



**Shire of Tammin**

**ANNUAL REPORT**

**2009 - 2010**

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## **Shire of Tammin**

### **ANNUAL REPORT 2009/2010**

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## **PURPOSE, MISSION AND VALUES**

### **Our Purpose**

#### **Our mission**

Together with the people of Tammin we will provide leadership, vision and progress to achieve stability and growth.

#### **Our vision**

To seek sustainability, retain our Tammin identity and promote growth.

We (Council and Community) have confidence in our future because of:

- \* Our vision and eagerness to move forward;
- \* Our friendly, supportive community;
- \* Our Leaders in landcare, sporting and community groups, and Council, and
- \* Our demonstrated capacity to tap into external funding, including corporate membership, Government grants and new revenue sources.

As an innovative and accountable organisation, The Shire of Tammin will promote vibrant democracy and provide high-quality services.

#### **Our values**

The Shire of Tammin has a clear strength in the bond and affinity between its Councillors, the community and staff. Staff support the community leadership and governance role of Councillors and work together to achieve the commitments of the Council Plan. Having all the Shire's Council staff practice the following organisational values enhances the quality of this partnership:

- **Service** - Our citizens, community and service users are the focus of all our actions
- **Accountability** - We are responsible for our actions, which are open to review
- **Innovation** - We encourage and seek new ideas in finding solutions
- **Teamwork** - We share our skills, knowledge and experience as part of a team and Work together towards achieving Council's goals.
- **Recognition** - We promote the achievements and efforts of others
- **Safety** - We look after our environment and the welfare of others
- **Integrity** - We are open and honest and work to the best of our ability
- **Respect** - We acknowledge the opinions of others and their rights and differences.

# OBJECTIVES AND ACHIEVEMENTS

## STRATEGIC OBJECTIVES

The Strategic Plan 2009-2014 which was adopted by the Council in May 2009 details the following outcomes.

### Our Community

#### Outcomes:

This theme focuses on achieving the following outcomes:

- A cohesive, progressive community, working together with Council to achieve the vision for Tammin.
- Strong community spirit, community pride and sense of belonging.
- A safe community with facilities and services to meet community needs.
- Keeping our current population and attracting new people to live in the Shire.
- Overall quality of life for everyone in the Shire.

### Our Economy

#### Outcomes:

This theme focuses on achieving the following outcomes:

- Sustainable growth in businesses, business activity, tourism and events.
- Increased population.
- Increased employment opportunities
- Prosperity for our community.

### Our Environment

#### Outcomes:

This theme focuses on achieving the following outcomes:

- Halting or reducing salinity in the Shire of Tammin.
- Continuing growth and recognition, in WA and nationally, for Landcare and our Catchment Groups.
- An educated and aware community, caring for the natural environment.
- Best practice in environmental management in all Council activities, including waste management.
- Continuing capacity to achieve corporate sponsorship and grants for environmental activities.

### Our Organisation

**Outcomes:**

This theme focuses on achieving the following outcomes:

- ❑ A well-resourced, well-managed, progressive and innovative organisation.
- ❑ Friendly, responsive customer service.
- ❑ Staff and Councillors with the knowledge and skills to undertake their roles.
- ❑ Leadership and teamwork.
- ❑ For Council to be well regarded by the community.

The Council's Plan For The Future and Annual Budget have identified a number of initiatives in order to achieve the above mentioned Strategic objectives.

### ***ACHIEVEMENTS FOR 2009/2010***

- (1) The Shire employed a full time Public Relations/Community Development Officer in order to co-ordinate events, tourism and business activity.
- (2) Community facilities were progressed in the following manner:
  - (a) Town Hall improvements.
  - (b) Donnan Park upgrade and improvements.
  - (c) Road Infrastructure improvements and maintenance.
- (3) Asset Management, consultants have been appointed to progress the preparation of the Shire's Asset Management Plan.

### ***HIGHLIGHTS OF 2009/2010***

During the 2009/2010 financial year, the Shire achieved the following:

- (1) No new loans to fund Capital works Programmes were raised.
- (2) Net surplus of \$0.76M, which included committed expenditure carried forward to 2010/2011.
- (3) Rate increases for 2009/2010 were limited to 3.0%. This level allowed us to maintain existing services, fund a number of new initiatives and continue to allocate funds to renew Shire infrastructure.
- (4) \$1.40M was spent to maintain services at current levels.
- (5) Expenditure on Capital Works is summarised as follows:

- Land and Buildings	\$0.25M
- Road Infrastructure	\$0.72M

## ***STRATEGIC OBJECTIVES FOR 2010/2011***

This section provides a description of the activities to be funded in the Budget for the 2010/11 year which will contribute to achieving the strategic objectives specified in the Strategic Plan and Plan for the Future.

1. Town Hall improvements

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2. Donnan Park (renovations to changerooms, grandstand and pavilion)

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3. Electronic Event Sign

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4. Entry Statement

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5. Staff Housing

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6. Road Infrastructure

---

7. Plant Replacement

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*Shire of Tammin*  
**STATEMENT BY SHIRE PRESIDENT**



Cr Rodney Stokes - Shire President

Our 2009/2010 financial year reflects the Shires efficiency in maintaining rate levels. The Shire ended the year with a surplus of \$0.76M inclusive of committed capital works projects carried forward into 2010/2011.

The Shire continues to fulfil its commitment to residents and ratepayers with quality services and facilities. The Shire is currently developing a Forward Capital Works Plan which includes a fully funded financial plan, which will form the basis of Councils financial management strategy for the future.

The town hall received a major refurbishment costing \$170,567 inclusive of a kitchen upgrade that will be completed in the 2010/11 financial year. \$75,450 was spent on Donnan Park upgrades including BBQ covered way, grandstand refurbishment and play ground shade shelter.

Expenditure on road works amounted to \$715,098.

The Shire with funds received through the Gordon Reid Foundation held the following events:

- Children's Program – Jungle Book
- Kadjininy Kep – Aurora, DNA Cowboys, One Step Ahead and Master Copy band concerts.

Other Community events held were:

- Tammin Art Show

- Australia Day Ceremony
- Big Roll Community Barbecue

The Shire is a participant of the South East Avon Regional Transitional Group, along with the Shires of Beverley, Cunderdin, Quairading and York to progress structural reform in our region.

