



# Annual Report

For the year ending 30 June 2008

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## KEY STATISTICS

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	2007/08	2006/07	2005/06
Total number of residents	242 in the 2006 Census		
Total number of rateable properties	429	400	315
Rates levied	959,121	\$773,657	\$695,871
Minimum general residential rate	220	\$200	\$400
Minimum general commercial rate	220	\$200	\$400
Minimum general pastoral rate	220	\$200	\$300
Minimum general mining rate	220	\$200	\$300
Revenue from Ordinary Activities	\$2,353,949	\$2,796,024	\$2,709,628
Net current assets	\$2,221,601	\$1,956,157	\$1,756,235
Grants and Subsidies – Operating	\$1,101,664	\$1,756,099	--
Grants and Subsidies – Non-Operating	\$1,640,236	\$645,091	--
Debt servicing ratio	0.079	0.05	0.04
Total number of employees (full time)	17	17	16
Building applications approved	4	4	1
Value of building applications approved	\$5,945,760	\$2,690,000	\$3,154,000

## **PRESIDENT'S REPORT**

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I am pleased to present the President's Report for the Shire of Yalgoo for the Year Ending 30 June 2008.

### Roadworks

After almost 18 months of consistent effort, the final road works repairs from Cyclone Clare in early 2006 were completed in late 2007. These repair works were extensive, and took the crew away from much needed construction and maintenance works in other parts of the Shire.

There were widespread rains in early 2008, once again, however, the damage was not as severe.

Work has continued on both the Yalgoo-Morawa Road and the Yalgoo-Ninghan Roads to extend the bitumen seal.

### Healthy Community Project

The Healthy Community Project continues to be an important project of the Shire for the benefit of the children of Yalgoo, with two staff employed. We are grateful for the continued support of Dept of Families, Children's Services and Indigenous Affairs, Lotterywest and Oxiana Golden Grove (now OZ Minerals)

### Council

Cr Elaine Taylor decided not to seek re-election at the October 2007 elections, after 15 years on Council, being a vigorous advocate for the Paynes Find area. Cr Terry Iturbide was elected in her place, and I extend my congratulations to her and also to Crs Laurence Hodder and Darryl Grey on their re-election.

At the November 2007 Council Meeting, elections for President and Deputy President were held, and I was fortunate to once again, be elected as President. Cr Ellen Rowe was elected as Deputy President once again.

I would like to thank all Councillors for their support and dedication, and for their commitment to the community.

**Cr Don Anderson**

President

## **ELECTED MEMBERS REPORT**

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For the General Local Government elections in 2007, the date was shifted from May to October.

The October 2007 were contested by seven candidates, with Cr Don Anderson, Cr Laurence Hodder and Cr Darryl Grey re-elected. Cr Terry Iturbide was elected to Council for the first time.

### Councillors

President:	Cr Donald Edward Anderson	Term expires 2011
Deputy President:	Cr Ellen Cecilia Rowe	Term expires 2009
Members	Cr Darryl John Grey	Term expires 2011
	Cr Laurence Hodder	Term expires 2011
	Cr Terry Iturbide	Term expires 2011
	Cr Damian Patrick Morrissey	Term expires 2009
	Cr Lorraine Joy O'Connor	Term expires 2009

### Attendance at Council Meetings

There were 10 Ordinary Meetings and 2 Special Meetings of Council held between 1 July 2007 and 30 June 2008. A breakdown of Councillors' presence at ordinary meetings is detailed in the table below.

	<u>Ordinary Meetings</u>	<u>Special Meetings</u>
Cr DE Anderson	10 of 10	2 of 2
Cr EC Rowe	7 of 10	2 of 2
Cr DJ Grey	10 of 10	2 of 2
Cr L Hodder	10 of 10	2 of 2
Cr DP Morrissey	8 of 10	1 of 2
Cr LJ O'Connor	10 of 10	2 of 2
Cr E Taylor (did not re-nominate)	3 of 4	1 of 2
Cr TK Iturbide (elected)	5 of 6	0 of 0

### Councillor's Remuneration

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

Fees, Expenses, Allowances	Actual 2007/08 \$	Budget 2007/08 \$	Actual 2006/07 \$	Budget 2006/07 \$
Meeting Fees	12,618	20,000	13,070*	14,410
President's Allowance	5,500	6,000	7,000*	6,000
Deputy President's Allowance	917	0	833*	1,000
Travelling Expenses	10,577	11,000	9,488	10,935
Telecommunication Allowance	0	0	4,200*	4,800
<b>Total</b>	<b>29,612</b>	<b>37,000</b>	<b>34,591</b>	<b>37,145</b>

## **CHIEF EXECUTIVE OFFICER'S REPORT**

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### Staff

The turnover of staff continues to be a challenge to the Shire, one which many employers face, particularly those in regional or remote areas and with a relatively small total staff number.

Through all these changeovers, I would like to thank those who have left for their contribution to the organisation, and those who have come for their willingness.

I do appreciate the efforts that all staff make on behalf of the Shire and the community, and would especially like to note my appreciation to Cliff Hodder (Snr), who has been with the Shire since 1992, and to Ron Adams, whose resignation as Deputy CEO took effect in August 2007. Leanda Adams had also advised of her resignation, to finish August 2008, after 18 very busy and hectic months as Community Capacity Builder with the Health Community Project.

### Plant & Vehicles

Only two major purchases of plant items were made during the year –

- changeover of a grader
- purchase of an additional semi-water tanker (second hand)

Change over of cars and utilities continued as per Council policy and budget allocations.

As in past years, most of the changeover costs of plant have been met from the Plant Reserve to which Council contributes each year thereby negating the need to take out loans for plant.

### Environmental Health

Environmental Health Services continued to be provided in a joint venture with the Shires of Mingenew and Morawa, based in Morawa. Mr David Williams travelled from Morawa most Tuesdays and every second Friday or at other times when necessary. Mr Williams also looks after Town Planning and Building services, as well as Occupational Health for the Shire.

In May 2007, the Shire of Morawa indicated that the demand on Mr Williams time was increasing significantly, and that changes were looming for the Scheme, likely to be required to be implemented by late 2007 or early 2008.

**Niel Mitchell**  
Chief Executive Officer

## **OTHER REPORTS**

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### **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. Its primary objective is to establish a series of targets for the Shire's major projects, in line with the Shire's Strategic Plan.

