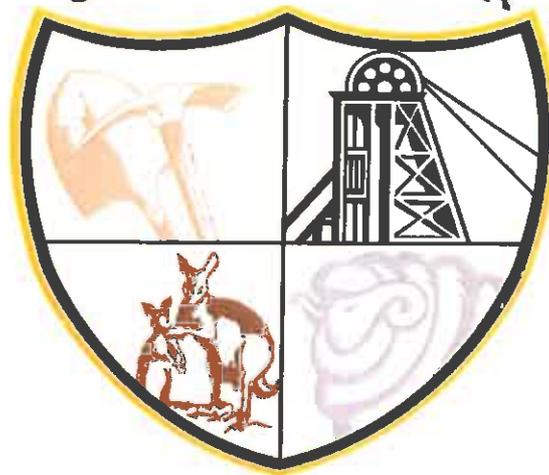


**SHIRE OF LEONORA**



# **Shire of Leonora**

# **ANNUAL REPORT**

**For the year ending**  
**30<sup>th</sup> JUNE 2010**



## TABLE OF CONTENTS

SECTION		PAGE
1.0	<b>President's Message</b>	4
2.0	<b>Chief Executive Officer's Message</b>	5
3.0	<b>Councillor Details</b>	6
4.0	<b>Employees - Chart</b>	7
5.0	<b>Independent Audit Report</b>	8-9
6.0	<b>Financial Report</b>	
	Statement by Chief Executive Officer	10
	Statement of Comprehensive Income	11-12
	Statement of Financial Position	13
	Statement of Changes in Equity	14
	Statement of Cash Flows	15
	Rate Setting Statement	16
	Note 1 – Significant Accounting Policies	17-28
	Note 2 – Revenues and Expenses	29-33
	Note 3 – Cash and Equivalents	34
	Note 4 – Trade and Other Receivables	34
	Note 5 – Inventories	34
	Note 6 – Property, Plant and Equipment	35-36
	Note 7 – Infrastructure	37-38
	Note 8 – Trade and Other Payables	39
	Note 9 – Provisions	39
	Note 10 – Reserves – Cash Backed	40-41
	Note 11 – Reserves – Asset Revaluation	42
	Note 12 – Notes to the Cash Flow Statement	43
	Note 13 – Contingent Liabilities	44
	Note 14 – Capital & Leasing Commitments	44
	Note 15 – Joint Venture	45
	Note 16 – Total Assets Classified by Function & Activity	45
	Note 17 – Financial Ratios	46
	Note 18 – Trust Funds	47
	Note 19 – Disposal of Assets	47
	Note 20 – Information on Borrowings	48
	Note 21 – Rating Information	49
	Note 22 – Specified Area Rate	50
	Note 23 – Service Charges	50
	Note 24 – Discounts, Incentives, Concessions and Write Offs	50
	Note 25 – Interest Charges and Instalments	51
	Note 26 – Fees and Charges	51
	Note 27 – Grant Revenue	52



## TABLE OF CONTENTS (Continued)

SECTION		PAGE
	Note 28 – Councillors Remuneration	52
	Note 29 – Employee Numbers	52
	Note 30 – Major Land Transactions	53
	Note 31 – Trading Undertakings and Major Trading Undertakings	53
	Note 32 – Financial Risk Management	54-57
7.0	<b>National Competition Policy Statement</b>	<b>58</b>
7.1	<b>Competitive Neutrality</b>	<b>58</b>
7.2	<b>Structural Review of Public Monopolies</b>	<b>58-59</b>
8.0	<b>Overview of the Plan for the Future</b>	<b>59</b>
9.0	<b>Disability Access and Inclusion Plan (DAIP)</b>	<b>59</b>
10.0	<b>Record Keeping Plan</b>	<b>59-60</b>
11.0	<b>Employee’s Remuneration</b>	<b>60</b>
12.0	<b>Official Conduct – Complaints Register</b>	<b>60</b>



## **MESSAGE FROM THE SHIRE PRESIDENT**

The 2009-10 reporting period saw the Council place a strong focus on long term planning initiatives, in an effort to further improve sustainability and general operations of the Shire of Leonora. This included the development of a strategic plan, review of the 'Plan for the Future', and preparations for writing asset management plans which will include a focus on long term financial planning to ensure infrastructure within the Shire are kept to a high standard in the future. Community consultation was undertaken during the development of the strategic plan and review of the 'Plan for the Future', with participation and feedback strongly encouraged from members of the community.

Despite some hold up with payment of Royalties for Regions funding, Council was able to continue planned projects, such as commencement of construction of the bowling green facility in Leonora. Other infrastructure projects also continued, such as completion of the oval sports facility, and further development of new lots in the industrial area. These projects will assist to enhance the services available to residents, as well as provide for future activity and development within the Shire.

Support for local enterprise continues to play a strong part in Council's awareness for community stability and sustainability. Large scale events such as the Golden Gift continue to grow in popularity, attracting many visitors to the area annually. This event not only generates business within the community at the time of the event, but provides an insight into what the region has to offer, which in turn encourages and promotes local tourism at later times. Therefore, Council has also supported other events such as the Safari Tour, not only to promote the Shire, but to provide recreation opportunities to residents. These types of events and activities are likely to continue for some years to come whilst they continue to be successful.

Maintenance and renewal of the Shire's road network are still considered a high priority of Council, with regular programmed works still continuing. This is also the case with local parks and garden, street cleaning etc.

Once again, the Shire of Leonora has received a 'clean' audit report from its independent auditor. This means that no points of statutory non compliance were noted by the auditor, nor were any points noted where improvements or remedial action were required to ensure a high level of transparency within the management of the Shire. I would like to offer my congratulations to all staff for their high level of work that has contributed to a good audit report.

On behalf of the Council and staff, I would like to thank the community for its participation in various events and activities, and we can look forward to the coming year of projects and events that will see continued improvement.

**Cr Jeff Carter**  
**President**



## **MESSAGE FROM THE CHIEF EXECUTIVE OFFICER**

Throughout the 2009/10 reporting period, the Council continued projects that had already commenced and been planned from 2008/09. The included completion of the Oval Sporting Facility, continuation of development of industrial lots and commencement of the Lawn Bowling Facility. This investment in local infrastructure has supported local industry and businesses, and will provide high quality assets for the community to enjoy.

Although a strong presence in 2008/09, structural reform of local governments has since slowed. Although Council could not demonstrate any benefit to amalgamating with another local government, the Shire has embraced some initiatives from the structural reform process. This includes continued collaboration and membership to the Goldfields Esperance Voluntary Regional Organisation of Councils (GVROC), and the commencement of some long term planning initiatives. These planning activities (such as preparation of a forward capital works plan and infrastructure asset management plan) will continue into the next reporting period.

Council finished the financial year in a financially strong position setting itself up well for future years. Council finished in a surplus position achieved by operating efficiently, which has led to the unexpended funds being carried forward for upcoming capital projects.

During 2009/10, the Council undertook some large planning tasks, together with the community, and developed a strategic plan. Dedication of the membership ensures the Shire of Leonora operates as one complete team, being able to achieve anything. Council's support has remained steadfast and progressive throughout the year and is demonstrated by meeting attendances as highlighted below.

<b>COUNCILLOR</b>	<b>MEETING CONVENED</b>	<b>ATTENDED</b>	<b>% ATTENDANCE</b>
J F Carter	11	11	100%
P J Craig	11	11	100%
M W V Taylor	4	4	100%
G W Baker	11	11	100%
S J Heather	11	9	82%
N G Johnson	11	7	64%
R A Norrie	11	9	82%
L R Petersen	11	11	100%
J C Kennedy	11	10	91%

As with any good team it's the dedication and commitment of its members that makes a winning combination, and I would like to thank all the staff and Councillors for their perseverance and loyalty over the year in review, and I look forward to the challenges and rewards that 2010/11 will present to us.

