



Annual Report

For the year ending 30 June 2007

CONTENTS

KEY STATISTICS.....	2
PRESIDENT'S REPORT.....	3
ELECTED MEMBERS REPORT.....	4
CHIEF EXECUTIVE OFFICER'S REPORT.....	5
OTHER REPORTS.....	6
Plan for the Future.....	6
National Competition Policy.....	7
Public Interest Disclosures.....	7
Disability Access and Inclusion Plan.....	8
Freedom of Information Statement.....	9
Record Keeping.....	13
FINANCIAL REPORT	

KEY STATISTICS

	2006/07	2005/06	2004/05
Total number of residents	242	2006 Census	
Total number or rateable properties	400	315	401
Rates levied	\$773,657	\$695,871	\$649,132
Minimum general residential rate	\$200	\$400	\$200
Minimum general commercial rate	\$200	\$400	\$200
Minimum general pastoral rate	\$200	\$300	\$200
Minimum general mining rate	\$200	\$300	\$200
Operating revenue	\$2,118,110	\$2,709,628	\$2,757,807
Net current assets	\$2,188,559	\$1,756,235	\$1,391,193
Untied grants revenue	\$1,414,599	\$1,625,587	\$1,536,240
Specific purpose grants revenue	\$552,637	\$1,047,148	\$522,599
Debt servicing ratio	0.04	0.04	0.04
Total number of employees (full time)	17	16	16
Building applications approved	0	1	6
Value of building applications approved	\$0	\$3,154,000	\$1,140,000

PRESIDENT'S REPORT

It am pleased to present the President's Report for the Shire of Yalgoo for the Year Ending 30 June 2007.

Roadworks

The impact of Cyclone Clare in January 2006 was still felt throughout the year as the works crew continued the extensive repair authorised by Main Roads WA. It was not until mid 2007, that the crews were able to resume the planned works program for the year, and it is to their credit that there has been many compliments for the quality and standard of work they have completed.

Council continues to work towards the sealing of the Yalgoo-Ningham Road and the Yalgoo-Morawa Road, although some priorities will have to change in the near future to meet funding guidelines.

Council's share of Roads to Recovery was \$262,000 for the year. 4 km of bitumen seal was completed on the Yalgoo-Morawa Road, with the funds for 4 km of bitumen seal on the Yalgoo-Ningham Road carried over to the 2007-08 year. A supplementary grant of \$262,000 was used to seal 6 km of the Yalgoo-Morawa Road and further 6 km of seal on the Yalgoo-Ningham Road is to be carried over to the 2008-09 year.

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 support of Dept of Families, Children's Services and Indigenous Affairs, Lotterystart and Oxiana Golden Grove

Volunteers

The provision of ambulance and emergency services in Yalgoo is by volunteer organisations, and both St Johns Ambulance and the Town Fire Brigade have had change in officers and an increase in numbers. The main contacts for these two organisations are –

- St Johns Ambulance – Des Hodder (President) or Diane Hodder (Secretary)
- Volunteer Fire Brigade – Richard Hall (Captain) or TK Hodder and Chris Hodder (Lieutenants)

The Paynes Find Royal Flying Doctor clinic is supported by volunteers Don and Rhonda Anderson. Elaine Taylor, a former Councillor, still ensures the availability of the Paynes Find Community Centre and airstrip.

The Yalgoo Museum continues to be supported by volunteers Rhonda Anderson, Katherine Mitchell and Roxanne Morrissey.

Council extends their appreciation to all volunteers for their efforts on behalf of the communities.

Senior Staff

I need to also acknowledge the contributions of senior staff during the 2006/07 year. Mr Lew Hills resigned as CEO in February 2007, and the Deputy CEO Mr Ron Adams was Acting CEO for a few weeks until Mr Glenn Bone was able to commence. After some four months, the new CEO Mr Niel Mitchell, was able to take up duties at the end of June.

On behalf of Council, I extend our thanks to Lew, Ron and Glenn for their time and efforts.

