



Annual Report

For the year ending 30 June 2009

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KEY STATISTICS

	2008/09	2007/08	2006/07
Total number of residents	242 in the 2006 Census		
Total number of rateable properties	412	429	400
Rates levied	999,208	959,121	773,657
Minimum general residential rate	220	210	\$200
Minimum general commercial rate	220	210	\$200
Minimum general pastoral rate	220	210	\$200
Minimum general mining rate	220	210	\$200
Revenue from Ordinary Activities	4,875,579	2,353,949	2,796,024
Net current assets	2,792,255	2,221,601	1,956,157
Grants and Subsidies – Operating	1,878,035	1,101,664	1,756,099
Grants and Subsidies – Non-Operating	1,740,607	1,640,236	645,091
Debt servicing ratio	0.031	0.079	0.05
Total number of employees (full time)	21	17	17
Building applications approved	3	4	4
Value of building applications approved	6,500,000	5,945,760	2,690,000

PRESIDENT'S REPORT

I am pleased to present the President's Report for the Shire of Yalgoo for the Year Ending 30 June 2009.

Roadworks

Work has continued on both the Yalgoo-Morawa Road and the Yalgoo-Ninghan Roads to extend the bitumen seal. In 2008-09, the first year of a four year program to reseal the Yalgoo-Ninghan Road from the Highway to Golden Grove was also commenced.

I would particularly like to record Council's appreciation of the Works Crew – it has been several years of major unanticipated works, and they have kept at the job consistently and well. Not only have they completed all the additional work, but also the usual program of works decided by Council, and are now in a position where the jobs that have had to be left, can now be tackled.

Healthy Community Project

During the year, as the result of staff turnover and other factors, Council looked closely at the operations of the Healthy Community Project on several occasions. After much consideration, and as the guidelines for the program were changed, Council agreed to transfer the funding of the Project to Centacare. The Council will still be involved in some aspects, particularly economic development.

Council

Cr Lorraine O'Connor resigned from Council in February 2009 due to her health, and Cr Darryl Grey also resigned in April 2009 due to business commitments.

On behalf of Council I extend to them our appreciation for their contribution to the community.

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

Cr Terry Iturbide
President

ELECTED MEMBERS REPORT

Councillors

As at 30 June 2009 –

President:	Cr Donald E Anderson	Term expires 2011
Deputy President:	Cr Ellen C Rowe	Term expires 2009
Members	Cr Damian P Morrissey	Term expires 2009
	Cr Laurence Hodder	Term expires 2011
	Cr Terry K Iturbide	Term expires 2011
	Vacant	Term expires 2009
	Vacant	Term expires 2011

The Minister approved a reduction in the number of Councillors from 7 to 6, following the resignation of Cr Grey in April 2009.

Changes at the October 2009 election resulted in Cr Rowe and Cr Forster being elected unopposed, with one vacancy remaining. These terms expire in 2013.

Although outside of the year under review, Cr Anderson has also advised of his resignation from Council effective November 2009, and an extraordinary election for the balance of his term will be held.

Our appreciation is extended to him for his work on behalf of the community since 1993, and we wish him well for the future.

Attendance at Council Meetings

There were 11 Ordinary Meetings and 2 Special Meetings of Council held between 1 July 2008 and 30 June 2009. 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	11 of 11	2 of 2
Cr EC Rowe	8 of 11	1 of 2
Cr DJ Grey	6 of 8	1 of 2
Cr L Hodder	7 of 11	2 of 2
Cr DP Morrissey	9 of 11	2 of 2
Cr LJ O'Connor	6 of 7	1 of 2
Cr TK Iturbide	11 of 11	2 of 2

Councillor's Remuneration

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

Fees, Expenses, Allowances	Actual 2008/09 \$	Budget 2008/09 \$	Actual 2007/08 \$	Budget 2007/08 \$
Meeting Fees	10,427	6,000	12,618	20,000
President's Allowance	5,500	7,000	5,500	6,000
Deputy President's Allowance	833	0	917	0
Travelling Expenses	9,392	11,842	10,577	11,000
Telecommunication Allowance	2,300	0	0	0
Total	28,452	24,842	29,612	37,000

CHIEF EXECUTIVE OFFICER'S REPORT

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.

Plant & Vehicles

Only one major purchase of plant items were made during the year –
- purchase of an additional semi-side tipper

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 normal income or 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 provided in a joint venture with the Shires of Mingenew and Morawa, based in Morawa ceased in January 2009. Mr David Williams has now been replaced by Mr Bill Atyeo.

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 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 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
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 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.

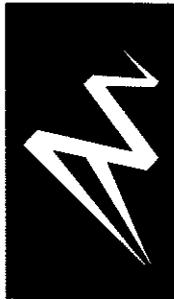
Minimum Compliance Requirements

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.



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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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 2009. The financial report comprises the Statement by Chief Executive Officer, Statement of Financial Performance, Statement of Financial Position, Equity Statement, Cash Flow Statement and accompanying notes to the financial statements.

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

Audit Approach

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

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

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

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

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

We performed procedures to assess whether the substance of business transactions were accurately reflected in the financial report. These and our other procedures did not include



consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the executive and management of the Shire of Yalgoo.