The Shire has identified the following main programs as its major projects, and these form the basis of the Plan for the Future activities for 2007/08. Some of the expected activities in 2008/09 are:

#### 1. Economic Prosperity

- Maintenance and operation of the Yalgoo Airport
- Asset acquisition and replacement
- Develop partnerships with mining companies in the Shire area.
- Promote and progress partnerships and regional development opportunities.

#### 2. Environmental Integrity

- Improve the efficiency of the Bush Fire Brigade
- Implementation of landfill waste reduction programs
- Pursue increased State Government action to control feral animals.

#### 3. Social Equity

- Review asset and risk management programs
- Progress training and development programs for Councillors and staff
- Review the Shire's governance structure, delegations and policies
- Continue the sealing, of Yalgoo–Ninghan Road, Yalgoo–Morawa Road, and town streets
- Develop plans and seek funding to construct a path and trails network within the town, on the town outskirts, and within the district

#### 4. Community Well-being

- 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
- Identify priorities, source funding and implement actions for development of recreation facilities and reserves, arts and other cultural pursuits, sporting clubs and community organisations
- Encourage and support volunteers, with particular focus on promotion, training and recognition.
- Implementation of the Disability Access and Inclusion Plan adopted in August 2007
- Explore opportunities to expand and further develop the Health Community Project, in co-operation with FaCSIA, Oxiana Mining and other potential partners.

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.

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 2007/08 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.

## **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 also 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.

- Changes made to access to public buildings – Old Railway Station Complex, Caravan Park, Public Conveniences and Town Hall
- *Further modifications planned to be made in 2007/08*

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*
- *Staff frequently travel to the person wishing to discuss an issue, rather than requiring them to attend the office*
- *Email facilities to contact staff for those with internet access*
- *Regular attendance to Paynes Find on days of the Royal Flying Doctors Service clinic is planned*



## **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 seven 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 third Thursday of each month commencing at 11.00 am. All members of the public are welcome to attend.

Local public notice is given prior to 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 Zone Strategy Group (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, it is requested that items for consideration reach the Council Office at least 12 days prior to Council Meeting, as agendas are prepared for distribution to Councillors and relevant staff members 8 days in advance of the Council meeting. A copy of the agenda is available to the public prior to 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.

*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 are –

- Deputations – With the permission of the President, a member of the public may address Council personally, on behalf of another or 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 at the Council officers, free of charge. Copies of these documents can be made available, although some will have a charge to cover photocopying. Information that is available includes –

- Committee Agendas
- Council Agendas
- Minutes of Committee Meetings
- Minutes of Council Meetings
- Delegations Manual
- Policy Manual
- Annual Budget
- Annual Report
- Annual Financial Statement
- Council Local Laws
- Town Planning Scheme
- Electoral Rolls
- Plan for the Future
- 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 least possible cost, and whenever possible documents will be provided outside the FOI process.

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>.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*

- *Advance deposit may be required of the estimated charges* 25%
- *Further advance deposit may be required to meet the charges for dealing with the application.* 75%

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 –

1. From time to time (where necessary) an external consultant is brought to run a recordkeeping training session for staff. Staff are also encouraged to attend training courses outside the organisation whenever practicable.
2. Information sessions are conducted for staff as required.
3. The Shire provides brochures or newsletters to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.
4. 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.

### **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.



**SHIRE OF YALGOO**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

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SHIRE OF YALGOO  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2008

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 2008 are in my opinion properly drawn up to present fairly the financial position of the Shire of Yalgoo at 30th June 2008 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 regulations under that Act.

Signed on the *9<sup>th</sup>* day of *December* 2008.



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Neil Mitchell  
Chief Executive Officer



**SHIRE OF YALGOO**  
**INCOME STATEMENT**  
**BY NATURE OR TYPE**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2008 \$	2008 Budget \$	2007 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Rates	22	894,737	839,511	732,030
Grants and Subsidies	28	1,101,664	1,682,582	1,756,099
Contributions, Reimbursements and Donations		108,292	224,765	28,891
Fees and Charges	27	75,694	75,873	121,929
Interest Earnings	2(a)	171,546	64,000	116,315
Other Revenue		2,016	550	40,760
		<u>2,353,949</u>	<u>2,887,281</u>	<u>2,796,024</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs		(926,770)	(620,878)	(935,639)
Materials and Contracts		(603,107)	(882,823)	(622,402)
Utilities		(65,183)	(82,733)	(71,642)
Depreciation	2(a)	(1,496,903)	(1,647,542)	(1,597,162)
Interest Expenses	2(a)	(52,344)	(52,655)	(69,726)
Insurance		(120,897)	(119,750)	(110,098)
Other Expenditure		(118,168)	(43,582)	(70,989)
		<u>(3,383,372)</u>	<u>(3,449,963)</u>	<u>(3,477,658)</u>
		(1,029,423)	(562,682)	(681,634)
Grants and Subsidies - non-operating	28	1,640,236	451,994	645,091
Profit on Asset Disposals	20	205,717	16,055	40,589
Loss on Asset Disposals	20	<u>(9,598)</u>	<u>(8,713)</u>	<u>(13,512)</u>
<b>NET RESULT</b>		<u><u>806,932</u></u>	<u><u>(103,346)</u></u>	<u><u>(9,466)</u></u>