In October 2009 the Shire had its first contested election in 10 years, resulting in Councillors Stephen Jefferies, Michael Greenwood and Scott Uppill and being elected. I take this opportunity of congratulating those Councillors and acknowledge the contribution made by former Councillor Margaret Wheeldon over a period of 10 years.

I welcome the Shire's newly appointed Chief Executive Officer, Mr Graham Stanley, Administration Officer Jenny Gemünd and Community Development Officer Tanya Greenwood who joined the Shire's office team in early 2010.

I would also like to take this opportunity to thank current and former staff members for their contributions.

- Mr Mick Oliver – Former Chief Executive Officer.
- Mrs Julie Oliver – Former Senior Finance Officer.
- Mr Tom Findlay – Works Supervisor and his works staff.
- All other staff who assisted the Shire during the year.

I extend my thanks to Council members, management and staff, who have worked tirelessly during the year and we will continue to operate on the basis of cooperation, honesty and integrity in all our decisions and work as a team for the progressive operation of the Shire.

Cr Rodney Stokes: President



*Shire of Tammin*

## **THE COUNCIL**



### **Your Council**

Front (L to R): Graham Stanley (CEO) Cr Rodney Stokes (President)  
Cr Louise Caffell (Deputy President)

Back (L to R): Cr Scott Uppill, Cr Bernard Stokes, Cr Michael Greenwood,  
Cr Stephen Jefferies

## CHIEF EXECUTIVE OFFICER'S REPORT



### Chief Executive Officer

During the year the Shire has progressed a number of initiatives that will bring about greater efficiencies and will ensure its long-term sustainability.

Asset Management – In conjunction with the member Councils of the South East Avon Regional Transitional Group (SEARTG) the preparation of the Shire's Asset Management Plan is being progressed. The aim of the Plan is to ensure that each class of Council's infrastructure is detailed along with its condition. The information will assist the Council in determining priorities in relation to capital works in future years and calculate any funding gap which will need to be addressed by the Council in ensuring that its infrastructure is maintained for future generations. It is proposed that in 2010/11 that the Asset Management Plans will be finalized and in turn be linked to the Strategic Plan, Plan for the Future, Forward Capital Works Plan and Annual Budget.

Forward Capital Works Plan - The preparation of the Plan is funded by the Department of Regional Development and Lands and will demonstrate how the Plan is linked to and consistent with

developing and/or ongoing strategic and asset management plans and identifies current and future funding sources. The Plan is expected to be completed by December 2010.

Organisational Restructure – With the resignation of a number of key officers, the Council administration has been restructured in the following manner:

- Finance Officer promoted to position of Senior Finance Officer.
- The part-time position of the Community Development Officer is now full time.
- Engagement of a consultant to provide financial reporting and budgeting support as required.

The above not only promotes and retains the existing officers but also brings about cost savings.

May I take this opportunity to thank the Shire President, Councillor Rodney Stokes and the current members of Council for their valuable input and participation in a number of working groups and committees and also in supporting our staff.

The dedication of the Shire staff has continued through 2009/2010 with all employees showing their professionalism, hard work and commitment making them a credit to the organisation. I would personally like to extend my appreciation for their efforts.

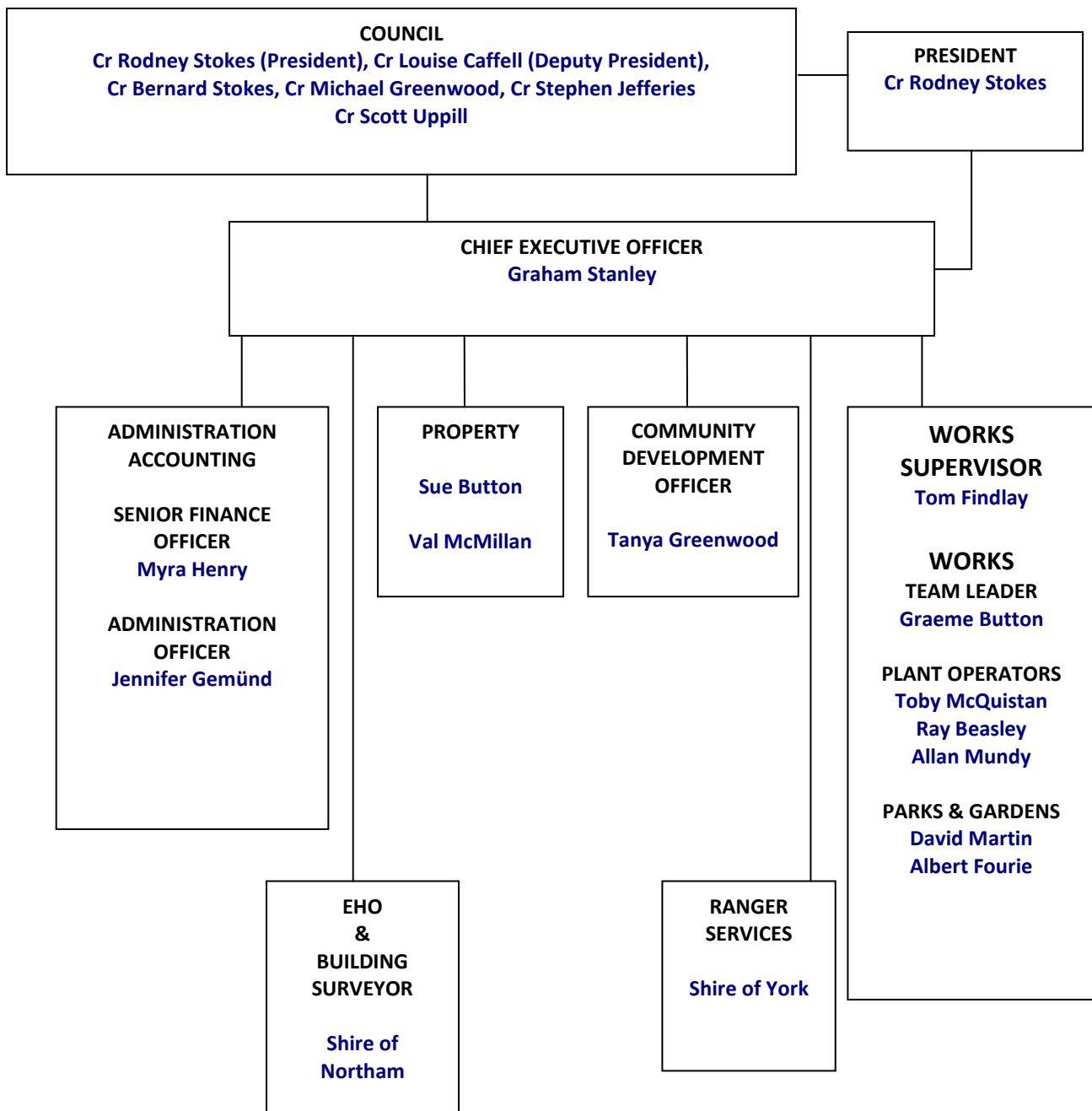
Graham Stanley, Chief Executive Officer

## ORGANISATIONAL STRUCTURE

(At 30<sup>th</sup> June 2010)

