

SHIRE OF MERREDIN



Heart of the Wheatbelt



ANNUAL REPORT

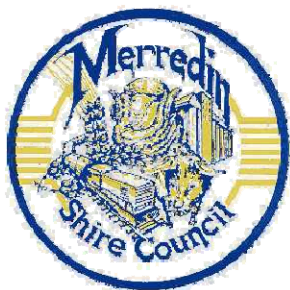
For the Financial Year ending 30 June 2009

Index

ANNUAL REPORT

For the Financial Year ending 30 June 2009

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Shire President's Report

I am pleased to report that the Shire of Merredin has continued to achieve its commitments in 2008/2009 and has finished the financial year in a sound position after a year of development and growth. The Vision of the Shire of Merredin is "To be a vibrant regional centre offering a comprehensive range of regional services which improve the quality of life of the people within the Shire and Central Wheatbelt" and Council strive to promote and realise this vision at all times.

It is with great pride and pleasure that I present the Shire of Merredin's Annual Report for the year ended 30 June 2009.

During the year a key focus for Local Governments has been the issues of sustainability and the accompanying issue of amalgamations. The challenge for regional local governments is to ensure increased partnership arrangements with other Shires occur, resulting in development of opportunities for increased efficiency and resource sharing where possible. This is a particularly challenging issue for a 'regional centre' such as the Shire of Merredin who aims to ensure that its range of services provided to the Central Wheatbelt area is not diminished whilst also aiming to provide the best possible services to the residents and ratepayers of the Shire.

A major project within the financial year was the completion of the Carrington Way Subdivision. This project has now been completed with 6 lots sold prior to 30 June 2009 with a profit on these individual blocks totalling \$117,414. Council have managed their financial position to be able to fund this development from its Land Development Reserve rather than incurring additional long term loans. The development of residential land has long been a priority for the Shire of Merredin and we believe that subdivisions such as the Carrington Way Subdivision are a successful response to community demand for affordable land releases. Council have committed to all profits from the sale of Carrington Way Subdivision to be returned to the Land Development Reserve to enable future funding of similar projects.

With the announcement of the Royalties for Regions Funding program several projects were able to be planned within the Shire. The major project for which funding was successful in 2008/2009 was the major upgrades required at the Cummins Theatre. This project encompassed the introduction of a new fly tower, air-conditioning to the building, renovation and upgrade of all amenities at the Theatre. It is hoped that other funds can be attracted to complete the estimated \$1.2 Million project.

Another major development occurring during the year is the Collgar Windfarm Project. In August 2008 an application was received for planning approval to construct 126 wind turbines south of Burracoppin. It is a \$750 million project. Council was able to approve this project within a two month period. This project will bring significant benefits to Merredin in terms of population, economic development and tourism potential.

It may be opportune to advise electors of some of the little things that the Shire does for its community. For example, Council made contributions to the Merredin Senior High School Chaplaincy program, Country Women's Association, the Eastern Wheatbelt Declared Animals Group and various other Community Groups and Community Events. These contributions amount to many thousands of dollars each year and it is one of the many ways we support the Shire of Merredin community.

During the year Councillor John Simmonds resigned from Council to travel around Australia. I would like to take this opportunity to thank Cr Simmonds for his years of dedicated service to the Shire of Merredin and wish him all the best in his travels. With regards to Councillors, Council has made a commitment to reduce its number of Councillors from 11 to 9 at the upcoming October 2009 elections. I recommend all electors to take part in these elections.

Council continues to make significant investment into Council's Road Network and in 2008-2009 undertook work on:

- Carrington Way
- Caw Street
- Chandler Road
- Farrar Parade
- Growden Road
- Hardman Road
- Hines Hill North Road
- Knungagin Road
- Korbrelkulling Road
- Merredin Narembene Road
- Totadgin Hall Road
- Solomon Street Drainage
- Bates Street Footpath

In concluding my report, I would like to thank all Shire staff for their efforts. It is the efforts of all staff which work tirelessly throughout the year to ensure that the best possible service is provided to the community. These contributions are made throughout all areas of the organisation whether in Administration and Finance Services, Engineering Services, Development Services or Community Services. The commitment of staff to ensure that quality services continue to be provided to the community and that new services are introduced where needed, has been supported and encouraged by your Councillors. It is the work of both Staff and Councillors, together with the support and contributions from the community, which result in improving the quality of services available in Merredin.

Cr Ken Hooper
Shire President

Chief Executive Officer's Report

This has been another exciting year for the Shire of Merredin.

A number of activities such as relocation of the Merredin Golf Club to the Merredin Recreation Community & Leisure Centre, installation of underground reticulation on the Main Oval, completion of the Apex Park Toilet block and Barrack Street Toilet Block, holding of the Community Concert featuring Adam Brand, and various Roadworks were completed.

Significant building activity occurred in the Shire during 2008/2009. Seventy six building applications (with an additional approximately \$2,800,000 buildings for State Government departments) were approved, amounting to \$7,020,547 million in works. This is approximately a 19% increase in the value of applications over the 2007/2008 financial year.

Council completed the year with a surplus of \$1,593,989 which is due predominantly to the receipt of Royalties for Regions for projects due to commence early in the 2009/2010 financial year. An analysis of Council's Ratios indicates we are operating within acceptable parameters with the exception of the Outstanding Rate Ratio on which Council officers are focusing on with a more rigorous debt collection process being implemented during the year. This process is already showing results and it is our goal to ensure that there is a significant increase in this ratio for the 2009/2010 financial year.

During the year Council introduced a household Recycling service to all residential properties. This service was introduced as a result of community feedback. The service has, for the most part, been well received and is just one way that the Shire of Merredin is proving its commitment to working towards a Zero Waste policy.

During the year Council engaged a consultant to assist in the preparation of a plan for the Merredin Central Business District. In preparing such a plan, community and business consultation occurred and a number of meetings were held to discuss the requirements that a Regional Centre such as Merredin has. Council is committed to implementing the plan in stages and will keep the Community updated of its progress.

An area of concern is the current investigation into Grain Freight. There are indications the railway lines from Trayning/Nungarin, Narembreen and Bruce Rock will not be used for the forthcoming harvest. This will place significant pressure on Council's road system. Council is participating in discussions to resolve this matter.

I would like to thank staff for all their efforts during the financial year. Without their honesty, dedication, loyalty and sheer hard work, many of the things that we have achieved throughout the year would not have been undertaken. I would particularly like to thank staff for their efforts whilst I was on long service leave.

I would also like to thank Councillors for working cooperatively in achieving the goals that we have set ourselves, and staff look forward to continuing to work together to achieve the many, many other projects that lay before the Shire of Merredin.

Frank Ludovico
Chief Executive Officer

Plan for the Future

Introduction

Associated with the Shire's Strategic Planning process, the Shire of Merredin Strategic Plan / Plan for the Future was reviewed by Council in May 2009 and adopted at Council's June 2009 Meeting. The Plan identifies three Key Result Areas:

Community "A Great Place for People" and our goal is to develop a united and sustainable community by working collaboratively;

Economy "A Vibrant Economy" and our goal is to be a prosperous, sustainable and a beautiful regional centre;

Environment "A Sustainable Environment" and our goal is to secure a cleaner and safer environment for future generations, through collective responsibility for the protection and management of our built and natural environment.