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

**SHIRE OF YALGOO**  
**INCOME STATEMENT**  
**BY PROGRAM**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2008 \$	2008 Budget \$	2007 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
General Purpose Funding		2,556,342	2,376,898	2,280,372
Law, Order, Public Safety		2,793	600	34,296
Health		51,909	150	167
Education and Welfare		27	50	268
Housing		31,601	34,000	25,761
Community Amenities		23,264	9,873	10,516
Recreation and Culture		9,903	1,750	118,127
Transport		1,081,906	605,888	692,463
Economic Services		367,520	281,516	230,092
Other Property and Services		74,637	40,605	89,642
	2 (a)	4,199,902	3,351,330	3,481,704
<b>EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE</b>				
Governance		(200,717)	(236,162)	(149,175)
General Purpose Funding		(78,079)	(70,307)	(43,857)
Law, Order, Public Safety		(54,833)	(54,041)	(46,932)
Health		(50,233)	(70,233)	(59,069)
Education and Welfare		(912)	(5,212)	(1,927)
Housing		(202,552)	(239,807)	(154,442)
Community Amenities		(103,299)	(152,605)	(90,770)
Recreation & Culture		(312,246)	(315,066)	(226,536)
Transport		(2,053,539)	(1,844,355)	(1,903,617)
Economic Services		(383,651)	(388,033)	(253,792)
Other Property and Services		97,097	(30,650)	(500,394)
	2 (a)	(3,342,964)	(3,406,471)	(3,430,511)
<b>BORROWING COSTS EXPENSE</b>				
Housing		(42,717)	(44,715)	(51,985)
Community Amenities		(7,079)	(7,159)	(7,293)
Transport		(210)	(331)	(1,381)
	2 (a)	(50,006)	(52,205)	(60,659)
<b>NET RESULT</b>		806,932	(107,346)	(9,466)

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

**SHIRE OF YALGOO**

**BALANCE SHEET**

**AS AT 30TH JUNE 2008**

	<b>NOTE</b>	<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	2,405,022	2,118,110
Trade and Other Receivables	4	181,793	57,645
Inventories	5	9,500	12,804
<b>TOTAL CURRENT ASSETS</b>		<u>2,596,315</u>	<u>2,188,559</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	5,676,605	5,303,839
Infrastructure	7	12,527,905	12,501,872
<b>TOTAL NON-CURRENT ASSETS</b>		<u>18,204,510</u>	<u>17,805,711</u>
<b>TOTAL ASSETS</b>	17	<u>20,800,825</u>	<u>19,994,270</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	213,950	98,018
Long Term Borrowings	9	55,607	68,974
Provisions	10	105,157	65,410
<b>TOTAL CURRENT LIABILITIES</b>		<u>374,714</u>	<u>232,402</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9	618,663	757,535
Provisions	10	34,161	37,978
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>652,824</u>	<u>795,513</u>
<b>TOTAL LIABILITIES</b>		<u>1,027,538</u>	<u>1,027,915</u>
<b>NET ASSETS</b>		<u>19,773,287</u>	<u>18,966,355</u>
<b>EQUITY</b>			
Retained Surplus		16,535,998	16,476,073
Reserves - Cash/Investment Backed	11	2,085,185	1,338,178
Reserves - Asset Revaluation	12	1,152,104	1,152,104
<b>TOTAL EQUITY</b>		<u>19,773,287</u>	<u>18,966,355</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 2008**

	NOTE	2008 \$	2007 \$
<b>RETAINED SURPLUS</b>			
Balance as at 1 July 2007		16,476,073	16,612,091
Net Result		806,932	(9,466)
Transfer from/(to) Reserves		(747,007)	(126,552)
Balance as at 30 June 2008		<u>16,535,998</u>	<u>16,476,073</u>
<b>RESERVES - CASH/INVESTMENT BACKED</b>			
Balance as at 1 July 2007		1,338,178	1,211,626
Amount Transferred (to)/from Retained Surplus		747,007	126,552
Balance as at 30 June 2008	11	<u>2,085,185</u>	<u>1,338,178</u>
<b>RESERVES - ASSET REVALUATION</b>			
Balance as at 1 July 2007		1,152,104	1,152,104
Revaluation Increment		0	0
Revaluation Decrement		0	0
Balance as at 30 June 2008	12	<u>1,152,104</u>	<u>1,152,104</u>
<b>TOTAL EQUITY</b>		<u><u>19,773,287</u></u>	<u><u>18,966,355</u></u>

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

**SHIRE OF YALGOO**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2008 \$	2008 Budget \$	2007 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		909,916	839,511	766,125
Grants and Subsidies - operating		1,101,664	1,682,582	1756099
Contributions, Reimburse and Donations		61,657	224,765	28,891
Fees and Charges		29,068	74,376	199,154
Interest Earnings		171,546	60,000	116,315
Goods and Services Tax		215,402	200,000	186,194
Other		2,017	550	40,760
		<u>2,491,270</u>	<u>3,081,784</u>	<u>3,093,538</u>
<b>Payments</b>				
Employee Costs		(921,848)	(620,878)	(898,772)
Materials and Contracts		(451,396)	(922,290)	(676,296)
Utilities (gas, electricity, water, etc)		(65,183)	(82,733)	(71,642)
Insurance		(120,897)	(119,750)	(110,098)
Interest		(53,812)	(52,655)	(66,453)
Goods and Services Tax		(261,468)	(200,000)	(177,159)
Other		(118,168)	(44,032)	(70,989)
		<u>(1,992,772)</u>	<u>(2,042,338)</u>	<u>(2,071,409)</u>
<b>Net Cash Provided By (Used In)</b>				
<b>Operating Activities</b>	13(b)	<u>498,498</u>	<u>1,039,446</u>	<u>1,022,129</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of				
Property, Plant & Equipment		(1,027,396)	(1,504,457)	(657,977)
Payments for Construction of				
Infrastructure		(986,597)	(990,008)	(494,382)
Payments for Purchase of Investments		0	0	(955,799)
Grants/Contributions for				
the Development of Assets		1,640,236	451,994	645,091
Proceeds from Sale of Plant & Equipment		314,410	99,729	135,000
Proceeds from Sale of Investments		0	0	955,799
		<u>0</u>	<u>0</u>	<u>955,799</u>
<b>Net Cash Provided By (Used In)</b>				
<b>Investing Activities</b>		(59,347)	(1,942,742)	(372,268)
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(152,239)	(68,973)	(77,613)
<b>Net Cash Provided By (Used In)</b>				
<b>Financing Activities</b>		(152,239)	(68,973)	(77,613)
<b>Net Increase (Decrease) in Cash Held</b>		286,912	(972,269)	572,248
Cash at Beginning of Year		2,118,110	2,118,111	1,545,862
<b>Cash and Cash Equivalents</b>				
<b>at the End of the Year</b>	13(a)	<u><u>2,405,022</u></u>	<u><u>1,145,842</u></u>	<u><u>2,118,110</u></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 2008**