Council

Cr Stuart McSparran resigned from Council following the December 2006 Council meeting, thereby also creating a vacancy for Deputy President. Cr Ellen Rowe was elected as Deputy President at the following meeting in February 2007. I would like to thank them both for their support and dedication, and all Councillors for their commitment to the community.

Cr Don Anderson
President

ELECTED MEMBERS REPORT

Councillors

President:	Cr Donald Edward Anderson	Term expires 2007
Deputy President:	Cr Stuart Duncan McSporrán	Resigned December 2006
	Cr Ellen Cecilia Rowe	Elected February 2007
		Term expires 2009
Members	Cr Darryl John Grey	Term expires 2007
	Cr Laurence Hodder	Term expires 2007
	Cr Elaine Faye Taylor	Term expires 2007
	Cr Damian Patrick Morrissey	Term expires 2009
	Cr Lorraine Joy O'Connor	Term expires 2009

Following the resignation of Cr McSporrán, the Minister for Local Government approved the reduction in numbers of members of Council from 8 to 7 members.

As a result of recent changes to the Regulations altering Local Government Elections from May to the third Saturday of October, the term of office for Councillors was extended to October of the relevant year. Accordingly, the terms of office of President and Deputy President, were also extended to November 2007.

Attendance at Council Meetings

There were 11 Ordinary and 3 Special Meetings of Council held between 1 July 2006 and 30 June 2007 and no Special Meetings of Council. A breakdown of Councillor's presence at ordinary meetings is detailed in the table below.

	<i>Ordinary Meetings</i>	<i>Special Meetings</i>
Cr DE Anderson	11 of 11	3 of 3
Cr SD McSporrán (resigned December 2006)	6 of 6	1 of 1
Cr EC Rowe	11 of 11	3 of 3
Cr DJ Grey	11 of 11	3 of 3
Cr L Hodder	11 of 11	3 of 3
Cr DP Morrissey	10 of 11	3 of 3
Cr LJ O'Connor	9 of 11	3 of 3
Cr EC Taylor (leave of absence)	8 of 11	1 of 3

Councillor's Remuneration

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

Fees, Expenses, Allowances	Actual 2006/07 \$	Budget 2006/07 \$	Actual 2005/06 \$
Meeting Fees	13,070	14,410	10,280
President's Allowance	7,000	6,000	6,000
Deputy President's Allowance	833	1,000	750
Travelling Expenses	9,488	10,935	8,859
Telecommunication Allowance	4,200	4,800	4,550
Total	34,591	37,145	30,439

CHIEF EXECUTIVE OFFICER'S REPORT

In the previous Annual Report of April 2007 for the year ending 30 June 2006, the Acting CEO noted that *"It is one of those quirks of local government administration which sometimes finds the person occupying the chair for the time being, compiling a report relative to a period when he was not there!"*

Having only commenced on 25 June 2007, just a few days prior to the end of the year being reviewed, I can understand his comment very well.

Administration Staff

During the year under review there were a quite number of changes to various staff positions. These included –

- Ron Adams replaced Lauder Coomber as Deputy CEO in 2006. Ron was also Acting CEO for several weeks prior to Glenn Bone's commencement
- Michele Bentink and Denise McPhee left the Healthy Community Program in November 2006 to be replaced by Leanda Adams and Greg Daniel in February 2007.
- Jessee McSporran commenced a 6 month traineeship in January 2007
- the departure of Lew Hills in February 2007, with Glenn Bone as Acting CEO from March to June
- Jennifer Lofthouse doing rates and payroll was replaced by Kim Bragg, and then Rikki Sweetman in April 2007
- Kay Power commenced in April 2007, taking over from Gemma Poli as PA
- Niel Mitchell commencing in June 2007 as CEO

Through all these changes, Diane Hodder has continued in her role with Accounts

Works Staff

Mr Cliff Hodder has led the outside works staff through another year notwithstanding the challenges following Cyclone Clare. I believe the Council and the Shire are indeed fortunate to have such a capable employee overseeing the works crew. His knowledge, skills, expertise coupled with his relaxed style enable him to be highly effective.

