

SHIRE OF GOOMALLING

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Goomalling being the annual financial report and supporting notes and other information for the financial year ended 30 June 2011 are in my opinion properly drawn up to present fairly the financial position of the Shire of Goomalling at 30 June 2011 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 22nd day of March 2012

Clem Kerp

Chief Executive Officer

SHIRE OF GOOMALLING
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE PERIOD ENDING 30 JUNE 2011

	NOTE	2010/11 Actual \$	2010/11 Budget \$	2009/10 Actual \$
REVENUE				
Rates	24	1,406,549	1,384,795	1,296,742
Operating Grants, Subsidies & Contributions	30	975,013	1,027,814	903,196
Fees & Charges	28	247,345	241,545	264,880
Interest Earnings	2(a)	1,072,361	1,054,995	1,148,396
Other Revenue		66,889	69,000	47,529
		133,031	2,200,900	125,663
		<u>3,901,187</u>	<u>5,979,049</u>	<u>3,786,406</u>
EXPENSES				
Employee Costs		(1,222,349)	(1,112,257)	(1,157,024)
Materials & Contracts		(1,378,393)	(1,254,247)	(1,304,729)
Utilities		(167,181)	(166,000)	(172,681)
Depreciation	2(a)	(468,907)	(560,845)	(686,145)
Interest Expenses	2(a)	(169,479)	(173,521)	(138,253)
Insurance		(115,250)	(114,876)	(119,500)
Other Expenditure		(91,209)	(78,306)	(81,458)
		<u>(3,612,767)</u>	<u>(3,460,052)</u>	<u>(3,659,790)</u>
Non-Operating Grants, Subsidies & Contributions	30	1,054,584	681,398	628,704
Profit on Asset Disposals	22	31,681	400,000	86,234
NET RESULT		<u>1,374,685</u>	<u>3,600,395</u>	<u>841,554</u>
Other Comprehensive Income				
TOTAL COMPREHENSIVE INCOME				
		<u><u>1,374,685</u></u>	<u><u>3,600,395</u></u>	<u><u>841,554</u></u>

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

Shire of Goomalling
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	2010/11 Actual \$	2010/11 Budget \$	2009/10 Actual \$
REVENUE				
	2(a)			
General Purpose Funding		2,010,574	1,820,521	1,892,487
Governance		76,159	49,610	66,061
Law, Order, Public Safety		88,231	89,110	35,038
Health		593,835	550,855	551,412
Education & Welfare		4,662	1,450	2,733
Housing		197,910	170,340	190,355
Community Amenities		237,921	216,253	219,392
Recreation & Culture		154,339	138,980	159,941
Transport		729,279	486,548	673,932
Economic Services		709,417	3,364,990	418,424
Other Property & Services		185,125	171,790	292,974
		<u>4,987,451</u>	<u>7,060,447</u>	<u>4,502,747</u>
EXPENSES				
	2(a)			
General Purpose Funding		0		(5,562)
Governance		(269,896)	(265,731)	(272,924)
Law, Order, Public Safety		(68,413)	(68,808)	(68,661)
Health		(663,795)	(634,322)	(647,833)
Education & Welfare		(14,809)	(5,531)	(23,913)
Housing		(132,973)	(133,370)	(137,691)
Community Amenities		(254,874)	(279,310)	(234,046)
Recreation & Culture		(537,172)	(518,550)	(535,314)
Transport		(994,631)	(855,100)	(1,017,607)
Economic Services		(370,055)	(503,329)	(454,807)
Other Property & Services		(136,670)	(22,479)	(106,339)
		<u>(3,443,288)</u>	<u>(3,286,530)</u>	<u>(3,504,697)</u>
FINANCE COSTS				
	2(a)			
Governance		(23,698)	(21,436)	(5,148)
Housing		(8,344)	(10,138)	(9,040)
Recreation		(1,882)		
Economic Services		(103,422)	(107,248)	(93,590)
Other Property and Services		(32,132)	(34,700)	(48,718)
		<u>(169,478)</u>	<u>(173,522)</u>	<u>(156,496)</u>
NET RESULT		<u>1,374,685</u>	<u>3,600,395</u>	<u>841,554</u>
Other Comprehensive Income		-	-	-
Changes on revaluation of non-current assets		-	-	-
Total Other Comprehensive Income		-	-	-
TOTAL COMPREHENSIVE INCOME		<u><u>1,374,685</u></u>	<u><u>3,600,395</u></u>	<u><u>841,554</u></u>

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

**SHIRE OF GOOMALLING
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2011**

	NOTE	2010/11 \$	2009/2010 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,252,241	1,252,190
Receivables	4	289,654	344,078
Inventories	5	59,069	46,048
Subdivision Land Developed for Resale	5	1,505,340	1,367,763
TOTAL CURRENT ASSETS		<u>3,106,304</u>	<u>3,010,079</u>
NON-CURRENT ASSETS			
Receivables	4	32,882	51,954
Property, Plant and Equipment	6	10,248,066	10,010,167
Infrastructure	7	34,142,637	33,381,217
TOTAL NON-CURRENT ASSETS		<u>44,423,585</u>	<u>43,443,338</u>
TOTAL ASSETS	19	<u>47,529,889</u>	<u>46,453,417</u>
CURRENT LIABILITIES			
Bank Overdraft	3	1,587,337	1399265
Payables	8	173,856	249,401
Current Portion of Long Term Borrowings	9	390,027	604,847
Provisions	10	243,388	238,166
TOTAL CURRENT LIABILITIES		<u>2,394,607</u>	<u>2,491,679</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	1,386,614	1,592,385
Provisions	10	33,060	28,430
TOTAL NON-CURRENT LIABILITIES		<u>1,419,673</u>	<u>1,620,815</u>
TOTAL LIABILITIES		<u>3,814,280</u>	<u>4,112,494</u>
NET ASSETS		<u>43,715,608</u>	<u>42,340,923</u>
EQUITY			
Retained Surplus		22,453,346	21,078,661
Reserves - Cash/Investment Backed	11	1,250,001	1,250,001
Reserves - Asset Revaluation	12	20,012,261	20,012,261
TOTAL EQUITY		<u>43,715,608</u>	<u>42,340,923</u>

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

**SHIRE OF GOOMALLING
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE	RETAINED SURPLUS \$	CASH INVESTMENT BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2009	20,237,107	1,250,001	20,012,261	41,499,369
Net Result	841,554			841,554
Balance as at 30 June 2010	21,078,661	1,250,001	20,012,261	42,340,923
Net Result	1,374,685			1,374,685
Total Other Comprehensive Income	-	-	-	-
Balance as at 30 June 2011	22,453,346	1,250,001	20,012,261	43,715,608

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

**SHIRE OF GOOMALLING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	NOTE	2010/11 Actual	2010/11 Budget	2009/10 Actual
	\$	\$	\$	\$
Cash Flows From Operating Activities				
Receipts				
Rates		1,375,621	1,379,659	1,297,085
Operating Grants, Subsidies		975,013	1,027,814	903,296
Reimbursement and Contributions		230,091	241,545	272,140
Fees and Charges		1,175,293	1,184,893	1,074,632
Interest Earnings		66,889	69,000	47,529
Goods and Services Tax		417,457	400,000	419,923
Other Revenue		133,030	2,200,349	125,663
		<u>4,373,394</u>	<u>6,503,260</u>	<u>4,140,268</u>
Payments				
Employee Costs		(1,212,497)	(1,098,879)	(1,130,664)
Materials and Contracts		(1,467,947)	(1,245,153)	(1,463,096)
Utilities (gas, electricity, water, etc)		(167,181)	(166,000)	(172,681)
Insurance		(115,250)	(114,876)	(119,500)
Interest		(146,787)	(164,958)	(147,950)
Goods and Services Tax		(417,784)	(400,327)	(403,476)
Other Expenditure		(91,208)	(78,306)	(81,457)
		<u>(3,618,654)</u>	<u>(3,268,499)</u>	<u>(3,518,824)</u>
Net Cash Provided By Operating Activities	13	<u>754,740</u>	<u>3,234,761</u>	<u>621,444</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	21	(137,577)	(508,050)	(460,820)
Payments for Purchase of Property, Plant & Equipment	21	(824,398)	(928,750)	(1,305,254)
Payments for Construction of Infrastructure	21	(860,418)	(843,148)	(946,096)
Advances to Community Groups				
Payments for Purchase of Investments				
Non-Operating Grants, Subsidies and Contributions	29	1,054,585	681,398	628,604
Proceeds from Sale of Plant & Equipment	21	190,273	400,000	246,136
Proceeds from Sale of Land and Buildings	21	58,000		
Disposal of Shares		1,150		
		<u>(518,386)</u>	<u>(1,198,550)</u>	<u>(1,837,430)</u>
Net Cash Used in Investing Activities		<u>(518,386)</u>	<u>(1,198,550)</u>	<u>(1,837,430)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	22(a)	(523,431)	(433,570)	(789,577)
Repayment of Finance Leases		(142,649)	(101,795)	(89,381)
Proceeds from Self Supporting Loans	23(a)	17,922		38,003
Proceeds from Finance Leases	23(b)	223,785	100,000	190,889
		<u>(424,373)</u>	<u>(435,365)</u>	<u>(650,066)</u>
Net Cash Provided By (Used In) Financing Activities		<u>(424,373)</u>	<u>(435,365)</u>	<u>(650,066)</u>
Net Increase (Decrease) in Cash Held		(188,019)	1,600,846	(1,866,052)
Cash at Beginning of Year		(147,075)	(147,075)	1,718,977
Cash and Cash Equivalents at the End of the Year	13(a)	<u>(335,094)</u>	<u>1,453,771</u>	<u>(147,075)</u>