The Shire of Tammin staff members are part of the corporate structure headed by the Chief Executive Officer. This corporate approach ensures that staff members work towards achieving common goals.

The staff is organised across a number of sections. The Chief Executive Officer is responsible for the overall management of the organisation. The Corporate Management Team implements and administers the policies of the Elected Members.



## **LEGISLATIVE COMPLIANCE**

### ***National Competition Policy***

The introduction of the National Competition Policy requires all Local Governments to include in the Annual Report, Statements relating to the following:

#### The Structural Reform of Public Monopolies

The intention of the structural reform of Public Monopolies is that:

- There is a separation of regulatory and commercial functions of Public Monopolies.
- There is a separation of natural monopolistic operations and potentially competitive activities of Public Monopolies.
- There is a separation of potential competitive activities into a number of smaller, essentially independent business units.

The Shire of Tammin is not considered a natural monopoly, nor does it conduct any business activity that can be considered a Public Monopoly. Therefore the principle of structural reform of Public Monopolies does not apply to the Shire of Tammin.

#### Competitive Neutrality

For significant Local Government business enterprises, which are classified as “Public Financial Enterprises”, Local Government will, where appropriate:

- Adopt a corporatisation model for those Local Government business enterprises.
  - Impose on significant business enterprises:
    - Full Commonwealth, State and Territory taxes on tax equivalent systems;
    - Debt guarantee fees directed towards off-setting the competitive advantages provided by government guarantees;
- &
- Those regulations to which private sector businesses are normally subject, such as those relating to the protection of the environment and planning and approval processes, on an equivalent basis to private sector competitors.

These principles have been designed to ensure that a local government has no unfair advantage over any competitor in the market place.

These principles only apply to business activities that receive more than \$200,000 in annual income, of which the Shire of Tammin has none, and therefore do not apply to the Shire of Tammin.

Council has not received any allegations of non-compliance with Competitive Neutrality Principles from the private sector.

#### Legislation Review

In accordance with the National Competition Policy all Local Laws have been reviewed and will be adopted in the 2010/11 financial year.

### ***Disability Access and Inclusion Plan:***

The Disability Services Act 1993 was amended in December 2004, creating a requirement of public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These plans had to be fully developed by July 2007, and replaced and built on the achievements of Disability Service Plans (DSPs).

Council adopted a DAIP in November 2007 for implementation. Council is required to report on our present activities as they relate to the six desired DAIP outcomes.

- (1) Council is continually adapting our existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organised by the Shire.
- (2) Council also continues with improvement to buildings and footpath infrastructure to assist both wheelchair and gopher access.
- (3) Wherever possible people with disabilities can receive information from the Shire in a format that will enable them to access the information as readily as other people are able to access it. This includes a comprehensive website and the ability to change documents to large font size.
- (4) The staff are always encouraged to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive. We are also working with contractors to ensure they are aware of their responsibilities.
- (5) People with disabilities have the same opportunities as other people to make complaints to the staff, this can be via written letters, e-mail, SMS or verbally.
- (6) Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances community members may have regarding the services available to the disabled.

### ***Public Interest Disclosure & Disclosure of Annual Salaries:***

#### Public Interest

The Public Interest Disclosure Act 2003 (the Act) aims to facilitate and encourage the disclosure of public interest information and to provide protection for those who have made disclosures and for those about whom disclosures are made.

The Shire of Tammin does not tolerate corrupt or other improper conduct, including mismanagement of public resources and the exercise of the public functions of the Shire and its officers, employees and contractors.

The Shire is committed to the aims and objectives of the Act and recognises the value and importance of contributions of staff to enhance administrative and management practices and supports disclosures being made by staff as to corrupt or other improper conduct.

During 2009/10 there were no disclosures made under the Act.

#### Annual Salaries

No employee of the Shire of Tammin received a salary in excess of \$100,000 for the year ended 30<sup>th</sup> June 2010.

### **Record Keeping Plan:**

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

Principal 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 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 role and responsibilities in regards to their compliance with the organisation's record keeping plan.

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

### **Register of Minor Complaints:**

Section 5.121 of the Local Government Act 1995 (Register of certain complaints of minor breaches) requires the complaints officer for each local government to maintain a register of complaints which records all complaints that result in action under section 5.110(6) (b) or (c) of the Act. (Conduct of Certain Officials)

Section 5.53 (2) (hb) of the Local Government Act 1995 requires disclosure in the Annual Report of details of entries made under section 5.121 during the financial year in the register of complaints, including:

- (i) the number of complaints recorded on the register of complaints;
- (ii) how the recorded complaints were dealt with; and
- (iii) any other details that the regulations may require.

In Accordance with these requirements, it is advised that no complaints of minor breaches under the Local Government Act 1995 were received during 2009/10.

### **Freedom of Information**

Section 96 of the *Freedom of Information Act* requires local governments to publish an Information Statement.

In summary, the Shire of Tammin's Statement indicates that the Shire of Tammin is responsible for the good governance of the Shire and carries out functions as required including statutory compliance and provision of services and facilities.

All Council meetings are open to the public and meeting dates and venues are advertised on a regular basis. Members of the public are invited to ask questions during Public Question Time shortly after the commencement of each meeting.

The Shire of Tammin maintains records relating to the function and administration of the Shire, each property within the Shire and includes such documents as the Minutes of Meetings, Rate Book, Town Planning Scheme, Local Laws, Codes of Conduct, Register of Financial Interests, Register of Delegated Authority, Financial Statements and Electoral Rolls. These documents can be inspected free of charge at the Shire Office, 1 Donnan Street, Tammin during office hours.

