
General Purpose Funding	3,263,639	2,718,250
Law, Order, Public Safety	291,375	35,676
Health	24,402	778
Housing	1,832,645	1,807,217
Community Amenities	433,058	382,741
Recreation and Culture	1,541,209	1,197,504
Transport	14,680,195	13,912,442
Economic Services	565,599	523,709
Other Property and Services	1,187,320	1,297,010
Unallocated	15,770	-29,291
	<u>23,838,428</u>	<u>22,245,861</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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18. FINANCIAL RATIOS	2010	2009	2008
Current Ratio	5.017	2.231	1.291
Untied Cash to Unpaid Trade Creditors Ratio	4.758	3.639	1.081
Debt Ratio	0.033	0.043	0.049
Debt Service Ratio	0.028	0.031	0.079
Gross Debt to Revenue Ratio	0.159	0.197	0.263
Gross Debt to Economically Realisable Assets Ratio	0.023	0.068	0.082
Rate Coverage Ratio	0.206	0.210	0.214
Outstanding Rates Ratio	0.026	0.070	0.021

The above ratios are calculated as follows:

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



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**19. TRUST FUNDS**

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

	Balance 1-Jul-09 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-10 \$
Yamatji BBMAC	150	0	0	150
Community Bus Bond - School	350	0	0	350
Housing Bonds	1,878	360	(180)	2,058
Land Auction Proceeds	2,500	0	0	2,500
Casual Hall Bond	150	0	0	150
Library Bond	25	0	0	25
Land Deposit	880	0	0	880
BCITF	0	1,336		1,336
Candidate Deposits	0	400	(400)	0
Unallocated	42,773	0	(42,900)	(127)
	<u>48,706</u>			<u>7,322</u>

**20. DISPOSALS OF ASSETS - 2009/10 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Ride on Mower	0	1,157	0	4,000	0	2,843
Canter	0	0	2,730	10,000	2,730	10,000
Work Ute - YA 453	0	30,345	0	25,000	0	(5,345)
Work Ute - YA 456	26,549	60,896	22,727	50,000	(3,822)	(10,896)
Foreman's Ute - YA 899	32,793	67,322	24,273	55,000	(8,520)	(12,322)
Towed MT Roller	0	0	0	2,000	0	2,000
Iveco	0	42,358	0	45,000	0	2,642
Forklift	0	0	4,000	2,000	4,000	2,000
Fuel Trailer	0	0	0	2,000	0	2,000
Fuel Trailer	0	0	0	2,000	0	2,000
Fuel Trailer	0	0	0	2,000	0	2,000
Mitsubishi Pajero - Y0	36,776	44,440	31,818	40,000	(4,958)	(4,440)
Tip Truck	30,422	0	59,000	0	28,578	0
Kubota Tractor	0	0	10,573	0	10,573	0
	<u>126,540</u>	<u>246,518</u>	<u>155,121</u>	<u>239,000</u>	<u>28,581</u>	<u>(7,518)</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**21. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-09 \$	New Loans \$	Principal Repayments		Principal 30-Jun-10		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Housing</b>								
Loan 51 - A & B Selwyn	54,466	0	35,717	18,150	18,749	51,241	3,029	1,223
Loan 53 - 19 A & B Stanley	201,475	0	8,616	8,616	192,859	192,859	13,237	12,951
Loan 55 - 18 C & D Shamrock	256,216	0	10,551	10,551	245,665	245,665	16,358	16,688
<b>Community Amenities</b>								
Loan 54 - Public Conveniences	106,505	0	4,439	4,438	102,067	102,067	6,641	6,641
	618,662	0	59,323	41,755	559,340	591,832	39,265	37,503

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

(b) New Debentures - 2009/10

There were no new debentures in 2009/10.

(c) Unspent Debentures

There were no unspent debentures as at 30th June 2010.

(d) Overdraft

Council established an overdraft facility of \$50,000 in 2000 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2009 and 30 June 2010 was \$Nil.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**22. RATING INFORMATION - 2009/10 FINANCIAL YEAR**

<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>Differential General Rate</b>											
GRV - Townsite Improved	0.0759	35	225,564	16,505	1,309	0	17,814	16,505	0	0	16,505
GRV - Townsite Vacant	0.0759	0	0	0	0	0	0	0	0	0	0
UV - Mining	0.2446	122	3,805,854	805,810	40,067	0	845,877	851,466	368	0	851,834
UV - Pastoral/Rural	0.0782	21	630,412	48,970	392	0	49,362	48,907	0	0	48,907
UV - Exploration/Prospecting	0.1308	98	520,868	86,136	(22,746)	0	63,390	95,744	0	0	95,744
<b>Sub-Totals</b>		276	5,182,698	957,421	19,022	0	976,443	1,012,622	368	0	1,012,989
<b>Minimum Rates</b>	<b>Minimum \$</b>										
GRV - Townsite Improved	225	5	4,198	1,125	0	0	1,125	1,125	0	0	1,125
GRV - Townsite Vacant	521	12	497	6,773	(521)	0	6,252	6,773	0	0	6,773
UV - Mining	225	38	23,438	9,326	1,022	0	10,348	9,450	0	0	9,450
UV - Pastoral/Rural	225	2	1,347	675	(225)	0	450	675	0	0	675
UV - Special Use	225	0	0	0	100	0	100	0	0	0	0
UV - Exploration/Prospecting	225	102	73,495	24,750	3,039	0	27,789	26,775	0	0	26,775
<b>Sub-Totals</b>		159	102,975	42,649	3,415	0	46,064	44,798	0	0	44,798
Ex-Gratia Rates							1,022,507				1,057,787
Write-Offs							15,317				15,317
<b>Totals</b>							(8,361)				0
							<b>1,029,463</b>				<b>1,073,104</b>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**23. SPECIFIED AREA RATE - 2009/10 FINANCIAL YEAR**

Council did not impose any specified area rates in the 2009/10 financial year.