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

**SHIRE OF GOOMALLING
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	NOTE	2010/11 Actual \$	2010/11 Budget \$	2009/10 Actual \$	
Revenue	1,2				
General Purpose Funding		604,025	435,726	594,399	0
Governance		76,159	49,610	66,061	
Law, Order, Public Safety		88,231	89,110	35,038	
Health		593,835	550,855	551,412	
Education and Welfare		4,662	1,450	2,733	
Housing		197,910	170,340	190,355	
Community Amenities		237,921	216,253	219,392	0
Recreation and Culture		154,339	138,980	159,941	
Transport		729,279	486,548	673,932	
Economic Services		709,417	2,964,990	330,788	
Other Property and Services		153,444	171,790	292,974	
		<u>3,549,222</u>	<u>5,275,652</u>	<u>3,117,025</u>	
Expenses	1,2				
General Purpose Funding		-		(4,215)	
Governance		(293,594)	(285,731)	(275,441)	
Law, Order, Public Safety		(68,413)	(68,808)	(68,661)	
Health		(663,795)	(634,322)	(647,833)	
Education and Welfare		(14,809)	(5,531)	(23,913)	
Housing		(141,317)	(133,370)	(137,691)	
Community Amenities		(254,874)	(279,310)	(234,046)	
Recreation & Culture		(539,054)	(518,550)	(535,314)	
Transport		(994,631)	(855,100)	(1,017,607)	
Economic Services		(473,477)	(503,329)	(454,807)	
Other Property and Services		(168,802)	(176,001)	(258,916)	
		<u>(3,612,766)</u>	<u>(3,460,052)</u>	<u>(3,658,444)</u>	
Net Operating Excluding Rates		(63,544)	1,815,600	(541,419)	
Adjustments for Cash Budget Requirements:					
Non-Cash Expenditure and Revenue					
(Profit)/Loss on Asset Disposals	4	31,681	400,000	86,234	
Prior Year Loan Liability Adjustment		21,704			
Book Value Assets Sold Written Back		216,592	-	159,402	
Movement in Provisions, Accruals, Debtors		23,701	18,816	39,237	
Depreciation on Assets	2(a)	468,907	560,845	686,145	
Long Service Leave Bank Increase/Decrease		5,298	5,298	3,673	
Net Non-Cash Expenditure and Revenue		<u>767,883</u>	<u>984,959</u>	<u>974,691</u>	
Capital Expenditure and Revenue					
Development of Land Held for Resale	21	(137,577)	(508,050)	(460,820)	
Purchase Land and Buildings	21	(274,725)	(614,250)	(711,436)	
Infrastructure Assets - Roads	21	(860,418)	(843,148)	(946,096)	
Infrastructure Assets - Other	21	-			
Purchase Plant and Equipment	21	(476,091)	(257,000)	(571,064)	
Purchase Furn and Equipment	21	(73,582)	(57,500)	(22,754)	
Proceeds Disposal of Assets	4				
Repayment of Debentures	23	(523,431)	(433,570)	(789,577)	
Repayment of Finance Leases		(142,649)	(101,795)	(89,381)	
Proceeds from New Debentures		223,785	100,000	190,889	
Transfers to Reserves	11	64,000	(64,000)	(46,000)	
Transfers from Reserves	11	(64,000)		46,000	
Net Cash from Investing Activities		<u>(2,264,689)</u>	<u>(2,779,313)</u>	<u>(3,400,239)</u>	
<i>ADD</i>		Estimated Surplus/(Deficit)	(1,391,044)	(1,406,041)	279,183
<i>LESS</i>		Estimated Surplus/(Deficit)	1,544,846		1,391,044
<i>Rounding</i>					(2)
Amount Required to be Raised from Rates	23	<u>(1,406,549)</u>	<u>(1,384,795)</u>	<u>(1,296,742)</u>	

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

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

1 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Standards Board, the *Local Government Act 1995* and accompanying regulations. The report has also been prepared on the accrual basis under the convention of historical cost accounting modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. 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 or 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 18 to this financial report.

(c) Goods and Services Tax

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

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for doubtful debts. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

**SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the established selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Land Held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the costs of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred. Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating 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 the council's intentions 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 of the asset.

Those assets carried at a revalue amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalue 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 AASB 1051 Land Under Roads* and the fact that *Local Government (Financial Management) Regulations* r. 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) Regulations* r. 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) Regulations* r. 4(2) provides that, 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 GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

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. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Expenditure on items of equipment under \$2,000 are not capitalised but are placed on an "Attractive Items" list for reference and maintenance.

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15years
Sealed roads and streets	
- construction/road base	50 years
Re-surfacing	
- bituminous seals	30 years
- asphalt surfaces	35 years
Gravel roads	
- construction/road base	50 years
- gravel sheet	12 years
Formed roads (unsealed)	
- construction /road base	50 years
Footpaths - Slab and Concrete	40 years
Sewerage Piping	75 years
Recreational reserves	
Water supply piping & drainage systems	75 years

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(i) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a part to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value and amortised cost using the effective interest rate method or cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial Instruments (Continued)

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- (d) less any reduction for impairment.

The effective interest method used is to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Revisions to expected future cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or 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 Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

(iii) Held-to-maturity investments

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

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Fair Value Estimation

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 determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. 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.

(k) 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.

(l) Leases

Leases of property, plant and equipment where the council has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term. Lease payments under operating leases, where substantially all the risks and benefits remain with the lesser, are charged as expenses in the periods in which they are incurred

(m) Impairment

In accordance with Australian Accounting Standards the council's assets, other than inventories, are tested annually for impairment. 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. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in the Statement of Comprehensive Income.

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

(n) 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.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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 measure at amortised cost using the effective interest method. Fees paid of 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 Statement of Financial Position date. 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.

(p) 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:

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

The provision for employees' benefits wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the council has a present obligation to pay resulting from employee's 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.

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.

(q) Superannuation

The council contributes to a number of Superannuation Funds on behalf of their employees. 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.

(r) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Statement of Financial Position and Statement of Comprehensive Income. Information about the joint venture is set out in Note 17.

**SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) 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 at 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.

(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 operation cycle. In the case of liabilities where the 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 the 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 GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the council for the annual reporting period ending 30 June 2011.

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 - Financial Instruments	Dec-09	1-Jan-13	Nil - The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the council, it is not anticipated the standard will have any material effect.
(ii) AASB 124 - Related Party Disclosures	Dec-09	1-Jan-11	Nil - It is not anticipated the council will have any related parties as defined by the Standard.
(III) AASB 1053 - Application of Tiers of Australian Accounting Standards	Jun-10	1-Jul-13	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue To prepare general purpose financial statements
(iv) AASB 2009-12 - Amendments to Australian Accounting Standards [AASB 5, 8,108,110,112,119,133,137,139,1023 &1031 and Interpretations 2,4,16,1039 & 1052]	Dec-09	1-Jan-11	Nil - The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB 8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(v) AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	Dec-09	1-Jan-13	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the council. (refer (ii) above).
(vi) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5]	Jun-10	1-Jul-13	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(vii) AASB 2010- 4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 and AASB 134 and Interpretation 13]	Jun-10	1-Jan-11	Nil - The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
(viii) AASB 2010- 5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132, 1042]	Oct-10	1-Jan-11	Nil - The revisions embodied in this standard are largely editorial in nature or relate to standards not applicable to the Council and will have minimal effect (if any) on the accounting practices of the Council.
(ix) AASB 2010- 6 Amendment to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]	Nov-10	Jul-11	Nil - The revisions embodied in this standard amend disclosures required on transfers of financial assets. The Council is not expected to have any qualifying transfers
(x) AASB 2010 - 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	Dec-10	1-Jan-13	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(xi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]	Dec-10	1-Jan-12	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.

**SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

AASB 2010- 9 Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]	Dec-10	Jul-11	
AASB 2009 – 14 Amendments to Australian Interpretations – Prepayments of a minimum Funding Requirement [AASB Interpretation 14]	Dec-09	1-Jan-11	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2010 – 10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-17]	Dec-10	1-Jan-13	

Notes:

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

**SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

(y) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

AASB 2009 – 5
AASB 2009 – 8
AASB 2009 - 10
AASB 2009 – 13
AASB 2010 – 1
AASB 2010 – 3
Interpretation 19

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

	2010/11 Actual \$	2010/11 Budget \$	2009/10 Actual \$
2 REVENUES AND EXPENSES			
(a) Result from Ordinary Activities Result from Ordinary Activities			
(i) Charging as Expenses:			
Significant Expense			
The significant expense relates to the reduction in the fair value of investments			
Auditor's Remuneration			
Audit	9,900	5,500	4,500
Depreciation			
By Program			
Governance	17,743	11,671	10,995
Law, Order, Public Safety	21,832	19,958	21,742
Health	19,169	9,822	11,405
Education and Welfare	6,139	1,081	16,926
Housing	26,707	27,370	22,861
Community Amenities	20,163	18,400	18,783
Recreation and Culture	64,600	41,350	75,449
Transport	211,015	397,000	440,512
Economic Services	81,538	34,193	67,472
Other Property and Services			0
	468,907	560,845	686,145
By Class			
Land and Buildings	130,716	90,826	111,118
Furniture and Equipment	29,045	16,214	19,837
Plant and Equipment	210,148	186,334	227,963
Roads and Footpaths	86,175	243,076	297,382
Other	12,823	24,395	29,845
	468,907	560,845	686,145
Interest Expenses (Finance Costs)			
- Finance Lease Charges	34,014	34,700	30,474
- Debentures (refer note 5(a))	112,324	118,821	118,821
- Bank Overdraft	23,140	20,000	3,919
	169,478	173,521	153,214
(ii) Crediting as Revenue:			
Interest Earnings			
Investments			
- Reserve Funds	64,000	64,000	46,000
- Other Funds	2,889	5,000	1,529
Other Interest Revenue (refer note 13)			
	66,889	69,000	47,529

**SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

2 OPERATING REVENUES AND EXPENSES (Continued)

(b) Statement of Objectives, Reporting Programs and Nature or Type Classifications

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

REPORTING PROGRAM DESCRIPTIONS

Council operations that are disclosed encompass the following service orientated activities/programs:

GOVERNANCE

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

Activities: Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task 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 government grants, and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective: To provide services to help ensure a safer and environmentally conscious community.

Activities: Supervision and enforcement of various local laws relating to fire prevention, animal control and protection of the environment and other aspects of public safety including emergency services.

HOUSING

Objective: To provide and maintain elderly residents housing.

Activities: Provision and maintenance of elderly residents housing.

COMMUNITY AMENITIES

Objective: To provide services required by the community.

Activities: Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

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

Activities: Maintenance of public halls, civic centre, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

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

Activities: Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Objective: To help promote the shire and it's economic wellbeing.

Activities: Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.

OTHER PROPERTY & SERVICES

Objective: To monitor and control council's overheads operating accounts.

Activities: Private works operation, plant repair and operation costs and engineering operation costs.

**SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

2 OPERATING REVENUES AND EXPENSES (Continued)

(c) Nature or Type Classifications

The Shire of Goomalling is required by the Australian Accounting Standards to disclose revenue and expenditure according to its nature or type classification. The following nature or function descriptions are also required by State Government regulations

Revenue

Rates

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Excludes administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

Operating Grants, Subsidies and

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services. Excludes rubbish removal charges.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates, etc.

Expenditure

Employee Costs

All costs associated with the employment of persons such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefits tax etc.

Material and Contracts

All expenditure on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Utilities (Gas, Electricity, Water, etc)

Expenditures made to respective agencies for the provision of power, gas or water. Excludes expenditure incurred for the re-instatement of road works on behalf of these agencies.

**SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

2 OPERATING REVENUES AND EXPENSES (Continued)

(c) Nature or Type Classifications (continued)

Depreciation on Non-Current Assets

Depreciation and amortisation expense raised on all classes of assets.

Loss on Asset Disposal

Loss on the disposal of fixed assets.

Interest Expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and re-financing expenses.

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Other Expenditure

Statutory fees, taxes, provision of bad debts. Donations and subsidies made to community groups.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

2 OPERATING REVENUE AND EXPENSES (continued)

(d) Conditions Over Grants/Contributions

Grant/Contribution	Balance 1-Jul-09	Received 2009/10	Expended 2009/10	Closing Balance 30-Jun-10	Received 2010/11	Expended 2010/11	Closing Balance 30-Jun-11
	\$	\$	\$	\$	\$	\$	\$
<u>Operating Grants/Contributions</u>							
<u>General Purpose Funding</u>							
General Purpose Grants Commission					327,361	327,361	0
Local Road Funding Grants Commission					325,075	325,075	0
Special Projects Grants Commission					14,000	14,000	0
FESA Admin					4,000	4,000	0
<u>Law, Order & Public Safety</u>							
Crime Prevention		26,200		26,200		26,200	0
Government Grant FESA					34,600	34,600	0
<u>Health</u>							
Government Grant Rural Doctor					220	220	0
<u>Education and Welfare</u>							
Department of Reg. Dev - Respite Pool					2,250	2,250	0
<u>Recreation</u>							
<u>Swimming Pool Grant</u>							
Grant Cota WA					3,000	3,000	0
Grant International Womens Day 2011					731	731	0
					200	200	0
<u>Transport</u>							
Government Grant - Direct Grant					50,968	50,968	0
MRD Flood Damage					184,250	184,250	0
Grant - State Blackspot Program		22,880	9,219	13,661		13,661	0
<u>Economic Services</u>							
Skelton Weed Research		6,692	4,103	2,589	5,221	7,810	0
Grant Fox Bait Subsidy					773	773	0
Adult Learners Weeks Event Building					1,364	1,364	0
Dry Season Assistance Grant					20,000		20,000
Know Your neighbour Grant					1,000	1,000	0
Forward Capital Plan Expense		35,000		35,000		9,630	25,370
<u>Capital Grants/Contributions towards the Development of Assets</u>							
<u>Law, Order & Public Safety</u>							
Government Grant Special					51,750	51,750	0
<u>Health</u>							
Government Grant Health					5,500	5,500	0
<u>Community Amenities</u>							
Grant Disability Services - Account # 13241					20,000		20,000
<u>Recreation</u>							
Grant Tennis Australia					13,091	13,091	0
<u>Transport</u>							
Grant - Roads to Recovery					172,648	172,648	0
Government Grants - Tied MRWA Specific					164,368	164,368	0
MRWA Contribution Upgrade					23,550	23,550	0
Government Grants - MRWA Bridges					43,000	43,000	0
Government Grants - States Blackspot					34,322	34,322	0
Bikewest Grant					50,000	50,000	0
Grant - EMA Generator Grant					35,000	35,000	0
<u>Economic Services</u>							
Rural Transaction Centre	40,838	20,000	42,307	18,530		18,530	0
Royalties for Regions					334,621	153,670	180,951
Government Grant - Slater Homestead					76,734	76,734	0
Government Grant					30,000		30,000
Total Operating		90,772	13,322	77,450	975,013	1,007,093	45,370
Total Capital	40,838	20,000	42,307	18,530	1,054,584	842,163	230,951
Total Operating and Capital	40,838	110,772	55,629	95,980	2,029,597	1,849,256	276,321

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

Notes:

- (*) Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (+) New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (#) Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