Long term employee, Mr Ray Winfield left his position at the works depot just 2 weeks short of 16 years service to take up the position of Works Supervisor with the Shire of Murchison.

Other staff commencing during the year were – Cliff Hodder Jnr (plant operator), Richard Hall (town gardener), Chris Hodder (town maintenance), Andrew Scrivener (grader operator), and Des Hodder Jnr (grader operator).

Plant & Vehicles

Purchases during the year included the following –

- | | |
|---|------------------------------|
| - Caterpillar 950H front end loader (YA 424) | Changeover \$219,035 |
| - Holden Rodeo 4x4 dual cab (YA 899) (1 st) | Changeover \$ 12,018 |
| - Holden Rodeo 4x4 dual cab (YA 899) (2 nd) | Changeover \$ 11,106 |
| - Holden Rodeo 4x4 dual cab (YA 456) | Changeover \$ 17,140 |
| - Holden Rodeo 4x2 single cab (YA 4994) | Additional vehicle \$ 15,878 |

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 continue to be provided in a joint venture with the Shires of Mingenew and Morawa, based in Morawa. Mr David Williams travels from Morawa every Tuesday 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.

Niel Mitchell
Chief Executive Officer

OTHER REPORTS

Plan for the Future

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

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

The Shire of Yalgoo's Plan for the Future was adopted by Council on 18 October 2007 and spans 4 years. 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 2007/08 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-Ningham 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 2006/07 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.

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*

A scale of fees and charges 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
Website: 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 processes. 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. Staff information sessions are conducted on a regular basis for staff as required.
3. The local government provides brochures or newsletters to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.
4. The local government'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 Records Keeping Plan is due to be reviewed in November 2007, and the implementation/continuation of requirements to be further developed.

SHIRE OF YALGOO
INCOME STATEMENT
BY NATURE OR TYPE

FOR THE YEAR ENDED 30TH JUNE 2007

	NOTE	2007 \$	2007 Budget \$	2006 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	22	732,030	752,040	695,871
Grants and Subsidies	28	1,756,099	1,650,490	1,625,587
Contributions Reimbursements and Donations		28,891	175,015	66,426
Fees and Charges	27	121,929	98,025	370,207
Interest Earnings	2(a)	116,315	65,000	78,303
Other Revenue		40,760	4,500	-126,766
		<u>2,796,024</u>	<u>2,745,070</u>	<u>2,709,628</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		-935,639	-757,115	-807,728
Materials and Contracts		-622,402	-823,060	-460,229
Utilities		-71,642	-68,775	-52,505
Depreciation	2(a)	-1,597,162	-420,260	-1,447,463
Interest Expenses	2(a)	-69,726	-57,840	-62,054
Insurance		-110,098	-90,575	-110,070
Other Expenditure		-70,989	-46,530	-59,425
		<u>-3,477,658</u>	<u>-2,264,155</u>	<u>-2,999,474</u>
		-681,634	480,915	-289,846
Grants and Subsidies - non-operating	28	645,091	619,670	1,047,148
Profit on Asset Disposals	20	40,589	53,614	199,257
Loss on Asset Disposals	20	-13,512	-18,899	-64,902
NET RESULT		<u><u>-9,466</u></u>	<u><u>1,135,300</u></u>	<u><u>891,657</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 2007

