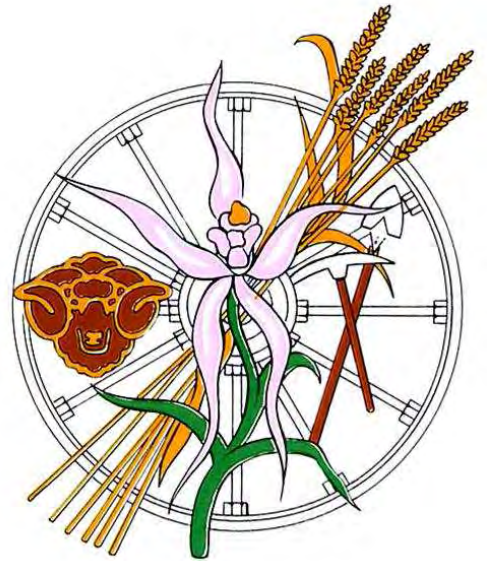




SHIRE OF
WESTONIA



ANNUAL
REPORT
2009 - 2010

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Annual Report

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Financial Report

2009-2010 FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

Front Cover: Banners in the Terrace 2010 Entry

SHIRE OF WESTONIA STATISTICS

Shire Office, Wolfram Street, Westonia WA 6423
 Telephone: (08) 9046 7063 Facsimile: (08) 9046 7001
 Email: shire@westonia.wa.gov.au Web: www.westonia.wa.gov.au

President: Louis Geier

Deputy President: Russell Crook

Councillors-

Peter Antonio (2011), John Corsini (2011), Russell Crook (2011)

Louis Geier (2013) Leon Guest (2013) John Jefferys (2013)

Note: Year in brackets denotes expiry of election term

Chief Executive Officer
Director, Westonia Operations

Jeff Sowiak
 Kim Hastie

Senior Finance Officer
Administration Officers

Kay Geier
 Jasmine Geier
 Annemaree Jensen

Trainee
NRM Officer
Swimming Pool Manager
Environmental Health/Building Officer
Works Supervisor
Grader Operator
Plant Operators

Brittany Antonio
 Kara Hatch
 Gary Angwin
 Wendy Dallywater
 Kevin Paust
 David Hamilton
 Adrian Townrow, Clint Townrow,
 Graeme Bright, Kathy Paust
 Doug Hermon
 Myra Vaughan, Pam White
 Ron Wootton

Gardener
Cleaners
Caravan Park Caretaker

Shire Statistics	
Distance from Perth	316km
Area	3,268km ²
Length of Sealed Roads	121km
Length of Unsealed Roads	764km
Population	213
Number of Dwellings	128
Total Rates	\$434,135
Total Revenue	\$2,583,006
Number of Employees	19

Shire Attractions
Westonia Facades, Boodalin Soak Sandford Rocks, Elachbutting Rock, Baldjie Rock Wild Flowers, Woodlands Granite Outcrops, Westonia Common Historic Westonia Tavern Rabbit Proof Fence Golden Pipeline Drive Trail Old Miners Hall Wanderers Sports Stadium

Local Industries
Wheat, grain and sheep farming Gold Mining, Dolomite Mining, Earth Moving, Timber Milling, Heavy Transport

Localities
Westonia, Walgoolan, Carrabin Warralakin, Elachbutting

Council Meets on the third Thursday of each month, except January

COUNCIL



Front Seated L-R: Shire President Cr Louis Geier, Deputy President Cr Russell Crook.

Back: L-R: CEO Jeff Sowiak, Director of Westonia Operations Kim Hastie, Cr John Jefferys, Cr Peter Antonio, Cr John Corsini & Cr Leon Guest.

STAFF



L-R Standing: Graeme Bright, Doug Hermon, Kevin Paust, Clint Townrow, Adrian Townrow, David Hamilton. **Seated:** Kathy Paust & Graham Daddow



L-R: Kim Hastie, Kara Hatch, Kay Geier, Brittany Antonio, Jasmine Geier, Annemaree Jensen

PRESIDENT'S REPORT

It is with pleasure that I submit this annual report for the Financial year ended 30th June, 2010.

In terms of activities and achievements over the year, the reopening of the Edna May Mine and the establishment of a memorandum of Understanding between Catalpa Resources and Council has been a significant boost for this community. Council has worked with Catalpa to allow for the expansion of the Caravan Park and additional new housing to

accommodate workers and their families has added considerably to the local population and activity in the Shire.



Cr Louis Geier

Construction also started on the Lifestyle village which will add considerably to the future viability of the community and this has been funded by loans, royalties for regions and a substantial contribution from the progress association.

Council also completed renovations on the Miners Hall and it was pleasing to see the building in regular use for a number of community events, concerts and film nights.

The Shire is fortunate to have tradesmen with the skills necessary to undertake such work. The façade project is progressing and they are becoming an interesting novelty for visitors and the community is to be commended on winning the Tidy Towns State Award for General Appearance and the Tidy Towns Award for the Central Wheatbelt region in 2009.

Council's NRM activities have included the establishment of the woodlands walking trail, various tree planting projects as well as a mallee fowl survey.

The October, 2009 elections brought a new structure to the Local Council with the abolition of ward boundaries and the reduction in the number of Councillors from 9 to 6. I would like to express my sincere appreciation and acknowledgement for the work of former Councillors Gordon Howard and Ross Wahlsten and welcome the ongoing commitment of the remaining Councillors.

Council has lobbied the Government with limited success on a number of issues during the year particularly in relation to road, structural reform and community grants. The threatened school closure was averted to some degree with a new relationship with Merredin which is to be trialed in the coming year.

The Council also farewelled its long serving CEO Bill Price in June. Bill, with over 16 years' service to Council; eleven as CEO; was behind the development of numerous world class facilities in Westonia and has worked tirelessly to make it the attractive and well serviced town it is today.

The issue of structural reform has been difficult one for Council and in July last year Council disputed a wide ranging reform proposed by the Merredin Shire Council and agreed to continue to have further discussions with the Shire of Yilgarn. Those

discussions progressed during the year with both Councils agreeing to a voluntary merger in July 2012.

In the lead up to that process Council appointed a Director Westonia Operations to manage the day to day issues in this community, as well as a Joint Chief Executive Officer for both the Shires of Westonia and Yilgarn. Mr Kim Hastie joined the Shire in May as the inaugural Director and Mr Jeff Sowiak was appointed to the position of Joint Chief Executive Officer.

There are certainly interesting times ahead and it is pleasing to note that Council has once again finished the year in a sound financial position. The staff of the Council are to be commended for their efforts in providing good quality services to this community. I take this opportunity to thank the Staff and Councillors for their efforts over the past year and look forward to the future.

Louis Geier
PRESIDENT

CHIEF EXECUTIVE OFFICER'S REPORT

2009/2010 FINANCIAL YEAR

It is with pleasure that I present my report on the administration of the Council for the year ended 30th June, 2010 and in doing so I must acknowledge the contribution of Bill Price as your Chief Executive Officer for this year. Bill has moved on and his legacy has been to work with the Councillors to ensure that the Council is a financially sound organisation with the proven capacity to deliver a broad range of services to this community.



Council adopted a new organisational structure following Bill's departure and this involved the appointment of a Chief Executive Officer that is shared with the Shire of Yilgarn and a new position that of Director Westonia Operations.