	2010/11	2009/10
	\$	\$
3 CASH AND CASH EQUIVALENTS		
Unrestricted	(1,863,058)	(2,019,464)
Restricted	1,527,962	1,872,389
	<u>(335,096)</u>	<u>(147,075)</u>
 Cash at Bank - Municipal		
Unrestricted Cash	<u>(1,863,058)</u>	<u>(2,019,464)</u>
Restricted Cash - Unspent Grants (refer Note 2(d))	276,321	95,981
Restricted Cash - Unspent Loans (refer Note 22(c))	0	524,767
Restricted Cash - Local Medical Practice	1640	1640
Various Reserve Accounts (refer note12)	1250001	1,250,001
	<u>1,527,962</u>	<u>1,872,389</u>
 The following restrictions have been imposed by regulations or other externally imposed requirements:		
(d) Conditions over contributions - Rural Transaction Centre		18,531
(d) Conditions over contributions - Blackspot Program		13,661
(d) Conditions over contributions - Forward Capital Plan	25,370	35,000
(d) Conditions over contributions - Skelton Weed Search		2,589
(d) Conditions over contributions - Crime Prevention		26,200
(d) Conditions over contributions - Dry Season Assistance Grant	20,000	
(d) Conditions over contributions - Disabilities Assistance grant	20,000	
(d) Conditions over contributions - Royalties for Regions	180,951	
(d) Conditions over contributions - Government Grant Account # 17200	30,000	
	<u>276,321</u>	<u>95,981</u>

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

4 TRADE & OTHER RECEIVABLES

	2010/11	2009/10
	\$	\$
Current		
Rates and Rubbish	99,592	64,878
General Receivables	173,081	263,298
Provision for Doubtful Debts	(1,006)	(1,006)
GST Net Position		
Interest		
Self Supporting Loan Debtors	17,917	16,908
	<u>289,584</u>	<u>344,078</u>
Non-Current		
Rates Outstanding - Pensioners	26,492	26,492
Self Supporting Loan Debtors	0	17,922
Other	6,390	7540
	<u>32,882</u>	<u>51,954</u>

5 INVENTORIES

	2010/11	2009/10
	\$	\$
Current		
Fuel and Materials	27,548	13,528
History Books	32,521	32,521
Land Held for Resale - Cost		
Cost of Acquisition & Development	1,505,340	1,367,763
	<u>1,565,409</u>	<u>1,413,812</u>

6 PROPERTY, PLANT AND EQUIPMENT

	2010/11	2009/10
	\$	\$
Land and Buildings - Cost	10,953,800	10,547,188
Less Accumulated Depreciation	<u>(1,308,025)</u>	<u>(1,177,309)</u>
	9,645,775	9,369,879
Furniture and Equipment - Cost	801,815	728,233
Less Accumulated Depreciation	<u>(461,076)</u>	<u>(432,031)</u>
	340,739	296,202
Plant and Equipment - Cost	2,613,030	2,429,609
Less Accumulated Depreciation	<u>(1,220,297)</u>	<u>(1,100,146)</u>
	1,392,733	1,329,462
Swimming Pool and Equipment - Cost	591,994	583,228
Less Accumulated Depreciation	<u>-217,835</u>	<u>(200,840)</u>
	374,158	382,388
Less land held for resale classified under note 5	11,753,406	11,377,930
	<u>-1,505,340</u>	<u>-1,367,763</u>
	<u>10,248,066</u>	<u>10,010,167</u>

All property, plant and equipment asset classes are carried at cost and whilst not subject to a policy of regular revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 "Impairment of Assets".

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

6 PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in Carrying Amounts

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

Program	Land & Buildings	Furn and Equip	Plant and Equipment	Swimming Pool	Infrastructure	Total
	\$	\$	\$	\$	\$	\$
Balance 1/7/2009	8,302,671	301,864	1,249,384	371,067	32,688,212	42,913,198
Additions 2009-2010	1,178,812	14,175	488,716	85,320	945,146	2,712,169
Cost of Disposals 2009-2010			-249,695			-249,695
Depreciation on Disposals			69,619			69,619
Depreciation 2009/2010	-111,118	-19,837	-227,963	-29,845	-297,382	-686,145
Total as per 2009/2010 Annual Accounts	9,370,365	296,202	1,330,061	426,542	33,335,976	44,759,146
Asset Reclassification Amendments:						
Additions 2009-2010 Sewerage Scheme				-57,880	57,880	0
Depreciation 2009/2010 Sewerage Scheme				12,640	-12,640	0
Depreciation 2009/2010 Plant			-599	599		0
Depreciation 2009/2010 Buildings	-487			487		0
Total as per 2009/2010 as Amended	9,369,878	296,202	1,329,462	382,388	33,381,216	44,759,146
Additions 2010-2011	412,302	73,582	467,325	8766	860,418	1,822,393
Depreciation 2010-2011	(130,716)	(29,045)	(193,153)	(16,995)	(98,998)	-468,907
Cost of Disposals 2010-2011	(5,690)		(283,904)			-289,594
Depreciation on Disposals			73,002			73,002
Total as per 2010-2011 Annual Accounts	9,645,774	340,740	1,392,733	374,159	34,142,637	45,896,041

7 INFRASTRUCTURE	2010/11 \$	2009/10 \$
Roadworks	42,433,759	41,773,660
Less Accumulated Depreciation	<u>(10,555,498)</u>	<u>(10,521,513)</u>
	31,878,261	31,252,147
Drainage	1,435,855	1,435,855
Less Accumulated Depreciation	<u>(747,621)</u>	<u>(728,477)</u>
	688,233	707,377
Footpaths and Cycleways	1,346,911	1,150,673
Less Accumulated Depreciation	<u>(303,335)</u>	<u>(270,290)</u>
	1,043,576	880,383
Sewerage	952,952	948,872
Less Accumulated Depreciation	<u>(420,385)</u>	<u>(407,563)</u>
	532,567	541,309
	<u>34,142,637</u>	<u>33,381,216</u>

Effective from 1 July 2004, council deemed the carrying amount of all infrastructure assets are to be carried at cost.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

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	Drainage	Sewerage	Footpaths & Cycleways	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2010	31,252,147	707,377	541,309	880,383	33,381,216
Additions	660,100	0	4080	196,238	860,418
Depreciation (Expense)	(33,985)	(19,144)	(12,823)	(33,045)	(98,998)
Balance as at 30 June 2011	31,878,261	688,233	532,567	1,043,576	34,142,637

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

	2010/11	2009/10
	\$	\$
8 TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	151,931	228,464
Accrued Interest on Debentures	21,924	20,937
Accrued Salaries and Wages	-	-
	<u>173,855</u>	<u>249,401</u>
9 LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	193,522	503,052
Lease Liability	196,505	101,795
	<u>390,027</u>	<u>604,847</u>
Non-Current		
Secured by Floating Charge		
Debentures	1,006,169	1,198,366
Lease Liability	380,444	394,019
	<u>1,386,613</u>	<u>1,592,385</u>
Additional detail on borrowings is provided in Note 22.		
10 PROVISIONS		
Current		
Provision for Annual Leave	151,363	147,949
Provision for Long Service Leave	92,025	90,217
	<u>243,388</u>	<u>238,166</u>
Non-Current		
Provision for Long Service Leave	33,060	28,430
	<u>33,060</u>	<u>28,430</u>

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

	2010/11 Actual	2010/11 Budget	2009/10 Actual
11 RESERVES - CASH/INVESTMENT BACKED			
Bitumen Reserve			
Balance brought forward 1st July	6,040	6,040	5,826
Plus transfer from General Purpose Funding	309	309	214
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	6,349	6,349	6,040
Long Service Leave Reserve			
Balance brought forward 1st July	103,473	103,473	99,800
Plus transfer from General Purpose Funding	5,298	5,298	3,673
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	108,771	108,771	103,473
Mortlock Lodge Reserve			
Balance brought forward 1st July	3,157	3,157	3,045
Plus transfer from General Purpose Funding	162	162	112
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	3,319	3,319	3,157
Office Equipment Reserve			
Balance brought forward 1st July	2,494	2,494	2,405
Plus transfer from General Purpose Funding	128	128	89
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	2,622	2,622	2,494
Plant Replacement Reserve			
Balance brought forward 1st July	337,538	337,538	352,081
Plus transfer from General Purpose Funding	17,282	17,282	12,957
Less transfer To General Purpose Funding	-33,213		-27,500
BALANCE AS AT 30TH JUNE	321,607	354,820	337,538
Sanitation Reserve			
Balance brought forward 1st July	420	420	405
Plus transfer from General Purpose Funding	21	21	15
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	441	441	420
Sport & Recreation Reserve			
Balance brought forward 1st July	28,626	28,626	27,610
Plus transfer from General Purpose Funding	1,466	1,466	1,016
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	30,092	30,092	28,626
Staff Housing Reserve			
Balance brought forward 1st July	82,581	82,581	79,650
Plus transfer from General Purpose Funding	4,228	4,228	2,931
Less transfer To General Purpose Funding	-6,432		
BALANCE AS AT 30TH JUNE	80,377	86,809	82,581
Staff Training Reserve			
Balance brought forward 1st July	4,016	4,016	4,240
Plus transfer from General Purpose Funding	206	206	156
Less transfer To General Purpose Funding			-380
BALANCE AS AT 30TH JUNE	4,222	4,222	4,016