Independence

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

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

Audit Opinion

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

- a) So as to give a true and fair view of the state of affairs of the Shire as at 30 June 2009 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) 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 18th day of November 2009 in Perth, Western Australia

BILLY-JOE THOMAS
Director

Anderson Munro + Wyllie
ANDERSON MUNRO & WYLLIE
Chartered Accountants

SHIRE OF YALGOO
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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SHIRE OF YALGOO
INCOME STATEMENT
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2009 \$	2009 Budget \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	22	999,209	945,033	894,737
Operating Grants, Subsidies and Contributions	28	1,878,035	2,172,316	1,101,664
Fees and Charges	27	86,287	67,376	75,694
Interest Earnings	2(a)	107,313	68,000	171,546
Other Revenue		57,068	550	110,308
		<u>3,127,912</u>	<u>3,253,275</u>	<u>2,353,949</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(928,307)	(706,448)	(926,770)
Materials and Contracts		(929,230)	(830,794)	(603,107)
Utility Charges		(57,269)	(101,449)	(65,183)
Depreciation on Non-Current Assets	2(a)	(1,230,168)	(1,530,564)	(1,496,903)
Interest Expenses	2(a)	(42,261)	(43,430)	(52,344)
Insurance Expenses		(116,230)	(118,897)	(120,897)
Other Expenditure		(42,949)	(54,352)	(118,168)
		<u>(3,346,414)</u>	<u>(3,385,934)</u>	<u>(3,383,372)</u>
		(218,502)	(132,659)	(1,029,423)
Non-Operating Grants, Subsidies and Contributions				
	28	1,740,607	584,544	1,640,236
Profit on Asset Disposals	20	7,060	18,274	205,717
Loss on Asset Disposal	20	(19,154)	(49,231)	(9,598)
NET RESULT		<u>1,510,011</u>	<u>420,928</u>	<u>806,932</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 2009

	NOTE	2009 \$	2009 Budget \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES				
General Purpose Funding		3,643,121	2,625,251	2,556,342
Law, Order, Public Safety		7,485	35,110	2,793
Health		18,481	75,150	51,909
Education and Welfare		0	50	27
Housing		17,211	22,040	31,601
Community Amenities		11,155	10,836	23,264
Recreation and Culture		18,865	34,524	9,903
Transport		867,553	832,032	1,081,906
Economic Services		222,488	181,750	367,520
Other Property and Services		69,220	28,470	74,637
	2 (a)	<u>4,875,579</u>	<u>3,845,213</u>	<u>4,199,902</u>
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		(231,125)	(254,508)	(200,717)
General Purpose Funding		(85,207)	(86,334)	(78,079)
Law, Order, Public Safety		(80,562)	(54,701)	(54,833)
Health		(99,057)	(140,713)	(50,233)
Education and Welfare		(669)	(4,911)	(912)
Housing		(169,466)	(157,542)	(202,552)
Community Amenities		(114,794)	(133,165)	(103,299)
Recreation & Culture		(383,085)	(377,541)	(312,246)
Transport		(1,824,062)	(1,777,421)	(2,053,539)
Economic Services		(323,480)	(372,690)	(383,651)
Other Property and Services		(11,799)	(21,329)	97,097
	2 (a)	<u>(3,323,306)</u>	<u>(3,380,855)</u>	<u>(3,342,964)</u>
BORROWING COSTS EXPENSE				
General Purpose Funding		(148)	(450)	0
Housing		(35,040)	(36,073)	(42,717)
Community Amenities		(6,829)	(6,907)	(7,079)
Transport		0	0	(210)
Other Property and Services		(245)	0	0
	2 (a)	<u>(42,262)</u>	<u>(43,430)</u>	<u>(50,006)</u>
NET RESULT		<u><u>1,510,011</u></u>	<u><u>420,928</u></u>	<u><u>806,932</u></u>

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

**SHIRE OF YALGOO
BALANCE SHEET
AS AT 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	3,022,107	2,405,022
Trade and Other Receivables	4	153,374	181,793
Inventories	5	5,495	9,500
TOTAL CURRENT ASSETS		<u>3,180,976</u>	<u>2,596,315</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	5,922,898	5,676,605
Infrastructure	7	13,141,987	12,527,905
TOTAL NON-CURRENT ASSETS		<u>19,064,885</u>	<u>18,204,510</u>
TOTAL ASSETS	17	<u>22,245,861</u>	<u>20,800,825</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	223,947	213,950
Long Term Borrowings	9	59,323	55,607
Provisions	10	105,451	105,157
TOTAL CURRENT LIABILITIES		<u>388,721</u>	<u>374,714</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	559,340	618,663
Provisions	10	14,502	34,161
TOTAL NON-CURRENT LIABILITIES		<u>573,842</u>	<u>652,824</u>
TOTAL LIABILITIES		<u>962,563</u>	<u>1,027,538</u>
NET ASSETS		<u>21,283,298</u>	<u>19,773,287</u>
EQUITY			
Retained Surplus		18,084,771	16,535,998
Reserves - Cash Backed	11	2,046,423	2,085,185
Reserves - Asset Revaluation	12	1,152,104	1,152,104
TOTAL EQUITY		<u>21,283,298</u>	<u>19,773,287</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 2009**