	NOTE	2008 \$	2008 Budget \$
<b>REVENUES</b>			
General Purpose Funding		1,661,605	1,537,387
Law, Order, Public Safety		2,793	600
Health		51,909	150
Education and Welfare		27	50
Housing		31,601	34,000
Community Amenities		23,264	9,873
Recreation and Culture		9,903	1,750
Transport		1,081,906	605,888
Economic Services		367,520	281,516
Other Property and Services		74,637	40,605
		3,305,165	2,511,819
<b>EXPENSES</b>			
Governance		(200,717)	(236,162)
General Purpose Funding		(78,079)	(70,307)
Law, Order, Public Safety		(54,833)	(54,041)
Health		(50,233)	(70,233)
Education and Welfare		(912)	(5,212)
Housing		(245,269)	(284,522)
Community Amenities		(110,378)	(159,764)
Recreation & Culture		(312,246)	(315,066)
Transport		(2,053,749)	(1,844,686)
Economic Services		(383,651)	(388,033)
Other Property and Services		97,097	(30,650)
		(3,392,970)	(3,458,676)
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
(Profit)/Loss on Asset Disposals	20	(196,119)	(7,342)
Movement in Accrued Interest	8	(1,468)	0
Movement in Accrued Salaries and Wages	8	(31,008)	0
Movement in Employee Benefit Provisions	9	35,930	0
Depreciation and Amortisation on Assets	2(a)	1,496,903	1,647,542
<b>Capital Expenditure and Revenue</b>			
Purchase Land and Buildings	6	(236,963)	(783,257)
Purchase Infrastructure Assets - Roads	7	(986,597)	(990,008)
Purchase Plant and Equipment	6	(775,809)	(690,200)
Purchase Furniture and Equipment	6	(14,624)	(31,000)
Proceeds from Disposal of Assets	20	314,410	99,729
Repayment of Debentures	21	(152,239)	(68,973)
Transfers to Reserves (Restricted Assets)	11	(971,666)	(647,664)
Transfers from Reserves (Restricted Assets)	11	224,659	840,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		790,641	738,519
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		302,982	0
<b>Amount Required to be Raised from Rates</b>	<b>22</b>	<b>(894,737)</b>	<b>(839,511)</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 2008**

**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 Balance Sheet are stated inclusive of applicable GST.

**(d) Cash and Cash Equivalents**

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

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

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

**(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.

**(f) Inventories**

***General***

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

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

***Land Held for Resale***

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

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

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

**(g) Fixed Assets**

***Initial Recognition***

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

***Revaluation***

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

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

***Land under Roads***

Land under roads is excluded from infrastructure in accordance with the transition arrangements available under AASB 1045 and in accordance with legislative requirements.



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**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	not depreciated
construction/road base	41 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	23 years
gravel sheet	23 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	14 years
Footpaths - slab	not depreciated

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**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 reporting date.

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

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

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those 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 balance sheet.

*(iii) Held-to-maturity investments*

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

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

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

***Recognition and derecognition***

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

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

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

***Impairment***

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

**(j) Estimation of Fair Value**

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

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

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

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

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

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

**(k) Impairment**

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

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

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

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

**(l) Trade and Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the local government 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 the balance sheet date.

***Borrowing Costs***

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**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 local government'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 Balance Sheet and Income Statement. 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 Shire of Yalgoo 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 2008**

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

**(t) Rounding Off Figures**

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

**(u) Comparative Figures**

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

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

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

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

**(w) New Accounting Standards and Interpretations**

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 2008.

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-I 12 Service Concession Arrangements, AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 12, revised UIG 4 Determining whether an Arrangement contains a Lease and revised UIG 129 Service Concession Arrangements: Disclosures	February 2007	1 January 2008	Nil – Council is not party to any Service Concession Arrangements.
(ii)	AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(iii)	Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007	1 January 2009	Nil – The revised Standard has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Council as the council already capitalises borrowing costs relating to qualifying assets.
(iv)	AASB-I 13 Customer Loyalty Programmes	August 2007	1 July 2008	Nil – Council has no Customer Loyalty Programmes.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

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

**(w) New Accounting Standards and Interpretations (Continued)**

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB-I 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	August 2007	1 January 2008	Nil – The Interpretation provides guidance on the maximum amount that may be recognised as an asset in defined benefit plans. Council does not currently contribute to any defined benefit plans. Consequently, there is not expected to be any impact on the financial statements.
(vi) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of financial position), being as at the beginning of the comparative period.
(vii) AASB 1049 Whole of Government and General Government Sector Financial	October 2007	1 July 2008(+)	Nil – The Standard is not applicable to Local Governments.



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

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

**(w) New Accounting Standards and Interpretations (Continued)**

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 1050 Administered Items: AASB 1051 Land Under Roads, AASB 1052 Disaggregated Disclosures, revised AASB 1004 Contributions, AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31 and revised interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities	December 2007	1 July 2008(+)	<ul style="list-style-type: none"> <li>• AASB 1050 is only applicable to Government departments and will have no impact on Council.</li> <li>• AASB 1051 will allow Council to recognise or not recognise land under roads acquired before 30 June 2008. Land under roads acquired after 30 June 2008 must be recognised.</li> <li>• AASB 1052 requires disclosure of financial information by function or activity. Council already provides this information so there will be no additional impact on the financial statements.</li> <li>• This Standard will have a significant impact on the Council's financial statements.</li> <li>• AASB 1004 requires contributions made to Council to be recognised at fair value when they are controlled and to be appropriately disclosed. Council already accounts for contributions in this manner so there will be no additional impact on the financial statements.</li> </ul>

**Notes:**

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

(+) - Applicable to not-for-profit and/or public sector entities only.