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

11 RESERVES - CASH BACKED (Continued)	2010/11 Actual	2010/11 Budget	2009/10 Actual
Two Way Radio Reserve			
Balance brought forward 1st July	1,244	1,244	1,200
Plus transfer from General Purpose Funding	64	64	44
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	1,308	1,308	1,244
Aged Care Reserve			
Balance brought forward 1st July	108,408	108,408	104,560
Plus transfer from General Purpose Funding	5,550	5,550	3,848
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	113,958	113,958	108,408
Vehicle Reserve			
Balance brought forward 1st July	202,697	202,697	201,000
Plus transfer from General Purpose Funding	10,378	10,378	7,397
Less transfer To General Purpose Funding	-13,200		-5,700
BALANCE AS AT 30TH JUNE	199,875	213,075	202,697
Community Bus Reserve			
Balance brought forward 1st July	43,463	43,463	41,920
Plus transfer from General Purpose Funding	2,279	2,279	1,543
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	45,742	45,742	43,463
Sewerage Reserve			
Balance brought forward 1st July	113,851	113,851	109,810
Plus transfer from General Purpose Funding	5,815	5,815	4,041
Less transfer To General Purpose Funding			
BALANCE AS AT 30TH JUNE	119,666	119,666	113,851
S.E.E.D Reserve			
Balance brought forward 1st July	200,544	200,544	205,000
Plus transfer from General Purpose Funding	10,228	10,228	7,544
Less transfer To General Purpose Funding	-10,569		-12,000
BALANCE AS AT 30TH JUNE	200,203	210,772	200,544
LCDC Reserve			
Balance brought forward 1st July	11,448	11,448	11,448
Plus transfer from General Purpose Funding	586	586	420
Less transfer To General Purpose Funding	-586		-420
BALANCE AS AT 30TH JUNE	11,448	12,034	11,448
TOTAL RESERVES	1,250,000	1,314,000	1,250,000

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

11 RESERVES - CASH BACKED (Continued)

Summary of Reserve Transfers

	2010/11	2010/11	2009/10
	Actual	Budget	Actual
	\$	\$	\$
Transfers to Reserves			
Bitumen Reserve	309	309	214
Long Service Leave Reserve	5,298	5,298	3,673
Mortlock Lodge Reserve	162	162	112
Office Equipment Reserve	128	128	89
Plant Replacement Reserve	17,282	17,282	12,957
Sanitation Reserve	21	21	15
Sport & Recreation Reserve	1,466	1,466	1,016
Staff Housing Reserve	4,228	4,228	2,931
Staff Training Reserve	206	206	156
Two Way Radio Reserve	64	64	44
Aged Care Reserve	5,550	5,550	3,848
Vehicle Reserve	10,378	10,378	7,397
Community Bus Reserve	2,279	2,279	1,543
Sewerage Reserve	5,815	5,815	4,041
S.E.E.D Reserve	10,228	10,228	7,544
LCDC Reserve	586	586	420
	64,000	64,000	46,000

Transfers from Reserves

Bitumen Reserve	0	0	0
Long Service Leave Reserve	0	0	0
Mortlock Lodge Reserve	0	0	0
Office Equipment Reserve	0	0	0
Plant Replacement Reserve	-33,213	0	(27,500)
Sanitation Reserve	0	0	0
Sport & Recreation Reserve	0	0	0
Staff Housing Reserve	-6,432	0	0
Staff Training Reserve	0	0	(380)
Two Way Radio Reserve	0	0	0
Aged Care Reserve	0	0	0
Vehicle Reserve	-13,200	0	(5,700)
Community Bus Reserve	0	0	0
Sewerage Reserve	0	0	0
S.E.E.D Reserve	-10,569	0	(12,000)
LCDC Reserve	-586	0	(420)
	-64,000	0	(46,000)

Total Transfer to/(from) Reserves

	0	64,000	0
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**SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

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 and 4 to this financial report.

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

Bitumen Reserve

- to be used to fund future maintenance of existing roads and the construction of new bitumen roads.

Long Service Leave Reserve

- to be used to fund long service leave requirements.

Mortlock Lodge Reserve

- to be used for maintenance and improvements to the Mortlock Retirement Units.

Office Equipment Reserve

- to be used for the purchase of new office equipment.

Plant Replacement Reserve

- to be used for the future replacement of plant.

Sanitation Reserve

- to be used to maintain and improve sanitation services to the community.

Sport & Recreation Reserve

- to be used for the upgrading and improvements to sporting and recreational facilities within the Shire.

Staff Housing Reserve

- to be used for the maintenance, upgrading and construction of new housing for Council's employees or public rental housing.

Staff Training Reserve

- to be used for future training of Council's staff.

Two Way Radio Reserve

- to be used for the upkeep and improvement to council's two way network.

Streetscape Reserve

- to be used for the maintenance and improvements of roads & streets within the municipality.

Aged Care Reserve

- to be utilised to provide for the needs of the aged.

Vehicle Reserve

- to be used for the purchase of motor vehicles and utilities if at a future date council ceases to lease the same.

Landcare Project Officer Reserve

- to be used to fund the purchase of a new vehicle for the Landcare Co-ordinator.

Community Bus Reserve

- to be used to fund the purchase of a new community bus.

Sewerage Reserve

- to be used to maintain and upgrade the sewerage scheme in the Goomalling townsite.

SEED (Social Economic & Environmental Development) Reserve

- to be used for the social and economic & environmental development for the district of the Shire of Goomalling.

Sport & Recreation Co-Ordinator Leave Entitlements Reserve

- to be used to fund annual leave for the Sport and Recreation Officer.

LCDC Reserve

- to be used to fund Landcare Activities

It's the Shire's intention to utilise the Funds held in the abovementioned Reserves for the purpose of not utilising external Overdraft Facilities from time to time during the Financial year. The benefits to the Shire is that it reduces its Financing Costs.

12 RESERVES - ASSET REVALUATION

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

	2010/11	2009/10
(a) Roads	\$	\$
Opening Balance	20,012,261	20,012,261
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>20,012,261</u>	<u>20,012,261</u>
TOTAL ASSET REVALUATION RESERVES	<u>20,012,261</u>	<u>20,012,261</u>

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

13 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2010/11 Actual	2010/11 Budget	2009/10 Actual
Cash and Cash Equivalents	<u>335,096</u>	<u>1,435,770</u>	<u>(147,075)</u>

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

Net Result	1,374,685	3,600,395	841,554
Amortisation			
Depreciation	468,907	560,845	686,145
Write-down in Fair Value of Investments			
(Profit)/Loss on Sale of Asset	(31,681)	(400,000)	(86,234)
Prior Year Loan liability Adjustment	21,704		
(Increase)/Decrease in Receivables	54,423	123,884	(49,714)
(Increase)/Decrease in Inventories	(13,021)	2,048	3,030
Increase/(Decrease) in Payables	(76,533)	7,046	(161,396)
Increase/(Decrease) Accrued Loan Interest	988	8,563	(9,696)
Increase/(Decrease) in Employee Provisions	9,852	13,378	26,360
Grants/Contributions for the Development of Assets	(1,054,584)	(681,398)	(628,704)
Net Cash from Operating Activities	<u>754,740</u>	<u>3,234,761</u>	<u>621,345</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

	\$2 Million	\$2 Million	\$2 Million
Bank Overdraft limit	1,587,337	0	1,399,265
Bank Overdraft at Balance Date	10,000	10,000	10,000
Credit Card limit	0	0	0
Credit Card Balance at Balance Date	0	0	0
Total Amount of Credit Unused	<u>422,663</u>	<u>2,010,000</u>	<u>610,735</u>

Loan Facilities

Loan and Lease Facilities - Current	390,027	295,317	604,847
Loan and Lease Facilities - Non-Current	1,386,613	1,487,223	1,592,385
Total Facilities in Use at Balance Date	<u>1,776,640</u>	<u>1,782,540</u>	<u>2,197,232</u>

Unused Loan Facilities at Balance Date

<u>0</u>	<u>0</u>	<u>0</u>
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14 CONTINGENT LIABILITIES

The council is not aware of any contingent liability that may arise in relation to the day to day operations and activities of the Shire of Goomalling for the period under review.