**Jim Epis**  
**Chief Executive Officer**

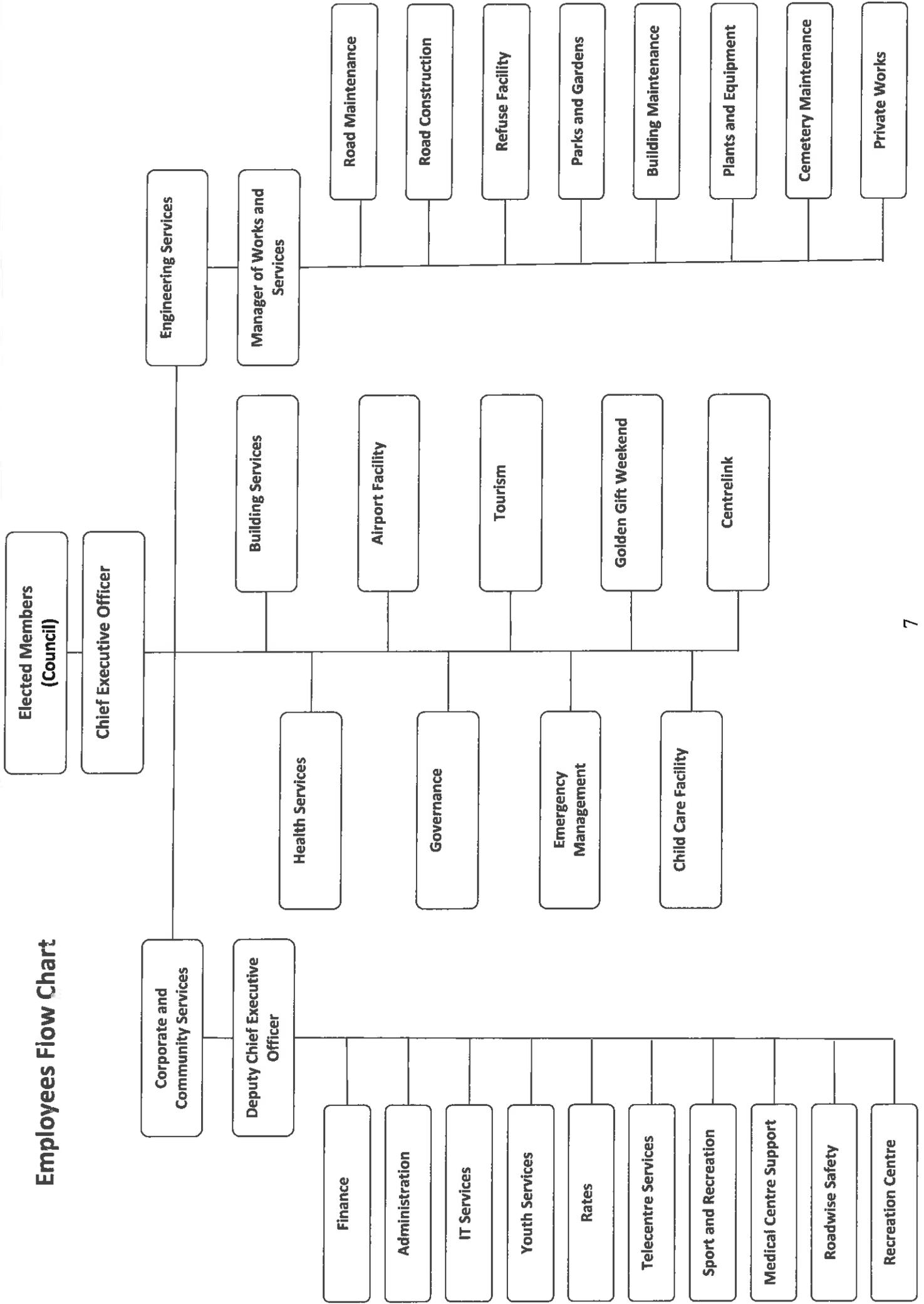
# ANNUAL REPORT 2009-2010



## COUNCILLOR DETAILS

POSITION	WARD	RETIREMENT YEAR	CONTACT	NUMBER
<b>PRESIDENT</b> Mr J F CARTER Clover Downs Station (PO Box 85) LEONORA WA 6438	NORTH	2013	WK HM FAX MOB EMAIL	08 9037 6159 08 9037 6159 0417 981 016 jeff@cloverdowns.com.au
<b>DEPUTY PRESIDENT</b> Mr P CRAIG 9B North Road (PO Box 118) LEINSTER WA 6437	NORTH	2011	WK HM FAX MOB EMAIL	08 9037 9191 08 9037 9054 08 9037 9192 0418 950 572 peter.craig@bagden.com.au
Mr M W V Taylor 10 Forrest Street (PO Box 226) LEONORA WA 6438	SOUTH	2011	WK HM FAX MOB EMAIL	08 6314 4712 0417 976 169 matt@pmcc.com.au
Mr N G JOHNSON Lot 146 Gwalia Street (PO Box 2) LEONORA WA 6438	SOUTH	2011	WK HM FAX MOB EMAIL	08 9037 6131 08 9037 6264 0418 958 418 ngpjohno@bigpond.com
Ms L R PETERSEN Lot 1114 Gwalia Street (PO Box 69) LEONORA WA 6438	SOUTH	2013	WK HM FAX MOB EMAIL	08 9037 6400 08 9037 6404 0419 177 232 Butsonsbs@westnet.com.au
Mr S J HEATHER Lot 8 Gwalia Street (PO Box 223) LEONORA WA 6438	NORTH	2013	WK HM FAX MOB EMAIL	08 9037 6153 08 9037 6153 0408 996 373 jjheather@bigpond.com
Mr R A NORRIE Lot 260 Queen Victoria (PO Box 397) LEONORA WA 6438	SOUTH	2011	WK HM FAX MOB EMAIL	08 9037 6777 08 9037 7389 08 9037 6788 0409 377 386 rosscpa@bigpond.net.au
Mr J C KENNEDY 5 Wildara Way (PO Box 246) LEINSTER WA 6437	NORTH	2011	WK HM FAX MOB EMAIL	08 9037 0737 08 9037 0737 0439 680 404 mariejoe@bigpond.com
Mr GW BAKER "Waarnba" LOC 51 Laverton Road (PO Box 90) LEONORA WA 6438	SOUTH	2013	WK HM FAX MOB EMAIL	08 9037 6090 08 9037 6090 08 9037 6090 sixmile6@bigpond.com

# Employees Flow Chart



# ANNUAL REPORT 2009-2010



**GREGORY FROOMES WYLLIE**

**CERTIFIED PRACTISING ACCOUNTANT**

37 APPLEBERRY STREET CHURCHLANDS WA 6018  
TELEPHONE: 08 9285 8133  
FACSIMILE: 08 9427 5280  
EMAIL: [wyllie@dodo.com.au](mailto:wyllie@dodo.com.au)

31 August 2010

Chief Executive Officer  
Shire of Leonora  
PO Box 56  
Leonora WA 6438

Dear Jim,

We report that we have completed our final audit for the year end 30 June 2010 and enclose our signed audit report.

**Management Letter**

There are no matters we wish to raise in a management letter.

Please let us know if any further information is required.

Yours Faithfully,



**SHIRE OF LEONORA**

**INDEPENDENT AUDIT REPORT**

**TO THE ELECTORS OF THE SHIRE OF LEONORA**

I have audited the accompanying financial report of the **Shire of Leonora** which comprises the balance sheet, income statements, cash flow statement, rate setting statement and supporting notes for the year ended **30 June 2010**.

**Council's Responsibility for the Financial Report**

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

**Auditor's Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

In conducting my audit I have complied with the independence requirements of Australian professional ethical pronouncements.

**Auditor's Opinion**

In my opinion the financial report of the **Shire of Leonora** is in accordance with the Act and the Regulations including giving a true and fair view of the shire's financial position as at **30 June 2010** and the results of its operations for the year ended on that date and complying with Australian Accounting Standards.

**Other Matters**

In accordance with the Regulations I report that in my opinion,

- (a) There were no matters that indicated a significant adverse trend in the financial position or the financial management practices of the shire,
- (b) There were no material matters noted by me indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls in any other written law,
- (c) All necessary information and explanations were obtained by me and
- (d) All audit procedures were satisfactorily completed in conducting my audit.

A handwritten signature in blue ink, appearing to read "Gregory Froomes Wyllie".

**Gregory Froomes Wyllie CPA**  
Perth, Western Australia  
31 August 2010

**SHIRE OF LEONORA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	10
Statement of Comprehensive Income by Nature or Type	11
Statement of Comprehensive Income by Program	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Rate Setting Statement	16
Notes to and Forming Part of the Financial Report	17 to 57

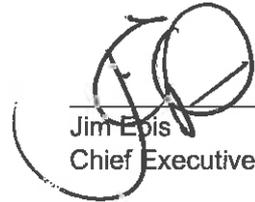
**SHIRE OF LEONORA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Leonora being the annual financial report and other information for the financial year ended 30th June 2010 are in my opinion properly drawn up to present fairly the financial position of the Shire of Leonora at 30th June 2010 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 *30<sup>TH</sup>* day of *August* 2010.