	NOTE	2009 \$	2008 \$
RETAINED SURPLUS			
Balance as at 1 July 2008		16,535,998	16,476,073
Net Result		1,510,011	806,932
Transfer from/(to) Reserves		<u>38,762</u>	<u>(747,007)</u>
Balance as at 30 June 2009		<u>18,084,771</u>	<u>16,535,998</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2008		2,085,185	1,338,178
Amount Transferred (to)/from Retained Surplus		<u>(38,762)</u>	<u>747,007</u>
Balance as at 30 June 2009	11	<u>2,046,423</u>	<u>2,085,185</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2008		1,152,104	1,152,104
Revaluation Increment		0	0
Revaluation Decrement		<u>0</u>	<u>0</u>
Balance as at 30 June 2009	12	<u>1,152,104</u>	<u>1,152,104</u>
TOTAL EQUITY		<u><u>21,283,298</u></u>	<u><u>19,773,287</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 2009

	NOTE	2009 \$	2009 Budget \$	2008 \$
Cash Flows From Operating Activities				
Receipts				
Rates		947,347	945,033	909,916
Operating Grants, Subsidies and Contributions		1,878,035	2,216,751	1,101,664
Fees and Charges		119,246	67,376	61,657
Service Charges		0	0	29,068
Interest Earnings		107,313	68,000	171,546
Goods and Services Tax		315,710	250,000	215,402
Other Revenue		57,068	550	2,017
		<u>3,424,719</u>	<u>3,547,710</u>	<u>2,491,270</u>
Payments				
Employee Costs		(947,672)	(706,448)	(921,848)
Materials and Contracts		(914,114)	(784,046)	(451,396)
Utility Charges		(57,269)	(101,449)	(65,183)
Insurance Expenses		(116,230)	(118,897)	(120,897)
Interest expenses		(43,375)	(43,430)	(53,812)
Goods and Services Tax		(268,388)	(250,000)	(261,468)
Other Expenditure		(42,949)	(54,352)	(118,168)
		<u>(2,389,997)</u>	<u>(2,058,622)</u>	<u>(1,992,772)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>1,034,722</u>	<u>1,489,088</u>	<u>498,498</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(955,322)	(1,526,996)	(1,027,396)
Payments for Construction of Infrastructure		(1,238,316)	(972,157)	(986,597)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,740,607	584,544	1,640,236
Proceeds from Sale of Plant & Equipment		91,001	109,000	314,410
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In) Investing Activities		<u>(362,030)</u>	<u>(1,805,609)</u>	<u>(59,347)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(55,607)	(55,606)	(152,239)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In) Financing Activities		<u>(55,607)</u>	<u>(55,606)</u>	<u>(152,239)</u>
Net Increase (Decrease) in Cash Held		617,085	(372,127)	286,912
Cash at Beginning of Year		2,405,022	2,138,931	2,118,110
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>3,022,107</u></u>	<u><u>1,766,804</u></u>	<u><u>2,405,022</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 2009

	NOTE	2009 \$	2009 Budget \$
REVENUES			
Governance			0
General Purpose Funding		2,643,912	1,680,218
Law, Order, Public Safety		7,485	35,110
Health		18,481	75,150
Education and Welfare		0	50
Housing		17,211	22,040
Community Amenities		11,155	10,836
Recreation and Culture		18,865	34,524
Transport		867,553	832,032
Economic Services		222,488	181,750
Other Property and Services		69,220	39,350
		3,876,370	2,911,060
EXPENSES			
Governance		(231,125)	(254,508)
General Purpose Funding		(85,355)	(86,784)
Law, Order, Public Safety		(80,562)	(54,701)
Health		(99,057)	(140,713)
Education and Welfare		(669)	(4,911)
Housing		(204,506)	(193,615)
Community Amenities		(121,623)	(140,072)
Recreation & Culture		(383,085)	(377,541)
Transport		(1,824,062)	(1,777,421)
Economic Services		(323,480)	(372,690)
Other Property and Services		(11,629)	(32,209)
		(3,365,153)	(3,435,165)
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals	20	12,096	30,957
Movement in Accrued Interest		(1,114)	0
Movement in Employee Benefit Provisions		(19,364)	0
Depreciation and Amortisation on Assets	2 (a)	1,230,168	1,530,564
Capital Expenditure and Revenue			
Purchase Land Held for Resale		0	0
Purchase Land and Buildings	6 (a)	(653,242)	(1,068,796)
Purchase Infrastructure Assets - Roads	7 (a)	(1,139,146)	(912,157)
Purchase Infrastructure Assets - Other	7 (a)	(99,170)	(60,000)
Purchase Plant and Equipment	6 (a)	(283,715)	(424,000)
Purchase Furniture and Equipment	6 (a)	(18,365)	(34,200)
Purchase of Investments		0	0
Proceeds from Disposal of Investments		0	0
Proceeds from Disposal of Assets	20	91,001	109,000
Repayment of Debentures	21	(55,607)	(55,606)
Proceeds from New Debentures		0	0
Self-Supporting Loan Principal Income		0	0
Transfers to Reserves (Restricted Assets)		(715,387)	(1,022,523)
Transfers from Reserves (Restricted Assets)		754,149	1,326,963
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		302,982	158,870
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		915,712	0
Amount Required to be Raised from Rates	22	(999,209)	(945,033)

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 2009

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.