The Director Westonia Operations has overall responsibility for the management of Council's programs and staff in Westonia. Kim Hastie, who also held the position as Acting Chief Executive Officer pending my appointment, has taken on this role and therefore I acknowledge that credit for the work undertaken during this financial year needs to be given to both Bill and Kim and the staff under their direction.

During the past year Council and its employees have worked extremely hard in delivering services to the community and completing the extensive range of works proposed in the 2009/10 budget.

Major Projects

Council is pleased to report on the following major projects undertaken in 2009/10 that have provided new and exciting amenity to the community:

- Community Gymnasium – through a partnership with Catalpa Resources Council was able to open a Community Gymnasium within the Recreation Complex. The Community Gym was opened in February 2010 and has proved extremely popular with the community.



- Caravan Park Upgrades – concrete caravan parking areas were laid at the caravan bays, and attractive lawn and landscaped areas were put in at the Caravan Park.



- Transportable Residence - The new McGrath 4 x 2 bedroom transportable residence was constructed on Lot 41 Wolfram Street and completed in March 2010. This landscaped house was made available to Catalpa Resources for accommodation of mine personnel.



- Lifestyle Village – significant progress was made with the major Lifestyle Village project on Quartz Street. All five townhouses are now nearing completion and will be available for occupation by Catalpa Resources personnel during 2010/11.



- Old Club Hotel Museum – the Old Club Hotel Museum building was also completed during the year. A range of display cabinets have since been purchased to assist with the display of the Hood-Penn Collection when the Old Club Hotel Museum opens in 2010/11.



- Swimming Pool Upgrades – significant upgrades were undertaken at the Westonia Swimming Pool in 2009/10. Colourful shade structures were installed, along with a new fence. New gardens and new paths were also installed at the entrance to the swimming pool.



- Kevin Paust and the outside works crew have again worked diligently to undertake and complete a vast range of projects including the completion of the Council depot whilst balancing the need to complete the extensive annual road program. Road construction projects completed during the year totaled over \$1.1m.



Finance

Council continues to maintain a sound financial position finishing with a healthy cash surplus at the end of the 2009/10 Financial Year. Council's financial statement was audited by Haines Norton Chartered Accountants in November 2010. A copy of the audited Financial Statement is included with the Annual Report.

Loan Borrowings

Council's loan liability as at 30 June 2010 was \$ 683,802. Council's Debt Ratio is a very respectable 0.055.

Reserves

Council held \$ 1,048,710 in cash backed reserves as at 30 June 2010. The purposes of reserves and amounts transferred to reserves are detailed in the Financial Statement attached to this report.

Future Projects

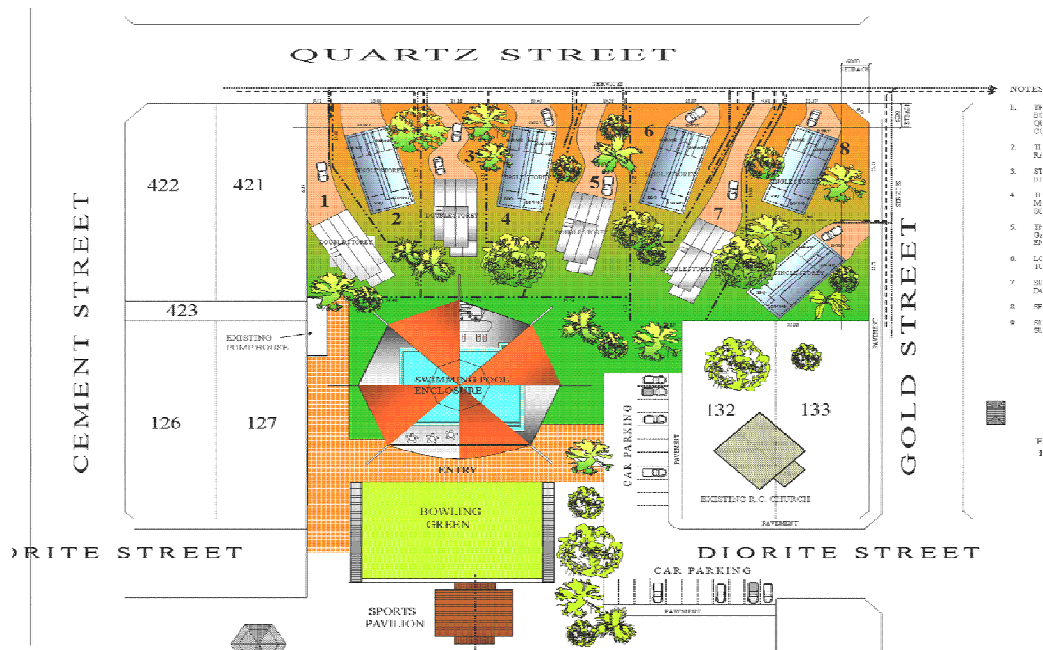
If we think 2009/10 has been busy, 2010/11 will again be challenging with the following exciting projects proposed for the new financial year:

- Installation of tanks for treated wastewater from the mine accommodation village adjacent to the oval to allow council to use such water to reticulate the oval and possibly other public gardens,
- Completion of the Old Club Hotel Museum Project and official opening of the Hood-Penn Collection,
- Installation of blinds at the Bowls Stadium.
- Installation of a shed and carport at the new transportable residence located at Lot 41 Wolfram St
- Poppit Head Mine Monument – the Poppit Head Mine Monument in the main street was completed in November 2010.

FUTURE PROJECTS



Old Club Hotel Museum Project



Townhouse Project

Conclusion

I would like to thank Councillors and members of the community for the contributions and support given to the Shire of Westonia over the past year.

I cannot express enough my appreciation to all of the staff of the Council for their hard work and effort during the year, without which would not have made everything possible.

I look forward to the future developments that the Mining Venture being undertaken by Catalpa Resources will generate and other challenges that will eventuate during the coming year.

Jeff Sowiak
CHIEF EXECUTIVE OFFICER

NATURAL RESOURCE MANAGEMENT

The 2009/10 year has been a challenging and rewarding year in the Natural Resource Management Department. The establishment of the GroWestonia Community Nursery Volunteer Program, continuing farmer contact and the success of the Tidy Towns program has been very rewarding. Significant challenges have been seen on the funding front, with a serious lack of funding available from other levels of government. This has brought about a more strategic focus with the development of the nursery program and consolidating objectives and aims within the Natural Resource Management Department.

Tidy Towns- Sustainable Communities 2009

The community of Westonia was very successful in their submissions to the Tidy Towns Sustainable Communities Program for 2009. As part of the Central Wheatbelt region, Westonia won the overall region award, and the Community Action, General Appearance, Natural Heritage Conservation and Enhancing Cultural Identity category awards. These awards allowed for Westonia to be in the draw at a State level.



GroWestonia Community Nursery

The 2009/10 year has seen the beginning of the GroWestonia Community Nursery Volunteer Program. This began with a two day seeding program, where members of the community were invited to attend and help out with running the nursery. The Sunday event started out with stock consolidation, which meant attending to the already existing stock in the nursery. After this was completed, seeding begun. About 15,000 cells were seeded with different local provenance seed for general revegetation. These days were followed up by good attendance at thinning days where the seedlings were thinned down to one seedling per cell.