**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

<b>2. REVENUES AND EXPENSES</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Result from Ordinary Activities</b>		
The Result from Ordinary Activities includes:		
(i) Charging as an Expense:		
<b>Auditors Remuneration</b>		
<b>Current</b>		
- Audit	5,264	8,900
- Other Services	1,550	0
<b>Previous</b>		
- Audit	0	2,000
<b>Depreciation</b>		
Buildings	133,123	123,360
Furniture and Equipment	26,434	21,276
Plant and Equipment	374,366	472,110
Roads	960,564	978,000
NWHS Joint Venture Assets	2,416	2,416
	<u>1,496,903</u>	<u>1,597,162</u>
<b>Interest Expenses</b>		
Other	2,338	9,067
Debentures ( <i>refer Note 21(a)</i> )	50,006	60,659
	<u>52,344</u>	<u>69,726</u>
(ii) Crediting as Revenue:		
	<b>2008</b>	<b>2008</b>
	<b>\$</b>	<b>Budget</b>
		<b>\$</b>
<b>Interest Earnings</b>		
Investments		
- Reserve Funds	112,312	50,000
- Other Funds	53,737	10,000
Other Interest Revenue ( <i>refer note 26</i> )	5,497	4,000
	<u>171,546</u>	<u>64,000</u>
	<u>171,546</u>	<u>116,315</u>

## SHIRE OF YALGOO

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

#### 2. REVENUES 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 2008**

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

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Conditions Over Contributions</b>		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Roads to Recovery	126,410	3,291
	126,410	3,291
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Roads to Recovery	0	262,000
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Roads to Recovery	0	(138,881)
Closing balances of unexpended grants	126,410	126,410
Comprises:		
Roads to Recovery	126,410	126,410
	126,410	126,410

**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	193,427	653,522
Restricted	<u>2,211,595</u>	<u>1,464,588</u>
	<u><u>2,405,022</u></u>	<u><u>2,118,110</u></u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Leave Reserve	76,750	61,648
Plant Reserve	345,915	285,826
Yalgoo Ninghan Road Reserve	271,182	223,130
Building Reserve	1,131,388	767,574
Housing Maintenance Reserve	32,373	0
General Road Reserve	61,909	0
Sports Complex Reserve	53,716	0
Community Amenities Maintenance Reserve	59,349	0
HCP Reserve	2,551	0
Yalgoo Morawa Road Reserve	50,052	0
Unspent Grants	<u>126,410</u>	<u>126,410</u>
	<u><u>2,211,595</u></u>	<u><u>1,464,588</u></u>

**4. TRADE AND OTHER RECEIVABLES**

**Current**

Rates Outstanding	19,481	34,660
Sundry Debtors	125,029	30,497
Provision for Doubtful Debts	(29,412)	(30,000)
GST Receivable	47,322	1,256
Prepayment - Loan	19,373	0
Other Receivables	<u>0</u>	<u>21,232</u>
	<u><u>181,793</u></u>	<u><u>57,645</u></u>

**5. INVENTORIES**

**Current**

Fuel	<u>9,500</u>	<u>12,804</u>
	<u><u>9,500</u></u>	<u><u>12,804</u></u>

**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**6. PROPERTY, PLANT AND EQUIPMENT**

Land and Buildings - Cost	4,597,925	4,360,962
Less Accumulated Depreciation	<u>(815,186)</u>	<u>(682,063)</u>
	3,782,739	3,678,899
Furniture and Equipment - Cost	341,400	327,765
Less Accumulated Depreciation	<u>(255,160)</u>	<u>(229,715)</u>
	86,240	98,050
Plant and Equipment - Cost	3,382,737	3,113,254
Less Accumulated Depreciation	<u>(1,585,008)</u>	<u>(1,598,677)</u>
	1,797,729	1,514,577
NWHS JV Assets - Cost	13,089	13,089
Less Accumulated Amortisation	<u>(4,868)</u>	<u>(2,452)</u>
	8,221	10,637
Tools - Cost	6,250	6,250
Less Accumulated Amortisation	<u>(4,574)</u>	<u>(4,574)</u>
	1,676	1,676
	<u><u>5,676,605</u></u>	<u><u>5,303,839</u></u>

Whilst the above assets are not subject to a policy of regular revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 '*Impairment of Assets*'.

**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**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>NWHS Plant &amp; Equipment \$</b>	<b>Tools \$</b>	<b>Total \$</b>
Balance as at 1 July 2007	3,678,899	98,050	1,514,577	10,637	1,676	5,303,839
Additions	236,963	14,624	775,809	0	0	1,027,396
(Disposals)	0	0	-118,291	0	0	-118,291
Revaluation - Increments	0	0	0	0	0	0
- (Decrements)	0	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0	0
- reversals	0	0	0	0	0	0
Depreciation (Expense)	-133,123	-26,434	-374,366	-2,416	0	-536,339
Other Movements	0	0	0	0	0	0
Balance as at 30 June 2008	<u>3,782,739</u>	<u>86,240</u>	<u>1,797,729</u>	<u>8,221</u>	<u>1,676</u>	<u>5,676,605</u>

SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

	2008	2007
	\$	\$
<b>7. INFRASTRUCTURE</b>		
Roads - Cost	30,269,912	29,283,316
Less Accumulated Depreciation	<u>(17,742,007)</u>	<u>(16,781,444)</u>
	12,527,905	12,501,872
	<u>12,527,905</u>	<u>12,501,872</u>

Whilst the above assets are not subject to a policy of regular revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 *'Impairment of Assets'*.



**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**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>Total</u> \$
Balance as at 1 July 2007	12,501,872	12,501,872
Additions	986,597	986,597
(Disposals)	0	0
Revaluation - Increments	0	0
- (Decrements)	0	0
Impairment - (losses)	0	0
- reversals	0	0
Depreciation (Expense)	-960,564	-960,564
Other Movements	0	0
Balance as at 30 June 2008	<u>12,527,905</u>	<u>12,527,905</u>

**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Trade Creditors	178,981	31,817
Other Creditors	16,463	15,663
PAYG	12,704	12,260
Accrued Interest on Debentures	5,802	7,270
Accrued Salaries and Wages	0	31,008
	<u>213,950</u>	<u>98,018</u>
<b>9. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge Debentures	<u>55,607</u>	<u>68,974</u>
	<u>55,607</u>	<u>68,974</u>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	<u>618,663</u>	<u>757,535</u>
	<u>618,663</u>	<u>757,535</u>
Additional detail on borrowings is provided in Note 21.		
<b>10. PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	74,073	48,691
Provision for Long Service Leave	31,084	16,719
	<u>105,157</u>	<u>65,410</u>
<b>Non-Current</b>		
Provision for Long Service Leave	<u>34,161</u>	<u>37,978</u>
	<u>34,161</u>	<u>37,978</u>