(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.

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

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

Land Held for Resale

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

Revenue arising from the sale of property is recognised in the 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

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

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

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

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

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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 2009

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 2009

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 2009

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 Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee Benefits

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

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

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

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

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

(n) Interest-bearing Loans and Borrowings

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

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

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after 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 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions

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

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

(p) Leases

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

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

(q) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the 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 Council contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

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

(u) Rounding Off Figures

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

(v) Comparative Figures

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

(w) Budget Comparative Figures

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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 2009

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

	Title and Topic	Issued	Applicable (*)	Impact
(i)	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.
(ii)	Revised AASB 123 Borrowing Costs (includes AASB 2009-1) 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 and April 2009	1 January 2009	Nil – There have been two revisions to the Standard. The first removed the option to expense all borrowing costs and required the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The second (AASB2009-1) reinstated the choice to either expense or capitalise in the case of not-for-profit entities. There will be no impact on the financial report of the Council as it already capitalises borrowing costs relating to qualifying assets and will continue to do so.
(iii)	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	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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs.
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 July 2009	The revisions embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council. It is not anticipated the more significant changes will have any effect on the financial report as the topics are not relevant to the operations of the Council.
(v) AASB 2008-11 Amendments to Australian Accounting Standard – Business Considerations Among Not-for-Profit Entities	November 2008	1 July 2009	Nil – Whilst this standard has the effect of applying AASB 3 Business Combinations to the Not-for-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27.
(vi) AASB 2008-1 Amendments to Australian Accounting Standard – Share-Based Payments: Vesting Conditions and Cancellations	February 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2008-2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligations Arising on Liquidation	March 2008	1 January 2009	

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(vi) (Continued)			
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2007-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	July 2008	1 January 2009	
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	August 2008	1 July 2009	
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009	
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
Interpretation 1 – Changes in Existing, Decommissioning, Restoration and Similar Liabilities	June 2008	1 January 2009	

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

(vi) (Continued)	Title and Topic	Issued	Applicable (*)	Impact
	Interpretation 12 – Service Concession Arrangements	June 2007	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	Interpretation 15 – Agreements for the Construction of Real Estate	August 2008	1 January 2009	
	Interpretation 16 – Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2008	
	Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
	Interpretation 18 – Transfers of Assets from Customers	March 2009	Ending 1 July 2009	

Notes:

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES

2009
\$

2008
\$

(a) Result from Ordinary Activities

The Result from Ordinary Activities includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit	12,597	5,264
- Other Services	9,269	1,550

Depreciation

Buildings	142,628	133,123
Furniture and Equipment	29,458	26,434
Plant and Equipment	431,432	374,366
Roads	624,234	960,564
NWHS Joint Venture	2,416	2,416
Other Infrastructure	0	0
	<u>1,230,168</u>	<u>1,496,903</u>

Interest Expenses

Finance Lease Charges	0	0
Other	299	2,338
Debentures (<i>refer Note 21(a)</i>)	41,962	50,006
	<u>42,261</u>	<u>52,344</u>

Rental Charges

- Operating Leases	<u>0</u>	<u>0</u>
--------------------	----------	----------

(ii) Crediting as Revenue:

2009
\$

2009
Budget
\$

2008
\$

Interest Earnings

Investments			
- Reserve Funds	79,680	50,000	112,312
- Other Funds	18,292	18,000	53,737
Other Interest Revenue (<i>refer note 26</i>)	9,341	0	5,497
	<u>107,313</u>	<u>68,000</u>	<u>171,546</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

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.

	2009	2008
	\$	\$
(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).		
Roads to Recovery (Transport)	126,410	126,410
	126,410	126,410
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Country Local Government Fund	380,331	0
Regional and Local Community Infrastructure Program (RLCIP)	60,000	0
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 (Transport)	(126,410)	0
Closing balances of unexpended grants	440,331	126,410
Comprises:		
Country Local Government Fund	380,331	126,410
Regional and Local Community Infrastructure Program (RLCIP)	60,000	0
	440,331	126,410