Where ever possible and practical and in line with privacy laws, the Shire of Tammin makes personal information readily available free of charge.

No Freedom of Information requests were received during the reporting period.

### ***Councillor Meeting Attendance***

Council Policy provides that Councillors' attendance at all Council meetings and Committee meetings which they have been appointed a member, be reported in the Annual Report.

	<b>Council</b>		<b>Committee</b>	
	<b><u>Eligible</u></b>	<b><u>Attended</u></b>	<b><u>Eligible</u></b>	<b><u>Attended</u></b>
Cr L. Caffell	13	13	2	2
Cr M. Greenwood	13	10	2	2
Cr S. Jefferies	13	12	1	1
Cr B. Stokes	13	13	2	2
Cr R. Stokes	13	13	1	1
Cr M. Wheeldon	5	5	1	1
Cr S Uppill	8	8	-	-



**Shire of Tammin**

**ANNUAL FINANCIAL STATEMENT**

**2009 - 2010**



# Shire of Tammin

## ANNUAL FINANCIAL STATEMENTS FOR YEAR ENDED 30<sup>th</sup> JUNE 2010

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SHIRE OF TAMMIN  
FINANCIAL REPORT

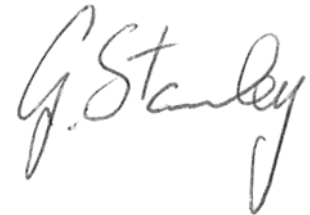
FOR THE YEAR ENDED 30 TH JUNE 2010

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Tammin being the annual financial report and other information for the financial year ended 30th June 2010 and in my opinion properly drawn up to present fairly the financial position of the Shire of Tammin as at 30th June 2010 and the results of the operations for the financial year ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the Regulations under the Act.

**Signed on the 8th day of November 2010**

A handwritten signature in black ink, appearing to read 'G. Stanley', written in a cursive style.

Graham Stanley

Chief Executive Officer

**SHIRE OF TAMMIN**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010**

2008/09 ACTUAL		Note	2009/10 ADOPTED BUDGET	2009/10 ACTUAL
\$	<b>EXPENSES</b>		\$	\$
(69,538)	General Purpose Funding		(73,255)	(76,676)
(199,538)	Governance		(243,924)	(195,048)
(14,460)	Law, Order, Public Safety		(25,990)	(12,270)
(71,644)	Health		(40,932)	(43,835)
(165,763)	Education and Welfare		(74,800)	(66,720)
0	Housing		0	0
(99,764)	Community Amenities		(95,661)	(96,941)
(407,663)	Recreation and Culture		(583,429)	(348,376)
(584,364)	Transport		(701,660)	(557,802)
(66,622)	Economic Services		(80,352)	(62,467)
(124,654)	Other Property and Services		(95,186)	(136,046)
(1,804,010)			(2,015,189)	(1,596,182)
	<b>REVENUE</b>			
8,920	General Purpose Funding		1,881,500	1,782,509
1,979,493	Governance		15,800	55,301
3,899	Law, Order, Public Safety		15,299	1,781
50,916	Health		3,650	7,237
71,550	Education and Welfare		54,314	50,163
0	Housing		0	0
69,519	Community Amenities		70,100	65,357
21,072	Recreation and Culture		42,411	33,456
271,214	Transport		336,780	299,065
4,656	Economic Services		3,010	1,522
140,269	Other Property & Services		51,800	69,718
2,621,508			2,474,664	2,366,109
817,498	<i>Increase(Decrease)</i>		459,475	769,927
	<b>DISPOSAL OF ASSETS</b>			
0	Land		0	0
0	Plant and Equipment		3,420	21,841
0	Furniture and Equipment		0	0
0	<i>Gain (Loss) on Disposal</i>		3,420	21,841
	<b>FINANCE COSTS</b>			
(14,283)	Recreation and Culture		(12,050)	(12,046)
(10,643)	Transport		(9,210)	(9,207)
(1,235)	Other Property & Services		(170)	(230)
(26,161)	<i>Increase(Decrease)</i>		(21,430)	(21,483)
<b>791,337</b>	<b>NET RESULT</b>		<b>441,465</b>	<b>770,285</b>
0	Changes on revaluation of non - current assets			
0	Rounding		1	(4)
<b>791,337</b>	<b>TOTAL COMPREHENSIVE INCOME</b>		<b>441,466</b>	<b>770,281</b>

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

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

	Note	2008/09 ACTUAL \$	2009/10 ACTUAL \$
<b>Retained surplus</b>			
Balance as at 1 July 2009		2,910,895	3,597,908
Total comprehensive Income		791,337	770,281
Sundry Adjustments - Early Loan Principal Repayment		0	132
Transfer from /(to) reserves	8	(104,324)	(16,209)
<b>Balance as at 30 June 2010</b>		<b>3,597,908</b>	<b>4,352,112</b>
<b>Reserves - cash backed</b>			
Balance as at 1 July 2009		249,498	353,822
Transfer from /(to) retained surplus	8	104,324	16,209
<b>Balance as at 30 June 2010</b>		<b>353,822</b>	<b>370,031</b>
<b>Reserves - asset revaluation</b>			
Balance as at 1 July 2009		20,166,175	20,039,816
Revaluation increment		0	0
Revaluation decrement	6	(126,359)	0
<b>Balance as at 30 June 2010</b>		<b>20,039,816</b>	<b>20,039,816</b>
<b>Total equity</b>		<b>23,991,546</b>	<b>24,761,959</b>