The many Strategies and Actions detailed in this Plan show how Council intends to achieve its goals in the three Key Result Areas.

Overview of Activities Proposed to Commence or Continue

- **Land Development** – The Carrington Way subdivision has been completed with residential land now available to purchase. The next development is the second stage of the Whitfield Way subdivision to provide Special Residential land.
- **Road Construction/Maintenance** – Road Construction/Maintenance continues to be a major activity for the Shire of Merredin with approximately one third of Council's budget being allocated to this program
- **Recreation Facilities** – Council is planning the construction of a synthetic Tennis/Hockey/Soccer turf to further enhance the facilities at the Merredin Regional Community and Leisure. A funding application will be submitted to the Department of Sport & Recreation for funding in October 2009.
- **Cummins Theatre** – the provision of Royalties for Regions funding meant the planning into upgrading the facility that took place last financial year can now be brought to fruition.
- **Merredin CBD** – The final report into this project will be submitted to Council's July 2009 meeting. Once it is adopted investigations will occur into funding and implementing the project.
- **Aged Accommodation** – Council's review of the Strategic Plan revealed the need for Aged Accommodation (whether rentals, strata title, lease for life etc). Council will investigate avenues of funding for the provision of these facilities.

National Competition Policy

The Shire of Merredin has incorporated the principles and assessment of National Competition Policy into its practices and activities, and does not believe to have undertaken activities that have been anti-competitive in nature.

State Records Act

2008/2009 Achievements

The Shire continued the consolidation of its adopted Record Keeping Plan, as required by the State Records Act 2000, with implementation of improved records keeping, particularly property-based information. This achievement assisted with customer service for building, health and town planning enquiries as records were for the first time, managed in a systematic fashion that improve identification of critical details.

Future Objectives – Compliance with SRO Principle 6

Minimum reporting requirements for local governments are detailed in Principle 6 of the Recordkeeping Plan:

1. the efficiency and effectiveness of the organisation's recordkeeping systems is evaluated not less than once every 5 years;
2. the organisation conducts a recordkeeping training program;
3. the efficiency and effectiveness of the recordkeeping training program is;
4. reviewed from time to time;
5. the organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's recordkeeping plan; and
6. the organisation includes within its annual report an appropriate section that addresses points 1-4.

Disability Services Plan

The Disability Services Amendment Act (1999) requires Council to report on its Disability Services Plan achievements within its Annual Report. The Shire of Merredin Disability Services Plan was adopted in 1995 and Revised in February 2001. In January 2007 Council adopted the *Disability Access and Inclusion Plan 2007-2012*.

Many of the outcomes and strategies identified within the plan are being implemented on an ongoing basis or have been fully implemented. Currently the Executive Manager of Development Services is responsible for the implementation of the principles and projects within the Plan. When Council are addressing the issue of accessibility to Council's facilities and functions they are aware that by providing better access for people with disabilities they are providing better access for the whole community. Work continues to improve footpaths and access ways around the townsite as part of recognising the Disability Services Plan.

Further information can be obtained by contacting Mr John Mitchell, Executive Manager of Development Services at the Council Administration Centre on 08 9041 1611 or email emds@merredin.wa.gov.au.

Shire of Merredin



COUNCIL

Councillor Ken Hooper

Councillor Mark Crees

Councillor Stephen Elliott

Councillor Pam Forbes

Councillor Wayne Wallace

Councillor Maria Young

Councillor Asha Hooper

Shire President

Deputy Shire President

Councillor Julie Townrow

Councillor Mick Hayden

Councillor Martin Morris

Councillor John Simmonds

ADMINISTRATION CENTRE

Situated on the Corner of King and Barrack Streets, Merredin

Postal Address: PO Box 42, Merredin, WA 6415

Office Hours: Monday to Friday, 8.30am to 4.30pm

Telephone: (08) 9041 1611

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Email: admin@merredin.wa.gov.au

Website: www.merredin.wa.gov.au

SENIOR MANAGEMENT

Chief Executive Officer

Executive Manager Community Services

Executive Manager Development Services

Executive Manager Finance and Administration

Executive Manager Engineering Services

Frank Ludovico

Debbie Morris

John Mitchell

Emma Hooper

Jim Garrett

SUPERVISORS, MANAGERS & SPECIALISED STAFF

Construction Supervisor - Troy Davey

Road / Town Maintenance Supervisor - Rodney Robertson

Mechanic - Mick Fiegert

Recreation Ground Curator - Graham Motzel

Regional Librarian – Julie Turner

Ranger – George Ward

Visitor Centre Manager - Pam Masters

Cummins Theatre Manager - Jane Bandurski

Swimming Pool Manager - Terry Robartson

Building Project Manager - John Gearing

Natural Resource Management Officer -

Tobias Vudzijena

Project Officer – Donna Crook

Acting Recreation Centre Manager – Peter McDonald

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

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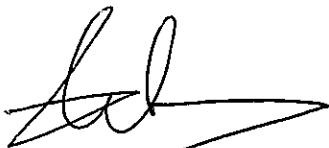
SHIRE OF MERREDIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Merredin being the annual financial report and other information for the financial year ended 30th June 2009 are in my opinion properly drawn up to present fairly the financial position of the Shire of Merredin at 30th June 2009 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the Sixth day of November 2009.



Frank Ludovico
Chief Executive Officer

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

	NOTE	2009 \$	2009 Budget \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	22	2,219,511	2,190,647	2,114,823
Operating Grants, Subsidies and Contributions	28	1,316,116	2,134,789	1,056,023
Fees and Charges	27	2,169,191	1,533,040	1,359,212
Interest Earnings	2(a)	151,841	108,850	176,560
Other Revenue		24,644	255,200	955,893
		<u>5,881,303</u>	<u>6,222,526</u>	<u>5,662,511</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(2,458,005)	(2,186,322)	(3,013,090)
Materials and Contracts		(2,206,196)	(2,003,401)	(1,662,757)
Utility Charges		(239,437)	(306,503)	(246,387)
Depreciation on Non-Current Assets	2(a)	(1,376,306)	(1,210,800)	(1,327,609)
Interest Expenses	2(a)	(83,553)	(112,868)	(92,760)
Insurance Expenses		(158,947)	(43,860)	(186,649)
Other Expenditure		(33,320)	(796,564)	-
		<u>(6,555,764)</u>	<u>(6,660,318)</u>	<u>(6,529,252)</u>
		(674,461)	(437,792)	(866,741)
Non-Operating Grants, Subsidies and Contributions				
	28	2,894,751	775,656	1,516,280
Profit on Asset Disposals	20	117,413	358,929	492,799
Loss on Asset Disposal	20	(20,159)	(14,000)	(79,003)
NET RESULT		<u>2,317,544</u>	<u>682,793</u>	<u>1,063,335</u>