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	535,353	193,427
Restricted	<u>2,486,754</u>	<u>2,211,595</u>
	<u><u>3,022,107</u></u>	<u><u>2,405,022</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	77,503	76,750
Plant Reserve	367,473	345,915
Yalgoo Ninghan Road Reserve	285,701	271,182
Building Reserve	766,165	1,131,388
Housing Maintenance Reserve	29,657	32,373
General Road Reserve	65,224	61,909
Sports Complex Reserve	96,615	53,716
Community Amenities Maintenance Reserve	102,550	59,349
HCP Reserve	2,688	2,551
Yalgoo Morawa Road Reserve	52,732	50,052
Superannuation Back-pay Reserve	200,115	0
Unspent Grants	440,331	126,410
	<u>2,486,754</u>	<u>2,211,595</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	71,343	19,481
Sundry Debtors	92,070	125,029
Provision for Doubtful Debts	(29,412)	(29,412)
GST Receivable	0	47,322
Loans - Clubs/Institutions	19,373	19,373
	<u>153,374</u>	<u>181,793</u>
5. INVENTORIES		
Current		
Fuel and Materials	5,495	9,500
	<u>5,495</u>	<u>9,500</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009 \$	2008 \$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	5,251,167	4,597,925
Less Accumulated Depreciation	<u>(957,814)</u>	<u>(815,186)</u>
	4,293,353	3,782,739
Furniture and Equipment - Cost	359,765	341,400
Less Accumulated Depreciation	<u>(284,618)</u>	<u>(255,160)</u>
	75,147	86,240
Plant and Equipment - Cost	3,547,854	3,382,737
Less Accumulated Depreciation	<u>(1,995,132)</u>	<u>(1,585,008)</u>
	1,552,722	1,797,729
NWHS JV - cost	0	13,089
Less Accumulated Depreciation	<u>0</u>	<u>(4,868)</u>
	0	8,221
Tools - Cost	6,250	6,250
Less Accumulated Depreciation	<u>(4,574)</u>	<u>(4,574)</u>
	1,676	1,676
	<u><u>5,922,898</u></u>	<u><u>5,676,605</u></u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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.

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	NWHS Plant & Equipment \$	Tools \$	Total \$
Balance as at 1 July 2008	3,782,739	86,240	1,797,729	8,221	1,676	5,676,605
Additions	653,242	18,365	283,715	0	0	955,322
(Disposals)	0		(97,290)	(5,805)	0	(103,095)
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)	(142,628)	(29,458)	(431,432)	(2,416)	0	(605,934)
Other Movements					0	0
Balance as at 30 June 2009	<u>4,293,353</u>	<u>75,147</u>	<u>1,552,722</u>	<u>0</u>	<u>1,676</u>	<u>5,922,898</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
7. INFRASTRUCTURE		
Roads - Cost	31,409,059	30,269,912
Less Accumulated Depreciation	<u>(18,366,242)</u>	<u>(17,742,007)</u>
	13,042,817	12,527,905
Infrastructure - Other	99,170	0
Less Accumulated Depreciation	<u>0</u>	<u>0</u>
	99,170	0
	 <u>13,141,987</u>	 <u>12,527,905</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	<u>Roads</u> \$	<u>Other</u> \$	<u>Total</u> \$
Balance as at 1 July 2008	12,527,905	0	12,527,905
Additions	1,139,146	99,170	1,238,316
(Disposals)	0	0	0
Revaluation - Increments	0	0	0
- (Decrements)	0	0	0
Impairment - (losses)	0	0	0
- reversals	0	0	0
Depreciation (Expense)	(624,234)	0	(624,234)
Other Movements	0	0	0
Balance as at 30 June 2009	<u>13,042,817</u>	<u>99,170</u>	<u>13,141,987</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Trade Creditors	145,773	178,981
Other Payables	55,638	16,463
PAYG	17,848	12,704
Accrued Interest on Debentures	4,688	5,802
Accrued Salaries and Wages	0	0
	<u>223,947</u>	<u>213,950</u>
	<u>223,947</u>	<u>213,950</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge Debentures	59,323	55,607
	<u>59,323</u>	<u>55,607</u>
	<u>59,323</u>	<u>55,607</u>
Non-Current		
Secured by Floating Charge Debentures	559,340	618,663
	<u>559,340</u>	<u>618,663</u>
	<u>559,340</u>	<u>618,663</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	65,302	74,073
Provision for Long Service Leave	40,149	31,084
	<u>105,451</u>	<u>105,157</u>
	<u>105,451</u>	<u>105,157</u>
Non-Current		
Provision for Long Service Leave	14,502	34,161
	<u>14,502</u>	<u>34,161</u>
	<u>14,502</u>	<u>34,161</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009 \$	2009 Budget \$	2008 \$
11. RESERVES - CASH BACKED			
(a) Long Service Leave Reserve			
Opening Balance	76,750	76,309	61,648
Amount Set Aside / Transfer to Reserve	3,955	6,842	15,102
Amount Used / Transfer from Reserve	(3,202)	0	0
	<u>77,503</u>	<u>83,151</u>	<u>76,750</u>
(b) Plant Reserve			
Opening Balance	345,915	343,926	285,826
Amount Set Aside / Transfer to Reserve	156,705	230,862	284,748
Amount Used / Transfer from Reserve	(135,147)	(214,000)	(224,659)
	<u>367,473</u>	<u>360,788</u>	<u>345,915</u>
(c) Building Reserve			
Opening Balance	1,131,388	1,121,944	767,574
Amount Set Aside / Transfer to Reserve	234,777	227,084	363,814
Amount Used / Transfer from Reserve	(600,000)	(600,000)	0
	<u>766,165</u>	<u>749,028</u>	<u>1,131,388</u>
(d) Yalgoo Ninghan Road Reserve			
Opening Balance	271,182	269,622	223,130
Amount Set Aside / Transfer to Reserve	14,519	130,663	48,052
Amount Used / Transfer from Reserve	0	(124,154)	0
	<u>285,701</u>	<u>276,131</u>	<u>271,182</u>
(e) Sport Complex Reserve			
Opening Balance	53,716	53,535	0
Amount Set Aside / Transfer to Reserve	42,899	41,292	53,716
Amount Used / Transfer from Reserve	0	(25,000)	0
	<u>96,615</u>	<u>69,827</u>	<u>53,716</u>
(f) Railway Station Maintenance Reserve			
Opening Balance	0	59,187	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	(59,187)	0
	<u>0</u>	<u>0</u>	<u>0</u>
(g) Housing Maintenance Reserve			
Opening Balance	32,373	32,339	0
Amount Set Aside / Transfer to Reserve	13,084	12,781	32,373
Amount Used / Transfer from Reserve	(15,800)	0	0
	<u>29,657</u>	<u>45,120</u>	<u>32,373</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009 \$	2009 Budget \$	2008 \$
11. RESERVES - CASH BACKED			
(h) General Road Reserve			
Opening Balance	61,909	61,845	0
Amount Set Aside / Transfer to Reserve	3,315	1,493	61,909
Amount Used / Transfer from Reserve	0	0	0
	<u>65,224</u>	<u>63,338</u>	<u>61,909</u>
(i) Community Amenities Maintenance Reserve			
Opening Balance	59,349	0	0
Amount Set Aside / Transfer to Reserve	43,201	100,616	59,349
Amount Used / Transfer from Reserve	0	(35,000)	0
	<u>102,550</u>	<u>65,616</u>	<u>59,349</u>
(j) HCP Reserve			
Opening Balance	2,551	2,537	0
Amount Set Aside / Transfer to Reserve	137	61	2,551
Amount Used / Transfer from Reserve	0	0	0
	<u>2,688</u>	<u>2,598</u>	<u>2,551</u>
(k) Yalgoo Morawa Road Reserve			
Opening Balance	50,052	50,000	0
Amount Set Aside / Transfer to Reserve	2,680	1,207	50,052
Amount Used / Transfer from Reserve	0	0	0
	<u>52,732</u>	<u>51,207</u>	<u>50,052</u>
(l) Superannuation Back-pay Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	200,115	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>200,115</u>	<u>0</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u><u>2,046,423</u></u>	<u><u>1,766,804</u></u>	<u><u>2,085,185</u></u>