Caring for Our Country Business Plan 09-13

"Perennial farming systems targeting wind erosion within the North Eastern and Southern Wheatbelt regions of Western Australia"

This program saw two landholders within the Shire of Westonia plant 5ha of their farms back to trees. 5ha of Sandalwood hosts and 5ha of saltbush were planted on these two farms. This grant funding has also provided for the production of a Ready Reckoner which will allow farmers to cross check their soil type and rainfall and determine what species are best to plant in that area. A very useful and localised tool for our farmers.



PAYMENTS TO EMPLOYEES

The Local Government (Administration) Regulations 1996, regulation 19B requires each local government to provide information in its annual report on the following:

- (a) The number of employees of the local government entitled to an annual salary of \$100,000 or more;
- (b) The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

As at 30th June 2010 one employee of the Shire of Westonia was in the annual salary band of \$100,000 - \$110,000.

NATIONAL COMPETITION POLICY STATEMENT

Local Government is bound by the principles set out in the National Competition Policy.

Competitive neutrality relates to the removal of benefits and costs associated with government activities and costs associated with public ownership. Local government is required to test its neutrality for each activity that generates income greater than \$200,000.

The Shire of Westonia does not have an activity that generates more than \$200,000.

Legislation review relates to legislation that may conflict with the principles of National Competition Policy. Local governments are able to make local laws and are required to test local laws against the National Competition Policy.

The Shire of Westonia's local laws comply with the requirements of the National Competition Policy.

FREEDOM OF INFORMATION STATEMENT

The Shire of Westonia is responsible for the good governance of the district and carries out functions as required including statutory compliance and provision of facilities and services.

The Council consists of six elected members. The Council meets once each month except January to make decisions relating to the policy and direction of the Shire. All meetings are open to the public and the meeting dates and venues are advertised to the public. Members of the public are able to ask questions during public question time at the commencement of each meeting.

Council maintains records relating to each property within the Shire and also records relating to the function and administration of the Shire including minutes of meetings, financial interests register, register of delegations, rates book, electoral roll, financial statements and local laws.

These documents can be inspected at the Shire Office, Wolfram Street, Westonia, Monday to Friday between the hours of 8.30am and 5.00pm.

Changes to personal information should be made in writing.

Requests for information under the Freedom of Information Act can be sent to the Chief Executive Officer, Shire of Westonia, Wolfram Street, Westonia WA 6423.

DISABILITY SERVICES STATEMENT

The Shire of Westonia is committed to ensuring that the community is accessible for people with disabilities, their families and their carers.

People with disabilities who live in country areas should be given the support to remain in the community of their own choice. The Shire of Westonia is committed to consulting with people with disabilities, their families and their carers to ensure that the barriers to access are addressed appropriately.

STATE RECORDS ACT 2000

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner.

Standard 2, Principle 6 – Compliance: Government organisations ensure their employees comply with the record keeping plan.

Rationale:

An organisation and its employees must comply with the organisation's record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

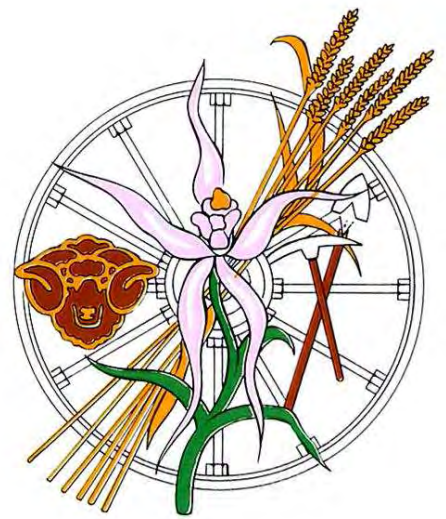
Minimum Compliance Requirements:

The record keeping plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.
2. The organisation 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 organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

The Shire of Westonia has complied with items 1 to 4.

SHIRE OF WESTONIA



FINANCIAL REPORT

**FOR YEAR ENDED
30 JUNE 2010**



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

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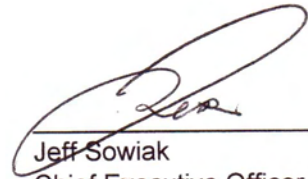
SHIRE OF WESTONIA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Westonia 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 Westonia 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 3rd day of December 2010.



Jeff Sowiak
Chief Executive Officer

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

	NOTE	2010 \$	2010 Budget \$	2009 \$
REVENUE				
Rates	22	434,135	430,350	427,401
Operating Grants, Subsidies and Contributions	28	1,062,192	973,320	1,198,407
Fees and Charges	27	226,577	196,700	138,119
Service Charges	24	8,770	4,950	4,840
Interest Earnings	2(a)	91,022	43,000	105,358
Other Revenue		61,727	64,240	66,494
		<u>1,884,423</u>	<u>1,712,560</u>	<u>1,940,619</u>
EXPENSES				
Employee Costs		(398,436)	(564,400)	(296,521)
Materials and Contracts		(398,935)	(307,080)	(318,029)
Utility Charges		(100,974)	(104,420)	(86,635)
Depreciation on Non-Current Assets	2(a)	(1,147,588)	(1,137,950)	(1,150,488)
Interest Expenses	2(a)	(18,905)	(29,715)	(16,957)
Insurance Expenses		(78,207)	(87,750)	(73,756)
Other Expenditure		(11,287)	(500)	(407)
		<u>(2,154,332)</u>	<u>(2,231,815)</u>	<u>(1,942,793)</u>
		(269,909)	(519,255)	(2,174)
Non-Operating Grants, Subsidies and Contributions	28	692,609	1,431,795	1,340,950
Profit on Asset Disposals	20	5,974	33,800	138,708
Loss on Asset Disposal	20	<u>(53,901)</u>	<u>(73,900)</u>	<u>(85,791)</u>
NET RESULT		374,773	872,440	1,391,693
Other Comprehensive Income				
Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		<u><u>374,773</u></u>	<u><u>872,440</u></u>	<u><u>1,391,693</u></u>

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

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

	NOTE	2010 \$	2010 Budget \$	2009 \$
REVENUE				
Governance		45,228	3,550	2,203
General Purpose Funding		1,421,668	1,125,850	1,630,447
Law, Order, Public Safety		33,968	32,920	86,321
Health		1,850	1,300	1,135
Education and Welfare		0	200	0
Housing		46,016	473,315	695,168
Community Amenities		5,420	26,000	4,610
Recreation and Culture		129,933	261,950	263,434
Transport		681,718	677,630	592,947
Economic Services		102,933	296,840	54,970
Other Property and Services		114,272	278,600	89,042
	2 (a)	<u>2,583,006</u>	<u>3,178,155</u>	<u>3,420,277</u>
EXPENSES EXCLUDING FINANCE COSTS				
Governance		(196,544)	(219,500)	(189,706)
General Purpose Funding		(35,754)	(29,360)	(34,716)
Law, Order, Public Safety		(48,197)	(39,500)	(51,586)
Health		(19,990)	(24,280)	(13,326)
Education and Welfare		(9,232)	(9,880)	(8,963)
Housing		(85,171)	(82,160)	(67,245)
Community Amenities		(37,620)	(49,220)	(23,063)
Recreation & Culture		(295,033)	(308,200)	(253,175)
Transport		(1,165,909)	(1,176,100)	(1,146,058)
Economic Services		(237,459)	(237,800)	(175,058)
Other Property and Services		(58,419)	(100,000)	(48,731)
	2 (a)	<u>(2,189,328)</u>	<u>(2,276,000)</u>	<u>(2,011,627)</u>
FINANCE COSTS				
Housing		(6,583)	(17,395)	(2,751)
Transport		(12,081)	(12,080)	(13,036)
Economic Services		(241)	(240)	(1,170)
	2 (a)	<u>(18,905)</u>	<u>(29,715)</u>	<u>(16,957)</u>
NET RESULT		<u>374,773</u>	<u>872,440</u>	<u>1,391,693</u>
Other Comprehensive Income				
Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>374,773</u></u>	<u><u>872,440</u></u>	<u><u>1,391,693</u></u>