**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	<b>2008</b> \$	<b>2008</b> Budget \$	<b>2007</b> \$
<b>11. RESERVES - CASH/INVESTMENT BACKED</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	61,648	61,649	62,856
Amount Set Aside / Transfer to Reserve	15,102	10,000	12,681
Amount Used / Transfer from Reserve	0	0	(13,889)
	<u>76,750</u>	<u>71,649</u>	<u>61,648</u>
<b>(b) Plant Reserve</b>			
Opening Balance	285,826	285,826	285,029
Amount Set Aside / Transfer to Reserve	284,748	262,664	257,162
Amount Used / Transfer from Reserve	(224,659)	(240,000)	(256,365)
	<u>345,915</u>	<u>308,490</u>	<u>285,826</u>
<b>(c) Building Reserve</b>			
Opening Balance	767,574	767,573	649,741
Amount Set Aside / Transfer to Reserve	363,814	300,000	117,833
Amount Used / Transfer from Reserve	0	(600,000)	0
	<u>1,131,388</u>	<u>467,573</u>	<u>767,574</u>
<b>(d) Yalgoo Ninghan Road Reserve</b>			
Opening Balance	223,130	223,130	214,000
Amount Set Aside / Transfer to Reserve	48,052	30,000	9,130
Amount Used / Transfer from Reserve	0	0	0
	<u>271,182</u>	<u>253,130</u>	<u>223,130</u>
<b>(e) Sport Complex Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	53,716	25,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>53,716</u>	<u>25,000</u>	<u>0</u>
<b>(f) Railway Station Maintenance Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	20,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>20,000</u>	<u>0</u>
<b>(g) Housing Maintenance Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	32,373	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>32,373</u>	<u>0</u>	<u>0</u>

**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	2008 \$	2008 Budget \$	2007 \$
<b>11. RESERVES - CASH/INVESTMENT BACKED (Continued)</b>			
<b>(h) General Road Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	61,909	0	0
Amount Used / Transfer from Reserve	0	0	0
	61,909	0	0
<b>(i) Community Amenities Maintenance Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	59,349	0	0
Amount Used / Transfer from Reserve	0	0	0
	59,349	0	0
<b>(j) HCP Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	2,551	0	0
Amount Used / Transfer from Reserve	0	0	0
	2,551	0	0
<b>(k) Yalgoo Morawa Road Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	50,052	0	0
Amount Used / Transfer from Reserve	0	0	0
	50,052	0	0
<b>TOTAL CASH BACKED RESERVES</b>	<b>2,085,185</b>	<b>1,145,842</b>	<b>1,338,178</b>

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

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

Leave Reserve

- to be used to fund annual and long service leave requirements

Plant Reserve

- to be used for the purchase of major plant

Building Reserve

- to be used for the construction and maintenance of Council Property

Yalgoo Ninghan Road Reserve

- to be used to maintain the sealed road from Yalgoo to the Golden Grove Mine.

## SHIRE OF YALGOO

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

#### 11. RESERVES - CASH/INVESTMENT BACKED (Continued)

Sport Complex Reserve

- for the development of new recreational facilities.

Railway Station Maintenance Reserve

- for the maintenance of the Railway Station Complex.

Housing Maintenance Reserve

- for the maintenance of staff and other housing owned by the Shire

General Road Reserve

- for the maintenance of grids, etc on roads in the Shire

Community Amenities Maintenance Reserve

- for the maintenance of community amenities

HCP Reserve

- for future community projects operating expenditure

Yalgoo Morawa Road Reserve

- to be used to maintain the Yalgoo Mowara sealed road

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

2008

2007

\$

\$

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

##### (a) Land and Buildings

Balance as at 1 July 2007

1,152,104

1,152,104

Revaluation Increment

0

0

Revaluation Decrement

0

0

Balance as at 30 June 2008

1,152,104

1,152,104

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 2008**

**13. NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

For the purposes of the cash flow statement, 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 balance sheet as follows:

	<b>2008</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Cash and Cash Equivalents	<u>2,405,022</u>	<u>1,145,842</u>	<u>2,118,110</u>
<b>(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net Result	806,932	(107,346)	(9,466)
Depreciation	1,496,903	1,647,542	1,597,162
(Profit)/Loss on Sale of Asset	(196,119)	(7,342)	(27,077)
(Increase)/Decrease in Receivables	(124,148)	(510)	111,320
(Increase)/Decrease in Inventories	3,304	(987)	28,604
Increase/(Decrease) in Payables	115,932	(39,917)	(39,182)
Increase/(Decrease) in Employee Provisions	35,930	0	5,859
Grants/Contributions for the Development of Assets	(1,640,236)	(451,994)	(645,091)
<b>Net Cash from Operating Activities</b>	<u>498,498</u>	<u>1,039,446</u>	<u>1,022,129</u>
<b>(c) Undrawn Borrowing Facilities</b>			
<b>Credit Standby Arrangements</b>			
Bank Overdraft limit	50,000		50,000
Bank Overdraft at Balance Date	0		0
Credit Card limit	5,000		5,000
Credit Card Balance at Balance Date	0		0
<b>Total Amount of Credit Unused</b>	<u>55,000</u>		<u>55,000</u>
<b>Loan Facilities</b>			
Loan Facilities - Current	55,607		68,974
Loan Facilities - Non-Current	618,663		757,535
<b>Total Facilities in Use at Balance Date</b>	<u>674,270</u>		<u>826,509</u>
<b>Unused Loan Facilities at Balance Date</b>	<u>0</u>		<u>0</u>

## SHIRE OF YALGOO

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

#### 14. CONTINGENT LIABILITIES

There are no known contingent liabilities as at balance date.

#### 15. CAPITAL AND LEASING COMMITMENTS

##### (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

There were no outstanding capital expenditure commitments at balance date.