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

11. RESERVES - CASH BACKED

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

Long Service Leave Reserve (Previously Titled Leave Reserve)

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

Plant Reserve

- To be used for the purchase of major plant.

Building Reserve

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

Golden Grove Road Reserve

- To be used to maintain the sealed road from Yalgoo to the Golden Grove Mine.
- Reserve account closed with all funds being transferred to Yalgoo Ninghan Road Reserve.

Yalgoo Ninghan Road Reserve

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

Sports Complex Reserve

- For the development of new recreational facilities.

Railway Station Maintenance Reserve

- For the maintenance of the Railway Station Complex.
- Reserve account closed with all funds being Transferred to Community Amenities Reserve.

Community Amenities Maintenance Reserves

- For the maintenance of community amenities.

HCP Reserve

- For future community projects operating expenditure.

Housing Maintenance Reserve

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

Yalgoo Morawa Road Reserve

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

General Road Reserve

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

Superannuation Back-Pay Reserve

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

Except for the Golden Grove Road and Railway Station Maintenance Reserve accounts none of the Reserves are expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

12. RESERVES - ASSET REVALUATION	2009	2008
	\$	\$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(a) Land and Buildings		
Balance as at 1 July 2008	1,152,104	1,152,104
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2009	<u>1,152,104</u>	<u>1,152,104</u>
 TOTAL ASSET REVALUATION RESERVES	 <u>1,152,104</u>	 <u>1,152,104</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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:

	2009 \$	2009 Budget \$	2008 \$
Cash and Cash Equivalents	<u>3,022,107</u>	<u>1,766,804</u>	<u>2,405,022</u>

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

Net Result	1,510,011	420,928	806,932
Depreciation	1,230,168	1,530,564	1,496,903
(Profit)/Loss on Sale of Asset	12,096	30,957	(196,119)
(Increase)/Decrease in Receivables	28,419	44,435	(124,148)
(Increase)/Decrease in Inventories	4,005	16,748	3,304
Increase/(Decrease) in Payables	9,995	30,000	115,932
Increase/(Decrease) in Employee Provisions	(19,365)	0	35,930
Grants/Contributions for the Development of Assets	<u>(1,740,607)</u>	<u>(584,544)</u>	<u>(1,640,236)</u>
Net Cash from Operating Activities	<u>1,034,722</u>	<u>1,489,088</u>	<u>498,498</u>

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

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

Loan Facilities

Loan Facilities - Current	59,323	55,607
Loan Facilities - Non-Current	559,340	618,663
Total Facilities in Use at Balance Date	<u>618,663</u>	<u>674,270</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>

**SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009**

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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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. Council had a one-third share in the assets.

The Joint venture finished in the 2008-2009 financial year. All assets have been disposed of.