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

**SHIRE OF TAMMIN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2010**

	Note	2008/09 ACTUAL \$	2009/10 ACTUAL \$
<b>Current assets</b>			
Cash and cash equivalents	5	1,102,619	1,147,827
Trade and other receivables	28	43,601	148,955
Inventories	29	0	0
Other assets		0	0
<b>Total current assets</b>		<b>1,146,220</b>	<b>1,296,782</b>
<b>Non-current assets</b>			
Trade and other receivables	28	0	4,800
Property, infrastructure, plant and equipment	6	23,369,205	23,912,311
<b>Total non-current assets</b>		<b>23,369,205</b>	<b>23,917,111</b>
<b>Total assets</b>		<b>24,515,425</b>	<b>25,213,892</b>
<b>Current liabilities</b>			
Trade and other payables	30	74,551	82,662
Interest-bearing loans and borrowings	7	72,728	64,264
Provisions	32	39,648	26,919
<b>Total current liabilities</b>		<b>186,927</b>	<b>173,845</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	7	314,191	249,927
Provisions	32	22,761	28,161
<b>Total non-current liabilities</b>		<b>336,952</b>	<b>278,088</b>
<b>Total liabilities</b>		<b>523,879</b>	<b>451,933</b>
<b>Net assets</b>		<b>23,991,546</b>	<b>24,761,959</b>
<b>Equity</b>			
Retained surplus		3,597,908	4,352,112
Reserve - asset revaluation	8	20,039,816	20,039,816
Reserves - other (cash/investment backed)	8,11	353,822	370,031
<b>Total equity</b>		<b>23,991,546</b>	<b>24,761,959</b>

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

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

2008/09 ACTUAL		Note	2009/10 ADOPTED BUDGET	2009/10 ACTUAL
\$			\$	\$
	<b>Cash Flows from operating activities</b>			
	<b>EXPENDITURE</b>			
(683,839)	Employee Costs		(667,025)	(603,906)
(473,224)	Materials & Contracts		(597,500)	(391,923)
(83,932)	Utilities		(82,935)	(100,577)
(46,664)	Insurance		(49,663)	(52,342)
(26,617)	Interest Expenses		(21,896)	(21,949)
0	Goods and Services Tax		0	0
(66,421)	Other		(193,484)	(10,779)
<b>(\$1,380,697)</b>			<b>(\$1,612,503)</b>	<b>(\$1,181,477)</b>
	<b>REVENUE</b>			
632,298	Rates		632,210	634,730
1,490,361	Operating Grants, Subsidies and Contributions		1,287,450	878,499
236,386	Fees and Charges		215,174	109,539
38,852	Interest Received		34,450	59,762
0	Goods and Services Tax		0	0
7,921	Other		22,230	13,540
<b>\$2,405,818</b>			<b>\$2,191,514</b>	<b>\$1,696,070</b>
<b>\$1,025,121</b>	<b>Net Cash flows from Operating Activities</b>	9	<b>\$579,011</b>	<b>\$514,593</b>
	<b>Cash flows from investing activities</b>			
	<b>Payments</b>			
0	Purchase Tools		0	0
(177,197)	Purchase Property, Plant and Equipment		0	0
(271,521)	Purchase Construction of Infrastructure		0	0
0	Purchase Land and Buildings		(797,950)	(253,319)
0	Purchase Infrastructure Assets- Roads		(703,200)	(715,098)
0	Purchase Infrastructure Assets - Recreational Facilities		0	0
0	Purchase Infrastructure Assets - Other		0	(7,920)
0	Purchase Plant and Equipment		0	(602)
0	Purchase Furniture and Equipment		0	(1,576)
<b>(448,718)</b>			<b>(1,501,150)</b>	<b>(978,515)</b>
	<b>Receipts</b>			
0	Disposal of Land		0	0
0	Disposal of Furniture and Equipment		0	0
43,091	Disposal of Plant and Equipment		50,450	21,841
0	Contributions from Other Parties		0	0
<b>43,091</b>			<b>50,450</b>	<b>21,841</b>
<b>(\$405,627)</b>	<b>Net cash flows from investing activities</b>		<b>(\$1,450,700)</b>	<b>(\$956,674)</b>
	<b>Cash flows from financing activities</b>			
(79,487)	Loan Repayments -Principal		(64,264)	(72,596)
0	Loan Borrowings		0	0
0	Principal Repayments Received		0	0
<b>(\$79,487)</b>	<b>Net cash flows from financing activities</b>		<b>(\$64,264)</b>	<b>(\$72,596)</b>
	<b>Cash flows from government</b>			
	Receipts from appropriate grants			
0	Recurrent		0	0
203,485	Capital		283,150	559,885
<b>\$203,485</b>	<b>Net cash Provided By Government</b>		<b>\$283,150</b>	<b>\$559,885</b>
<b>\$743,492</b>	<b>Net (decrease)/increase in cash held</b>		<b>(\$652,803)</b>	<b>\$45,208</b>
359,127	Cash at the Beginning of Reporting Period		1,102,619	1,102,619
0	Rounding		0	0
<b>\$1,102,619</b>	<b>Cash at the End of Reporting Period</b>	9	<b>\$449,816</b>	<b>\$1,147,827</b>

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

**SHIRE OF TAMMIN**

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

	2008/09 ACTUAL \$	2009/10 ACTUAL \$
<b>RECONCILIATION OF CASH</b>		
Cash at Bank	1,102,069	1,147,277
Cash on Hand	550	550
<b>TOTAL CASH</b>	<b>1,102,619</b>	<b>1,147,827</b>
<b>RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT</b>		
Operating Result (As per Comprehensive Income Statement)	791,337	964,869
Depreciation	441,298	240,822
(Profit)/Loss on Disposal of Assets	6,731	(21,841)
Government Revenue for the Development of Assets	(203,485)	(559,885)
Changes in Assets and Liabilities		
(Increase)/Decrease in Inventory	0	
(Increase)/Decrease in Receivables	(5,513)	(110,154)
Increase/(Decrease) in Accounts Payable	(13,917)	8,577
Increase/(Decrease) in Accrued Interest	(454)	(466)
Increase/(Decrease) in Provisions - Employees Entitlements	9,124	(7,329)
Rounding		1
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>1,025,121</b>	<b>514,593</b>