15 CAPITAL AND LEASING COMMITMENTS

	2010/11 \$	2009/10 \$
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(a) Finance Lease Commitments Payable:

- not later than one year	44,199	54,759
- later than one year but not later than five years	622,051	496,354
- later than five years	0	0
Minimum Lease Payments	<u>666,250</u>	<u>551,113</u>
Less Future Finance Charges	(89,301)	(55,300)
Total Lease Liability	<u>576,949</u>	<u>495,813</u>

**SHIRE OF GOOMALLING
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FOR THE YEAR ENDING 30 JUNE 2011**

15 CAPITAL AND LEASING COMMITMENTS (continued)

The council has not entered into any operating leases and all capital expenditure commitments on contracts entered into during the financial year were completed and finalised as at 30 June 2011

16 JOINT VENTURE

(a) Details

This Shire, together with the Shires of Cunderdin, Dowerin, Northam, Toodyay and York have a Joint Venture arrangement with regard to the provision of a Sport and Recreation Co-ordinator. The only assets are miscellaneous equipment. These assets are included in Furniture & Equipment as follows:

(b) Current Year Transactions

2010/11

2009/10

\$

\$

The Council's value of Furniture & Equipment under the joint venture is as follows:

Non-Current Assets

Furniture & Equipment

3,380

3,380

Less: Accumulated Depreciation

3,380

3,380

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

17 TRUST FUNDS

	Balance 1-Jul-10 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-11 \$
Financial Assistance Grants	6,900	5,000	5,400	6,500
Road Wise Grant				
HACC Surplus				
Young Persons Unit Surplus	307		307	0
New Sporting Complex Subdivision Bond				
Tidy Towns	40		40	0
A.V.T.A				
Cemetery Deposits				
Rental Bonds	6,269	1,451	650	7,070
Aged Homes Rentals				
Police Licensing		717,559	717,559	0
Slater Homestead Donation Deposits	13,551	1,265		14,816
Konno Special Series Plate	1,670		1,000	670
War Memorial				
Mortlock Farm	1,542			1,542
Novated Lease				
Accrued AL and LSL Beactive	5,347	1,521		6,868
Department Sport				
Amazing Race	5,608	20		5,628
Youth Group Activities	105			105
Special Series Plates				
Arcadia Creek Project				
Shopping Bags Slater Homes				
Market Day Stalls		100		100
2007 Muni Golf Day				
Goom/Wong Womans Football	18		312	(294)
Pioneers Pathway Sign Fund	10,560	10,660	1,149	20,071
Goom Biggest Loser (GYM)		1,000	2,000	(1,000)
Cross Over Bond		1,000	1,000	0
	51,917	739,576	729,417	62,076

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

18 FINANCIAL RATIOS	2010/11	2009/10	2008/09
Current Ratio	0.70	0.50	0.34
Untied Cash to Unpaid Trade Creditors Ratio	0.00	0.00	0.00
Debt Ratio	0.08	0.09	0.08
Debt Service Ratio	0.21	0.28	0.29
Gross Debt to Revenue Ratio	0.86	0.50	0.46
Gross Debt to Economically Realisable Assets Ratio	0.25	0.17	0.23
Rate Coverage Ratio	0.28	0.27	0.18
Outstanding Rates Ratio	0.07	0.06	0.06

The above ratios are calculated as follows:

The above ratios are calculated as follows:	
Current Ratio: Benchmark > 1.0	$\frac{[\text{current assets minus restricted current assets}]}{[\text{current liabilities minus liabilities associated with restricted assets}]}$
Untied Cash to Unpaid Trade Creditors Ratio: Benchmark > 1.0	$\frac{[\text{untied cash}]}{[\text{unpaid trade creditors}]}$
Debt Ratio: Benchmark < 0.1	$\frac{[\text{total liabilities}]}{[\text{total assets}]}$
Debt Service Ratio: Benchmark < 0.1	$\frac{[\text{debt service cost}]}{[\text{available operating revenue}]}$
Gross Debt to Revenue Ratio: Benchmark - lower the better	$\frac{[\text{gross debt}]}{[\text{total revenue}]}$
Gross Debt to Economically Realisable Assets Ratio: Benchmark < 0.3	$\frac{[\text{gross debt}]}{[\text{economically realisable assets}]}$
Rate Coverage Ratio: Benchmark > 0.4	$\frac{[\text{net rate revenue}]}{[\text{operating revenue}]}$
Outstanding Rates Ratio: Benchmark < 0.05	$\frac{[\text{rates outstanding}]}{[\text{rates collectable}]}$

19 TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2010/11 Actual \$	2009/10 Actual \$
Governance	9,506	9,291
General Purpose Funding	19,012	18,581
Law, Order, Public Safety	665,418	650,348
Health	237,649	232,267
Education and Welfare	0	0
Housing	190,120	185,814
Community Amenities	285,179	278,721
Recreation and Culture	2,566,614	2,508,485
Transport	40,799,656	39,875,613
Economic Services	142,590	139,360
Other Property and Services	2,043,785	1,997,497
Unallocated	570,359	557,441
	<u>47,529,888</u>	<u>46,453,417</u>

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

20 ACQUISITION OF ASSETS

	2010/11 Actual \$	2010/11 Budget \$
By Program		
Governance		
Land Held for Resale		
Land & Buildings	644	
Furniture & Equipment	19,524	25,000
Plant & Equipment	108,073	20,000
Law, Order, Public Safety		
Land and Buildings	51,541	51,750
Health		
Furniture and Equipment	1,506	5,000
Land and Buildings	2,858	25,000
Education and Welfare		
Land & Buildings	553	
Housing		
Land & Buildings	27,327	20,000
Community Amenities		
Land & Buildings	89,850	75,000
Furniture & Equipment		5,000
Plant & Equipment	4,080	5,000
Recreation and Culture		
Land & Buildings	66,169	70,000
Plant & Equipment	17,980	47,000
Furniture & Equipment	5,702	12,500
Transport		
Furniture & Equipment		10,000
Land & Buildings	3,600	10,000
Plant & Equipment	230,413	150,000
Infrastructure Assets - Roads	856,338	843,148
Economic Services		
Land Held for Resale	137,577	
Land & Buildings	32,182	870,550
Plant & Equipment	136,126	35,000
Furniture & Equipment	30,350	
Other Property and Services		
Plant & Equipment		
	<u>1,822,393</u>	<u>2,279,948</u>
By Class		
Land Held for Resale	137,577	460,820
Land and Buildings	274,725	661,480
Infrastructure Assets - Roads	860,418	843,148
Plant and Equipment	476,091	257,000
Furniture and Equipment	73,582	57,500
	<u>1,822,393</u>	<u>2,279,948</u>

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

21 DISPOSAL OF ASSETS - 2010-11 FINANCIAL YEAR

The following assets were disposed of during the year

	Proceeds		Written Down		Gain/(Loss)	
	Sale of Assets		Value		on Disposal	
	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11
	Budget	Actual	Budget	Actual	Budget	Actual
	\$	\$	\$	\$	\$	\$
Asset by Class						
Furniture and Equipment						
Land and Buildings	2,500,000	58,000	2,500,000	5,690	-	52,310
Plant and Equipment	50,000	22,327	50,000		-	22,327
	2,550,000	80,327	2,550,000	5,690	-	74,637
Assets by Program						
Governance						
CEO Vehicles		87,600		97,476		(9,876)
Health						
Health Officer Vehicle - Asset # 3250		7,272		10,075		(2,803)
Health Officer Vehicle - Asset # 3280		11,418		17,079		(5,661)
Recreation						
Gardening Officer Vehicle - Asset #3012		3,637		4,629		(992)
Beactive Vehciles		80,345		81,642		(1,297)
Transport						
Trucks	50,000		50,000			
Economic Services						
Building	350,000		350,000			
Land Held for Resale	2,150,000		2,150,000			
Industrial Land - Asset # 1103		25,000		2,640		22,360
Industrial Land - Asset # 1105		33,000		3,050		29,950
TOTAL BY CLASS OF ASSETS	2,550,000	248,272	2,550,000	216,591	-	31,681

	2010/11	2010/11	2009/10
	Actual	Budget	Actual
	\$	\$	\$
Summary			
Profit on Asset Disposals	52,310	-	87,636
Loss on Asset Disposals	(20,629)	-	(1,402)
	31,681	-	86,234