  
\_\_\_\_\_  
Jim Epis  
Chief Executive Officer

**SHIRE OF LEONORA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2010 \$	2010 Budget \$	2009 \$
<b>REVENUE</b>				
Rates	22	4,062,688	4,308,105	3,774,562
Operating Grants, Subsidies and Contributions	28	2,381,096	2,441,779	2,396,445
Fees and Charges	27	838,662	600,240	684,387
Interest Earnings	2(a)	68,533	99,425	85,320
Other Revenue		50,158	2,100	3,394
		<u>7,401,137</u>	<u>7,451,649</u>	<u>6,944,108</u>
<b>EXPENSES</b>				
Employee Costs		(2,132,400)	(3,710,528)	(2,026,323)
Materials and Contracts		(2,573,098)	(2,120,538)	(2,497,684)
Utility Charges		(280,886)	(103,200)	(234,537)
Depreciation on Non-Current Assets	2(a)	(1,024,635)	(1,385,065)	(1,078,384)
Insurance Expenses		(188,427)	(198,450)	(164,724)
Other Expenditure		(266,075)	(269,011)	(86,101)
		<u>(6,465,521)</u>	<u>(7,786,792)</u>	<u>(6,087,753)</u>
		935,616	(335,143)	856,355
Non-Operating Grants, Subsidies and Contributions	28	317,085	1,803,148	709,167
Profit on Asset Disposals	20	44,086	63,091	-
Loss on Asset Disposal	20	(61,577)	(98,153)	(53,728)
		<u>299,594</u>	<u>1,768,086</u>	<u>1,364,506</u>
<b>NET RESULT</b>		<b>1,235,210</b>	<b>1,432,943</b>	<b>1,511,794</b>
<b>Other Comprehensive Income</b>				
Asset Revaluation		(1,433,142)	-	-
<b>Total Other Comprehensive Income</b>		<u>(1,433,142)</u>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>(197,932)</u></u>	<u><u>1,432,943</u></u>	<u><u>1,511,794</u></u>

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

**SHIRE OF LEONORA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2010 \$	2010 Budget \$	2009 \$
<b>REVENUE</b>				
Governance		45,480	10,320	1,214
General Purpose Funding		5,548,272	6,057,943	5,362,287
Law, Order, Public Safety		47,798	38,550	54,088
Health		15,711	17,240	16,833
Education and Welfare		180,645	214,836	225,341
Housing		41,591	39,440	36,806
Community Amenities		71,395	259,600	65,384
Recreation and Culture		166,144	1,282,908	331,317
Transport		921,983	940,935	757,270
Economic Services		376,214	403,416	713,468
Other Property and Services		347,076	52,700	89,267
	2 (a)	<u>7,762,309</u>	<u>9,317,888</u>	<u>7,653,275</u>
<b>EXPENSES EXCLUDING FINANCE COSTS</b>				
Governance		(195,506)	(186,398)	(297,811)
General Purpose Funding		(353,029)	(385,069)	(171,305)
Law, Order, Public Safety		(152,015)	(198,457)	(155,589)
Health		(435,973)	(441,842)	(406,482)
Education and Welfare		(221,009)	(336,732)	(201,648)
Housing		-	-	-
Community Amenities		(223,518)	(293,591)	(259,079)
Recreation & Culture		(992,584)	(1,015,044)	(911,695)
Transport		(2,878,728)	(3,987,654)	(3,028,699)
Economic Services		(844,036)	(1,031,151)	(699,447)
Other Property and Services		(230,701)	(9,007)	(9,726)
	2 (a)	<u>(6,527,099)</u>	<u>(7,884,945)</u>	<u>(6,141,481)</u>
<b>NET RESULT</b>		<u>1,235,210</u>	<u>1,432,943</u>	<u>1,511,794</u>
<b>Other Comprehensive Income</b>				
Asset Revaluation		(1,433,142)	-	-
<b>Total Other Comprehensive Income</b>		<u>(1,433,142)</u>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>(197,932)</u></u>	<u><u>1,432,943</u></u>	<u><u>1,511,794</u></u>

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

**SHIRE OF LEONORA  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2010**

	NOTE	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	1,758,857	2,223,895
Trade and Other Receivables	4	368,412	262,656
Inventories	5	40,645	32,448
<b>TOTAL CURRENT ASSETS</b>		<u>2,167,914</u>	<u>2,518,999</u>
<b>NON-CURRENT ASSETS</b>			
Inventories	5	186,803	64,258
Property, Plant and Equipment	6	9,292,578	9,125,259
Infrastructure	7	39,827,529	39,410,764
<b>TOTAL NON-CURRENT ASSETS</b>		<u>49,306,910</u>	<u>48,600,281</u>
<b>TOTAL ASSETS</b>	16	<u>51,474,824</u>	<u>51,119,280</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	47,417	107,778
Provisions	9	170,537	169,154
<b>TOTAL CURRENT LIABILITIES</b>		<u>217,954</u>	<u>276,932</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	98,236	91,817
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>98,236</u>	<u>91,817</u>
<b>TOTAL LIABILITIES</b>		<u>316,190</u>	<u>368,749</u>
<b>NET ASSETS</b>		<u>51,158,634</u>	<u>50,750,531</u>
<b>EQUITY</b>			
Retained Surplus		31,496,649	31,224,922
Reserves - Cash Backed	10	1,253,427	1,723,086
Reserves - Asset Revaluation	11	18,408,558	17,802,523
<b>TOTAL EQUITY</b>		<u>51,158,634</u>	<u>50,750,531</u>

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

**SHIRE OF LEONORA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2008		31,193,925	242,289	24,859,158	56,295,372
Net Result		1,511,794	-	-	1,511,794
Total Other Comprehensive Income				(7,056,635)	(7,056,635)
Reserve Transfers		(1,480,797)	1,480,797	-	-
<b>Balance as at 30 June 2009</b>		<b>31,224,922</b>	<b>1,723,086</b>	<b>17,802,523</b>	<b>50,750,531</b>
Net Result		1,235,210	-	-	1,235,210
Total Other Comprehensive Income		(1,433,142)	-	606,035	(827,107)
Reserve Transfers		469,659	(469,659)	-	-
<b>Balance as at 30 June 2010</b>		<b>31,496,649</b>	<b>1,253,427</b>	<b>18,408,558</b>	<b>51,158,634</b>

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

**SHIRE OF LEONORA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2010 \$	2010 Budget \$	2009 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		4,066,448	4,308,105	3,753,426
Operating Grants, Subsidies and Contributions		2,381,096	2,441,779	2,396,445
Fees and Charges		767,415	888,604	698,040
Interest Earnings		68,533	99,425	85,320
Goods and Services Tax		519,425	200,000	513,425
Other Revenue		50,158	2,100	3,394
		<u>7,853,075</u>	<u>7,940,013</u>	<u>7,450,050</u>
<b>Payments</b>				
Employee Costs		(2,182,583)	(3,710,528)	(1,933,402)
Materials and Contracts		(2,583,671)	(2,059,934)	(2,466,271)
Utility Charges		(280,886)	(103,200)	(234,537)
Insurance Expenses		(188,427)	(198,450)	(164,724)
Goods and Services Tax		(557,693)	(430,000)	(444,799)
Other Expenditure		(1,699,217)	(269,011)	(86,101)
		<u>(7,492,477)</u>	<u>(6,771,123)</u>	<u>(5,329,834)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	12(b)	<u>360,598</u>	<u>1,168,890</u>	<u>2,120,216</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale		(122,545)	(171,000)	(55,866)
Payments for Purchase of Property, Plant & Equipment		(2,583,107)	(4,732,042)	(852,022)
Payments for Construction of Infrastructure		(244,029)	(654,547)	(772,317)
Revaluation of Assets		1,433,142	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		317,085	1,803,148	709,167
Proceeds from Sale of Plant & Equipment		373,817	702,000	74,545
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>(825,637)</u>	<u>(3,052,441)</u>	<u>(896,493)</u>
<b>Net Increase (Decrease) in Cash Held</b>		(465,039)	(1,883,551)	1,223,723
Cash at Beginning of Year		2,223,895	2,298,717	1,000,172
<b>Cash and Cash Equivalents at the End of the Year</b>	12(a)	<u><u>1,758,857</u></u>	<u><u>415,166</u></u>	<u><u>2,223,895</u></u>