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

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

2008/09 ACTUAL		NOTES	2009/10 ADOPTED BUDGET	2009/10 ACTUAL
\$	<b>REVENUE</b>	2,3,4	\$	\$
1,366,382	General Purpose Funding		1,244,889	1,145,864
8,921	Governance		15,800	55,301
3,899	Law, Order Public Safety		15,299	1,781
50,916	Health		3,650	7,237
71,550	Education and Welfare		54,314	50,163
0	Housing		0	0
69,519	Community Amenities		70,100	65,357
21,014	Recreation and Culture		42,411	33,456
271,214	Transport		336,780	299,065
4,714	Economic Services		3,010	1,522
140,270	Other Property and Services		51,800	69,718
<b>\$2,008,399</b>			<b>\$1,838,053</b>	<b>\$1,729,464</b>
	<b>LESS EXPENDITURE</b>	2,3,4		
(69,538)	General Purpose Funding		(73,255)	(76,676)
(199,538)	Governance		(243,924)	(195,048)
(14,460)	Law, Order, Public Safety		(25,990)	(12,270)
(71,644)	Health		(40,932)	(43,835)
(165,763)	Education and Welfare		(74,800)	(66,720)
0	Housing		0	0
(99,764)	Community Amenities		(95,661)	(96,941)
(421,946)	Recreation and Culture		(595,479)	(360,422)
(595,007)	Transport		(710,870)	(567,009)
(66,622)	Economic Services		(80,352)	(62,467)
(125,890)	Other Property & Services		(95,356)	(136,276)
<b>(1,830,172)</b>			<b>(2,036,619)</b>	<b>(1,617,665)</b>
<b>178,227</b>	<i>Increase(Decrease)</i>		<b>(198,566)</b>	<b>111,799</b>
	<b>ADD</b>			
0	Early Loan Payment		0	(133)
4,256	Provisions Employee Entitlements Accrued		7326	12729
0	Deferred Pensioner Rates (Non-Current)		0	0
0	Principal Repayment Received -Loans	7,11	0	0
-	(Profit)/ Loss on the disposal of assets	6,11	3,420	21,841
441,298	Depreciation Written Back	6	425,720	435,410
49,822	Proceeds from Sale of Assets	6	47,030	0
<b>\$495,376</b>			<b>\$483,496</b>	<b>\$469,847</b>
<b>\$673,603</b>	<i>Sub Total</i>		<b>\$284,930</b>	<b>\$581,646</b>
	<b>LESS CAPITAL PROGRAMME</b>			
0	Purchase Tools			
(26,949)	Purchase Land & Buildings	6,26	(531,500)	(253,319)
(262,268)	Infrastructure Assets - Roads	6,26	(539,860)	(715,098)
0	Infrastructure Assets - Recreation Facilities	6,26	(4,000)	0
(9,253)	Infrastructure Assets - Other	6,26	(163,340)	(7,920)
(147,792)	Purchase Plant and Equipment	6,26	(263,450)	(602)
(2,456)	Purchase Furniture and Equipment	6,26	(3,000)	(1,576)
(72,807)	Repayment of Debt - Loan Principal	7,11	(64,264)	(72,596)
(113,114)	Transfer to Reserves	8,11	(14,153)	(16,209)
(634,639)			(1,583,567)	(1,067,319)
0	<b>ABNORMAL ITEMS</b>		0	0
\$0			\$0	\$0
0	Plus Rounding		0	-
(634,639)			(1,583,567)	(1,067,319)
38,964	<i>Sub Total</i>		(1,298,637)	<b>(\$485,673)</b>
	<b>LESS FUNDING FROM</b>			
0	Loans	7,11	0	0
8,790	Reserves	8,11	0	0
(55,393)	Opening Funds - July 1 B/Fwd	25	605471	605471
(605,471)	Closing Funds - June 30 C/Fwd	25	56555	(756,443)
(652,074)			662,026	<b>(\$150,972)</b>
<b>(613,110)</b>	<b>AMOUNT TO BE MADE UP FROM RATES</b>		<b>(636,611)</b>	<b>(\$636,645)</b>

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



**SHIRE OF TAMMIN  
STATEMENT OF RATING INFORMATION  
FO THE YEAR ENDED 30 JUNE 2010**

	CURRENT YEAR ESTIMATED 2009/10									CURRENT YEAR ACTUAL 2009/10								
	GENERAL RATE				MINIMUM RATE					GENERAL RATE				MINIMUM RATE				
	No. of Prop.	Rateable value \$	U.V. Rate in \$	Rate Yield \$	No.	Minimums Rateable value \$	Min. Rate \$	Yield \$	TOTAL \$	No. of Prop.	Rateable value \$	U.V. Rate in \$	Rate Yield \$	No.	Minimums Rateable value \$	Min. Rate \$	Yield \$	TOTAL \$
General Rate GRV.	75	385,216	0.137565	52,992	59	30,899	350.00	20,650	73,642	75	385,216	0.137565	52,992	59	30,899	350.00	20,650	73,642
General Rate UV - Rural	169	61,052,500	0.009443	576,519	19	338,107	350.00	6,650	583,169	169	61,052,500	0.009443	576,519	19	338,107	350.00	6,650	583,169
				0				0	0				0				0	0
				0				0	0				0				0	0
<b>SUB TOTAL GENERAL RATE</b>	<b>244</b>	<b>61,437,716</b>		<b>629,511</b>	<b>78</b>	<b>369,006</b>		<b>27,300</b>	<b>656,811</b>	<b>244</b>	<b>61,437,716</b>		<b>629,511</b>	<b>78</b>	<b>369,006</b>		<b>27,300</b>	<b>656,811</b>
Interim Rates									1,000									1,071
Ex-Gratia Rates									4,400									4,479
Discount Allowed									(25,600)									(25,716)
<b>SUB TOTAL</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	<b>(20,200)</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	<b>(20,166)</b>
<b>GRAND TOTAL</b>	<b>244</b>	<b>61,437,716</b>		<b>629,511</b>	<b>78</b>	<b>369,006</b>		<b>27,300</b>	<b>636,611</b>	<b>244</b>	<b>61,437,716</b>		<b>629,511</b>	<b>78</b>	<b>369,006</b>		<b>27,300</b>	<b>636,645</b>

**NOTE: ( 1 ) THE OBJECT AND REASON FOR GENERAL AND MINIMUM RATE**

Council has imposed a general rate of 0.137565 GRV and 0.009443 UV and a minimum rate of \$350.00 pa, as Council perceives it to be a "reasonable" minimum level of rates which all ratepayers in its district should pay. The minimum rate reflects the basic cost incurred by the Council in servicing each lot or dwelling in its district.

**( 2 ) RATES LEVIED IF NO MINIMUM RATE OF \$600 PA WAS IMPOSED**

Total GRV & U.V. Applicable to Properties that Minimum rate applies	X	General Rate in Dollar	=	Rates Levied on Properties that the Minimum Rate Applies
416,115	X	0.137565	=	\$ 57,243
61,390,607	X	0.009443	=	\$ 579,712

**SHIRE OF TAMMIN**  
**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 report which has been prepared in accordance with the applicable 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 a fair value through profit and loss and certain classes of non-current assets, financial assets and liabilities.