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

22 INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Borrowing Institution	Interest Rate %	Principal 1-Jul-10 \$	New Loans \$	Adjust Prior Year \$	Princi
						Repaym
						Actual
						\$
Governance						
Loan 93 - Administration Upgrade	Bendigo Bank	6.42	15,712			10,205
Housing						
Loan 94 - Construction Community Housing	Country Housing	6.59	18,973			9,104
Loan 98 - Community Bank Housing *	Bendigo Bank	6.63	34,337			16,414
Loan 99 - Young Peoples Housing	Bendigo Bank	6.63	34,337			16,414
Loan 101 - Tradesmans Residence	Bendigo Bank	6.54	100,885			14,311
Economic Services						
Loan 97 - Various Building Upgrades	Bendigo Bank	5.97	182,330			57,192
Loan 105 - Slater Homestead	Bendigo Bank	7.65	121,628			19,382
Loan 104 - Rural Transaction Centre	Bendigo Bank	7.65	405,430			64,603
Loan 106 - Rural Transaction Centre	Bendigo Bank	8.75	479,052		21,704	7,071
Loan 107 - Grange St Subdivision	Bendigo Bank	7.35	154,367			154,367
Loan 107 - Salmon Gums Way Subdivision	Bendigo Bank	7.35	154,367			154,367
			1,701,418		21,704	523,430

Funding of Borrowings
Prior Year Adjustment
Self-Supporting Loan

All loan repayments were funded by general purpose income.
Adjustment to loan Liability to correct the allocation of principal and interest repayments made in pr
* Those loans denoted with " * " are subject of a repayment agreement that secured the reimbursen
associated with the loan.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

(b) Overdraft

The Shire established an overdraft facility of \$2 million in 2008 to assist with short term liquidity requirements. The balance of the bank overdraft at 30 June 2011 was \$1,587,337

23 RATING INFORMATION - 2010/11 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim and Back Rates \$	Total Revenue \$	Budget Total Revenue \$
General Rate							
GRV General	0.1146	222	972212	111,415		111,415	104315
GRV Konno Townsite	0.1146	1	12400	1,421		1,421	751
GRV Jenna Townsite	0.1146	1	37385	4,284		4,284	3456
UV General	0.00495	305	174,269,800	862,636		862,636	845881
UV Special Rural	0.00837	17	110,520	925		925	19184
UV Rural Zone 2	0.00352	68	26,686,500	93,936		93,936	88021
CBH Ex Gratia Contribution						10,430	10430
Ex Gratia Other						703	703
Sub-Totals		614	202,088,817	1,074,618		1,085,751	1,072,741
Minimum Rates							
	Min Rate						
GRV General	\$700	203	924,341	187,641,223		142,100	147,000
GRV Konno Townsite	\$700	2	4,050	8,100		1,400	1,400
GRV Jenna Townsite	\$700	8	5,425	43,400		5,600	7,700
UV General	\$700	50	1,728,170	86,408,500		35,000	28,000
UV Special Rural				0		0	0
UV Rural Zone 2	\$700	10	1,543,500	15,435,000		7,000	7,000
Sub-Totals		273		289,536,223		191,100	191,100
Section 6.47 - 10% concession						-17155	-17155
Sub Total General Purpose Rate Revenue						1,259,696	1,246,686
Interest Late Penalty						12,660	12,500
Admin Fee Instalments						1,545	1,500
Interest Rate Instalments						3,347	3,000
Specified Area Rate (refer note 24)						129,301	128,438
Totals						1,406,549	1,392,124

24 SPECIFIED AREA RATE - 2010/11 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Goomalling Town Sewerage	7.98 Cents	GRV					
- Rate				129301	128438	129441	128438
- Interim Rate							
- Back Rate							
				129301	128438	129441	128438

25 SERVICE CHARGES - 2010/11 FINANCIAL YEAR

Council did not raise any service charges during the 2010/11 financial year.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

26 DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS

(a) Discounts

The council does not offer a discount on rates for those who pay their rates in full within 35 days of the date of service appearing on the rate notice.

(b) Write-Offs

The council did not write off any rates during the financial year ending 30 June 2011

(c) Waivers

The council did not offer any waivers during the financial year ending 30 June 2011

(d) Concessions

Pursuant to section 6.46 of the Local Government Act a Concession of 10% was offered to ratepayers in the Central and South Wards.

In addition ratepayers making payment of their rates in full within 35 days of the date of issue of the notice are eligible to enter the early payment prize draws consisting of the following:

- a) A \$600 Voucher to be spent at any of the Business in the Shire of Goomalling
- b) A \$300 Voucher to be spent at any of the Business in the Shire of Goomalling
- c) A 100 Voucher to be spent at any of the Businesses in the Shire of Goomalling

Photocopy Charges are waived for certain community group such as the St John Ambulance and Volunteer Bush Fire Brigade. Council considers its support of these group necessary for the overall benefit of the community.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

27 INTEREST CHARGES AND INSTALMENTS - 2010/11 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11%		12,660	6,930
Interest on Instalments Plan	5.50%		3,347	1,370
Charges on Instalment Plan		\$5	1,545	1,370
			17,552	9,670

Ratepayers had the option of paying rates in four equal instalments, due on 13th September 2010, 13th November 2009, 13th January 2011 and 13th March 2011. Administration charges and interest applied for the final three instalments.

28 FEES & CHARGES

	2010/11 Actual \$	2010/11 Budget \$	2009/10 Actual \$
General Purpose Funding			
Governance	2,208	2,610	2,695
Law, Order, Public Safety	1,681	2,210	1,378
Health	531,418	492,500	517,117
Education & Welfare		0	0
Housing	176,591	159,340	169,110
Community Amenities	88,620	85,215	83,027
Recreation & Culture	22,834	21,980	15,912
Transport	100	0	87
Economic Services	151,420	140,090	148,066
Other Property & Services	97,489	151,000	211,005
	<u>1,072,361</u>	<u>1,054,945</u>	<u>1,148,396</u>

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

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

29 GRANTS, SUBSIDIES & CONTRIBUTIONS

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

	2010/11	2009/10
	Actual	Actual
	\$	\$
(a) By Nature & Type:		
Operating Grants, Subsidies and Contributions	975,013	903,197
Non-Operating Grants, Subsidies and Contributions	1,054,584	628,704
	<u>2,029,597</u>	<u>1,531,901</u>
(b) By Program:		
General Purpose Funding	666,436	670,793
Governance	4,000	4,000
Law, Order, Public Safety	86,350	33,660
Health	5,720	220
Education & Welfare	2,250	0
Community Amenities	20,000	12,000
Recreation and Culture	17,022	32,299
Transport **	723,106	667,787
Economic Services	504,713	107,892
Other Property & Services	3,250	3,250
	<u>2,029,597</u>	<u>1,531,901</u>

30 EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	2010/11	2009/10	2008/09
	26	26	26

31 COUNCILLORS' REMUNERATION

The following fees, expenses and allowances were paid to council members and/or the president.

	2010/11	2010/11	2009/10
	\$	Budget	\$
	\$	\$	\$
Meeting Fees	19,321	23,100	18,500
President's Allowance	2,500	2,500	2,500
Deputy President's Allowance	500	500	500
Travelling Expenses	2,118	3,100	2,939
Telecommunications Allowance	-	-	-
	<u>24,439</u>	<u>29,200</u>	<u>24,439</u>

32 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.

Details	Salary Range	2010/11	2009/10
	\$	\$	\$
LG Administration Regulations 19 B	100,000 - 109,999	-	-
LG Administration Regulations 19 B	110,000 - 119,999	-	-
LG Administration Regulations 19 B	120,000 - 129,999	-	-
LG Administration Regulations 19 B	130,000 - 139,999	-	-
LG Administration Regulations 19 B	140,000 - 149,999	-	-
LG Administration Regulations 19 B	150,000 - 159,999	-	-
LG Administration Regulations 19 B	160,000 - 169,999	-	-

**SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

33 Major Land Transactions

(a) Details

The council proposes to continue developing major land transactions during the year.
The Shire of Goomalling has undertaken rural residential subdivisions in Salmon Gum Way and Grange Street Goomalling
The Shire will conduct either auction or tender process for the Sale of lots for Salmon Gum Way
In relation to rural lots in Grange Street, the sale will be by tender process at market valuations.
The proceeds from the sale of the two rural residential subdivisions will be applied towards the repayment of loans raised to finance the development and thereafter any surplus funds remaining will be held in the Municipal Fund Account.
A Business Plan was prepared for the two rural residential subdivisions in accordance with section 3.59 of the Local Government Act 1995

(b) Transactions to Date	Total to Date	
Grange St Subdivision		
2007-2008		
Development Expenses	46,957	
Interest on Borrowings	<u>2,196</u>	49,153
2008-2009		
Development Expenses	340,678	
Interest on Borrowings	<u>61,674</u>	402,352
2009-2010		
Development Expenses	329,693	
Interest on Borrowings	<u>0</u>	329,693
2010-2011		
Development Expenses	61,415	
Interest on Borrowings	<u>0</u>	61,415
	<u>842,613</u>	
Salmon Gums Subdivision		
2007-2008		
Development Expenses	361,983	
Interest on Borrowings	<u>16,930</u>	378,913
2008-2009		
Development Expenses	64,794	
Interest on Borrowings	<u>11,730</u>	76,524
2009-2010		
Development Expenses	131,128	
Interest on Borrowings	<u>0</u>	131,128
2010-2011		
Development Expenses	76,162	
Interest on Borrowings	<u>0</u>	76,162
	<u>662,727</u>	
Total Costs to Develop the two Subdivisions to date		<u><u>1,505,340</u></u>

(c) The council raised loans to finance the development of the two subdivisions and as at 30 June 2011 the loans had been repaid in full from the general purpose income of the Shire.