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

**SHIRE OF LEONORA  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2010 \$	2010 Budget \$
<b>REVENUE</b>			
Governance		45,480	10,320
General Purpose Funding		1,485,584	1,749,838
Law, Order, Public Safety		47,798	38,550
Health		15,711	17,240
Education and Welfare		180,645	214,836
Housing		41,591	39,440
Community Amenities		71,395	259,600
Recreation and Culture		166,144	1,282,908
Transport		921,983	940,935
Economic Services		376,214	403,416
Other Property and Services		347,076	52,700
		<u>3,699,621</u>	<u>5,009,783</u>
<b>EXPENSES</b>			
Governance		(195,506)	(186,398)
General Purpose Funding		(353,029)	(385,069)
Law, Order, Public Safety		(152,015)	(198,457)
Health		(435,973)	(441,842)
Education and Welfare		(221,009)	(336,732)
Housing		-	-
Community Amenities		(224,803)	(293,591)
Recreation & Culture		(992,584)	(1,015,044)
Transport		(2,878,728)	(3,987,654)
Economic Services		(844,036)	(1,031,151)
Other Property and Services		(1,663,843)	(9,007)
		<u>(7,961,526)</u>	<u>(7,884,945)</u>
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
(Profit)/Loss on Asset Disposals	19	17,491	35,061
Asset revaluation		1,433,142	-
Movement in Employee Benefit Provisions		6,421	-
Depreciation and Amortisation on Assets	2(a)	1,025,920	1,385,065
<b>Capital Expenditure and Revenue</b>			
Purchase Land Held for Resale	30	(122,545)	(171,000)
Purchase Land and Buildings	6(a)	(1,676,137)	(3,809,542)
Purchase Infrastructure Assets - Other	7(a)	(244,029)	(654,547)
Purchase Plant and Equipment	6(a)	(885,591)	(776,000)
Purchase Furniture and Equipment	6(a)	(21,379)	(146,500)
Proceeds from Disposal of Assets	19	373,817	702,000
Transfers to Reserves (Restricted Assets)	10	(825,778)	(1,158,334)
Transfers from Reserves (Restricted Assets)	10	1,295,438	2,466,255
<b>ADD</b> Estimated Surplus/(Deficit) July 1 B/Fwd		518,981	694,599
<b>LESS</b> Estimated Surplus/(Deficit) June 30 C/Fwd		696,534	-
<b>Amount Required to be Raised from Rates</b>	<b>22</b>	<u><u>(4,062,688)</u></u>	<u><u>(4,308,105)</u></u>

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of this financial report are:

**(a) Basis of Preparation**

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

**Critical Accounting Estimates**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

**(b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 19 to this financial report.

**(c) Goods and Services Tax**

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the 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 Cashflows, 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**

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for uncollectible amounts.

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(f) Inventories**

***General***

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

***Land Held for Resale***

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

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing a binding contract of sale.

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

**(g) Fixed Assets**

***Initial Recognition***

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

***Revaluation***

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

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

***Land under Roads***

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

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

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

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

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

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(h) Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

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

Buildings	30 to 50 years
Furniture and Equipment	2 to 15 years
Plant and Equipment	5 to 15 years
Infrastructure	10 to 40 years

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(i) Investments and Other Financial Assets**

***Classification***

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each balance date.

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

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

***(ii) Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance 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 balance date, which are classified as current assets.

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

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

***Recognition and derecognition***

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(i) Investments and Other Financial Assets (Continued)**

***Subsequent measurement***

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

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

***Impairment***

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

**(j) Estimation of Fair Value**

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

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

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

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

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(k) Impairment**

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

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

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

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

**(l) Trade and Other Payables**

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

**(m) Employee Benefits**

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

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

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

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

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

**(n) Interest-bearing Loans and Borrowings**

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

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

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

***Borrowing Costs***

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(o) Provisions**

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

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

**(p) Leases**

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

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

**(q) Joint Venture**

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

**(r) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

**(s) Superannuation**

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

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

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

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

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

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

**(u) Rounding Off Figures**

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

**(v) Comparative Figures**

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

**(w) Budget Comparative Figures**

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

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(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 2010.

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9— Financial Instruments	December 2009	01 January 2013	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	December 2009	01 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii) AASB 2009-5 - Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	May 2009	01 January 2010	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.
(iv) AASB 2009-8 - Amendments to Australian Accounting Standards – Group Cash – Settled Share-based Payment Transactions [AASB 2]	July 2009	01 January 2010	Nil - The Council will not have applicable transactions.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

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

Title and Topic	Issued	Applicable (*)	Impact
(v) 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]	December 2009	01 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(vi) 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]	December 2009	01 January 2013	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).
(vii) AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	December 2009	01 July 2010	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- 1 Amendment to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosure for First-time Adopters [AASB 1 & AASB 7]	February 2010	01 July 2010	

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

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

Title and Topic (viii) (Continued)	Issued	Applicable (*)	Impact
AASB 2009- 10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB132]	October 2009	01 February 2010	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
Interpretation 19– Extinguishing Financial Liabilities with Equity Instruments	December 2009	01 July 2010	
AASB 2009– 14 Amendments to Australian Interpretations – Prepayments of a minimum Funding Requirement [AASB Interpretation 14]	December 2009	01 January 2011	

**Notes:**

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

SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010

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

**(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.

The following is an explanation of the impact of these standards and interpretations has had on the financial statements of the Council.

**AASB 101: Presentation of Financial Statements**

In September 2007, the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Council's financial statements.

*Disclosure Impact*

**Terminology changes** – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

**Reporting changes in equity** – The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required owner changes in equity and other comprehensive income to be presented in the statement of changes in equity.

**Statement of comprehensive income** – The revised AASB 101 requires all income and expenses to be presented in either a single statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Council has adopted the single statement approach and the financial statements now contain a statement of comprehensive income.

**Other Comprehensive Income** – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises income and expenses not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

<b>2. REVENUE AND EXPENSES</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net Result includes:		
(i) Receiving as an Income:		
<b>Significant Revenue</b>		
General Purpose Funding	<u>266,250</u>	<u>555,503</u>
This significant revenue relates to a grant received for WA Grants Commission Quarterly 266,250		
<b>2009</b>		
Royalties to Regions	304,617	
WA Grants Commission Quarterly	<u>250,886</u>	
(ii) Charging as an Expense:		
<b>Auditors Remuneration</b>		
- Audit	5,050	8,250
- Other Services	1,000	250
<b>Depreciation</b>		
Land & Buildings	140,660	122,633
Furniture and Equipment	26,065	27,107
Plant and Equipment	297,080	297,210
Roads	429,630	505,660
Roads - Other	57,606	57,606
Other Infrastructure	73,594	68,168
	<u>1,024,635</u>	<u>1,078,384</u>
(ii) Crediting as Revenue:		
	<b>2010</b>	<b>2010</b>
	<b>\$</b>	<b>Budget</b>
		<b>\$</b>
<b>Interest Earnings</b>		
Investments		
- Reserve Funds	49,404	49,425
- Other Funds	19,129	7,007
	<u>68,533</u>	<u>78,313</u>
	<u>68,533</u>	<u>85,320</u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(b) Statement of Objective**

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

**GOVERNANCE**

Includes costs and revenues associated with the President and Councillors in the exercise of their obligations as a governing body. Items of expenditure include conference, travel, meeting attendance fees, presidential allowance, receptions, donations, subscriptions and phone rentals. Costs of advertising and conducting elections are also included. Revenues include election nomination fees and reimbursements by members for private expenses.

An administration cost is also allocated which enables staff to process Council Meeting procedures, implement all government decisions and conduct Council meetings. Cost of conducting audit of Council books of accounts and procedures is also include under this heading.

**GENERAL PURPOSE FUNDING**

*1 Rates*

- (a) GRV (gross rental value) refers to property rates for Leonora, Gwalia, Leinster and Agnew town sites and operational mines and associated infrastructure.
- (b) UV (unimproved value) refers to mining properties and tenements (other than mines and other associated infrastructure) and includes prospecting licences, exploration licences and mining leases. It also refers to broad acre rural pastoral properties.
- (c) Additional rates and rates written back refer mainly to mining rates where tenements are granted or surrendered following the adoption of the budget.
- (d) Administration charge refers to the charge levied on ratepayers electing to make payment of rates on the offered instalment plan and is based on the actual cost involved in administering this process
- (e) Administration costs allocated are the costs of maintaining records, levying and collecting all rates.