#### 16. JOINT VENTURE

The Shire together with the Shires of Morawa and Mingenew have a joint venture arrangement with regard to the provision of an Environmental Health and Building Surveying Service. The only asset is a motor vehicle. Council's one-third share of these assets are included in Property, Plant & Equipment as follows:

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>Non-Current Assets</b>		
Plant & Equipment	13,088	59,556
Less: Accumulated Depreciation	(4,865)	(11,907)
	<u>8,223</u>	<u>47,649</u>

SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

<b>17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Governance	7,049	8,965
General Purpose Funding	2,104,874	1,373,302
Law, Order, Public Safety	33,716	34,926
Health	9,336	12,083
Housing	1,579,125	1,586,284
Community Amenities	346,053	291,120
Recreation and Culture	1,186,019	1,090,446
Transport	13,563,031	13,353,824
Economic Services	502,970	556,178
Other Property and Services	1,257,637	935,954
Unallocated	211,015	751,188
	<u>20,800,825</u>	<u>19,994,270</u>



**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>18. FINANCIAL RATIOS</b>			
Current Ratio	1.291	4.63	2.86
Untied Cash to Trade Creditors Ratio	1.081	10.94	3.09
Debt Ratio	0.049	0.05	0.06
Debt Service Ratio	0.079	0.05	0.04
Gross Debt to Revenue Ratio	0.263	0.29	0.22
Gross Debt to Economically Realisable Assets Ratio	0.082	0.11	0.03
Rate Coverage Ratio	0.214	0.21	0.17
Outstanding Rates Ratio	0.021	0.04	0.09

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 Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$
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 2008**

**19. TRUST FUNDS**

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

	<b>Balance 1-Jul-07</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>Balance 30-Jun-08</b>
	\$	\$	(\$)	\$
Yamatji BBMAC	150	0	0	150
Community Bus Bond - School	350	0	0	350
Housing Bonds	1,145	280	(1,235)	190
Land Auction Proceeds	2,500	0	0	2,500
JV Housing	1,160	0	0	1,160
Casual Hall Bond	150	0	0	150
Library Bond	25	0	0	25
Nomination Deposits	0	640	(640)	0
Casual Complex	0	1,000	0	1,000
Land Deposit	0	880	0	880
Unallocated	(127)	0	0	(127)
	<b>5,353</b>			<b>6,278</b>

**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**20. DISPOSALS OF ASSETS - 2007/08 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Health</b>						
NWHS Capital	0	9,630	0	5,333	0	(4,297)
<b>Recreation &amp; Culture</b>						
Electrolux Fridge	0	0	136	0	136	0
Toyota Coaster Bus	0	0	4,000	0	4,000	0
<b>Transport</b>						
Foreman's Ute x 2	30,899	23,278	25,909	22,727	(4,990)	(551)
Holden Rodeo Dual Cab Ute	30,126	0	25,910	0	(4,216)	0
Ford PH Courier Crew Cab Ute	21,301	20,988	20,909	17,123	(392)	(3,865)
Low Loader	0	0	12,000	0	12,000	0
Dolly	0	0	9,000	0	9,000	0
Cat 140H Grader	0	0	162,000		162,000	0
<b>Other Property &amp; Services</b>						
Toyota Landcruiser	35,965	38,491	54,546	54,546	18,581	16,055
	118,291	92,387	314,410	99,729	196,119	7,342

**Summary**

Profit on Asset Disposals  
Loss on Asset Disposals

205,717  
(9,598)  
196,119

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**21. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-07 \$	New Loans \$	Principal Repayments		Principal 30-Jun-08		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Housing</b>								
Loan 50 - 18A & B Shamrock (25%)	3,345	0	3,345	3,345	0	0	67	110
Loan 51 - A & B Selwyn	119,277	0	31,349	31,349	87,928	87,928	6,370	7,397
Loan 52 - 28 A & B Selwyn	86,739	0	86,738	3,472	1	83,267	4,392	5,299
Loan 53 - 19 A & B Stanley	217,108	0	7,561	7,561	209,547	209,547	14,272	14,293
Loan 55 - 18 C & D Shamrock	275,411	0	9,293	9,293	266,118	266,118	17,616	17,616
<b>Community Amenities</b>								
Loan 54 - Public Conveniences	114,597	0	3,921	3,921	110,676	110,676	7,079	7,159
<b>Transport</b>								
Loan 50 - Plant (75%)	10,032	0	10,032	10,032	0	0	210	331
	826,509	0	152,239	68,973	674,270	757,536	50,006	52,205

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2007/08

There were no new debentures raised in this financial year.

(c) Unspent Debentures

There were no unspent debentures as at balance date.

(d) Overdraft

Council maintains an overdraft facility of \$50,000 assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2007 and 30 June 2008 was \$Nil.

SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

22. RATING INFORMATION - 2007/08 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>Differential General Rate</b>											
GRV Improved	0.0705	34	217,452	14,701	-367	0	14,334	0	0	0	0
GRV Vacant	0.0706	0	0	0	0	0	0	0	0	0	0
UV Pastoral	0.0728	24	721,781	59,444	-5,880	0	53,564	59,859	0	0	59,859
UV Exploration/Prospecting	0.1217	98	524,478	54,046	8,707	0	62,753	0	0	0	0
UV Mining (inc GPL & GML)	0.2276	114	3,255,185	667,994	55,612	0	723,606	677,234	0	0	677,234
<b>Sub-Totals</b>		270	4,718,896	796,185	58,072	0	854,257	737,093	0	0	737,093
<b>Minimum Rates</b>	<b>Minimum \$</b>										
GRV Improved	210	5	4,198	1,050	0	0	1,050	16,669	0	0	16,669
GRV Vacant	485	14	2,703	6,790	-727	0	6,063	6,790	0	0	6,790
UV Pastoral	210	4	1,806	630	0	0	630	0	0	0	0
UV Exploration/Prospecting	210	95	78,241	19,320	0	0	19,320	71,759	0	0	71,759
UV Mining (inc GPL & GML)	210	41	21,621	9,240	0	0	9,240	0	0	0	0
<b>Sub-Totals</b>		159	108,569	37,030	-727	0	36,303	95,218	0	0	95,218
Ex-Gratia Rates							890,560				832,311
							4,177				7,200
							894,737				839,511
Discounts (refer note 25)							0				0
<b>Totals</b>							894,737				839,511

**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**23. SPECIFIED AREA RATE - 2007/08 FINANCIAL YEAR**

Council did not imposed any specified area rates in the 2007-08 financial year.

**24. SERVICE CHARGES - 2007/08 FINANCIAL YEAR**

No service charges were levied in the 2007-08 financial year.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2007/08 FINANCIAL YEAR**

No discount was granted for the early payment of rates. However, an incentive for payment of rates within 35 days of the date of service appearing on the rate notice was offered in the form of a prize (maximum value of \$1,000) to a ratepayer who qualifies accordingly and whose name is drawn randomly. This is to be paid in 08/09 financial year.