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

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

	NOTE	2010 \$	2009 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,919,191	2,240,086
Trade and Other Receivables	4	119,026	138,069
Inventories	5	83,368	40,570
TOTAL CURRENT ASSETS		<u>2,121,585</u>	<u>2,418,725</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	6,309,369	5,298,966
Infrastructure	7	7,093,838	7,016,366
TOTAL NON-CURRENT ASSETS		<u>13,403,207</u>	<u>12,315,332</u>
TOTAL ASSETS	17	<u>15,524,792</u>	<u>14,734,057</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	67,217	121,469
Long Term Borrowings	9	63,234	31,617
Provisions	10	88,491	85,448
TOTAL CURRENT LIABILITIES		<u>218,942</u>	<u>238,534</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	620,568	183,802
Provisions	10	8,075	9,287
TOTAL NON-CURRENT LIABILITIES		<u>628,643</u>	<u>193,089</u>
TOTAL LIABILITIES		<u>847,585</u>	<u>431,623</u>
NET ASSETS		<u>14,677,207</u>	<u>14,302,434</u>
EQUITY			
Retained Surplus		12,158,368	11,754,039
Reserves - Cash Backed	11	1,048,710	1,078,266
Reserves - Asset Revaluation	12	1,470,129	1,470,129
TOTAL EQUITY		<u>14,677,207</u>	<u>14,302,434</u>

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

**SHIRE OF WESTONIA
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		10,409,144	1,031,468	1,470,129	12,910,741
Net Result		1,391,693	0	0	1,391,693
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		(46,798)	46,798	0	0
Balance as at 30 June 2009		11,754,039	1,078,266	1,470,129	14,302,434
Net Result		374,773	0	0	374,773
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		29,556	(29,556)	0	0
Balance as at 30 June 2010		<u>12,158,368</u>	<u>1,048,710</u>	<u>1,470,129</u>	<u>14,677,207</u>

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

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

	NOTE	2010 \$	2010 Budget \$	2009 \$
Cash Flows From Operating Activities				
Receipts				
Rates		426,187	430,350	428,545
Operating Grants, Subsidies and Contributions		1,121,621	973,320	1,198,407
Fees and Charges		226,577	196,700	138,119
Service Charges		8,770	4,950	4,840
Interest Earnings		91,022	43,000	105,358
Goods and Services Tax		214,567	150,000	222,614
Other Revenue		61,727	173,715	88,860
		<u>2,150,471</u>	<u>1,972,035</u>	<u>2,186,743</u>
Payments				
Employee Costs		(380,356)	(648,769)	(290,863)
Materials and Contracts		(471,279)	(383,021)	(302,703)
Utility Charges		(100,974)	(104,420)	(86,635)
Insurance Expenses		(78,207)	(87,750)	(73,756)
Interest expenses		(14,691)	(29,715)	(16,957)
Goods and Services Tax		(253,819)	(145,000)	(206,462)
Other Expenditure		(11,287)	(5,500)	(704)
		<u>(1,310,613)</u>	<u>(1,404,175)</u>	<u>(978,080)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>839,858</u>	<u>567,860</u>	<u>1,208,663</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		(45,170)	0	0
Payments for Purchase of Property, Plant & Equipment		(1,468,721)	(3,330,000)	(1,015,818)
Payments for Construction of Infrastructure		(953,570)	(1,267,555)	(1,111,663)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		692,609	1,431,795	1,340,950
Proceeds from Sale of Plant & Equipment		138,901	571,000	427,214
Net Cash Provided By (Used In) Investing Activities		<u>(1,635,951)</u>	<u>(2,594,760)</u>	<u>(359,317)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(31,617)	(52,617)	(36,138)
Proceeds from Self Supporting Loans		6,815	6,815	12,940
Proceeds from New Debentures		500,000	500,000	0
Net Cash Provided By (Used In) Financing Activities		<u>475,198</u>	<u>454,198</u>	<u>(23,198)</u>
Net Increase (Decrease) in Cash Held		<u>(320,895)</u>	<u>(1,572,702)</u>	<u>826,148</u>
Cash at Beginning of Year		2,240,086	2,248,202	1,413,938
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>1,919,191</u></u>	<u><u>675,500</u></u>	<u><u>2,240,086</u></u>

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

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

	NOTE	2010 \$	2010 Budget \$
REVENUE			
Governance		45,228	3,550
General Purpose Funding		987,533	695,500
Law, Order, Public Safety		33,968	32,920
Health		1,850	1,300
Education and Welfare		0	200
Housing		46,016	473,315
Community Amenities		5,420	26,000
Recreation and Culture		129,933	261,950
Transport		681,718	677,630
Economic Services		102,933	296,840
Other Property and Services		114,272	278,600
		<u>2,148,871</u>	<u>2,747,805</u>
EXPENSES			
Governance		(196,544)	(219,500)
General Purpose Funding		(35,754)	(29,360)
Law, Order, Public Safety		(48,197)	(39,500)
Health		(19,990)	(24,280)
Education and Welfare		(9,232)	(9,880)
Housing		(91,754)	(99,555)
Community Amenities		(37,620)	(49,220)
Recreation & Culture		(295,033)	(308,200)
Transport		(1,177,990)	(1,188,180)
Economic Services		(237,700)	(238,040)
Other Property and Services		(58,419)	(100,000)
		<u>(2,208,233)</u>	<u>(2,305,715)</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals	20	47,927	40,100
Movement in Employee Benefit Provisions		(1,212)	0
Depreciation and Amortisation on Assets	2 (a)	1,147,588	1,137,950
Capital Expenditure and Revenue			
Purchase Land Held for Resale		(45,170)	(20,000)
Purchase Land and Buildings		(1,252,626)	(2,800,000)
Purchase Infrastructure Assets - Roads		(841,795)	(1,267,555)
Purchase Infrastructure Assets - Other		(111,775)	0
Purchase Plant and Equipment		(169,511)	(430,000)
Purchase Furniture and Equipment		(46,584)	(80,000)
Proceeds from Disposal of Assets	20	138,901	571,000
Repayment of Debentures		(31,617)	(51,614)
Proceeds from New Debentures	21 (a)	500,000	500,000
Self-Supporting Loan Principal Income		6,815	6,815
Transfers to Reserves (Restricted Assets)	11	(450,444)	(28,734)
Transfers from Reserves (Restricted Assets)	11	480,000	432,000
ADD Surplus/(Deficit) July 1 B/Fwd		1,112,142	1,210,086
LESS Surplus/(Deficit) June 30 C/Fwd		857,412	92,488
Amount Required to be Raised from Rates	22	<u>(434,135)</u>	<u>(430,350)</u>

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

SHIRE OF WESTONIA
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 WESTONIA
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 WESTONIA
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	0 to 20 years
Furniture and Equipment	0 to 10 years
Plant and Equipment	0 to 10 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years