	NOTE	2007 \$	2007 Budget \$	2006 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		0	4,350	431
General Purpose Funding		2,280,372	2,231,465	2,116,168
Law, Order, Public Safety		34,296	41,725	37,844
Health		167	24,965	1,014
Education and Welfare		268	50	0
Housing		25,761	26,470	31,269
Community Amenities		10,516	94,065	8,600
Recreation and Culture		118,127	1,550	33,669
Transport		692,463	599,634	1,011,628
Economic Services		230,092	333,710	610,412
Other Property and Services		89,642	60,370	104,998
	2 (a)	<u>3,481,704</u>	<u>3,418,354</u>	<u>3,956,033</u>
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		-149,175	-242,350	-193,774
General Purpose Funding		-43,857	-78,230	-59,726
Law, Order, Public Safety		-46,932	-67,790	-25,681
Health		-59,069	-72,110	-58,266
Education and Welfare		-1,927	-3,900	-4,167
Housing		-154,442	-21,850	-88,871
Community Amenities		-90,770	-170,580	-115,997
Recreation & Culture		-226,536	-332,775	-252,985
Transport		-1,903,617	-794,889	-1,722,363
Economic Services		-253,792	-399,590	-440,190
Other Property and Services		-500,394	-41,150	-39,328
	2 (a)	<u>-3,430,511</u>	<u>-2,225,214</u>	<u>-3,001,348</u>
BORROWING COSTS EXPENSE				
General Purpose Funding		0	-450	0
Housing		-51,985	-48,380	-51,808
Community Amenities		-7,293	-7,395	-1,423
Transport		-1,381	-1,615	-9,797
	2 (a)	<u>-60,659</u>	<u>-57,840</u>	<u>-63,028</u>
NET RESULT		<u><u>-9,466</u></u>	<u><u>1,135,300</u></u>	<u><u>891,657</u></u>

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

SHIRE OF YALGOO
BALANCE SHEET
AS AT 30TH JUNE 2007

	NOTE	2007 \$	2006 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,118,110	1,545,862
Trade and Other Receivables	4	57,645	168,965
Inventories	5	12,804	41,408
TOTAL CURRENT ASSETS		<u>2,188,559</u>	<u>1,756,235</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	5,303,839	5,372,946
Infrastructure	7	12,501,872	12,985,490
TOTAL NON-CURRENT ASSETS		<u>17,805,711</u>	<u>18,358,436</u>
TOTAL ASSETS		<u>19,994,270</u>	<u>20,114,671</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	98,018	137,199
Long Term Borrowings	9	68,974	77,613
Provisions	10	51,181	39,605
TOTAL CURRENT LIABILITIES		<u>218,173</u>	<u>254,417</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	757,535	826,509
Provisions	10	52,207	57,924
TOTAL NON-CURRENT LIABILITIES		<u>809,742</u>	<u>884,433</u>
TOTAL LIABILITIES		<u>1,027,915</u>	<u>1,138,850</u>
NET ASSETS		<u>18,966,355</u>	<u>18,975,821</u>
EQUITY			
Retained Surplus		16,476,073	16,612,091
Reserves - Cash Backed	11	1,338,178	1,211,626
Reserves - Asset Revaluation	12	1,152,104	1,152,104
TOTAL EQUITY		<u>18,966,355</u>	<u>18,975,821</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 2007

	NOTE	2007 \$	2006 \$
RETAINED SURPLUS			
Balance as at 1 July 2006		16,612,091	16,040,002
Net Result		-9,466	891,657
Transfer from/(to) Reserves		<u>-126,552</u>	<u>-319,568</u>
Balance as at 30 June 2007		<u>16,476,073</u>	<u>16,612,091</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2006		1,211,626	892,058
Amount Transferred (to)/from Retained Surplus		<u>126,552</u>	<u>319,568</u>
Balance as at 30 June 2007	11	<u>1,338,178</u>	<u>1,211,626</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2006		1,152,104	1,152,104
Revaluation Increment		0	0
Revaluation Decrement		<u>0</u>	<u>0</u>
Balance as at 30 June 2007	12	<u>1,152,104</u>	<u>1,152,104</u>
TOTAL EQUITY		<u><u>18,966,355</u></u>	<u><u>18,975,821</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 2007