	2009	2008
	\$	\$
Non-Current Assets		
Plant & Equipment	0	13,088
Less: Accumulated Depreciation	<u>0</u>	<u>(4,865)</u>
	<u><u>0</u></u>	<u><u>8,223</u></u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2009	2008
	\$	\$
Governance	399,825	7,049
General Purpose Funding	2,718,250	2,104,874
Law, Order, Public Safety	35,676	33,716
Health	778	9,336
Education and Welfare	0	0
Housing	1,807,217	1,579,125
Community Amenities	382,741	346,053
Recreation and Culture	1,197,504	1,186,019
Transport	13,912,442	13,563,031
Economic Services	523,709	502,970
Other Property and Services	1,297,010	1,257,637
Unallocated	(29,291)	211,015
	<u><u>22,245,861</u></u>	<u><u>20,800,825</u></u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008	2007
18. FINANCIAL RATIOS			
Current Ratio	2.231	1.291	4.630
Untied Cash to Unpaid Trade Creditors Ratio	3.639	1.081	10.940
Debt Ratio	0.043	0.049	0.050
Debt Service Ratio	0.031	0.079	0.050
Gross Debt to Revenue Ratio	0.197	0.263	0.290
Gross Debt to Economically Realisable Assets Ratio	0.068	0.082	0.110
Rate Coverage Ratio	0.210	0.214	0.210
Outstanding Rates Ratio	0.070	0.021	0.040

The above ratios are calculated as follows:

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

19. TRUST FUNDS

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

	Balance 1-Jul-08	Amounts Received	Amounts Paid	Balance 30-Jun-09
	\$	\$	(\$)	\$
Yamatji BBMAC	150			150
Community Bus Bond - School	350			350
Housing Bonds	190	2,428	(740)	1,878
Land Auction Proceeds	2,500			2,500
JV Housing	1,160	0	(1,160)	0
Casual Hall Bond	150			150
Library Bond	25			25
Nomination Deposits	0			0
Casual Complex	1,000	0	(1,000)	0
Land Deposit	880			880
Unallocated	(127)	42,900	0	42,773
	<u>6,278</u>			<u>48,706</u>

20. DISPOSALS OF ASSETS - 2008/09 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
Health						
Toshiba 4000 CDS PC	333	0	0	0	(333)	0
Car Fridge	143	0	200	0	57	0
Microwave Leakage Tester	200	0	0	0	(200)	0
Standards Library	333	0	0	0	(333)	0
NHWS Vehicle 2006	4,798	0	12,666	0	7,868	0
Recreation and Culture						
Gardener's Ute	10,152	10,726	9,324	12,000	(828)	1,274
Transport						
Holden Rodeo	28,791	32,939	23,357	20,000	(5,434)	(12,939)
Rodeo 4x4 Dual Cab	28,076	33,010	21,818	20,000	(6,258)	(13,010)
Foreman's Ute		32,402		20,000		(12,402)
Other Property & Services						
CEO Vehicle - Subaru	30,271	30,880	23,636	20,000	(6,635)	(10,880)
CEO Vehicle	0	0	0	15,000	0	15,000
Forklift	0	0	0	2,000	0	2,000
	<u>103,097</u>	<u>139,957</u>	<u>91,001</u>	<u>109,000</u>	<u>(12,096)</u>	<u>(30,957)</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-08 \$	New Loans \$	Principal Repayments		Principal 30-Jun-09		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 51 - A & B Selwyn	87,928	0	33,462	33,462	54,466	69,391	4,197	5,284
Loan 53 - 19 A & B Stanley	209,547	0	8,072	8,071	201,475	201,475	13,794	13,782
Loan 55 - 18 C & D Shamrock	266,118	0	9,902	9,902	256,216	256,216	17,142	17,007
Community Amenities								
Loan 54 - Public Conveniences	110,676	0	4,171	4,171	106,505	106,505	6,829	6,907
	674,269	0	55,607	55,606	618,662	633,587	41,962	42,980

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

(b) New Debentures - 2008/09

No new debentures in 2008/09.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

No unspent debentures in 2008/09.

(d) Overdraft

Council established an overdraft facility of \$50,000 in 2000 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2008 and 30 June 2009 was Nil.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

22. RATING INFORMATION - 2008/09 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 \$
Differential General Rate											
Gross Rental Value											
Townsite Improved	0.0741	34	217,452	16,224	0	0	16,224	16,113	0	0	16,113
Unimproved Value											
Mining Tenement	0.2389	109	3,314,868	760,364	11,993	0	772,357	756,592	(1,011)	0	755,581
Pastoral	0.0764	21	625,403	47,512		0	47,512	55,239	0	0	55,239
Exploration / Prospecting	0.1277	99	649,461	52,478	5,086	0	57,564	69,779	0	0	69,779
Mining	0.2389	5	46,919	10,279	1,677	0	11,956	10,065	0	0	10,065
Sub-Totals		268	4,854,103	886,857	18,756	0	905,613	907,788	(1,011)	0	906,777
Minimum	\$										
Minimum Rates											
Gross Rental Value											
Townsite Improved	220.00	5	4,198	1,100	0	0	1,100	1,100	0	0	1,100
Townsite Vacant	509.00	13	1,543	7,684	(1,098)	0	6,586	7,126	0	0	7,126
Unimproved Value											
Mining Tenement	220.00	40	22,561	34,601	(16,454)	0	18,147	8,610	0	0	8,610
Pastoral	220.00	2	1,731	660	0	0	660	630	0	0	630
Exploration / Prospecting	220.00	110	86,687	54,259	(4,565)	0	49,694	20,370	0	0	20,370
Mining	220.00	1	0	1,475	397	0	1,872	210	0	0	210
Rural	220.00	1	100	220	0	0	220	210	0	0	210
Sub-Totals		172	116,820	99,999	(21,720)	0	78,279	38,256	0	0	38,256
Ex-Gratia Rates							983,892				945,033
							15,317				0
Discounts (refer note 25)							999,209				945,033
							0				0
Totals							999,209				945,033