SHIRE OF WESTONIA
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 WESTONIA
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 WESTONIA
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 WESTONIA
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 Council, 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 WESTONIA
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 WESTONIA
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 WESTONIA
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 WESTONIA
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
(vii) (Continued)			
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 WESTONIA
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 the adoption 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 WESTONIA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

2. REVENUE AND EXPENSES	2010	2009
	\$	\$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit	7,500	7,750
- Other Services	2,500	5,100
Depreciation		
Buildings	85,486	74,341
Furniture and Equipment	42,502	41,710
Plant and Equipment	143,502	139,130
Roads	864,155	884,302
Other Infrastructure	11,943	11,005
	<u>1,147,588</u>	<u>1,150,488</u>
Interest Expenses (Finance Costs)		
Debentures (<i>refer Note 21(a)</i>)	18,905	16,957
	<u>18,905</u>	<u>16,957</u>
(ii) Crediting as Revenue:	2010	2010
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	45,444	23,000
- Other Funds	43,726	20,000
Other Interest Revenue (<i>refer note 26</i>)	1,852	0
	<u>91,022</u>	<u>43,000</u>
		<u>105,358</u>

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

GOVERNANCE

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

ACTIVITIES: Administration and operation of facilities and services to members of Council.

Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

OBJECTIVE: To collect revenue to allow for the provision of services.

ACTIVITIES: Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

OBJECTIVE: To provide services to help ensure a safer community.

ACTIVITIES: Supervision of by-laws, fire prevention, emergency services and animal control.

HEALTH

OBJECTIVE: To provide an operational framework for good community health.

ACTIVITIES: Food quality and pest control, immunization services and operation of health clinic.

EDUCATION AND WELFARE

OBJECTIVE: To meet the needs of the community in these areas.

ACTIVITIES: To provide assistance to Local Primary School and be involved in the welfare of the aged and disabled and the general community.

HOUSING

OBJECTIVE: To help ensure adequate housing.

ACTIVITIES: Maintenance and establishment of staff and rental housing.

COMMUNITY AMENITIES

OBJECTIVE: Provide services required by the community.

ACTIVITIES: Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of rest centre and storm water drainage maintenance.

RECREATION AND CULTURE

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

ACTIVITIES: Maintenance of halls, the aquatic centre, recreation centre and various reserves. operation of the Library and TV and Radio re-broadcasting.

TRANSPORT

OBJECTIVE: To provide effective and efficient transport services for the community.

ACTIVITIES: Construction and maintenance of streets, roads, bridges, cleaning and lighting of street, depot maintenance and airstrip maintenance.

**SHIRE OF WESTONIA
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

ECONOMIC SERVICES

OBJECTIVE: To help promote the shire and improve economic well being.

ACTIVITIES: The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and standpipes.

OTHER PROPERTY & SERVICES

OBJECTIVE: To provide and operational framework for the development and maintenance of both staff and plant.

ACTIVITIES: Private works operations, plant repairs and operation costs.

SHIRE OF WESTONIA
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	Function/ Activity	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 \$
Country Local Government Fund	General Purpose	0	592,276	0	592,276	0	(592,276)	0
RADS - Aerodrome	Transport	0	19,939	0	19,939	87,000	(106,939)	0
Regional Local Community Infrastructure Program	General Purpose	0	31,560	0	31,560	0	(31,560)	0
CSRRF - Pavilion	Rec & Culture	0	0	0	0	32,616	(32,616)	0
Fed Govt - Museum	Rec & Culture	0	0	0	0	30,000	(30,000)	0
State Roads 2020	Transport	0	0	0	0	178,000	(178,000)	0
Roads to Recovery	Transport	0	0	0	0	241,300	(241,300)	0
Black Spot	Transport	0	0	0	0	100,837	(100,837)	0
Royalties for Regions	General Purpose	0	0	0	0	31,818	(31,818)	0
FESA	Law, Order	0	0	0	0	29,420	(29,420)	0
Swimming Pool Subsidy	Rec & Culture	0	0	0	0	3,000	(3,000)	0
Main Roads 2025	Transport	0	0	0	0	70,228	(70,228)	0
Total		0	643,775	0	643,775	804,219	(1,447,994)	0

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.

All of the grants/contributions is disclosed at Note 3.

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

	2010	2009
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	870,481	518,045
Restricted	1,048,710	1,722,041
	<u>1,919,191</u>	<u>2,240,086</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	96,107	91,583
Plant Reserve	225,046	214,460
Building Reserve	218,452	285,808
Television Reserve	21,849	20,949
Community Development Reserve	457,584	442,108
Waste Management Reserve	29,672	23,358
Unspent Grants	0	643,775
	<u>1,048,710</u>	<u>1,722,041</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	13,039	5,091
Sundry Debtors	62,568	111,199
Provision for Doubtful Debts	(10,798)	0
GST Receivable	54,217	14,964
Loans - Clubs/Institutions	0	6,815
	<u>119,026</u>	<u>138,069</u>
5. INVENTORIES		
Current		
Fuel and Materials	23,613	25,985
Land Held for Resale - Cost		
Cost of Acquisition	12,115	14,585
Development Costs	47,640	0
	<u>83,368</u>	<u>40,570</u>

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

	2010	2009
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	5,644,436	4,394,280
Less Accumulated Depreciation	<u>(1,030,927)</u>	<u>(945,441)</u>
	4,613,509	3,448,839
 Furniture and Equipment - Cost	 333,805	 287,221
Less Accumulated Depreciation	<u>(184,469)</u>	<u>(141,967)</u>
	149,336	145,254
 Plant and Equipment - Cost	 2,361,719	 2,400,663
Less Accumulated Depreciation	<u>(815,195)</u>	<u>(695,790)</u>
	1,546,524	1,704,873
	<u><u>6,309,369</u></u>	<u><u>5,298,966</u></u>

SHIRE OF WESTONIA
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	3,448,839	145,254	1,704,873	5,298,966
Additions	1,252,626	46,584	169,511	1,468,721
(Disposals)	(2,470)	0	(184,358)	(186,828)
Impairment - (losses)	0	0	0	0
- reversals	0	0	0	0
Depreciation (Expense)	(85,486)	(42,502)	(143,502)	(271,490)
Other Movements	0			0
Balance as at 30 June 2010	<u>4,613,509</u>	<u>149,336</u>	<u>1,546,524</u>	<u>6,309,369</u>

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

	2010	2009
	\$	\$
7. INFRASTRUCTURE		
Roads - Cost	19,592,612	18,750,817
Less Accumulated Depreciation	<u>(12,761,158)</u>	<u>(11,897,003)</u>
	6,831,454	6,853,814
 Footpaths - Cost	 38,968	 38,967
Less Accumulated Depreciation	<u>(15,587)</u>	<u>(13,638)</u>
	23,381	25,329
 Other Infrastructure - Cost	 339,786	 228,012
Less Accumulated Depreciation	<u>(100,783)</u>	<u>(90,789)</u>
	239,003	137,223
	<u><u>7,093,838</u></u>	<u><u>7,016,366</u></u>