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

SHIRE OF MERREDIN
INCOME STATEMENT
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2009 \$	2009 Budget \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		57,502	27,950	93,204
General Purpose Funding		5,509,018	4,044,740	3,897,663
Law, Order, Public Safety		173,857	165,015	183,494
Health		39,886	44,722	690,561
Education and Welfare		1,748	930	848
Housing		37,081	54,900	26,830
Community Amenities		763,857	898,379	850,138
Recreation and Culture		766,180	657,091	656,690
Transport		945,648	934,914	866,141
Economic Services		127,310	136,380	83,453
Other Property and Services		471,380	378,090	322,568
	2 (a)	<u>8,893,467</u>	<u>7,343,111</u>	<u>7,671,590</u>
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		(576,997)	(496,084)	(531,301)
General Purpose Funding		(69,189)	(69,790)	(92,532)
Law, Order, Public Safety		(351,303)	(258,070)	(175,259)
Health		(199,351)	(230,845)	(884,249)
Education and Welfare		(31,181)	(34,880)	(33,327)
Housing		(47,521)	(48,617)	(38,160)
Community Amenities		(640,802)	(759,845)	(474,001)
Recreation & Culture		(1,773,102)	(1,935,366)	(1,618,762)
Transport		(1,823,311)	(1,796,830)	(1,763,119)
Economic Services		(587,712)	(662,221)	(430,460)
Other Property and Services		(391,901)	(254,902)	(474,325)
	2 (a)	<u>(6,492,370)</u>	<u>(6,547,450)</u>	<u>(6,515,495)</u>
BORROWING COSTS EXPENSE				
Governance		(8,687)	(6,800)	(9,912)
Health		(6,709)	(10,997)	(1,685)
Recreation and Culture		(48,587)	(79,362)	(51,627)
Economic Services		(19,570)	(15,709)	(29,536)
	2 (a)	<u>(83,553)</u>	<u>(112,868)</u>	<u>(92,760)</u>
NET RESULT		<u><u>2,317,544</u></u>	<u><u>682,793</u></u>	<u><u>1,063,335</u></u>

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

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

	NOTE	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,856,314	2,550,471
Trade and Other Receivables	4	746,014	504,222
Inventories	5	30,826	41,767
TOTAL CURRENT ASSETS		<u>3,633,154</u>	<u>3,096,460</u>
NON-CURRENT ASSETS			
Other Receivables	4	38,744	36,962
Inventories	5	946,822	438,854
Property, Plant and Equipment	6	12,234,470	11,963,067
Infrastructure	7	39,780,230	38,998,253
TOTAL NON-CURRENT ASSETS		<u>53,000,266</u>	<u>51,437,136</u>
TOTAL ASSETS		<u>56,633,420</u>	<u>54,533,596</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	668,570	759,713
Long Term Borrowings	9	131,061	123,543
Provisions	10	412,922	399,995
TOTAL CURRENT LIABILITIES		<u>1,212,553</u>	<u>1,283,251</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	1,146,385	1,277,445
Provisions	10	63,009	78,971
TOTAL NON-CURRENT LIABILITIES		<u>1,209,394</u>	<u>1,356,416</u>
TOTAL LIABILITIES		<u>2,421,947</u>	<u>2,639,667</u>
NET ASSETS		<u>54,211,473</u>	<u>51,893,929</u>
EQUITY			
Retained Surplus		26,927,128	24,224,306
Reserves - Cash Backed	11	1,474,347	1,859,625
Reserves - Asset Revaluation	12	25,809,998	25,809,998
TOTAL EQUITY		<u>54,211,473</u>	<u>51,893,929</u>

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

**SHIRE OF MERREDIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
RETAINED SURPLUS			
Balance as at 1 July 2008		24,224,306	23,378,742
Net Result		2,317,544	1,063,335
Transfer from/(to) Reserves		<u>385,278</u>	<u>(217,771)</u>
Balance as at 30 June 2009		<u>26,927,128</u>	<u>24,224,306</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2008		1,859,625	1,641,854
Amount Transferred (to)/from Retained Surplus		<u>(385,278)</u>	<u>217,771</u>
Balance as at 30 June 2009	11	<u>1,474,347</u>	<u>1,859,625</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2008		25,809,998	25,809,998
Balance as at 30 June 2009	12	<u>25,809,998</u>	<u>25,809,998</u>
TOTAL EQUITY		<u>54,211,473</u>	<u>51,893,929</u>

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

**SHIRE OF MERREDIN
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,164,415	2,190,647	2,017,132
Operating Grants, Subsidies and Contributions		1,316,116	2,134,789	1,517,488
Fees and Charges		1,943,450	1,917,463	1,359,212
Interest Earnings		151,841	108,850	176,560
Goods and Services Tax		547,784	350,000	487,818
Other Revenue		24,644	255,200	878,471
		<u>6,148,250</u>	<u>6,956,949</u>	<u>6,436,681</u>
Payments				
Employee Costs		(2,510,443)	(2,186,322)	(2,942,112)
Materials and Contracts		(2,235,198)	(2,503,362)	(1,420,035)
Utility Charges		(239,437)	(306,503)	(246,387)
Insurance Expenses		(158,947)	(143,860)	(186,649)
Interest expenses		(85,178)	(112,868)	(94,397)
Goods and Services Tax		(512,291)	(350,000)	(444,899)
Other Expenditure		(33,429)	(796,564)	-
		<u>(5,774,923)</u>	<u>(6,399,479)</u>	<u>(5,334,479)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>373,327</u>	<u>557,470</u>	<u>1,102,202</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		(873,322)	(2,180,277)	(84,779)
Payments for Purchase of Property, Plant & Equipment		(826,336)	(902,000)	(1,655,231)
Payments for Construction of Infrastructure		(1,589,370)	(1,477,150)	(851,928)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		2,894,751	775,656	1,516,280
Proceeds from Sale of Plant & Equipment		448,653	1,103,000	945,912
Net Cash Provided By (Used In) Investing Activities		<u>54,376</u>	<u>(2,680,771)</u>	<u>(129,746)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(123,628)	(138,543)	(163,742)
Proceeds from Self Supporting Loans		1,768	1,768	8,276
Proceeds from New Debentures		-	720,000	-
Net Cash Provided By (Used In) Financing Activities		<u>(121,860)</u>	<u>583,225</u>	<u>(155,466)</u>
Net Increase (Decrease) in Cash Held		<u>305,843</u>	<u>(1,540,076)</u>	<u>816,990</u>
Cash at Beginning of Year		<u>2,550,471</u>	<u>2,705,859</u>	<u>1,733,481</u>
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>2,856,314</u></u>	<u><u>1,165,783</u></u>	<u><u>2,550,471</u></u>