**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 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 10 to this financial report.

**(c) Goods and Services Tax**

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

**(d) Cash and Cash Equivalents**

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

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

**(e) Trade and Other Receivables**

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

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

## 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 from trading are classified as current even if not expected to be realised in the next 12 months.

#### *Land Held for Resale*

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

Revenue arising from the sale of property is recognised in the Income Statement as at the time of signing a binding contract of sale.

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

### (g) Fixed Assets

#### *Initial Recognition*

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

#### *Revaluation*

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

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

#### *Land under Roads*

In Western Australia, all land under roads is crown land, the responsibility for managing which is vested in the Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 1 July 2008, as detailed above. Local Government (Financial Whilst such treatment is inconsistent with the requirements of AASB1051, Local Government (Financial Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

### (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:

## 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (h) Depreciation of Non-Current Assets (Continued)

Buildings	50 to 100 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - hotmix/bitumen	15 years
Other Infrastructure	10 to 50 years

### (I) Investments and Other Financial Assets

#### **Classification**

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

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

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

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

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

#### *(iii) Held-to-maturity investments*

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

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

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

#### **Recognition and derecognition**

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

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

## 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

#### Recognition and derecognition

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

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

#### Subsequent measurement

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

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

#### Impairment

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

### (j) Estimation of Fair Value

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

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

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

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

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

## 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

### (k) Impairment

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

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

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

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

### (l) Trade and Other Payables

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

### (m) Employee Benefits

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

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

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

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

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

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

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

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

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

## 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### ***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.

### **(o) Provisions**

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

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

### **(p) Leases**

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

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

### **(q) Joint Venture**

The municipality's interest in a joint venture has been recognised in the annual budget by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Balance Sheet and Income Statement. Information about the joint venture is set out in Note 21.

### **(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 5(b). 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 Shire of Tammin 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.

### **(t) Rounding Off Figures**

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

### **(u) Comparative Figures**

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

## 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (v) 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.

### (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.

### (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	1 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	1 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	1 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	1 January 2010	Nil - The Council will not have applicable transactions.



## 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	1 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	1 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	1 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	February 2010	1 July 2010	

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

Title and Topic	Issued	Applicable (*)	Impact
(vi) (Continued)			
AASB 2009- 10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB132]	October	1 Feb 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.
	Decembe	01 July 2010	
Interpretation 19– Extinguishing Financial Liabilities with Equity Instruments	Decembe	1 January	
AASB 2009– 14 Amendments to Australian Interpretations – Prepayments of a minimum Funding Requirement [AASB			

Notes:

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

(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 AABS 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.

## 2 REVENUES AND EXPENSES

The Net Result includes:

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
	<b>Charging as Expenses</b>		
441,298	Depreciation on Non-Current Assets	425,720	435,410
5,200	Auditors Remuneration	6,375	7,000
26,616	Interest Expenses	21,430	21,483
	<b>Crediting as Revenue</b>		
	Interest on Earnings		
16,113	Reserve Funds	14,150	16,209
19,853	Other Funds	19,000	39,351
2,885	Other Interest Revenue	1,300	4,202
<u>38,851</u>		<u>34,450</u>	<u>59,762</u>
	Profit/(Loss) on Sale of Non-Current Assets		
0	Land	0	0
0	Buildings	0	0
6,731	Plant and Equipment	3,420	21,841
0	Furniture and Equipment	0	0
<u>6,731</u>		<u>3,420</u>	<u>21,841</u>

## 3 DESCRIPTION OF FUNCTIONS/ACTIVITIES

The principal activities of Council for the Local Government of the Shire of Tammin covers the provisions of law, order, public safety services, education services, health services, welfare services, housing services, community amenities, recreation and cultural services, transport services, economic services, and other property services as permitted under the Local Government Act or other written law.

### Description of Programs

#### **General Purpose Funding**

Details rates levied, interest on late payment of rates, general purpose grants and interest received on investments

#### **Governance**

This service provides assistance to elected members and ratepayers on matters which do not concern specific council services

#### **Law, Order, Public Safety**

This service provides for the supervision of local laws, fire prevention and animal control.

#### **Health**

This service provides for food quality and pest control, support to child health clinic, medical service and administration of health scheme.

#### **Education and Welfare**

This service provides for maintenance of old school, donation towards school awards and youth activities. Retirement Village is reported in this programme.

#### **Housing**

This service provides for the maintenance of staff housing and retirement village. The revenue and expenditure is reported in the programme where it is provided. Retirement Village is reported in the Education and Welfare programme.

#### **Community Amenities**

This service provides the collection of rubbish, operation of waste disposal sites, administration of town planning schemes, maintenance of cemeteries and protection of the environment.

#### **Recreation and Culture**

This service provides for the maintenance of halls, recreation grounds and various reserves. The operations of the library is also included.

#### **Transport**

This service provides for the maintenance of roads, bridges, footpaths, cleaning and lighting of streets, street trees, depot maintenance and aerodrome maintenance. Revenue associated with the construction of roads, etc is also recorded in this programme.

#### **Economic Services**

This service provides for weed control, tourism and area promotion, implementation of building controls, swimming pool inspections and promotion of economic development initiatives.

#### **Other Property and Services**

This service provides for the undertaking of private works, allocation of on-costs and plant operation costs, recording of material and stock, salaries and wages paid and allocated to works.

#### 4 REVENUES AND EXPENSES BY NATURE AND TYPE

Expenses and revenues classified according to nature and type.