SHIRE OF WESTONIA
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	Footpaths	Other Infrastructure	Total
	\$	\$	\$	\$
Balance as at 1 July 2009	6,853,814	25,329	137,223	7,016,366
Additions	841,795	0	111,775	953,570
(Disposals)	0	0	0	0
Impairment - (losses)	0	0	0	0
- reversals	0	0	0	0
Depreciation (Expense)	(864,155)	(1,948)	(9,995)	(876,098)
Other Movements	0	0	0	0
Balance as at 30 June 2010	<u>6,831,454</u>	<u>23,381</u>	<u>239,003</u>	<u>7,093,838</u>

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

2010
\$

2009
\$

8. TRADE AND OTHER PAYABLES

Current

Sundry Creditors	46,420	106,084
Other Payables	0	1,099
Accrued Interest on Debentures	5,217	1,003
Accrued Salaries and Wages	15,580	13,283
	<u>67,217</u>	<u>121,469</u>

9. LONG-TERM BORROWINGS

Current

Secured by Floating Charge		
Debentures	63,234	31,617
	<u>63,234</u>	<u>31,617</u>

Non-Current

Secured by Floating Charge		
Debentures	620,568	183,802
	<u>620,568</u>	<u>183,802</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Current

Provision for Annual Leave	27,135	37,945
Provision for Long Service Leave	61,356	47,503
	<u>88,491</u>	<u>85,448</u>

Non-Current

Provision for Long Service Leave	8,075	9,287
	<u>8,075</u>	<u>9,287</u>

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

	2010 \$	2010 Budget \$	2009 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	91,583	91,583	85,839
Amount Set Aside / Transfer to Reserve	4,524	3,417	5,744
Amount Used / Transfer from Reserve	0	0	0
	<u>96,107</u>	<u>95,000</u>	<u>91,583</u>
(b) Plant Reserve			
Opening Balance	214,460	214,460	228,738
Amount Set Aside / Transfer to Reserve	10,586	7,540	15,722
Amount Used / Transfer from Reserve	0	0	(30,000)
	<u>225,046</u>	<u>222,000</u>	<u>214,460</u>
(c) Building Reserve			
Opening Balance	285,808	285,808	267,141
Amount Set Aside / Transfer to Reserve	12,644	2,192	18,667
Amount Used / Transfer from Reserve	(80,000)	(80,000)	0
	<u>218,452</u>	<u>208,000</u>	<u>285,808</u>
(d) Television Reserve			
Opening Balance	20,949	20,949	19,513
Amount Set Aside / Transfer to Reserve	900	551	1,436
Amount Used / Transfer from Reserve	0	0	0
	<u>21,849</u>	<u>21,500</u>	<u>20,949</u>
(e) Community Development Reserve			
Opening Balance	442,108	442,108	413,352
Amount Set Aside / Transfer to Reserve	415,476	8,892	28,756
Amount Used / Transfer from Reserve	(400,000)	(352,000)	0
	<u>457,584</u>	<u>99,000</u>	<u>442,108</u>
(f) Waste Management Reserve			
Opening Balance	23,358	23,358	16,885
Amount Set Aside / Transfer to Reserve	6,314	6,142	6,473
Amount Used / Transfer from Reserve	0	0	0
	<u>29,672</u>	<u>29,500</u>	<u>23,358</u>
TOTAL CASH BACKED RESERVES	<u>1,048,710</u>	<u>675,000</u>	<u>1,078,266</u>

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

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

11. RESERVES - CASH BACKED (Continued)

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

Leave Reserve

- to be used to fund annual and long service leave requirements

Plant Reserve

- to be used for the purchase of major plant

Building Reserve

- to be used for the purchase of land and construction of major buildings and facilities.

Television Reserve

- to be used for the purchase of replacement television equipment

Community Development Reserve

- to be used for the development of land, buildings and facilities for the community.

Waste Management Reserve

- to be used for ongoing waste management strategies.

12. RESERVES - ASSET REVALUATION

2010

2009

\$

\$

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

(a) Land and Buildings

Balance as at 1 July 2009	1,470,129	1,470,129
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2010	<u>1,470,129</u>	<u>1,470,129</u>
 TOTAL ASSET REVALUATION RESERVES	 <u><u>1,470,129</u></u>	 <u><u>1,470,129</u></u>

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

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2010 \$	2010 Budget \$	2009 \$
Cash and Cash Equivalents	<u>1,919,191</u>	<u>675,500</u>	<u>2,240,086</u>

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

Net Result	374,773	872,440	1,391,693
Depreciation	1,147,588	1,137,950	1,150,488
(Profit)/Loss on Sale of Asset	47,927	40,100	(52,917)
(Increase)/Decrease in Receivables	12,229	109,475	39,261
(Increase)/Decrease in Inventories	2,372	25,985	5,818
Increase/(Decrease) in Payables	(54,253)	(101,926)	13,974
Increase/(Decrease) in Employee Provisions	1,831	(84,369)	1,296
Grants/Contributions for the Development of Assets	(692,609)	(1,431,795)	(1,340,950)
Net Cash from Operating Activities	<u>839,858</u>	<u>567,860</u>	<u>1,208,663</u>

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	5,000	5,000
Credit Card Balance at Balance Date	(232)	(2,793)
Total Amount of Credit Unused	<u>4,768</u>	<u>2,207</u>

Loan Facilities

Loan Facilities - Current	63,234	31,617
Loan Facilities - Non-Current	620,568	183,802
Total Facilities in Use at Balance Date	<u>683,802</u>	<u>215,419</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
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SHIRE OF WESTONIA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

14. CONTINGENT LIABILITIES

There are no known contingent liabilities as at 30 June 2010.

15. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

There are no finance lease commitments as at 30 June 2010.

(b) Operating Lease Commitments

There are no operating lease commitments as at 30 June 2010.

(c) Capital Expenditure Commitments

There are no capital expenditure commitments as at 30 June 2010.

16. JOINT VENTURE

The Shire together with Homeswest have a joint venture arrangement to provide low cost housing to the private sector.

The total GST inclusive cost of the project was \$ 467,056 of which Council contributed \$ 60,000 in cash, \$45,508 in land and siteworks and \$ 5,786 for additional amenities and landscaping. In 2007/08 Council constructed a patio for the cost of \$ 8,876 and in 2009/10 a carport for \$ 9,023. Council's equity in the property at completion is 24.09% made as follows:

	2010	2009
	\$	\$
Non-Current Assets		
Land & Buildings	143,771	118,260
Less: Accumulated Depreciation	(14,107)	(9,522)
	<u>129,664</u>	<u>108,738</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	100,919	6,721
General Purpose Funding	67,256	0
Law, Order, Public Safety	177,581	226,872
Health	3,340	3,276
Education and Welfare	0	0
Housing	1,813,491	712,633
Community Amenities	115,647	90,105
Recreation and Culture	1,842,731	1,537,629
Transport	7,383,421	7,106,181
Economic Services	884,186	752,320
Other Property and Services	2,265,740	1,879,695
Unallocated	870,480	2,418,625
	<u>15,524,792</u>	<u>14,734,057</u>

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

	2010	2009	2008
18. FINANCIAL RATIOS			
Current Ratio	8.224	4.551	4.240
Untied Cash to Unpaid Trade Creditors Ratio	18.752	4.883	3.625
Debt Ratio	0.055	0.029	0.034
Debt Service Ratio	0.027	0.026	0.015
Gross Debt to Revenue Ratio	0.362	0.104	0.118
Gross Debt to Economically Realisable Assets Ratio	0.081	0.028	0.038
Rate Coverage Ratio	0.169	0.125	0.149
Outstanding Rates Ratio	0.030	0.012	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 WESTONIA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