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

**SHIRE OF MERREDIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$
REVENUES			
Governance		57,502	27,950
General Purpose Funding		3,289,507	1,854,093
Law, Order, Public Safety		173,857	165,015
Health		39,886	44,722
Education and Welfare		1,748	930
Housing		37,081	54,900
Community Amenities		763,857	843,879
Recreation and Culture		766,180	572,535
Transport		945,648	298,314
Economic Services		127,310	136,380
Other Property and Services		471,380	378,090
		<u>6,673,956</u>	<u>4,376,808</u>
EXPENSES			
Governance		(585,684)	(502,884)
General Purpose Funding		(69,189)	(69,790)
Law, Order, Public Safety		(351,303)	(258,070)
Health		(206,060)	(241,842)
Education and Welfare		(31,181)	(34,880)
Housing		(47,521)	(48,617)
Community Amenities		(640,802)	(759,845)
Recreation & Culture		(1,821,689)	(2,014,728)
Transport		(1,823,311)	(1,796,830)
Economic Services		(607,282)	(677,930)
Other Property and Services		(391,901)	(254,902)
		<u>(6,575,923)</u>	<u>(6,660,318)</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		(97,255)	(344,929)
Movement in Accrued Interest		(1,797)	-
Movement in Accrued Salaries and Wages		(49,403)	-
Movement in Employee Benefit Provisions		(3,035)	-
Depreciation and Amortisation on Assets		1,376,306	1,210,800
Capital Expenditure and Revenue			
Grants/Contributions Asset Development		-	775,655
Purchase Land Held for Resale		9,681	-
Purchase Land and Buildings		(635,956)	(960,300)
Purchase - Subdivisional Costs		(873,322)	(1,219,977)
Purchase Infrastructure Assets - Roads		(1,422,687)	(1,355,925)
Purchase Infrastructure Assets - Parks		-	(46,900)
Purchase Infrastructure Assets - Footpaths		(86,092)	(74,325)
Purchase Plant and Equipment		(241,095)	(856,000)
Purchase Furniture and Equipment		(29,876)	(46,000)
Proceeds from Disposal of Assets		448,653	1,103,000
Repayment of Debentures		(123,628)	(138,543)
Proceeds from New Debentures		-	720,000
Self-Supporting Loan Principal Income		1,768	1,768
Transfers to Reserves (Restricted Assets)		(626,125)	(565,029)
Transfers from Reserves (Restricted Assets)		1,011,403	1,334,067
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		618,905	555,501
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		1,593,989	-
Amount Required to be Raised from Rates	22	<u><u>(2,219,511)</u></u>	<u><u>(2,190,647)</u></u>

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

SHIRE OF MERREDIN
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.

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

SHIRE OF MERREDIN
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 MERREDIN
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	50 to 100 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	40 years
Drainage Infrastructure	50 years

SHIRE OF MERREDIN
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 MERREDIN
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 MERREDIN
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 MERREDIN
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 The Shire of Merredin has no joint ventures with other Municipalities.

(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 MERREDIN
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 MERREDIN
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 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of Financial Position), being as at the beginning of the comparative period.

SHIRE OF MERREDIN
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 MERREDIN
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 MERREDIN
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 MERREDIN
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	13,850	13,860
- Other Services	0	12,065

Depreciation

Buildings	205,187	187,849
Furniture and Equipment	38,737	34,275
Plant and Equipment	324,989	262,394
Roads	777,393	809,020
Footpaths	15,000	18,990
Drainage	15,000	15,081
	<u>1,376,306</u>	<u>1,327,609</u>

Interest Expenses

Finance Lease Charges		
Debentures (<i>refer Note 21(a)</i>)	83,553	92,760
	<u>83,553</u>	<u>92,760</u>

Rental Charges

- Operating Leases	0	14,804
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(ii) Crediting as Revenue:

2009
\$

2009
Budget
\$

2008
\$

Interest Earnings

Investments			
- Reserve Funds	69,760	50,000	88,660
- Other Funds	38,765	50,000	57,421
Other Interest Revenue (<i>refer note 26</i>)	43,316	8,850	30,479
	<u>151,841</u>	<u>108,850</u>	<u>176,560</u>

**SHIRE OF MERREDIN
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 Merredin is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

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

GOVERNANCE

Objective: To provide a decision making process for the efficient allocation of resources

Activities: Administration and operations of facilities and services to members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services

GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services

Activities: Rates, general purpose grants and interest revenue

LAW, ORDER, PUBLIC SAFETY

Objective: To provide services to help ensure a safer community

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

HEALTH

Objective: To provide an operational framework for good community health

Activities: Food quality and pest control, inspection of abattoir and support of child health services.

EDUCATION AND WELFARE

Objective: To meet the needs of the community in these areas

Activities: Support day care centres and pre school facilities and assistance to senior citizens and retirement villages and other voluntary services

HOUSING

Objective: To provide subsidised housing to promote youth employment in Merredin

Activities: Maintenance and rentals of single persons units and other housing

COMMUNITY AMENITIES

Objective: Provide sanitary and essential services required by the community

Activities: Refuse collection services, operation of refuse sites, administration of town planning scheme, cemetery services and maintenance, environmental services, urban stormwater drainage, women's rest centre and other development services.

RECREATION AND CULTURE

Objective: To establish and manage efficiently infrastructure and resources which will help the social well being of the community

Activities: Maintenance of halls, aquatic centre, recreation centre and reserves, parks and gardens, regional library service, cultural and heritage services and facilities

SHIRE OF MERREDIN
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)

TRANSPORT

Objective: To provide effective and efficient transport services to the community

Activities: Maintenance of streets, roads, footpaths, street lighting and cleaning, parking areas, transport licensing services on behalf of the Department of Planning and Infrastructure.

ECONOMIC SERVICES

Objective: To help promote the Shire and improve its economic well being and provide medical services or assistance to the community

Activities: Noxious weed control, tourism and area promotion, community development and coordination, building control and services, activities related to medical locum and other economic services

OTHER PROPERTY & SERVICES

Activities: Private works operations, public works operation, plant operation costs, gross salaries and wages

	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 Grant	333,032	295,608
	<u>333,032</u>	<u>295,608</u>
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Roads to Recovery Grant	0	37,424
Royalties for Regions Funding	966,402	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 Grant	(333,032)	0
Closing balances of unexpended grants	<u>966,402</u>	<u>333,032</u>
Comprises:		
Roads to Recovery Grant	0	333,032
Royalties for Regions	966,402	0
	<u>966,402</u>	<u>333,032</u>

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

	2009 \$	2008 \$
3. CASH AND CASH EQUIVALENTS		
Cash on Hand - Unrestricted	3,300	2,450
Cash on Hand - Municipal	1,378,667	688,397
Restricted	1,474,347	1,859,624
	<u>2,856,314</u>	<u>2,550,471</u>

The following is a reconciliation of the municipal funds above:

Municipal Cash at Bank - Unrestricted	412,265	355,365
Municipal Cash at Bank - Restricted	966,402	333,032
	<u>1,378,667</u>	<u>688,397</u>