*2 Grants*

- (a) Grants Commission - a general purpose grant allocated annually by the Federal Government to all local governments. The amount is determined by various formulae devised by the Grants Commission, with a significant component being based on population.
- (b) Roads Grant - An untied road grant allocated by the Federal Government and again distributed by the Grants Commission utilising a pre-determined formula.
- (c) Administration costs allocated to grants refers to the costs associated in collection of Federal Government grants including provision and updating of data used in grants commission formula.

*3 Interest from Investments*

Includes interest received on surplus funds invested throughout the year from both operating and reserve accounts.

**LAW, ORDER, PUBLIC SAFETY**

Costs and revenues associated with animal control within the Shire and also includes fire insurance, dog control and registration.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**HEALTH**

Costs and revenues associated with compliance with the Health Act including inspections and approvals, food quality control, mosquito control, septic tank inspection/control, food hygiene inspection/control, contribution to doctors expenses, Royal Flying Doctor donation and notification of disease.

**EDUCATION AND WELFARE**

Provision of support for education and aged and disabled facilities within the district for the betterment of the residents.

**HOUSING**

Costs of maintaining Council owned accommodation units and collection of rentals paid by staff for use of those buildings. Costs that can be accurately attributed to other programs are allocated. Revenue associated with a State Government owned house by way of loan repayments to Council are also included.

Accommodation units include 3 houses, 2 duplexes and a single persons quarters.

**COMMUNITY AMENITIES**

Costs of collection and disposal of domestic and commercial refuse for town site of Leonora and Gwalia and maintenance of the landfill refuse site. Revenue collection by way of an annual fee for this service which is included on rate assessment notices.

Costs associated with review and administration of Council's Town Planning Scheme.

Provision of Christmas decorations in Leonora Town site.

Operation of the Leonora Cemetery.

**RECREATION AND CULTURE**

Provision and maintenance of Council owned parks, gardens and grassed oval/recreation ground at Leonora and a contribution to similar facilities within Leinster townsite.

Costs of operation and maintenance of a purpose built recreation centre which includes indoor basketball court, two squash courts, kitchen, gymnasium and associated facilities and revenues collected from the public for use of these facilities.

Costs of maintenance of Council owned and provided television and radio re-transmission service which includes GWN, WIN and SBS television and WAFM and ABC fine music radio.

Costs and revenues associated with the operation and maintenance of library facilities at Leonora in conjunction with the Library Board of Western Australia.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**TRANSPORT**

Maintenance and improvements of 1,300 kilometres of Council controlled unsealed roads, town site footpaths and streets, drainage control, street cleaning and provision and maintenance of street trees. Costs of providing electricity for steel lights in the Leonora/Gwalia town sites and maintenance of Council's works depot and associated infrastructure.

Operation, maintenance and management of Leonora Aerodrome including runways, runway lighting, tarmac and terminal building and gardens. Purchase of aviation fuel for resale to aircraft operators.

Revenues by way of landing fees and Head Tax charges charged to all aircraft with the exception of the Royal Flying Doctors Service, lease/renting of building to all users of facilities and charges for fuel supplied to aircraft.

**ECONOMIC SERVICES**

Costs associated with tourism promotion throughout the Shire including employment of a Curator/Promotion Officer at the Gwalia Museum and historic precinct.

Contribution to employment of a Goldfields/Esperance Development Officer operating from Shire Offices - Leonora.

Contribution to costs of North Eastern Goldfields Land care Organisation.

Costs and revenues associated with building control under building regulations, including inspections and issuing building permits.

**OTHER PROPERTY & SERVICES**

Costs and revenues for private hire of Council machinery and operators for completion of private works for ratepayers and others.

Costing allocation pools including administration, overheads, plant operation costs and salaries and wages which are all individually detailed and then allocated throughout all previously mentioned operating activities, works and services.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(c) Conditions Over Grants/Contributions**

Grant/Contribution	Opening Balance (*) 1-Jul-08 \$	Received (+) 2008/09 \$	Expended (#) 2008/09 \$	Closing Balance (*) 30-Jun-09 \$	Received (+) 2009/10 \$	Expended (#) 2009/10 \$	Closing Balance 30-Jun-10 \$
Grants for Youth Support	52,755	24,984	-	77,739	41,838	(16,106)	103,471
Grant for Northern Goldfields Recreation Officer	2,600	110,000	(70,011)	42,589	-	(42,589)	-
Grant for Crime Prevention	5,095	3,411	(5,095)	3,411	8,600	(7,164)	4,847
Royalties for Regions	-	304,618	-	304,618	304,618	(609,236)	-
Grant for Playground	-	7,936	-	7,936	-	(7,936)	-
Grant for Graffiti Hotspot	-	20,000	-	20,000	-	(20,000)	-
Videoconferencing	-	-	-	-	4,888	-	4,888
Roadwise Project	-	-	-	-	25,580	(20,604)	4,976
Northern Goldfields Tourism Group	7,454	45,000	-	52,454	45,000	(60,752)	36,702
<b>Total</b>	<b>67,904</b>	<b>515,949</b>	<b>(75,106)</b>	<b>508,747</b>	<b>430,524</b>	<b>(784,387)</b>	<b>154,884</b>

**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 LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

	2010 \$	2009 \$
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	350,546	(7,938)
Restricted	1,408,311	2,231,833
	<u>1,758,857</u>	<u>2,223,895</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Long Service Leave Reserve	123,196	119,484
Fire Disaster Reserve	12,115	9,755
Sports Club Reserve	-	825,458
Plant Replacement Reserve	992	56,387
Annual Leave Reserve	115,482	112,002
Bowling Green Reserve	1,001,642	600,000
Unspent Grants	154,884	508,747
	<u>1,408,311</u>	<u>2,231,833</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates	59,307	63,067
Sundry Debtors	211,537	140,289
GST Receivable	97,568	59,300
	<u>368,412</u>	<u>262,656</u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	40,645	32,448
	<u>40,645</u>	<u>32,448</u>
<b>Non-Current</b>		
Land Held for Resale - Cost		
Cost of Acquisition	2,500	2,500
Development Costs	184,303	61,758
	<u>186,803</u>	<u>64,258</u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

	2010 \$	2009 \$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings - Cost	-	927,674
Land and Buildings - Management Valuation 2008	-	6,351,000
Land and Buildings - Management Valuation 2010	7,015,429	-
Less Accumulated Depreciation	-	(238,049)
	7,015,429	7,040,625
Furniture and Equipment - Cost	366,068	344,689
Less Accumulated Depreciation	(316,196)	(290,131)
	49,872	54,558
Plant and Equipment - Cost	3,682,000	3,549,429
Less Accumulated Depreciation	(1,454,723)	(1,519,353)
	2,227,277	2,030,076
	9,292,578	9,125,259

Council have adopted a policy of re-valuing land and buildings with sufficient regularity to ensure the carrying amount of each asset is fairly stated at reporting date.

This policy accords with the requirements of AASB 116.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Movements in Carrying Amounts**

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

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at 1 July 2009	7,040,625	54,558	2,030,076	9,125,259
Additions	1,676,137	21,379	885,591	2,583,107
(Disposals)	-	-	(391,310)	(391,310)
Revaluation - Increments - (Decrements)	-	-	-	-
	(1,560,673)	-	-	(1,560,673)
Impairment - (losses) - reversals	-	-	-	-
Depreciation (Expense)	(140,660)	(26,065)	(297,080)	(463,805)
Other Movements	-	-	-	-
<b>Balance as at 30 June 2010</b>	<b>7,015,429</b>	<b>49,872</b>	<b>2,227,277</b>	<b>9,292,578</b>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

	2010 \$	2009 \$
<b>7. INFRASTRUCTURE</b>		
Roads - management valuation 2009	-	49,502,707
Roads - management valuation 2010	49,021,009	-
Roads - Cost	-	-
Less Accumulated Depreciation	<u>(14,888,326)</u>	<u>(15,663,960)</u>
	<u>34,132,683</u>	<u>33,838,747</u>
Roads Other - Cost	2,518,195	2,518,195
Less Accumulated Depreciation	<u>(502,842)</u>	<u>(445,236)</u>
	<u>2,015,353</u>	<u>2,072,959</u>
Other - management valuation 2008	-	3,045,000
Other - management valuation 2010	3,845,653	-
Other - Cost	-	583,126
Less Accumulated Depreciation	<u>(166,160)</u>	<u>(129,068)</u>
	<u>3,679,493</u>	<u>3,499,058</u>
	<u><u>39,827,529</u></u>	<u><u>39,410,764</u></u>

Council have adopted a policy of re-valuing roads and other infrastructure with sufficient regularity to ensure the carrying amount of each asset is fairly stated at reporting date.