19. TRUST FUNDS

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

	Balance 1-Jul-09 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-10 \$
George Rd Water Extension	20,400	0	0	20,400
St John Ambulance Westonia	2,018	0	0	2,018
Westonia Progress Association	86,606	5,249	(49,218)	42,637
Accommodation Units	2,900	0	0	2,900
Weira-Boodaroockin Water	632	0	0	632
BCITF Levy	75	0	0	75
Housing Bond	660	0	0	660
Social Club	4,778	3,833	(280)	8,331
Walgoolan History Group	0	5,535	0	5,535
Community Project (Scrap)	0	1,000	0	1,000
Rural Youth	0	3,360	0	3,360
	<u>118,069</u>			<u>87,548</u>

20. 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 \$
Land & Buildings						
Lot 329 Scheelite Street	2,470	0	5,000	0	2,530	0
Land for resale	0	302,000	0	330,000	0	28,000
Plant & Machinery						
Hino Fire Unit	38,640	31,100	8,466	20,000	(30,174)	(11,100)
Cat 930G Loader	0	152,900	0	120,000	0	(32,900)
Toyota Hilux 4x4 Crewcab	27,666	0	25,434	0	(2,232)	0
Toyota Aurion V6	22,951	25,300	26,395	16,000	3,444	(9,300)
Toyota Landcruiser	61,951	65,000	48,636	55,000	(13,315)	(10,000)
Ford FG XR^ Sedan	33,150	34,800	24,970	30,000	(8,180)	(4,800)
	<u>186,828</u>	<u>611,100</u>	<u>138,901</u>	<u>571,000</u>	<u>(47,927)</u>	<u>(40,100)</u>

Profit	5,974	28,000
(Loss)	(53,901)	(68,100)
	<u>(47,927)</u>	<u>(40,100)</u>

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

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-09 \$	New Loans \$	Principal Repayments		Principal 30-Jun-10		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 2 - Staff Residence	12,466		6,050	6,050	6,416	6,416	652	650
Loan 3 - Staff Residence	28,858		5,077	5,075	23,781	23,783	1,717	1,745
Loan 5 - Life-style Village	0	500,000	0	20,000	500,000	480,000	4,214	15,000
Economic Transport								
Loan 1 - Co-op *	6,815		6,815	6,815	0	0	241	240
Transport								
Loan 4 - Depot	167,280		13,675	13,675	153,605	153,605	12,081	12,080
	215,419	500,000	31,617	51,615	683,802	663,804	18,905	29,715

(*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2009/10

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan 5 - Life-style Village	500,000	500,000	WATC	Debenture	10	185,335	6.33	500,000	500,000	0

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

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-09 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-10 \$
Loan 5 - Life-style Village	June 2010	0	500,000	500,000	0
		0	500,000	500,000	0

(d) Overdraft

Council had no overdraft facility as at the 30 June 2010.

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

22. RATING INFORMATION - 2009/10 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General Rate											
GRV Residential	0.1000	6	48,100	4,810	0	0	4,810	11,290	0	0	11,290
GRV Com/Industrial/Other	0.1000	33	114,840	11,484	647	0	12,131	4,810	0	0	4,810
GRV Mining	0.1000	1	18,431	200	0	0	200	2,300	0	0	2,300
UV Mining	0.0100	1	30,294	303	0	0	303	0	0	0	0
UV Rural	0.0100	162	40,020,500	400,205	170	0	400,375	400,950	0	0	400,950
Sub-Totals		203	40,232,165	417,002	817	0	417,819	419,350	0	0	419,350
Minimum Rates	Minimum \$										
GRV Residential	200	20	6,845	4,000	716	0	4,716	4,200	0	0	4,200
GRV Com/Industrial/Other	200	3	3,020	600	0	0	600	600	0	0	600
GRV Mining	200	0	0	0	0	0	0	3,200	0	0	3,200
UV Mining	200	25	122,974	5,000	(1,150)	0	3,850	0	0	0	0
UV Rural	200	18	177,700	3,600	(399)	0	3,201	3,000	0	0	3,000
Sub-Totals		66	310,539	13,200	(833)	0	12,367	11,000	0	0	11,000
Ex-Gratia Rates							430,186				430,350
							3,949				0
							434,135				430,350
Totals							434,135				430,350

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

23. SPECIFIED AREA RATE - 2009/10 FINANCIAL YEAR

Council did not raise a Specified Area Rate for the 2009/2010 financial year.

24. SERVICE CHARGES - 2009/10 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
TV Rebroadcasting	110	8,770	4,950	8,770	4,840
		8,770	4,950	8,770	4,840

The service charge is for the provision of television re-broadcasting. The charge is applicable to all owners and occupiers within a designated area surrounding the townsite.

The proceeds of the service charge are applied in full to the costs of maintenance and operation.

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

No discount was offered for early payment of rates.

26. INTEREST CHARGES AND INSTALMENTS - 2009/10 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	N/A	1,852	0
Charges on Instalments Plan	5.50%	10	3,785	3,000
			5,637	3,000

Ratepayers had the option of paying rates in four equal instalments, due on 7th September 2009, 7th November 2009, 7th January 2010 and 6th March 2010. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2010 \$	2009 \$
Governance	43	174
General Purpose Funding	3,795	4,648
Law, Order, Public Safety	3,100	2,711
Health	0	150
Housing	46,016	31,071
Community Amenities	5,420	4,610
Recreation and Culture	3,907	3,694
Transport	909	0
Economic Services	70,903	46,647
Other Property and Services	92,484	44,414
	<u>226,577</u>	<u>138,119</u>

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

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

28. GRANT REVENUE	2010	2009	
	\$	\$	
By Nature and Type:			
Operating Grants, Subsidies and Contributions	1,062,192	1,198,407	
Non-Operating Grants, Subsidies and Contributions	692,609	1,340,950	
	<u>1,754,801</u>	<u>2,539,357</u>	
By Program:			
Governance	43,173	0	
General Purpose Funding	890,246	1,095,748	
Law, Order, Public Safety	30,740	30,530	
Health	450	0	
Housing	0	592,276	
Recreation and Culture	97,827	212,400	
Transport	677,365	592,947	
Economic Services	15,000	3,956	
Other Property and Services	0	11,500	
	<u>1,754,801</u>	<u>2,539,357</u>	
	2010	2010	2009
29. COUNCILLORS' REMUNERATION	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	18,540	12,000	24,200
President's Allowance	1,000	1,000	1,000
Travelling Expenses	2,462	2,000	4,196
	<u>22,002</u>	<u>15,000</u>	<u>29,396</u>
30. EMPLOYEE NUMBERS	2010	2009	
The number of full-time equivalent employees at balance date	13	12	

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

31. MAJOR LAND TRANSACTIONS

Lifestyle Village Project

(a) Details

The Shire commenced this project in 2009/10. The project involves constructing five residential units which will subsequently be leased to a mining company.