	NOTE	2007 \$	2007 Budget \$	2006 \$
Cash Flows From Operating Activities				
Receipts				
Rates		766,125	755,040	695,871
Grants and Subsidies - operating		1,756,099	1,690,490	1,625,587
Contributions, Reimbursements & Donations		28,891	175,015	66,426
Fees and Charges		199,154	133,076	570,181
Interest Earnings		116,315	65,000	78,303
Goods and Services Tax		186,194	205,000	193,097
Other		40,760	4,500	(126,765)
		<u>3,093,538</u>	<u>3,028,121</u>	<u>3,102,700</u>
Payments				
Employee Costs		(898,772)	(757,115)	(879,390)
Materials and Contracts		(676,296)	(811,113)	(566,393)
Utilities (gas, electricity, water, etc)		(71,642)	(68,775)	(52,505)
Insurance		(110,098)	(90,575)	(110,070)
Interest		(66,453)	(57,840)	(62,054)
Goods and Services Tax		(177,159)	(200,000)	(184,638)
Other		(70,989)	(46,530)	(59,425)
		<u>(2,071,409)</u>	<u>(2,031,948)</u>	<u>(1,914,475)</u>
Net Cash Provided By (Used In)				
Operating Activities	13(b)	<u>1,022,129</u>	<u>996,173</u>	<u>1,188,225</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(657,977)	(1,299,050)	(1,141,151)
Payments for Construction of Infrastructure		(494,382)	(1,087,170)	(786,450)
Payments for Other Financial Assets		(955,799)	0	0
Grants/Contributions for the Development of Assets		645,091	619,670	1,047,148
Proceeds from Sale of Plant & Equipment		135,000	150,165	320,664
Proceeds from Sale of Other Financial Assets		955,799	0	0
		<u>955,799</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In)				
Investing Activities		<u>(372,268)</u>	<u>(1,616,385)</u>	<u>(559,789)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(77,613)	(77,615)	(72,757)
		<u>(77,613)</u>	<u>(77,615)</u>	<u>(72,757)</u>
Net Cash Provided By (Used In)				
Financing Activities		<u>(77,613)</u>	<u>(77,615)</u>	<u>(72,757)</u>
Net Increase (Decrease) in Cash Held		572,248	(697,827)	555,679
Cash at Beginning of Year		1,545,862	1,545,645	990,183
Cash and Cash Equivalents				
at the End of the Year	13(a)	<u><u>2,118,110</u></u>	<u><u>847,818</u></u>	<u><u>1,545,862</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 2007

	NOTE	2007 \$	2007 Budget \$
REVENUES			
Governance		0	4,350
General Purpose Funding		1,548,342	1,479,425
Law, Order, Public Safety		34,296	41,725
Health		167	24,965
Education and Welfare		268	50
Housing		25,761	26,470
Community Amenities		10,516	94,065
Recreation and Culture		118,127	1,550
Transport		692,463	599,634
Economic Services		230,092	333,710
Other Property and Services		89,642	60,370
		2,749,674	2,666,314
EXPENSES			
Governance		-149,175	-242,350
General Purpose Funding		-43,857	-78,680
Law, Order, Public Safety		-46,932	-67,790
Health		-59,069	-72,110
Education and Welfare		-1,927	-3,900
Housing		-206,427	-70,230
Community Amenities		-98,063	-177,975
Recreation & Culture		-226,536	-332,775
Transport		-1,904,998	-796,504
Economic Services		-253,792	-399,590
Other Property and Services		-500,394	-41,150
		-3,491,170	-2,283,054
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		-27,077	-34,715
Movement in Accrued Interest		3,273	0
Movement in Accrued Salaries and Wages		31,008	0
Movement in Employee Benefit Provisions		5,859	0
Depreciation and Amortisation on Assets		1,597,162	420,260
Capital Expenditure and Revenue			
Purchase Land and Buildings		-168,831	-614,940
Purchase Infrastructure Assets - Roads		-494,382	-1,087,170
Purchase Plant and Equipment		-428,938	-597,500
Purchase Furniture and Equipment		-60,208	-86,610
Proceeds from Disposal of Assets		135,000	150,165
Repayment of Debentures		-77,613	-77,615
Transfers to Reserves (Restricted Assets)		-396,806	-345,111
Transfers from Reserves (Restricted Assets)		270,254	728,920
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		411,406	409,016
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		790,641	0
Amount Required to be Raised from Rates	22	-732,030	-752,040

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 2007

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 applicable Australian Accounting Standards, 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.