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

Long Service Leave Reserve	112,976	108,829
Plant Reserve	511,380	393,018
Cummins Thatre Reserve	5,912	5,695
Annual Leave Reserve	67,484	65,039
General Building Reserve	133,421	128,604
Land and Development Reserve	240,923	742,282
Doctors Housing Reserve	12,888	12,415
Heritage Reserve	0	4,070
Disaster Relief Reserve	6,292	6,061
Recreation Facilities Reserve	0	7,099
Road Reinstatement Reserve	20,568	19,813
Cummings Street Units Reserve	52,592	50,792
Carried Over Projects Reserve	19,480	90,172
Buidling Maintenance Reserve	23,174	71,517
Waste Management Reserve	126,718	81,870
FESA Levy Reserve	7,042	6,783
Saline Water Initiatives Reserve	51,965	50,057
MRC&LC Reserve	53,574	15,509
Merredin Memorial Pool Reserve	27,958	0
	<u>1,474,347</u>	<u>1,859,625</u>

Other:

Municipal Cash at Bank - Restricted:		
Unspent Grants (Refer to Note 2(c))	966,402	333,032
	<u>966,402</u>	<u>333,032</u>

4. TRADE AND OTHER RECEIVABLES

Current

Rates Outstanding	333,639	282,194
Sundry Debtors	431,473	205,733
GST Receivable	9,034	44,527
Loans - Clubs/Institutions	1,868	1,768
Less: Provision for Doubtful Debts	(30,000)	(30,000)
	<u>746,014</u>	<u>504,222</u>

Non-Current

Rates Outstanding - Pensioners	26,393	22,743
Loans - Clubs/Institutions	12,351	14,219
	<u>38,744</u>	<u>36,962</u>

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

	2009 \$	2008 \$
5. INVENTORIES		
Current		
Fuel and Materials	30,826	41,767
	<u>30,826</u>	<u>41,767</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	344,394	354,075
Development Costs	602,428	84,779
	<u>946,822</u>	<u>438,854</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	11,458,524	10,745,819
Less Accumulated Depreciation	<u>(1,819,088)</u>	<u>(1,613,901)</u>
	9,639,436	9,131,918
Furniture and Equipment - Cost	837,042	807,166
Less Accumulated Depreciation	<u>(540,945)</u>	<u>(502,208)</u>
	296,097	304,958
Plant and Equipment - Cost	4,248,630	4,204,817
Less Accumulated Depreciation	<u>(1,949,693)</u>	<u>(1,678,626)</u>
	2,298,937	2,526,191
	<u>12,234,470</u>	<u>11,963,067</u>

SHIRE OF MERREDIN
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 \$	Total \$
Balance as at 1 July 2008	9,131,918	304,958	2,526,191	11,963,067
Additions	911,038	29,876	241,095	1,182,009
(Disposals)	(198,334)	-	(143,359)	(341,693)
Depreciation (Expense)	(205,187)	(38,737)	(324,989)	(568,913)
Other Movements	1	0	-1	0
Balance as at 30 June 2009	<u>9,639,436</u>	<u>296,097</u>	<u>2,298,937</u>	<u>12,234,470</u>

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

	2009 \$	2008 \$
7. INFRASTRUCTURE		
Roads - Cost	68,203,093	66,798,657
Less Accumulated Depreciation	<u>(30,095,274)</u>	<u>(29,317,881)</u>
	38,107,819	37,480,776
 Footpaths - Cost	 901,682	 816,000
Less Accumulated Depreciation	<u>(376,778)</u>	<u>(362,188)</u>
	524,904	453,812
 Drainage - Cost	 835,182	 816,522
Less Accumulated Depreciation	<u>(377,187)</u>	<u>(361,778)</u>
	457,995	454,744
 Parks & Ovals - Cost	 690,021	 609,430
Less Accumulated Depreciation	<u>(509)</u>	<u>(509)</u>
	689,512	608,921
	<u>39,780,230</u>	<u>38,998,253</u>

SHIRE OF MERREDIN
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.

	Roads	Footpaths	Drainage	Parks and Ovals	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2008	37,480,776	453,812	454,744	608,921	38,998,253
Additions	1,404,436	86,092	18,251	80,591	1,589,370
(Disposals)	0	0	0	0	0
Depreciation (Expense)	(777,393)	(15,000)	(15,000)	0	(807,393)
Other Movements	0	0	0	0	0
Balance as at 30 June 2009	<u>38,107,819</u>	<u>524,904</u>	<u>457,995</u>	<u>689,512</u>	<u>39,780,230</u>

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

	2009 \$	2008 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	589,171	629,114
Accrued Interest on Debentures	13,260	15,057
Accrued Salaries and Wages	66,139	115,542
	<u>668,570</u>	<u>759,713</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	<u>131,061</u>	<u>123,543</u>
	<u>131,061</u>	<u>123,543</u>
Non-Current		
Secured by Floating Charge		
Debentures	<u>1,146,385</u>	<u>1,277,445</u>
	<u>1,146,385</u>	<u>1,277,445</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	255,411	296,327
Provision for Long Service Leave	157,511	103,668
	<u>412,922</u>	<u>399,995</u>
Non-Current		
Provision for Long Service Leave	63,009	78,971
	<u>63,009</u>	<u>78,971</u>

SHIRE OF MERREDIN
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	108,829	108,829	117,435
Amount Set Aside / Transfer to Reserve	4,147	-	6,731
Amount Used / Transfer from Reserve	-	(8,000)	(15,337)
	<u>112,976</u>	<u>100,829</u>	<u>108,829</u>
(b) Plant Reserve			
Opening Balance	393,018	393,018	395,111
Amount Set Aside / Transfer to Reserve	351,617	336,998	300,657
Amount Used / Transfer from Reserve	(233,255)	(653,000)	(302,750)
	<u>511,380</u>	<u>77,016</u>	<u>393,018</u>
(c) Cummins Theatre Reserve			
Opening Balance	5,695	5,695	4,531
Amount Set Aside / Transfer to Reserve	217	-	1,164
Amount Used / Transfer from Reserve	-	-	-
	<u>5,912</u>	<u>5,695</u>	<u>5,695</u>
(d) Annual Leave Reserve			
Opening Balance	65,039	65,040	108,714
Amount Set Aside / Transfer to Reserve	22,445	-	6,182
Amount Used / Transfer from Reserve	(20,000)	(20,000)	(49,857)
	<u>67,484</u>	<u>45,040</u>	<u>65,039</u>
(e) General Building Reserve			
Opening Balance	128,604	128,604	215,043
Amount Set Aside / Transfer to Reserve	54,817	50,000	10,623
Amount Used / Transfer from Reserve	(50,000)	(50,000)	(97,062)
	<u>133,421</u>	<u>128,604</u>	<u>128,604</u>
(f) Land and Development Reserve			
Opening Balance	742,282	742,282	460,390
Amount Set Aside / Transfer to Reserve	27,917	-	446,818
Amount Used / Transfer from Reserve	(529,276)	(388,977)	(164,926)
	<u>240,923</u>	<u>353,305</u>	<u>742,282</u>
(g) Doctors Housing Reserve			
Opening Balance	12,415	12,415	11,766
Amount Set Aside / Transfer to Reserve	473	-	649
Amount Used / Transfer from Reserve	-	(6,000)	-
	<u>12,888</u>	<u>6,415</u>	<u>12,415</u>