	2010 \$	2010 Budget \$	2009 \$
(b) Current year transactions			
Operating Revenue			
- Profit on sale	0	0	0
Capital Revenue			
- Sale Proceeds	0	0	0
Capital Expenditure			
- Purchase of Land	0	0	0
- Development Costs	633,804	1,800,000	0
	<u>633,804</u>	<u>1,800,000</u>	<u>0</u>

(c) Expected Future Cash Flows

	2010 \$	2011 \$	2012 \$	2013 \$	2014 \$	Total \$
Cash Outflows						
- Development Costs	633,804	1,166,196	0	0	0	1,800,000
- Loan Repayments	0	68,245	68,245	68,245	68,245	272,980
	<u>633,804</u>	<u>1,234,441</u>	<u>68,245</u>	<u>68,245</u>	<u>68,245</u>	<u>2,072,980</u>
Cash Inflows						
- Loan Proceeds	500,000	0	0	0	0	500,000
- Contribution from Community Group	0	400,000	0	0	0	400,000
- Reserves transfer	0	120,000	0	0	0	120,000
- Country Local Government Fund	0	780,000	0	0	0	780,000
- Leasing Proceeds	0	98,800	98,800	98,800	98,800	395,200
	<u>500,000</u>	<u>1,398,800</u>	<u>98,800</u>	<u>98,800</u>	<u>98,800</u>	<u>2,195,200</u>
Net Cash Flows	<u>(133,804)</u>	<u>164,359</u>	<u>30,555</u>	<u>30,555</u>	<u>30,555</u>	<u>122,220</u>

32. 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 WESTONIA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

33. 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
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1,919,191	2,240,086	1,919,191	2,240,086
Receivables	119,026	138,069	119,026	138,069
	<u>2,038,217</u>	<u>2,378,155</u>	<u>2,038,217</u>	<u>2,378,155</u>
Financial Liabilities				
Payables	67,217	121,469	67,217	121,469
Borrowings	683,802	215,419	634,741	206,616
	<u>751,019</u>	<u>336,888</u>	<u>701,958</u>	<u>328,085</u>

Fair value is determined as follows:

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

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

33. 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	20,835	17,709
- Income Statement	20,835	17,709

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

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

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

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

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

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

	30-Jun-10	30-Jun-09
Percentage of Rates and Annual Charges		
- Current	9.89%	0.00%
- Overdue	90.11%	100.00%
Percentage of Other Receivables		
- Current	80.95%	66.59%
- Overdue	19.05%	33.41%

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2010</u>					
Payables	67,217	0	0	67,217	67,217
Borrowings	<u>107,525</u>	<u>396,469</u>	<u>418,494</u>	<u>922,488</u>	<u>683,802</u>
	<u>174,742</u>	<u>396,469</u>	<u>418,494</u>	<u>989,705</u>	<u>751,019</u>
<u>2009</u>					
Payables	121,469	0	0	121,469	121,469
Borrowings	<u>46,335</u>	<u>137,012</u>	<u>103,024</u>	<u>286,371</u>	<u>215,419</u>
	<u>167,804</u>	<u>137,012</u>	<u>103,024</u>	<u>407,840</u>	<u>336,888</u>

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Borrowings (Continued)

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<u>Year Ended 30 June 2010</u>								
Borrowings								
Fixed Rate								
Debentures	6,416	0	0	23,781	0	653,605	683,802	6.56%
Weighted Average Effective Interest Rate	5.94%			6.32%		6.57%		
<u>Year Ended 30 June 2009</u>								
Borrowings								
Fixed Rate								
Debentures	6,815	12,467	0	0	196,137	0	215,419	6.47%
Weighted Average Effective Interest Rate	7.06%	5.94%			7.22%			

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

34. AMALGAMATION F LOCAL GOVERNMENTS

The Shire of Westonia is in the process of amalgamating with the Shire of Yilgarn. This decision has been made jointly and amicably by the Councils of the two Shires after very lengthy discussions.

The intended amalgamation date is 1st July 2012 and the two Shires are currently working on the legal, administrative, process and procedural issues that need to be resolved to compliment the amalgamation.

The State Government is funding all operational and capital costs directly attributed to the amalgamation as this outcome is compatible with the Government's desire in terms of local government restructuring.

3 December 2010

Mr J W Sowiak
Chief Executive Officer
Shire of Westonia
Wolfram Street
WESTONIA WA 6423

Dear Jeff

**AUDIT OF SHIRE OF WESTONIA
FOR THE YEAR ENDED 30TH JUNE 2010**

We advise that we have completed the audit of your Shire for the year ended 30th June 2010 and enclose our Audit Report and a copy of the Management Report.

A copy of the Audit Report and Management Report has also been sent directly to the President and Chairman of the audit committee as is required by the Act.

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

Please contact us if you have any queries.

Yours sincerely



DAVID TOMASI
PARTNER

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**INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF THE SHIRE OF WESTONIA**

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Westonia, which comprises the statement of financial position as at 30 June 2010 and the statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and rate setting statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal 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

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

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

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

Independence

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

Auditor's Opinion

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

- a giving a true and fair view of the Shire's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF THE SHIRE OF WESTONIA (Continued)**

Statutory Compliance

During the course of our audit we became aware of the following instances where the Council did not comply with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Budget Deficiency

Council did not obtain Ministerial approval for budgeted income from general rates of more than 110% of the amount of the budgeted deficiency prior to approval of the 2009/10 budget as required by Section 6.34 of the Act.

Adoption of Material Variance

Council did not adopt a percentage or value to be used in statements of financial activity for reporting material variances as required by Financial Management Regulation 34(5).

Other Matters

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

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

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Address: Perth, WA
Date: 3 December 2010

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3 December 2010

The Shire President
Shire of Westonia
Wolfram Street
WESTONIA WA 6423

Dear Cr Geier

MANAGEMENT REPORT FOR THE YEAR ENDED 30TH JUNE 2010

We advise that we have completed our audit procedures for the year ended 30th June 2010 and enclose our Audit Report.

We are required under the Local Government Audit Regulations to report certain compliance matters in our audit report. Other matters which arise during the course of our audit that we wish to bring to Council's attention are raised in this management report.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Shire's organisation gained during our work to make comments and suggestions which, we hope, will be useful to you.

We noted no matters we wish to draw to Council's attention.

Corrected Misstatements

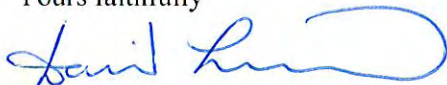
We advise that we have informed the Shire management of those misstatements above \$3,000 which were corrected during the course of our audit and are reflected in the financial report. These corrected misstatements are attached at Appendix 1 to this letter.

Uncorrected Misstatement

We advise that we have informed Shire management that there were no uncorrected misstatements above \$3,000 noted by us during the course of our audit.

We take this opportunity to thank the Chief Executive Officer and all staff for the assistance provided during the audit. Should you wish to discuss any matter relating to the audit or any other matter, please do not hesitate to contact us.

Yours faithfully



DAVID TOMASI
PARTNER
Enc

cc: Mr Kim Hastie, Director of Westonia Operations

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**SHIRE OF WESTONIA
APPENDIX 1
FORMING PART OF THE MANAGEMENT REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

Corrected Misstatements

Item	Description	DR (\$)	CR (\$)
1.	Other Expenditure (Statement of Comprehensive Income) Provision for Doubtful Debts (Statement of Financial Position) To recognise 2009/10 doubtful debts	10,798	10,798
2.	Materials and Contracts (Statement of Comprehensive Income) GST Payable (Statement of Financial Position) Sundry Creditors (Statement of Financial Position) To recognise 2009/10 unrecorded liabilities	7,995 800	8,795
		19,593	19,593