This policy accords with the requirements of AASB 116.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**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 \$	Roads Other \$	Other \$	Total \$
Balance as at 1 July 2009	33,838,747	2,072,959	3,499,058	39,410,764
Additions	-	-	244,029	244,029
(Disposals)	-	-	-	-
Revaluation - Increments - (Decrements)	723,566	-	10,000	733,566
Impairment - (losses) - reversals	-	-	-	-
Depreciation (Expense)	(429,630)	(57,606)	(73,594)	(560,830)
Other Movements	-	-	-	-
<b>Balance as at 30 June 2010</b>	<b>34,132,683</b>	<b>2,015,353</b>	<b>3,679,493</b>	<b>39,827,529</b>

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

	2010 \$	2009 \$
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	5,570	11,361
PAYG Payable	41,847	38,432
Accrued Salaries and Wages	0	57,985
	<u>47,417</u>	<u>107,778</u>
<b>9. PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	115,999	120,070
Provision for Long Service Leave	54,538	49,084
	<u>170,537</u>	<u>169,154</u>
<b>Non-Current</b>		
Provision for Long Service Leave	98,236	91,817
	<u>98,236</u>	<u>91,817</u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

	2010 \$	2010 Budget \$	2009 \$
<b>10. RESERVES - CASH BACKED</b>			
<b>(a) Long Service Leave Reserve</b>			
Opening Balance	119,484	119,484	71,275
Amount Set Aside / Transfer to Reserve	3,746	4,779	48,275
Amount Used / Transfer from Reserve	(34)	-	(66)
	<u>123,196</u>	<u>124,263</u>	<u>119,484</u>
<b>(b) Fire Disaster Reserve</b>			
Opening Balance	9,755	9,755	8,539
Amount Set Aside / Transfer to Reserve	2,363	2,430	1,224
Amount Used / Transfer from Reserve	(3)	-	(8)
	<u>12,115</u>	<u>12,185</u>	<u>9,755</u>
<b>(c) Combined Sporting Reserve</b>			
Opening Balance	825,458	825,458	107,475
Amount Set Aside / Transfer to Reserve	324,726	321,126	718,098
Amount Used / Transfer from Reserve	(1,150,184)	(1,145,720)	(115)
	<u>-</u>	<u>864</u>	<u>825,458</u>
<b>(d) Plant Purchase Reserve</b>			
Opening Balance	56,387	56,387	55,000
Amount Set Aside / Transfer to Reserve	89,621	87,884	1,476
Amount Used / Transfer from Reserve	(145,016)	(55,000)	(89)
	<u>992</u>	<u>89,271</u>	<u>56,387</u>
<b>(e) Bowling Green Reserve</b>			
Opening Balance	600,000	600,000	-
Amount Set Aside / Transfer to Reserve	401,811	665,535	600,000
Amount Used / Transfer from Reserve	(169)	(1,265,535)	-
	<u>1,001,642</u>	<u>-</u>	<u>600,000</u>
<b>(f) Annual Leave Reserve</b>			
Opening Balance	112,002	112,002	-
Amount Set Aside / Transfer to Reserve	3,512	4,480	112,002
Amount Used / Transfer from Reserve	(32)	-	-
	<u>115,482</u>	<u>116,482</u>	<u>112,002</u>
<b>(g) Housing Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	72,100	-
Amount Used / Transfer from Reserve	-	-	-
	<u>-</u>	<u>72,100</u>	<u>-</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u>1,253,427</u>	<u>415,165</u>	<u>1,723,086</u>

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

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

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

**Long Service Leave Reserve**

- This reserve is to offset Council's leave liability to it's employees.

**Fire Disaster Reserve**

- This reserve will assist in the provision of emergency contingencies in the case of fire disaster.

**Combined Sporting Club Reserve**

- To set aside money for the building of a combined sporting club facility within the Shire.

**Plant Purchase Reserve**

- to be used for the purchase of major plant.

**Bowling Green Reserve**

- to be used for the maintenance of the bowling green.

**Annual Leave Reserve**

- this reserve is to offset council's annual leave liability to it's employees.

**Housing Reserve**

- To set aside money for the building of housing within the Shire.

With the exception of the Combined Sporting Club Reserve, none of the above reserves are expected to be used within a set period as further transfers to the reserve accounts are expected before funds are utilised.

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

<b>11. RESERVES - ASSET REVALUATION</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
<b>(a) Property, Plant and Equipment</b>		
Balance as at 1 July 2009	127,531	127,531
Revaluation Increment	-	-
Revaluation Decrement	(127,531)	-
Balance as at 30 June 2010	<u>-</u>	<u>127,531</u>
<b>(b) Roads</b>		
Balance as at 1 July 2009	16,441,892	23,498,527
Revaluation Increment	723,566	-
Revaluation Decrement	-	(7,056,635)
Balance as at 30 June 2010	<u>17,165,458</u>	<u>16,441,892</u>
<b>(c) Other Infrastructure</b>		
Balance as at 1 July 2009	1,233,100	1,233,100
Revaluation Increment	10,000	-
Revaluation Decrement	-	-
Balance as at 30 June 2010	<u>1,243,100</u>	<u>1,233,100</u>
 <b>TOTAL ASSET REVALUATION RESERVES</b>	 <u><u>18,408,558</u></u>	 <u><u>17,802,523</u></u>

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**12. 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 \$	2010 Budget \$	2009 \$
Cash and Cash Equivalents	<u>1,758,857</u>	<u>415,166</u>	<u>2,223,895</u>

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

Net Result	1,235,210	1,432,943	1,511,794
Depreciation	1,024,635	1,385,065	1,078,384
Writedown of Assets	(1,433,142)		-
(Profit)/Loss on Sale of Asset	17,491	35,062	53,728
(Increase)/Decrease in Receivables	(105,755)	58,364	61,143
(Increase)/Decrease in Inventories	(8,197)	-	37,423
Increase/(Decrease) in Payables	(60,361)	60,604	31,954
Increase/(Decrease) in Employee Provisions	7,802	-	54,957
Grants/Contributions for the Development of Assets	<u>(317,085)</u>	<u>(1,803,148)</u>	<u>(709,167)</u>
<b>Net Cash from Operating Activities</b>	<u><u>360,598</u></u>	<u><u>1,168,890</u></u>	<u><u>2,120,216</u></u>

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

Bank Overdraft limit	-	-
Bank Overdraft at Balance Date	-	-
Credit Card limit	10,000	10,000
Credit Card Balance at Balance Date	<u>4,352</u>	<u>965</u>
<b>Total Amount of Credit Unused</b>	<u><u>14,352</u></u>	<u><u>10,965</u></u>

<b>Unused Loan Facilities at Balance Date</b>	<u><u>Nil</u></u>	<u><u>Nil</u></u>
---	-------------------	-------------------

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

**13. CONTINGENT LIABILITIES**

There were no known contingent liabilities at balance date.

	2010	2009
	\$	\$
<b>14. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	16,102	14,575
- later than one year but not later than five years	28,991	-
- later than five years	-	-
	45,093	14,575
<b>(b) Capital Expenditure Commitments</b>		
Contracted for:		
- capital expenditure projects	2,277,145	-
Payable:		
- not later than one year	2,277,145	-
The capital expenditure project outstanding at the end of the current reporting period represents the construction of a Bowling Club and associated facilities.		

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

**15. JOINT VENTURE**

The Shire of Leonora together with the Shires of Laverton have a joint venture arrangement with regard to the provision of an Environmental Health and Building Surveying Service. There are no joint assets involved with the arrangement and the Shire of Leonora on charges all of the Shire of Laverton's share of the costs.