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

	2009 \$	2009 Budget \$	2008 \$
11. RESERVES - CASH BACKED (continued)			
(h) Recreation Facilities Reserve			
Opening Balance	7,099	7,099	6,728
Amount Set Aside / Transfer to Reserve	259	-	371
Amount Used / Transfer from Reserve	<u>(7,358)</u>	<u>(7,099)</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>7,099</u>
(i) Heritage Reserve			
Opening Balance	4,070	4,069	3,857
Amount Set Aside / Transfer to Reserve	148	-	213
Amount Used / Transfer from Reserve	<u>(4,218)</u>	<u>(4,069)</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>4,070</u>
(j) Disaster Relief Reserve			
Opening Balance	6,061	6,061	5,744
Amount Set Aside / Transfer to Reserve	231	-	317
Amount Used / Transfer from Reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,292</u>	<u>6,061</u>	<u>6,061</u>
(k) Road Reinstatement Reserve			
Opening Balance	19,813	19,813	18,777
Amount Set Aside / Transfer to Reserve	755	-	1,036
Amount Used / Transfer from Reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>20,568</u>	<u>19,813</u>	<u>19,813</u>
(l) Carried Over Projects Reserve			
Opening Balance	90,172	90,172	82,623
Amount Set Aside / Transfer to Reserve	3,354	-	7,549
Amount Used / Transfer from Reserve	<u>(74,046)</u>	<u>(90,172)</u>	<u>-</u>
	<u>19,480</u>	<u>-</u>	<u>90,172</u>
(m) Cummings Street Units Reserve			
Opening Balance	50,792	50,792	44,317
Amount Set Aside / Transfer to Reserve	10,050	6,500	12,475
Amount Used / Transfer from Reserve	<u>(8,250)</u>	<u>(8,250)</u>	<u>(6,000)</u>
	<u>52,592</u>	<u>49,042</u>	<u>50,792</u>
(n) Building Maintenance Reserve			
Opening Balance	71,517	71,518	67,796
Amount Set Aside / Transfer to Reserve	11,657	15,157	3,721
Amount Used / Transfer from Reserve	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
	<u>23,174</u>	<u>26,675</u>	<u>71,517</u>
(o) Waste Management Reserve			
Opening Balance	81,870	81,870	42,537
Amount Set Aside / Transfer to Reserve	69,848	65,940	58,273
Amount Used / Transfer from Reserve	<u>(25,000)</u>	<u>(25,000)</u>	<u>(18,940)</u>
	<u>126,718</u>	<u>122,810</u>	<u>81,870</u>

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

	2009 \$	2009 Budget \$	2008 \$
11. RESERVES - CASH BACKED (continued)			
(p) FESA Levy Reserve			
Opening Balance	6,783	6,783	6,485
Amount Set Aside / Transfer to Reserve	259	-	298
Amount Used / Transfer from Reserve	-	-	-
	<u>7,042</u>	<u>6,783</u>	<u>6,783</u>
(q) Saline Water Initiatives Reserve			
Opening Balance	50,057	50,057	50,000
Amount Set Aside / Transfer to Reserve	1,908	-	2,299
Amount Used / Transfer from Reserve	-	(13,500)	(2,242)
	<u>51,965</u>	<u>36,557</u>	<u>50,057</u>
(r) MRCLC Reserve			
Opening Balance	15,508	15,508	-
Amount Set Aside / Transfer to Reserve	38,066	37,475	15,509
Amount Used / Transfer from Reserve	-	-	-
	<u>53,574</u>	<u>52,983</u>	<u>15,509</u>
(s) Merredin District Olympic Pool Reserve			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	27,958	52,957	-
Amount Used / Transfer from Reserve	-	-	-
	<u>27,958</u>	<u>52,957</u>	<u>-</u>
TOTAL CASH BACKED RESERVES	<u><u>1,474,347</u></u>	<u><u>1,090,585</u></u>	<u><u>1,859,625</u></u>

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

11. RESERVES - CASH BACKED (continued)

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

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

Long Service Leave Reserve

- To be used to fund employees long service leave.

Plant Reserve

- To be used to fund council plant purchases and extra ordinary plant maintenance.

Cummins Theatre Reserve

- To be used to fund capital works at the Cummins Theatre.

Annual Leave Reserve

- To be used to fund employees accrued annual leave.

General Building Reserve

- To be used to fund council building construction.

Land and Development Reserve

- To be used to fund future council residential and commercial land development.

Doctors Housing Reserve

- To be used to fund housing costs associated with attracting doctors to Merredin.

Recreation Facilities Reserve

- To be used to fund Recreation Facilities upgrades and new constructions.

Heritage Reserve

- To be used to preserve and maintain buildings with heritage significance.

Disaster Relief Reserve

- Contingency Reserve for disasters.

Road Reinstatement Reserve

- To be used for emergency road reinstatements.

Carried Over Projects Reserve

- To be used for specific projects carried over from previous financial year.

Cummings Street Units Reserve

- To be used to maintain single persons housing under tripartite agreement with Homeswest.

Building Maintenance Reserve

- To be utilised to fund future upgrades of Council's buildings.

Waste Management Reserve

- To be utilised to fund future development and upgrades in refuse management.

FESA Levy Reserve

- Holding Reserve for the balance of FESA levy funding from previous years to be utilised under FESA direction

Saline Water Initiatives Reserve

- To be utilised for the research and development into initiatives designed to use the saline water below Merredin or similar type environmental projects

MRCLC Reserve

- To be utilised for the Merredin Regional Community & Leisure Centre.

Merredin District Olympic Pool Reserve

- To be utilised for the maintenance and development of the Merredin District Olympic Pool.

SHIRE OF MERREDIN
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 class of assets:		
(a) Roads		
Balance as at 1 July 2008	25,809,998	25,809,998
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2009	<u>25,809,998</u>	<u>25,809,998</u>
TOTAL ASSET REVALUATION RESERVES	<u><u>25,809,998</u></u>	<u><u>25,809,998</u></u>

SHIRE OF MERREDIN
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>2,856,314</u>	<u>1,165,783</u>	<u>2,550,471</u>

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

Net Result	2,317,544	682,793	1,063,335
Depreciation	1,376,306	1,210,800	1,327,609
(Profit)/Loss on Sale of Asset	(97,254)	(344,929)	(413,796)
(Increase)/Decrease in Receivables	(245,453)	376,798	329,271
(Increase)/Decrease in Inventories	10,941	9,625	(18,080)
Increase/(Decrease) in Payables	(90,971)	(601,961)	330,303
Increase/(Decrease) in Employee Provisions	(3,035)	-	(160)
Grants/Contributions for the Development of Assets	(2,894,751)	(775,656)	(1,516,280)
Net Cash from Operating Activities	<u><u>373,327</u></u>	<u><u>557,470</u></u>	<u><u>1,102,202</u></u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	140,000	140,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	3,000	1,500
Credit Card Balance at Balance Date	0	(68)
Total Amount of Credit Unused	<u><u>143,000</u></u>	<u><u>141,432</u></u>

Loan Facilities

Loan Facilities - Current	131,061	123,543
Loan Facilities - Non-Current	1,146,385	1,277,445
Total Facilities in Use at Balance Date	<u><u>1,277,446</u></u>	<u><u>1,400,988</u></u>

Unused Loan Facilities at Balance Date	<u><u>0</u></u>	<u><u>0</u></u>
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SHIRE OF MERREDIN
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 at 30 June 2009.