**26. INTEREST CHARGES AND INSTALMENTS - 2007/08 FINANCIAL YEAR**

	<b>Interest Rate %</b>	<b>Admin. Charge \$</b>	<b>Revenue \$</b>	<b>Budgeted Revenue \$</b>
Interest on Unpaid Rates	11.00%	0	5,497	4,000
Interest and Charges on Instalments Plan	5.50%	5	351	1,000
			<u>5,848</u>	<u>5,000</u>

Ratepayers had the option of paying rates in four equal instalments, due on 19th October 2007, 19th December 2007, 19th February 2008 and 19th April 2008. Administration charges and interest applied for the final three instalments.

<b>27. FEES &amp; CHARGES</b>	<b>2008 \$</b>	<b>2007 \$</b>
General Purpose Funding	3,062	14,577
Law, Order, Public Safety	653	2,753
Health	6,909	167
Education & Welfare	27	268
Housing	26,319	22,149
Community Amenities	13,719	10,516
Recreation & Culture	5,580	863
Transport	34	183
Economic Services	10,370	44,326
Other Property & Services	9,021	26,127
	<u>75,694</u>	<u>121,929</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 2008**

<b>28. GRANT REVENUE</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Grants and Subsidies - operating	1,101,664	1,756,099
Grants and Subsidies - non-operating	1,640,236	645,091
	<u>2,741,900</u>	<u>2,401,190</u>
<b>By Program:</b>		
General Purpose Funding	1,487,043	1,414,599
Law, Order, Public Sector	2,141	31,543
Health	45,000	0
Community Amenities	9,545	0
Recreation and Culture	0	110,000
Transport	838,872	654,463
Economic Services	356,799	169,883
Other Properties & Services	2,500	20,702
	<u>2,741,900</u>	<u>2,401,190</u>

<b>29. COUNCILLORS' REMUNERATION</b>	<b>2008</b>	<b>2008</b>	<b>2007</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	12,618	20,000	12,685
President's Allowance	5,500	6,000	8,573
Deputy President's Allowance	917	0	1,135
Travelling Expenses	10,577	11,000	9,488
Telecommunications Allowance	0	0	4,150
	<u>29,612</u>	<u>37,000</u>	<u>36,031</u>

**30. EMPLOYEES' REMUNERATION**

There were no employees of the Shire entitled to an annual salary of \$100,000 or more.

<b>31. EMPLOYEE NUMBERS</b>	<b>2008</b>	<b>2007</b>
The number of full-time equivalent employees at balance date	<u>18</u>	<u>17</u>

**32. MAJOR LAND TRANSACTIONS**

No major land transactions occurred during the year.

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

Council did not participate in any trading undertakings or major trading undertakings during the 2007/08 financial year.

**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**34. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	2,405,022	2,118,110	2,405,022	2,118,110
Receivables	181,793	57,645	181,793	57,645
Financial assets at fair value through profit or loss				
Available-for-sale financial assets				
Held-to-maturity investments				
	<u>2,586,815</u>	<u>2,175,755</u>	<u>2,586,815</u>	<u>2,175,755</u>
<b>Financial Liabilities</b>				
Payables	213,950	98,018	213,950	98,018
Borrowings	674,270	826,509	608,037	736,042
	<u>888,220</u>	<u>924,527</u>	<u>821,987</u>	<u>834,060</u>

Fair value is determined as follows:

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



## SHIRE OF YALGOO

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

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

##### (a) Cash and Cash Equivalents

###### Financial assets at fair value through profit or loss

###### Available-for-sale financial assets

###### Held-to-maturity investments

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.

	30-Jun-08	30-Jun-07
	\$	\$
Impact of a 10% (*) movement in price of investments:		
- Equity	244,956	179,096
- Income Statement	244,956 (+)	179,096 (+)
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	2,450	1,791
- Income Statement	2,450	1,791

#### 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.

(+) Maximum impact.

## SHIRE OF YALGOO

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2008

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

##### (b) Receivables

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

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:

	30-Jun-08	30-Jun-07
Percentage of Rates and Annual Charges		
- Current	12.40%	10.71%
- Overdue	87.60%	89.29%
Percentage of Other Receivables		
- Current	31.72%	87.30%
- Overdue	68.28%	12.70%

**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

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

**(c) Payables**

**Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2008</u></b>					
Payables	213,950	0	0	213,950	213,950
Borrowings	<u>0</u>	<u>96,865</u>	<u>935,628</u>	<u>1,032,493</u>	<u>674,270</u>
	<u><u>213,950</u></u>	<u><u>96,865</u></u>	<u><u>935,628</u></u>	<u><u>1,246,443</u></u>	<u><u>888,220</u></u>
<b><u>2007</u></b>					
Payables	98,018	0	0	98,018	98,018
Borrowings	<u>13,819</u>	<u>135,609</u>	<u>1,131,439</u>	<u>1,280,867</u>	<u>826,508</u>
	<u><u>111,837</u></u>	<u><u>135,609</u></u>	<u><u>1,131,439</u></u>	<u><u>1,378,885</u></u>	<u><u>924,526</u></u>

**SHIRE OF YALGOO**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2008**

**34. 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 2008</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	0	87,929	0	0	0	586,341	674,270	6.53%
Weighted Average Effective Interest Rate	0.00%	6.83%	0.00%	0.00%	0.00%	6.49%		
<b><u>Year Ended 30 June 2007</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	13,377	0	119,278	0	0	693,854	826,509	6.51%
Weighted Average Effective Interest Rate	6.60%	0.00%	6.83%	0.00%	0.00%	6.45%		



# Anderson Munro & Wyllie

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SHIRE OF YALGOO			
Meeting No/Date			
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## 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 2008. 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 Qualification**

We noted three breaches of the Local Government Act 1995 and Regulations 1996 in our review of your 31 December 2007 Compliance Audit Return.

### **Qualified Audit Opinion**

In our opinion, except for the effects of the above Audit Qualification, 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 2008 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.

### **Statutory Compliance**

- a) Except for the issues identified in the above Audit Qualifications 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 9<sup>th</sup> day of December 2008 in Perth, Western Australia

**GRAHAM D ANDERSON**  
Registered Company Auditor

**ANDERSON MUNRO & WYLLIE**  
Chartered Accountants