<b>16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Governance	-	34,600
General Purpose Funding	362,891	367,685
Law, Order, Public Safety	22,385	14,366
Health	309,752	400,640
Education and Welfare	103,471	101,271
Housing	1,368,131	1,497,581
Community Amenities	1,182,660	702,304
Recreation and Culture	4,720,427	5,152,879
Transport	40,994,067	39,530,575
Economic Services	443,897	291,202
Other Property and Services	1,881,681	2,966,897
Unallocated	85,462	59,280
	<u>51,474,824</u>	<u>51,119,280</u>

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

17. FINANCIAL RATIOS	2010	2009	2008
Current Ratio	15.847	3.059	5.415
Untied Cash to Unpaid Trade Creditors Ratio	7.393	1.191	39.952
Debt Ratio	0.006	0.007	0.005
Debt Service Ratio	0	0.000	0.000
Gross Debt to Revenue Ratio	0	0.000	0.000
Gross Debt to Economically Realisable Assets Ratio	0	0.000	0.000
Rate Coverage Ratio	0.524	0.486	0.470
Outstanding Rates Ratio	0.014	0.017	0.014

The above ratios are calculated as follows:

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**18. TRUST FUNDS**

The Shire of Leonora hold no funds on behalf of other entities.

**19. DISPOSALS OF ASSETS - 2009/10 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Health</b>						
Ford FG XR Sedan	28,439	29,329	23,091	25,000	(5,348)	(4,329)
Health Vehicle	-	29,259	-	25,000	-	(4,259)
<b>Housing</b>						
Lot 240 Hoover	-	124,935	-	70,000	-	(54,935)
<b>Community Amenities</b>						
Sale of Industrial Land	-	220,000	-	250,000	-	30,000
<b>Transport</b>						
Aska ES1705 Generator	10,284	10,732	4,091	5,000	(6,193)	(5,732)
Sweeper 6650	43,443	46,160	25,000	45,000	(18,443)	(1,160)
Ford Courier XL Supercab Reg:33L	20,448	22,105	11,227	22,000	(9,221)	(105)
Aviation Fuel Tank	62,255	-	52,000	-	(10,255)	-
Truck 7 tonne	13,029	31,011	31,818	25,000	18,789	(6,011)
Utility	-	17,961	-	15,000	-	(2,961)
Prime Mover	-	46,909	-	80,000	-	33,091
Tip truck	-	85,973	-	75,000	-	(10,973)
<b>Admin</b>						
Ford FG XR Sedan	28,369	-	23,177	-	(5,192)	-
Ford FG G6E Sedan	41,744	43,000	35,454	40,000	(6,290)	(3,000)
Ford Falcon Seduce	28,840	29,687	30,907	25,000	2,067	(4,687)
Ford Courier Super C/Cab	16,317	-	15,682	-	(635)	-
Mack Fleetliner 6x4	28,866	-	51,370	-	22,504	-
Iveco Powerstar 6300 6x4	69,274	-	70,000	-	726	-
	391,308	737,061	373,817	702,000	(17,491)	(35,061)

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**20. INFORMATION ON BORROWINGS**

**(a) Debenture Repayments**

The Shire of Leonora has no borrowings.

**(b) New Debentures - 2009/10**

No new debentures were raised during the financial year.

**(c) Unspent Debentures**

Council had no unspent debentures for the financial year.

**(d) Overdraft**

Council has no overdraft facility.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**21. RATING INFORMATION - 2009/10 FINANCIAL YEAR**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>	<b>Budget Rate Revenue \$</b>	<b>Budget Interim Rate \$</b>	<b>Budget Back Rate \$</b>	<b>Budget Total Revenue \$</b>
<b>Differential General Rate</b>											
GRV	0.0753	594	10,388,244	702,858	54,558		757,416	703,357			703,357
UV Pastoral	0.0702	28	707,188	49,645	220		49,865	49,644			49,644
UV Other	0.1102	1,233	27,479,591	2,985,998	110,702		3,096,700	3,389,704			3,389,704
<b>Sub-Totals</b>		1,855	38,575,023	3,738,501	165,480	0	3,903,981	4,142,705	0	0	4,142,705
<b>Minimum Rates</b>	<b>\$</b>										
GRV	220	76	37,141	15,400	(440)		14,960	15,400			15,400
UV Pastoral	220	2	4,668	440	0		440	440			440
UV Other	220	935	1,031,713	240,106	56,674		296,780	236,060			236,060
<b>Sub-Totals</b>		1,013	1,073,522	255,946	56,234	0	312,180	251,900	0	0	251,900
<b>Ex-Gratia Rates</b>							4,216,161				4,394,605
<b>Specified Area Rate (refer note 23)</b>											
<b>Discounts (refer note 25)</b>											
<b>Write-offs</b>							(153,473)				(86,500)
<b>Totals</b>							4,062,688				4,308,105

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

**22. SPECIFIED AREA RATE - 2009/10 FINANCIAL YEAR**

Council did not impose a specified area rate.

**23. SERVICE CHARGES - 2009/10 FINANCIAL YEAR**

Council did not levy a service charge.

**24. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2009/10 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Landing Fees	Discount		1,500	1,500
Housing Rentals	Discount		3,380	3,380
			4,880	4,880
Rate Assessment	Write-Off		152,922	86,500

No discounts, concessions or write offs are offered to ratepayers for 2009/10.

Council does not offer discount for the early payment of rates.

**Landing Fees**

The Royal Flying Doctor Service (RFDS) has been granted a continuous waiver on landing fees at the airport. This waiver is in recognition of the valuable community service provided by the RFDS to the district.

**Housing Rental**

The Shire of Leonora provides housing to the local Doctor who resides in Leonora for a period of approximately two months in the financial year when the Doctor is on leave and is replaced by a locum.

**Mining Tenements**

Numerous mining tenements are raised by Council throughout the financial year. On occasions rates are raised for the whole year, but the tenement is surrendered within the year. This results in the necessity to write off tenement rates for the period when the tenement is surrendered to the end of the financial year.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**25. INTEREST CHARGES AND INSTALMENTS - 2009/10 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Charges on Instalment Plan	-	45	7,496	4,800
			7,496	4,800

No interest is charged on overdue rates.

Ratepayers had the option of paying in four equal instalments, due 35 days after the date of issue of rate notices.

The first instalment was due on the 4th September 2009 and included any arrears and a quarter of the current rates.

The second Instalment was due on the 4th November 2009.

The third Instalment was due on the 4th January 2010.

The fourth Instalment due on the 4th March 2010.

An administration charge of \$45 has been levied per assessment for the pay in four instalment option.

<b>26. FEES &amp; CHARGES</b>	<b>2010</b> \$	<b>2009</b> \$
Governance	480	1,214
General Purpose Funding	21,081	3,852
Law, Order, Public Safety	6,843	1,533
Health	2,999	1,600
Education and Welfare	76,589	124,190
Housing	29,590	8,716
Community Amenities	71,395	65,176
Recreation and Culture	47,228	42,344
Transport	304,636	322,155
Economic Services	64,401	49,870
Other Property and Services	<u>213,420</u>	<u>63,737</u>
	<u><u>838,662</u></u>	<u><u>684,387</u></u>

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

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**27. GRANT REVENUE**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	2,381,096	2,396,445
Non-Operating Grants, Subsidies and Contributions	317,085	709,167
	<u>2,698,181</u>	<u>3,105,612</u>
<b>By Program:</b>		
Governance	10,000	-
General Purpose Funding	1,431,028	1,498,551
Law, Order, Public Safety	40,955	52,555
Health	12,712	15,233
Education and Welfare	104,056	101,151
Housing	11,925	28,090
Community Amenities	-	208
Recreation and Culture	118,916	288,973
Transport	596,491	435,115
Economic Services	311,013	663,600
Other Property and Services	61,085	22,136
	<u>2,698,181</u>	<u>3,105,612</u>

**28. COUNCILLORS' REMUNERATION**

<b>2010</b>	<b>2010</b>	<b>2009</b>
<b>\$</b>	<b>Budget</b>	<b>\$</b>
	<b>\$</b>	

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

Meeting Fees	12,880	16,800	13,388
President's Allowance	12,000	12,000	8,000
Deputy President's Allowance	3,000	3,000	1,000
Travelling Expenses	4,747	6,500	5,843
Telecommunications Allowance	3,680	4,200	3,155
	<u>36,307</u>	<u>42,500</u>	<u>31,386</u>

**29. EMPLOYEE NUMBERS**

<b>2010</b>	<b>2009</b>
-------------	-------------

The number of full-time equivalent employees at balance date

<u>23</u>	<u>25</u>
-----------	-----------

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**30. MAJOR LAND TRANSACTIONS**

**Industrial Land Subdivision**

(a) Details

This land was acquired during 2007/08 for Industrial sub-division. Additional costs are to be incurred by Council in developing the 14 Industrial lots. This is to include the provision of services such as power and transport infrastructure.