	2009	2008
	\$	\$

15. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

The Shire of Merredin had no finance lease commitments as at 30 June 2009.

(b) Operating Lease Commitments

Non-cancellable operating leases
contracted for but not capitalised in
the accounts.

Payable:

- not later than one year	4,032	4,673
- later than one year but not later than five years	0	0
- later than five years	0	0
	4,032	4,673

(c) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	0	112,000
- plant & equipment purchases	473,000	0

Payable:

- not later than one year	473,000	112,000
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The plant and equipment purchases outstanding at the end of the current reporting period represents the purchase cost of a Grader and 4 Tonne Truck that was ordered prior to 30 June 2009 but was not available for delivery until after year end.

The Capital Expenditure project outstanding at 30 June 2008 related to outstanding commitments for the Carrington Way Subdivision Project.

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

16. JOINT VENTURE

The Shire of Merredin has no Joint Ventures with other Municipalities.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY	2009	2008
	\$	\$
Governance	1,484,243	1,517,873
Law, Order, Public Safety	158,256	162,867
Health	966,928	1,003,088
Education and Welfare	285,058	290,024
Housing	290,748	258,623
Community Amenities	1,312,886	881,584
Recreation and Culture	6,405,371	5,775,185
Transport	40,535,883	39,811,419
Economic Services	276,164	823,535
Other Property and Services	1,245,956	1,484,896
Unallocated	3,671,927	2,524,502
	<u>56,633,420</u>	<u>54,533,596</u>

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

	2009	2008	2007
18. FINANCIAL RATIOS			
Current Ratio	1.159	0.811	0.817
Untied Cash to Unpaid Trade Creditors Ratio	0.700	0.569	0.000
Debt Ratio	0.043	0.048	0.046
Debt Service Ratio	0.035	0.042	0.044
Gross Debt to Revenue Ratio	0.214	0.228	0.269
Gross Debt to Economically Realisable Assets Ratio	0.076	0.090	0.090
Rate Coverage Ratio	0.255	0.276	0.267
Outstanding Rates Ratio	0.133	0.123	0.089

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 MERREDIN
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 \$
Community Bus Fund	512	0	0	512
Housing Bonds	7,051	1,582	(860)	7,773
Recreation Hall Bonds	500	0	0	500
Possum Trap Bonds	213	200	(100)	313
Unclaimed Monies	300	0	0	300
Hall/Gym Bonds	205	0	0	205
SBS Transmitter	2,220	0	0	2,220
BCITF Levy	802	8,742	(9,237)	307
Overpayment of Rates	4,105	300	0	4,405
LCDC Tree Planter Fund	625	0	0	625
Poetry Book Fund	730	0	0	730
Other Bonds	3,216	3,134		6,350
Building Reg. Board Levy	1,822	2,357	(3,795)	384
Councillor Nomination Fee	480	0	0	480
Youth Advisory Council	154	0	0	154
Pioneer Park Contribution	750	0	0	750
Australian Open Garden Scheme	15	0	0	15
Skeleton Weed	2,429	0	0	2,429
Envirofund	0	0	0	0
Hines Hill Bush Fire Brigade	3,520		(3,520)	0
Agracorp Merredin Sports Council	1,092	0	0	1,092
	<u>30,741</u>			<u>29,544</u>

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

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 \$
Governance						
CEO - Statesman	0	42,000	0	44,000	-	2,000
Law, Order & Public Safety						
Ranger Utility	21,317	20,000	17,759	24,000	(3,558)	4,000
Health						
EMDS Sedan	0	28,000	0	28,000	-	-
Community Amenities						
Carrington Way Sales	0	462,371	0	700,000	0	237,629
Lot 214 Carrington Way	43,517	0	63,636	0	20,119	0
Lot 229 Carrington Way	28,089	0	44,545	0	16,456	0
Lot 230 Carrington Way	28,122	0	44,545	0	16,423	0
Lot 216 Carrington Way	38,453	0	63,636	0	25,183	0
Lot 211 Carrington Way	41,702	0	60,000	0	18,298	0
Lot 227 Carrington Way	28,157	0	49,091	0	20,934	0
Transport						
Caterpillar 12H Construction	0	47,200	0	138,000	0	90,800
Caterpillar Backhoe	0	78,000	0	65,000	0	(13,000)
Mitsubishi Canter 4 Tonne	28,690	27,000	24,091	26,000	(4,599)	(1,000)
Isuzu 3 Tonne Tip Truck	35,491	0	28,182	0	(7,309)	0
Utility - Construction Sup.	16,009	14,500	13,636	23,000	(2,373)	8,500
Utility - Maintenance	17,833	17,000	16,464	22,000	(1,369)	5,000
EMES 4x4	24,019	22,000	23,068	33,000	(951)	11,000
	351,399	758,071	448,653	1,103,000	97,254	344,929

Sale of:

Land Held for Resale 9,706
Property, Plant & Equipment 341,693

Total Asset Sales 351,399

SHIRE OF MERREDIN
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 Outstanding		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
197b Administration Centre Building	79,613		38,511	38,510	41,103	41,103	4,294	4,295
202 Professional Housing (50%)	46,384		12,322	12,323	34,062	34,061	5,011	2,505
Health								
204 Staff Housing 56 Kitchener (50%)	29,650		1,314	1,315	28,335	28,335	1,634	1,615
Recreation & Culture								
208 Staff House	111,895		4,121	4,121	107,774	107,774	7,285	7,285
210 Merredin Recreation Centre	662,537		20,559	20,550	641,977	641,977	41,621	41,792
212 Burracoppin Sporting Club S/S	15,987		1,768	1,768	14,219	14,219	885	885
Economic Services								
202 Professional Housing (50%)	46,384		12,323	12,322	34,061	34,062		2,506
204 Staff Housing 56 Kitchener (50%)	29,649		1,314	1,314	28,335	28,335	1,598	1,616
205 Merredin Medical Centre Renov	126,168		5,594	5,594	120,575	120,575	6,876	6,876
209 Whitfield Way Res. Land Dev.	252,721		25,802	25,716	227,005	227,005	14,349	14,093
Carrington Way Subdivision				0		0		0
	1,400,988	0	123,628	123,543	1,277,446	1,277,446	83,553	83,468

All debenture repayments were financed by general purpose revenue.

(b) New Debentures - 2008/09

No New Debentures were drawn down during the year.