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011

34 TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or mayor trading undertakings during the 2010/2011 financial year

35 FINANCIAL RISK MANAGEMENT

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

The Shire 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 Shire. The Shire held the following financial instruments at balance date.

	Carrying Value		Fair Value	
	2010/11	2009/2010	2010/11	2009/2010
Financial Assets				
Cash and cash equivalents	1,252,241	1,252,190	1,252,241	1,252,190
Receivables	289,584	396,032	289,584	396,032
Financial assets at fair value through profit or loss				
Available for sale financial assets - Land Held for Resale at Cost	1,505,340	1,367,763	1,505,340	1,367,763
Held to maturity investments				
	<u>3,047,165</u>	<u>3,015,985</u>	<u>3,047,165</u>	<u>3,015,985</u>
Financial Liabilities				
Bank Overdraft	1,587,337	1,399,265	1,587,337	1,399,265
Payables	154,431	249,401	154,431	249,401
Borrowings	1,776,641	2,197,232	1,776,641	2,197,232
	<u>3,518,409</u>	<u>3,845,898</u>	<u>3,518,409</u>	<u>3,845,898</u>

Fair value is determined as follows:

- * Cash and Cash Equivalents, Receivables, Payables - estimated to be the carrying value which approximates net market value.

(a) Cash and Cash Equivalents

The Shires's objective is to maximise its return on cash and cash equivalents whilst maintaining an adequate level of liquidity and preserving capital. The Finance Section manages the cash and investments portfolio with the assistance of independent advisers. The Shire has an investment policy which complies with the relevant legislations. The policy is regularly reviewed by the Shire and an Investment Report provided to the Shire monthly setting out the make-up and performance of the portfolio.

Cash and investments are also subject to interest rate risk - the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Shire.

**SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

35 FINANCIAL RISK MANAGEMENT (continued)

	30-Jun-11	30-Jun-10
	\$	\$

The council's cash investment portfolio as at the 30 June 2011 totalling \$1.25 million is held in an interest bearing deposit with the Bendigo Bank. The likelihood of the capital value of the financial instrument fluctuating due to changes in the market prices would appear to be minimal.

Impact of a 1% movement in interest rates on cash and investments

• Equity	\$12,500	\$12,500
• Statement of Comprehensive Income	\$12,500	\$12,500

The impact on the council's \$1.25 million cash investment portfolio in the event of a 1% movement in market interest rates could result in investment returns being reduced by up to \$12,500.

(b) Receivables

The Shire'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. The Shire manages this risk by monitoring outstanding debt and employing stringent 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 the Shire to recover these debts as a secured charge over the land - that is, the land can be sold to recover the debt. The Shire 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 the Shire monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire 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.

**SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

35 FINANCIAL RISK MANAGEMENT (continued)

(b) Receivables (continued)

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

	30-Jun-11	30-Jun-10
	%	%
Percentage of Rates and Annual Charges		
• Current	94.75%	95.09%
• Overdue	5.25%	4.91%

The rates collectable as per the statement of rating information total \$1,388,997 . The rate arrears as at 30 June 2010 was \$51,765 and at 30 June 2011 the arrears totalled \$76,492. The rate collection percentage of the council for the financial year ended 30 June 2011 was therefore 94.75%

Percentage of Other Receivables		
• Current	82.00%	79.35%
• Overdue	18.00%	20.65%

Current Receivables represents 30 days or less and Overdue more than 30 days

**SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDING 30 JUNE 2011**

35 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. The Shire 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 in extenuating circumstances.

The contractual undiscounted cash-flows of the Shire's Payables and Borrowings are set out in the Liquidity Sensitivity Table Below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2011					
Payables	154,431			154,431	154,431
Borrowings - Loan Principal	51,222	211,712	936,758	1,199,692	1,199,692
Borrowings - Interest	1,616	26,136	811,434	839,186	Nil
Finance Lease - Lease Principal	41,676	535,273	Nil	576,949	576,949
Finance Lease - Lease Interest	2,523	86,778	Nil	89,301	Nil
	251,468	859,899	1,748,192	2,859,559	1,931,072
2010					
Payables	228,464			228,464	228,464
Borrowings - Loan Principal	308,734	386,574	1,006,110	1,701,418	1,701,418
Borrowings - Interest	14,026	24,168	912,328	950,522	Nil
Finance Lease - Lease Principal	51,959	443,854	Nil	495,813	495,813
Finance Lease - Lease Interest	2,800	52,500	Nil	55,300	Nil
	605,983	907,096	1,918,438	3,431,517	2,425,695

*** The interest due over the life of loans 104,105,106 as included in the above figures has been estimated due to the loan debenture schedules for these loans not being available at the time of preparing the annual accounts.

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate on a basis that is most suitable for the circumstance. Shire officers regularly review interest rate movements to determine if it would be advantageous to refinance or renegotiate part, or all of the loan portfolio.

The following interest rates were applicable to the Shire's borrowing at balance date

	30-Jun-11		30-Jun-10	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Overdraft	11.14%	1,587,337	10.89%	1,399,265
Bank Loans - Fixed	7.80%	1,199,691	7.60%	1,701,418
Finance Leases	8.30%	576,949	Not Available	495,813

Weighted Average:

Multiply each loan outstanding by its interest rate, add the results of the multiplication and divide the result by the total loans outstanding

Loan #	Debtore Loans		Loan liability 30-Jun-10	Calculation Interest Rate by Liability	Weighted Average 2010	Loan liability 30-Jun-11	Calculation Interest Rate by Liability	Weighted Average 2011
	Interest Rate							
93	6.42%		15,712	1,009		5,507	354	
94	6.59%		18,973	1,250		9,869	650	
98	6.63%		34,337	2,277		17,923	1,188	
99	6.63%		34,337	2,277		17,923	1,188	
101	6.54%		100,885	6,598		86,574	5,662	
97	5.97%		182,330	10,885		125,138	7,471	
105	7.65%		121,628	9,305		102,246	7,822	
104	7.65%		405,430	31,015		340,827	26,073	
106	8.75%		479,052	41,917		493,684	43,197	
107	7.35%		154,367	11,346		0	0	
107	7.35%		154,367	11,346		0	0	
			<u>1,701,418</u>	<u>129,224</u>	7.60	<u>1,199,691</u>	<u>93,606</u>	7.80

0

More information is required

16500

Capital Expenditures	Principal 30-Jun-11		Interest Repayments	
	Budget	Actual	Budget	Actual
	\$	\$	\$	\$
10,135	5,507	5,577	667	1,436
9554	9,869	9,419	1,255	1405
16414	17,923	17,923	614	754
16,414	17,923	17,923	614	754
14311	86,574	86,574	6,361	7225
57193	125,138	125,137	10,052	10052
2550	102,246	119,078	3,123	10999
8500	340,827	396,930	10,413	33459
6770	493,685	472,282	64,211	38986
145865	0	8,502	7,013	6876
145865	0	8,502	7,013	6876
433,571	1,199,692	1,267,847	111,336	118,822

for years
 provided from a community organisation of all costs

1259696
12660
1545
3347
129301

Clem - Can you please provide some commentary as to the i

Repayments Due 2012	
Principal	Interest
5,507	467
9,870	490
16,555	473
16,555	473
15,229	5,443
60,705	6,539
13,644	7,500
45,478	25,100
9,978	39,600
0	0
0	0
193,521	86,085

reasons