(b) Current year transactions	2010 \$	2010 Budget \$	2009 \$
<b>Operating Revenue</b>			
- Profit on sale	-	-	-
<b>Capital Revenue</b>			
- Sale Proceeds	-	(250,000)	-
<b>Capital Expenditure</b>			
- Purchase of Land	-	-	2,500
- Development Costs	122,545	171,000	53,366
	<u>122,545</u>	<u>171,000</u>	<u>55,866</u>

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

There is an expected expense in relation to this land transaction in 2011 financial year in that must underground power be provided to allow these blocks to be on sold. This is expected to cost \$800,000.00 and be resales and fully recouped in grant monies in 2010/2011 and 2011/2012.

(c) Expected Future Cash Flows

	2,011 \$	2,012 \$	2,013 \$	2,014 \$	2,015 \$	Total \$
<b>Cash Outflows</b>						
- Development Costs	(800,000)	-	-	-	-	(800,000)
- Loan Repayments	-	-	-	-	-	-
	<u>(800,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(800,000)</u>
<b>Cash Inflows</b>						
- Loan Proceeds	-	-	-	-	-	-
- Grant Proceeds	400,000	-	-	-	-	400,000
- Sale Proceeds	250,000	400,000	-	-	-	650,000
	<u>650,000</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,050,000</u>
<b>Net Cash Flows</b>	<u>(150,000)</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>

**31. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2009/10 financial year.

**SHIRE OF LEONORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2010**

**32. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2010 \$	2009 \$	2010 \$	2009 \$
<b>Financial Assets</b>				
Cash and cash equivalents	1,758,857	2,223,895	1,758,857	2,223,895
Receivables	368,412	262,656	368,412	262,656
	<u>2,127,269</u>	<u>2,486,551</u>	<u>2,127,269</u>	<u>2,486,551</u>
<b>Financial Liabilities</b>				
Payables	47,417	107,778	47,417	107,778
	<u>47,417</u>	<u>107,778</u>	<u>47,417</u>	<u>107,778</u>

Fair value is determined as follows:

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

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(a) Cash and Cash Equivalents**

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	30-Jun-10 \$	30-Jun-09 \$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	34,078	31,380
- Income Statement	34,078	31,380

**Notes:**

(\*) Sensitivity percentages based on management's expectation of future possible market movements.

Recent market volatility has seen large market movements for certain types of investments.

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

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

**(b) Receivables**

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

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

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

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

	30-Jun-10	30-Jun-09
<b>Percentage of Rates and Annual Charges</b>		
- Current	10.58%	6.15%
- Overdue	89.42%	93.85%
<b>Percentage of Other Receivables</b>		
- Current	87.01%	73.06%
- Overdue	12.99%	26.94%

**SHIRE OF LEONORA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2010**

**32. FINANCIAL RISK MANAGEMENT (Continued)**  
**(c) Payables**  
**Borrowings**

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

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

	<u>2010</u>	<u>2009</u>			
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	47,417	0	0	47,417	47,417
	<u>47,417</u>	<u>0</u>	<u>0</u>	<u>47,417</u>	<u>47,417</u>
Payables	107,778	0	0	107,778	107,778
	<u>107,778</u>	<u>0</u>	<u>0</u>	<u>107,778</u>	<u>107,778</u>



## **7.0 NATIONAL COMPETITION POLICY STATEMENT**

The Competition Principals Agreement is an Inter-government Agreement between the Commonwealth and State/Territory Governments that sets out how government will apply National Competition Policy principle to public sector organisations within their jurisdiction.

The State Government released a Policy Statement effective from July 1996 called the Clause 7 Statement which forms part of the Competition Principles Agreement. The clause 7 policy document sets out nominated principles from the Agreement that now apply to Local Government. The provisions of Clause 7 of the Competition Principles Agreement require local government to report annually as to the implementation, application and effects of the Competition Policy.

The Competition Principles Agreement, under Clause 7, specifies three broad areas of reporting, they are:

- Competitive Neutrality
- Structural Review of Public Monopolies; and
- Legislative Review

In accordance with the requirements of the National Competition Policy the Shire of Leonora makes the following disclosure for 2008/2009.

### **7.1 COMPETITIVE NEUTRALITY**

The objective of competitive neutrality is the elimination of resource allocation distortions arising out of local government ownership of significant business activities.

The Shire of Leonora has assessed its operations and considers that it does not have a business activity that would be classed as significant under the current guidelines. Also the Shire of Leonora does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise.

The number of activities to which competitive neutrality principles have been applied in the reporting period is: NIL.

The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is: NIL.

Under the implementation timetable required by the National Competition Policy Statement the Shire of Leonora was required to undertake a cost benefit analysis to determine which significant business activities would be subject to competitive neutrality principles by June 1, 1997. This analysis was not undertaken by the Shire as no significant activities have been identified as part of its operations.

During the reporting period the Shire of Leonora did not become aware of any allegations of non compliance with the competitive neutrality principles made by a private entity against the Shire.

### **7.2 STRUCTURAL REVIEW OF PUBLIC MONOPOLIES**

In relation to Structural Review of Public Monopolies the Shire of Leonora discloses the following:

Structural reform principles have been applied to the following number of activities in the reporting period: NIL.

# ANNUAL REPORT 2009-2010



Structural reform principles have been considered but not applied to the following number of activities in the reporting period: NIL.

As no structural reform has been applied to any activities the review requirements of principle SR.3 of Clause 7 of the Competition Policy Statement have not been undertaken.

## **8.0 OVERVIEW OF THE PLAN FOR THE FUTURE**

<b>PLAN FOR THE FUTURE MAJOR INITIATIVE</b>	<b>COMPLETION</b>	<b>BUDGET</b>
Bowling Club Facility	2010-2011	\$2,000,000
Oval Sporting Facility	2009-2010	\$1,200,000
Leonora Northern Heritage Trail	2009-2010	\$215,000
Industrial Land Development	2009-2010	\$800,000
Heating of Swimming Pool (Subject to Funding)	2011-2012	\$250,000
Avgas Refuelling Equipment	2010-2011	\$60,000
Plant Replacement As Per Policy	2010-2011	\$900,000
New Council House	2011-2012	\$350,000

<b>NEW INITIATIVES NOT IN THE PLAN FOR THE FUTURE</b>	<b>COMPLETION</b>	<b>BUDGET</b>
Youth Centre Refurbishment (subject to grant funding)	2010-2011	\$150,000
Caravan Toilet Dump	2010-2011	\$40,000

## **9.0 DISABILITY ACCESS INCLUSION PLAN (DIAP)**

- (A) The Shire of Leonora is required to comply with the State Government imposed Disability Services Act (1993).
- (B) A Disability Access Inclusion Plan 2006-2010 has been approved with the following principal intent.
  - (i) Existing services are adapted to ensure they meet the needs of people with disabilities.
  - (ii) Access to buildings and facilities are improved.
- (C) The following delivery of services was implemented in the reporting year.

NIL

## **10.0 RECORD KEEPING PLAN**

STATE RECORDS ACT 2000

- (A) The Shire of Leonora is required to comply with the abovementioned State Government imposed Legislation.



- (B) A Record Keeping Plan has been produced and approved by the State Records Commission for a period of 5 years to the 30<sup>th</sup> June, 2012. This plan must be reviewed prior to 8<sup>th</sup> October, 2012.
- (C) In accordance with minimum compliance requirements of Principle 6 of the State Records Commission – Standard 2, the following has been implemented:
  - 1. The efficiency and effectiveness of Councils Record Keeping Systems is evaluated not less than once every three years.
  - 2. The Council conducts a Record Keeping Training program.
  - 3. The efficiency and effectiveness of the Record Keeping Training program is reviewed from time to time.
  - 4. The Council’s induction program addresses employee roles and responsibilities in regard to their compliance with Council’s Record Keeping Plan.

**11.0 EMPLOYEES’S REMUNERATION**

Pursuant to Section 5.53 (2)(g) of the Local Government Act 1995, and Administration Regulation 19B, 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.

<b>Salary Range (\$)</b>	<b>No. of Employees</b>
110,000 – 119,999	2
170,000 – 179,999	1

**12.0 OFFICIAL CONDUCT – COMPLAINTS REGISTER**

Pursuant to S.5.121 of the Local Government Act 1995, a complaints register has been maintained. As at the 30<sup>th</sup> June 2010, no complaints were recorded, therefore no action was required to deal with complaints.