(c) Unspent Debentures

There were no unspent debentures as at 30 June 2009

(d) Overdraft

Council holds an overdraft facility of \$140,000 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 MERRIDIN
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 \$
General Rate												
GRV		0.08675	1,268	12,447,407	1,079,813	17,394	1,943	1,091,749	1,079,813		0	1,079,813
UV		0.01721	402	58,728,025	1,013,704	1,381	0	1,007,497	1,010,709		0	1,010,709
Sub-Totals			1,670	71,175,432	2,093,517	18,775	1,943	2,099,246	2,090,522	0	0	2,090,522
Minimum Rates		Minimum \$										
GRV		375	162	241,802	61,125		0	61,125	60,750		0	60,750
UV		375	105	874,733	39,000		0	39,000	39,375		0	39,375
Sub-Totals			267	1,116,535	100,125	0	0	100,125	100,125	0	0	100,125
Interest Charges								2,199,371				2,190,647
Specified Area Rate (refer note 23)								20,140				
Discounts (refer note 25)								2,219,511				2,190,647
Totals								2,219,511				2,190,647

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

23. SPECIFIED AREA RATE - 2008/09 FINANCIAL YEAR

The Shire of Merredin did not levy specified area rates in the 2008/09 financial year.

24. SERVICE CHARGES - 2008/09 FINANCIAL YEAR

No service charges were applicable within the Shire of Merredin for the 2008/09 financial year.

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2008/09 FINANCIAL YEAR

Photocopy Charges are waived for certain community groups such as the Merredin Land Care District Committee, Volunteer Bush Fire Brigades & Roadwise. Council considers its support of these groups necessary for the overall benefit of the community.

A Rates Incentive Program was in place for the year ended 30 June 2009. Ratepayers paying their rates in full by the due date were entered into the draw to win a prize.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		43,316	8,850
Charges on Instalment Plan		30	20,140	20,000
			63,456	28,850

Ratepayers had the option of paying rates in four equal instalments, due on 22nd September 2008, 24th November 2008, 27th January 2009 and 27th March 2009. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2009 \$	2008 \$
Governance	91,544	84,431
Law, Order, Public Safety	149,539	50,491
Health	54,439	87,090
Education and Welfare	0	848
Housing	35,144	26,830
Community Amenities	646,283	239,850
Recreation and Culture	561,312	416,211
Transport	59,235	97,813
Economic Services	120,735	43,453
Other Property and Services	450,960	312,195
	<u>2,169,191</u>	<u>1,359,212</u>

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

SHIRE OF MERREDIN
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	1,316,116	1,056,023
Non-Operating Grants, Subsidies and Contributions	2,894,751	1,516,280
	<u>4,210,867</u>	<u>2,572,303</u>
By Program:		
Governance	4,000	0
General Purpose Funding	3,103,038	1,578,482
Law, Order, Public Safety	27,856	36,033
Education and Welfare	500	0
Community Amenities	128	0
Recreation and Culture	219,663	210,000
Transport	849,614	707,788
Economic Services	6,068	40,000
Other Property and Services	0	0
	<u>4,210,867</u>	<u>2,572,303</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	44,000	44,000	44,000
President's Allowance	10,500	11,300	11,241
Deputy President's Allowance	2,500	2,500	2,500
Travelling Expenses	339	3,000	0
Councillor Corporate Wardrobe	6,119	3,000	305
	<u>63,458</u>	<u>63,800</u>	<u>58,046</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	2
160,000 - 169,999	0	1

31. EMPLOYEE NUMBERS	2009	2008
The number of full-time equivalent employees at balance date	<u>50</u>	<u>48</u>

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

32. MAJOR LAND TRANSACTIONS

Carrington Way Residential Subdivision

(a) Details

In 2008/09 Council completed the Carrington Way Residential Subdivision. Costs incurred by Council included the provision of services such as sewerage, underground power, transport infrastructure and fencing.

	2009 \$	2009 Budget \$	2008 \$
(b) Current year transactions			
Operating Income			
- Profit on sale	117,413	237,629	0
Capital Income			
- Sale Proceeds	325,453	700,000	0
Capital Expenditure			
- Development Costs	888,367	1,218,977	69,393
	<u>888,367</u>	<u>1,218,977</u>	<u>69,393</u>

The above capital expenditure is included as land held for resale (refer Note 5).

There are no liabilities in relation to this land transaction as at 30 June 2009.

(c) Expected Future Cash Flows

	2010 \$	2011 \$	2012 \$	2013 \$	2014 \$	Total \$
Cash Inflows						
- Sale Proceeds	200,000	400,000	400,000	400,000		1,400,000
	<u>200,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	0	<u>1,400,000</u>
Net Cash Flows	<u>200,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	0	<u>1,400,000</u>

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 MERREDIN
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	2,856,314	2,550,471	2,856,314	2,550,471
Receivables	784,758	541,184	784,758	541,184
	<u>3,641,072</u>	<u>3,091,655</u>	<u>3,641,072</u>	<u>3,091,655</u>
Financial Liabilities				
Payables	668,570	759,713	668,570	759,713
Borrowings	1,277,446	1,400,988	1,140,886	1,249,910
	<u>1,946,016</u>	<u>2,160,701</u>	<u>1,809,456</u>	<u>2,009,623</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 MERREDIN
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	28,563	25,505
- Income Statement	28,563	25,505

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 MERREDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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.

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

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

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

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

	30-Jun-09	30-Jun-08
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	94.93%	77.00%
- Overdue	5.07%	23.00%

SHIRE OF MERREDIN
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:

	<u>2009</u>				
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	668,570	0	0	668,570	668,570
Borrowings	206,948	582,432	1,108,561	1,897,941	1,277,446
	<u>875,518</u>	<u>582,432</u>	<u>1,108,561</u>	<u>2,566,511</u>	<u>1,946,016</u>
	<u>2008</u>				
Payables	759,713	0	0	759,713	759,713
Borrowings	207,011	655,148	1,246,337	2,108,496	1,400,988
	<u>966,724</u>	<u>655,148</u>	<u>1,246,337</u>	<u>2,868,209</u>	<u>2,160,701</u>

SHIRE OF MERREDIN
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:

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
Year Ended 30 June 2009								
Borrowings								
Fixed Rate								
Debentures	41,103	0	68,123	0	0	1,168,220	1,277,446	6.05%
Weighted Average Effective Interest Rate	6.47%		5.68%			6.06%		
Year Ended 30 June 2008								
Borrowings								
Fixed Rate								
Debentures	0	79,613	0	92,769	0	1,228,606	1,400,988	6.05%
Weighted Average Effective Interest Rate		6.47%		5.68%		6.05%		

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF MERREDIN**

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Merredin, which comprises the balance sheet as at 30 June 2009 and the income statement by nature or type, income statement by program, statement of changes in equity, cash flow statement and rate setting statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of the Shire of Merredin is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a giving a true and fair view of the Shire's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF MERREDIN (Continued)**

Other Matters

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



GREG GODWIN
PARTNER

Address: Perth, WA
Date: 9 November 2009

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