Compliance with IFRSs

International Financial Reporting Standards ("IFRSs") form the basis of Australian Accounting Standards adopted by the AASB, being AIFRSs. The financial report of the Shire complies with IFRSs and interpretations adopted by the International Accounting Standards Board except as follows:

- AIFRSs include specific provisions relating to not-for-profit entities. These are not included in IFRSs.
- Australian Accounting Standard AAS27 '*Financial Reporting by Local Governments*' also applies and there is no equivalent standard in IFRSs.

The principal areas of non-compliance with IFRSs include:

- the recognition of non-reciprocal revenue;
- the definition of value in use for the purposes of estimating the recoverable amount of impaired assets; and
- the offsetting of asset revaluation increments and decrements on a class of asset basis rather than individual asset basis.

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 2007.

Council is of the view the new standards or amendments will have no direct impact on the amounts included in the financial report although the changes may impact upon the way in which some financial information is disclosed.

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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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.

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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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
Unformed Roads	not depreciated

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets

Financial Assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Council determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

Available-For-Sale Investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the other financial asset categories. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

(j) Impairment

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

Where such an indication exists, an 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.

(k) Trade and Other Payables

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

(l) 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) Annual Leave and Long Service Leave (Long-term Benefits)

The provision for employees' benefits for annual leave and long service leave expected to be settled more than 12 months from the reporting date represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees service to balance date.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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.

(n) 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 municipality, 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.

(o) Joint Venture

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

(p) 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.

(q) Superannuation

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

(r) Interest Rate Risk

Information on interest rate risk as it applies to financial instruments is disclosed in Note 33.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial report.

The one major concentration of credit risk within the municipality is in relation to its cash and cash equivalent deposits which are all with the one financial institution.

(t) Liquidity Risk

The Council's liquidity risk is managed via the use of its cash and cash equivalent balances, other financial assets and borrowing policy.

(u) Fair Value

All assets and liabilities recognised in the balance sheet, whether they are carried at cost or at fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

(v) Rounding Off Figures

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

(w) Comparative Figures

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

SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

2. REVENUES AND EXPENSES	2007	2006	
	\$	\$	
(a) Result from Ordinary Activities			
The Result from Ordinary Activities includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
Current			
- Audit	8,900	0	
- Other Services	0	0	
Previous			
- Audit	2,000	9,600	
- Other Services	0	99,193	
Depreciation			
Buildings	123,360	108,380	
Furniture and Equipment	21,276	10,156	
Plant and Equipment	472,110	357,616	
NWHS Joint Venture Assets	2,416	2,025	
Roads	978,000	969,286	
	<u>1,597,162</u>	<u>1,447,463</u>	
Interest Expenses			
Other	9,067	0	
Debentures (<i>refer Note 21(a)</i>)	60,659	62,054	
	<u>69,726</u>	<u>62,054</u>	
 (ii) Crediting as Revenue:			
	2007	2007	2006
	\$	Budget	\$
		\$	
Interest Earnings			
Investments			
- Reserve Funds	51,694	50,000	54,863
- Other Funds	55,930	10,000	17,764
Other Interest Revenue (<i>refer note 26</i>)	8,691	5,000	5,676
	<u>116,315</u>	<u>65,000</u>	<u>78,303</u>

SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

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

Telecenter 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 2007

2. REVENUES AND EXPENSES (Continued)

	2007	2006
	\$	\$
(c) Conditions Over Contributions		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Health Communities (Health)	0	43,044
Roads to Recovery	3,291	0
	3,291	43,044
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	262,000	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.		
Health Communities (Health)	0	-43,044
Roads to Recovery	-138,881	-258,709
Closing balances of unexpended grants	126,410	3,291
Comprises:		
Roads to Recovery	126,410	3,291
	126,410	3,291

SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	653,522	334,236
Restricted	1,464,588	1,211,626
	<u>2,118,110</u>	<u>1,545,862</u>

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

Leave Reserve	61,648	62,856
Plant Reserve	285,826	285,029
Golden Grove Road Reserve	223,130	214,000
Building Reserve	767,574	649,741
Unspent Grants	126,410	0
	<u>1,464,588</u>	<u>1,211,626</u>

4. TRADE AND OTHER RECEIVABLES

Current

Rates Outstanding	34,660	68,755
Sundry Debtors	30,497	160,210
Provision for Doubtful Debts	-30,000	-60,000
GST Receivable	1,256	0
Other Receivables	21,232	0
	<u>57,645</u>	<u>168,965</u>

5. INVENTORIES

Current

Fuel Station	0	27,761
Fuel Tankers	12,804	13,141
Post Office	0	506
	<u>12,804</u>	<u>41,408</u>

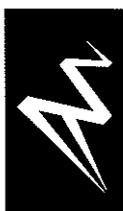
SHIRE OF YALGOO

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	4,360,962	4,192,130
Less Accumulated Depreciation	<u>-682,063</u>	<u>-558,702</u>
	3,678,899	3,633,428
Furniture and Equipment - Cost	327,765	267,956
Less Accumulated Depreciation	<u>-229,715</u>	<u>-208,838</u>
	98,050	59,118
Plant and Equipment - Cost	3,113,254	2,957,643
Less Accumulated Depreciation	<u>-1,598,677</u>	<u>-1,291,972</u>
	1,514,577	1,665,671
NWHS JV Assets - Cost	13,089	13,089
Less Accumulated Amortisation	<u>-2,452</u>	<u>-36</u>
	10,637	13,053
Tools - Cost	6,250	6,250
Less Accumulated Amortisation	<u>-4,574</u>	<u>-4,574</u>
	1,676	1,676
	<u><u>5,303,839</u></u>	<u><u>5,372,946</u></u>

Whilst these 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*'.



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

2nd Floor 1174 Hay Street, West Perth WA 6005

PO Box 309, West Perth WA 6872

Phone: (08) 9322 7200 Fax: (08) 9322 3229

ABN 59 125 425 274

7 November 2007

Mr Niel Mitchell
Chief Executive Officer
Shire of Yalgoo
37 Gibbons Street
Yalgoo WA 6635

Dear Mr Mitchell

MANAGEMENT LETTER

We have now completed our audit of Shire of Yalgoo for the year ended 30 June 2007.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. While our procedures are designed to identify any material weaknesses and detect misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

We have the following matter which we believe needs to be brought to your attention.

STALE CHEQUES

We noted during our audit five stale cheques older than six months totalling \$2,981.76 in the 30 June 2007 Municipal bank reconciliation.

We recommend that these cheques should be cancelled and reissued if the payees can not be found the monies should be forwarded to the 'Unclaimed Monies' section of the State Treasury.

UNRECORDED LIABILITIES

During the course of our audit we reviewed subsequent bank statements and noted unrecorded liabilities of \$31,517.83 owing to four separate creditors. These liabilities were subsequently accrued to the correct financial year in your accounting system.

We recommend that in future, care should be taken prior to closing all accounts to ensure all are recorded at the end of each reporting period.

We would like to take this opportunity to thank you and your staff for the assistance provided during the course of the audit.

Please do not hesitate to call should you like to discuss any aspect of the audit.

Yours sincerely

ANDERSON MUNRO & WYLLIE



GRAHAM D ANDERSON
Registered Company Auditor



Anderson Munro & Wyllie

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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 2007. 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 nine breaches of the Local Government Act 1995 and Regulations 1996 in our review of your 31 December 2006 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 2007 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 21st day of November 2007 in Perth, Western Australia

GRAHAM D ANDERSON
Registered Company Auditor

ANDERSON MUNRO & WYLLIE
Chartered Accountants