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

23. SPECIFIED AREA RATE - 2008/09 FINANCIAL YEAR

Council did not imposed any specified area rates in the 2009 financial year.

24. SERVICE CHARGES - 2008/09 FINANCIAL YEAR

No service charges were levied in the 2009 financial year.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2008/09 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 at random.

26. INTEREST CHARGES AND INSTALMENTS - 2008/09 FINANCIAL YEAR

	Revenue \$	Budgeted Revenue \$
Interest Charges	9,341	0
Charges on Instalment Plan	4,420	0
	13,761	0

Ratepayers had the option of paying rates in four equal instalments, due on 19th October 2008, 19th December 2008, 19th February 2009 and 19th April 2009. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2009 \$	2008 \$
Governance	0	0
General Purpose Funding	4,517	3,062
Law, Order, Public Safety	552	653
Health	1,521	6,909
Education and Welfare	0	27
Housing	15,307	26,319
Community Amenities	11,155	13,719
Recreation and Culture	3,565	5,580
Transport	0	34
Economic Services	33,220	10,370
Other Property and Services	16,450	9,021
	86,287	75,694

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 2009

28. GRANT REVENUE	2009	2008
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	1,878,035	1,101,664
Non-Operating Grants, Subsidies and Contributions	1,740,607	1,640,236
	<u>3,618,642</u>	<u>2,741,900</u>
By Program:		
General Purpose Funding	2,531,732	1,487,043
Law, Order, Public Safety	6,933	2,141
Health	9,900	45,000
Community Amenities	0	9,545
Recreation and Culture	15,000	0
Transport	852,098	838,872
Economic Services	189,360	356,799
Other Property and Services	13,619	2,500
	<u>3,618,642</u>	<u>2,741,900</u>

29. COUNCILLORS' REMUNERATION	2009	2009	2008
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	10,427	6,000	12,618
President's Allowance	5,500	7,000	5,500
Deputy President's Allowance	833	0	917
Travelling Expenses	9,392	11,842	10,577
Telecommunications Allowance	2,300	0	0
	<u>28,452</u>	<u>24,842</u>	<u>29,612</u>

30. EMPLOYEES' REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

Salary Range	2009	2008
\$		
100,000 - 109,999	1	0

31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	2009	2008
	<u>21</u>	<u>18</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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 2008/09 financial year.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2009	2008	2009	2008
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	3,022,107	2,405,022	3,022,107	2,405,022
Receivables	153,374	181,793	153,374	181,793
	<u>3,175,481</u>	<u>2,586,815</u>	<u>3,175,481</u>	<u>2,586,815</u>
Financial Liabilities				
Payables	223,947	213,950	223,947	213,950
Borrowings	618,663	674,270	618,663	396,030
	<u>842,610</u>	<u>888,220</u>	<u>842,610</u>	<u>609,980</u>

Fair value is determined as follows:

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio 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-09	30-Jun-08
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	22,337	24,496
- Income Statement	22,337	24,496

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.

SHIRE OF YALGOO
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FOR THE YEAR ENDED 30TH JUNE 2009

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.

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-09	30-Jun-08
Percentage of Rates and Annual Charges		
- Current	11.71%	12.40%
- Overdue	88.29%	87.60%
Percentage of Other Receivables		
- Current	76.08%	31.72%
- Overdue	23.92%	68.28%

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2009</u>					
Payables	223,947		0	223,947	223,947
Borrowings	58,118		875,784	933,902	618,663
	<u>282,065</u>	<u>0</u>	<u>875,784</u>	<u>1,157,849</u>	<u>842,610</u>
<u>2008</u>					
Payables	213,950	0	0	213,950	213,950
Borrowings	0	96,865	935,628	1,032,493	674,270
	<u>213,950</u>	<u>96,865</u>	<u>935,628</u>	<u>1,246,443</u>	<u>888,220</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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><1 year</u>	<u>>1<2 years</u>	<u>>2<3 years</u>	<u>>3<4 years</u>	<u>>4<5 years</u>	<u>>5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year Ended 30 June 2009</u>								
Borrowings								
Fixed Rate								
Debentures	54,468	0	0	0	0	564,195	618,663	6.52%
Weighted Average Effective Interest Rate	6.83%					6.49%		
<u>Year Ended 30 June 2008</u>								
Borrowings								
Fixed Rate								
Debentures	0	87,929	0	0	0	586,341	674,270	6.53%
Weighted Average Effective Interest Rate		6.83%				6.49%		