**24. SERVICE CHARGES - 2009/10 FINANCIAL YEAR**

No service charges were levied in the 2009/10 financial year.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2009/10 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Rate Assessment	Write-Off		8,361	0

**26. INTEREST CHARGES AND INSTALMENTS - 2009/10 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		9,162	3,000
			9,162	3,000

Ratepayers had the option of paying rates in four equal instalments, due on 5th October 2009, 7th December 2009, 8th February 2010 and 8th April 2010.

**27. FEES & CHARGES**

	2010 \$	2009 \$
General Purpose Funding	6,701	4,517
Law, Order, Public Safety	7,408	552
Health	0	1,521
Housing	19,494	15,307
Community Amenities	10,828	11,155
Recreation and Culture	1,875	3,565
Economic Services	18,432	33,220
Other Property and Services	30,091	16,450
	<u>94,829</u>	<u>86,287</u>

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

<b>28. GRANT REVENUE</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	2,187,719	1,878,035
Non-Operating Grants, Subsidies and Contributions	<u>1,526,770</u>	<u>1,740,607</u>
	<u><u>3,714,489</u></u>	<u><u>3,618,642</u></u>
<b>By Program:</b>		
Governance	10,000	0
General Purpose Funding	2,093,557	2,531,732
Law, Order, Public Safety	276,995	6,933
Health	419,205	9,900
Recreation and Culture	30,000	15,000
Transport	810,641	852,098
Economic Services	74,091	189,360
Other Property and Services	0	13,619
	<u><u>3,714,489</u></u>	<u><u>3,618,642</u></u>

<b>29. COUNCILLORS' REMUNERATION</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	16,307	16,840	10,427
President's Allowance	6,300	6,300	5,500
Deputy President's Allowance	958	1,050	833
Travelling Expenses	11,249	11,000	9,392
Telecommunications Allowance	0	0	2,300
	<u><u>34,814</u></u>	<u><u>35,190</u></u>	<u><u>28,452</u></u>

<b>30a) EMPLOYEE NUMBERS</b>	<b>2010</b>	<b>2009</b>
The number of full-time equivalent employees at balance date	<u><u>16</u></u>	<u><u>21</u></u>

<b>30b) EMPLOYEES' REMUNERATION</b>	<b>2010</b>	<b>2009</b>
Set out below in bands of \$10,000 is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.		
<b>Salary Range \$</b>		
100,000 - 109,999		1
110,000 - 119,999		
120,000 - \$129,999	1	

**31. MAJOR LAND TRANSACTIONS**

No major land transactions occurred during the year.

**32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2009/10 financial year.

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**33. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	3,162,001	3,022,107	3,162,001	3,022,107
Receivables	351,791	153,374	351,791	153,374
	<u>3,513,792</u>	<u>3,175,481</u>	<u>3,513,792</u>	<u>3,175,481</u>
<b>Financial Liabilities</b>				
Payables	95,657	223,947	95,657	223,947
Borrowings	559,340	618,663	311,560	347,435
	<u>654,997</u>	<u>842,610</u>	<u>407,217</u>	<u>571,382</u>

Fair value is determined as follows:

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(a) Cash and Cash Equivalents**

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

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

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

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

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

	<b>30-Jun-10</b>	<b>30-Jun-09</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	31,858	22,337
- Income Statement	31,858	22,337

**Notes:**

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

Recent market volatility has seen large market movements for certain types of investments.

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**33. 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

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

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

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

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

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

	<b>30-Jun-10</b>	<b>30-Jun-09</b>
Percentage of Rates and Annual Charges		
- Current	0.00%	11.71%
- Overdue	100.00%	88.29%
Percentage of Other Receivables		
- Current	94.27%	76.08%
- Overdue	5.73%	23.92%



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**33. 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>2010</u></b>					
Payables	95,657	0	0	95,657	95,657
Borrowings	79,216	239,371	514,631	833,218	559,340
	<u>174,873</u>	<u>239,371</u>	<u>514,631</u>	<u>928,875</u>	<u>654,997</u>
<b><u>2009</u></b>					
Payables	223,947	0	0	223,947	223,947
Borrowings	58,118	0	875,784	933,902	618,663
	<u>282,065</u>	<u>0</u>	<u>875,784</u>	<u>1,157,849</u>	<u>842,610</u>

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

**(c) Borrowings (Continued)**

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

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

	<u>&lt;1 year</u>	<u>&gt;1&lt;2 years</u>	<u>&gt;2&lt;3 years</u>	<u>&gt;3&lt;4 years</u>	<u>&gt;4&lt;5 years</u>	<u>&gt;5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<b><u>Year Ended 30 June 2010</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	44,649	26,824	28,593	30,479	32,489	156,081	319,115	6.56%
Weighted Average Effective Interest Rate	6.63%	6.49%	6.49%	6.49%	6.49%	6.49%		
<b><u>Year Ended 30 June 2009</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	54,468					564,195	618,663	6.52%
Weighted Average Effective Interest Rate	6.83%					6.49%		