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
S		S	S
	<b>Operating Expenses</b>		
(688,707)	Employee Costs	(667,025)	(599,756)
(473,224)	Materials and Contracts	(597,500)	(386,844)
(83,932)	Utility Charges (Gas, Electricity, Water, etc)	(82,935)	(100,577)
(441,299)	Depreciation on Non-Current Assets	(425,720)	(435,410)
(13,423)	Loss on Asset Disposals	(12,030)	0
(26,616)	Interest Expenses	(21,430)	(21,483)
(46,664)	Insurance Expenses	(49,663)	(52,342)
(56,307)	Other Expenses	(192,346)	(21,257)
<b>(1,830,172)</b>	<b>Agrees with Comprehensive Income Statement</b>	<b>(2,048,649)</b>	<b>(1,617,669)</b>
	<b>Operating Revenues</b>		
613,111	Rates	636,611	636,646
1,375,040	Operating Grants, Subsidies and Contributions	1,287,450	878,499
203,485	Non - Operating Grants, Subsidies and Contributions	283,150	559,885
6,692	Profit on Asset Disposals	15,450	21,841
261,014	Fees and Charges	215,174	217,777
38,851	Interest Earnings	34,450	59,762
123,316	Other Revenue	17,830	13,540
<b>2,621,509</b>	<b>Agrees with Comprehensive Income Statement</b>	<b>2,490,115</b>	<b>2,387,949</b>
<b>0</b>	Rounding	<b>0</b>	<b>0</b>
<b>\$791,337</b>	<b>Net Result</b>	<b>\$441,466</b>	<b>\$770,281</b>

#### 5 CASH AND CASH EQUIVALENTS

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
S		S	S
550	Cash on Hand	550	550
748,247	Cash at Bank	90,938	21,713
353,822	Investments	367,975	1,125,564
<b>1,102,619</b>	Represented by:-	<b>459,463</b>	<b>1,147,827</b>
353,822	Restricted	367,975	683,493
748,797	Unrestricted	91,488	464,334
<b>1,102,619</b>		<b>459,463</b>	<b>1,147,827</b>

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
S		S	S
	(a) Restricted Funds		
	The following restrictions have been imposed by regulations or other externally		
12,624	Information and Technology Reserve	13,129	13,203
283,748	Plant Reserve	295,098	296,746
11,691	Long Service Leave Reserve	12,159	12,227
40,887	Aged Pensioners Units Reserve	42,522	42,760
4,872	Entitlements Reserve	5,067	5,095
0	Housing Reserve	0	0
517,040	Unexpended Grants	0	313,462
<b>870,862</b>		<b>367,975</b>	<b>683,493</b>

**5 CASH AND CASH EQUIVALENTS (Continued)**

(b) Conditions over contributions

Contributions and Grants recognised as revenues during the financial year in respect of which expenditure had not been made.

0	-Govt Grant - Country Local Government Fund Capital Works Plan	0	35,000
49,597	Regional & Local Community Infrastructure Programme - Round 1	0	0
0	Regional & Local Community Infrastructure Programme - Round 2 (Hall Kitchen)	0	9,567
271,715	Royalties for Regions (R4R)	0	262,643
0	Lottery West Grant - Function and Events		6,252
195,728	Grants Commission FAGS (2009/10 General Purpose Component)	0	0

Grants received in a previous financial year which have been expended during the financial year.

0	- Govt Grant - Regional Infrastructure -	0	0
0	Regional & Local Community Infrastructure Programme - Round 1	0	0
0	Royalties for Regions (R4R)	0	0
0	Grants Commission FAGS (2009/10 General Purpose Component)	0	0
0	- Govt Grant - Royalties For Regions -	0	0

<b>517,040</b>		<b>0</b>	<b>313,462</b>
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**6 FIXED ASSETS**

(a) Disposal of Assets

In accordance with Financial Management Regulation 36(1)(e), the following information is provided in relation to the disposal of Assets by Asset Class:

Asset by Class	Proceeds		Written Down		Gain(Loss)	
	Sale of Assets		Value		on Disposal	
	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010
Adopted	Adopted	Adopted	Adopted	Adopted	Adopted	
Budget	Actual	Budget	Actual	Budget	Actual	
\$	\$	\$	\$	\$	\$	
Plant and Equipment	50,450	21,841	47,030	0	3,420	21,841
<b>TOTAL BY CLASS OF ASSET</b>	<b>50,450</b>	<b>21,841</b>	<b>47,030</b>	<b>0</b>	<b>3,420</b>	<b>21,841</b>

Asset by Program	Proceeds	Written	Gain/(Loss)
	Sale of Assets	Down Value	on Disposal
	\$	\$	\$
Governance	0	0	0
Law, Order, Public Safety	0	0	0
Health	0	0	0
Education and Welfare	0	0	0
Housing	0	0	0
Community Amenities	0	0	0
Recreation and Culture	0	0	0
Transport	21,841	0	21,841
Economic Services	0	0	0
Other Property and Services	0	0	0
<b>TOTAL BY PROGRAM</b>	<b>21,841</b>	<b>0</b>	<b>21,841</b>

(b) Borrowing Costs Incurred and Capitalised as Part of a Qualifying Asset

No Borrowing Costs were incorporated in the Financial Statement as Assets purchased were funded from General Purpose Funding.

(c) Fixed Assets Classified according to Class

Actual 2008/2009			Actual 2009/2010	
\$	\$		\$	\$
2,380,963		Land and Buildings (at cost)	2,634,282	
(499,128)	1,881,835	Less Accumulated Depreciation	(569,881)	2,064,401
199,869		Furniture and Equipment (at cost)	201,445	
(183,321)	16,548	Less Accumulated Depreciation	(190,617)	10,828

**6 FIXED ASSETS** (Continued)

(c) **Fixed Assets Classified according to Class**

1,445,664		Plant and Equipment (at cost)	1,365,667	
<u>(1,009,722)</u>	435,942	Less Accumulated Depreciation	<u>(1,010,410)</u>	355,257
2,796		Tools (at cost)	2,796	
<u>(2,796)</u>	0	Less Accumulated Depreciation	<u>(2,796)</u>	0
<b>Infrastructure Assets</b>				
29,735,903		Roads (at valuation)	29,735,903	
262,269		Roads (at cost)	853,694	
<u>(9,949,190)</u>	20,048,982	Less Accumulated Depreciation	<u>(10,143,778)</u>	20,445,819
455,558		Footpaths (at cost)	579,231	
<u>(282,520)</u>	173,038	Less Accumulated Depreciation	<u>(316,235)</u>	262,996
984,830		Other Structures (at cost)	992,749	
<u>(171,970)</u>	812,860	Less Accumulated Depreciation	<u>(219,740)</u>	773,009
		Rounding		
<u>23,369,205</u>		<b>TOTAL FIXED ASSETS</b>	<u>23,912,311</u>	

Assets at cost are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 "Impairment of Assets"

During 2009/2010, the Shire engaged Cardno Pty Ltd to conduct a full road inventory and condition rating audit. This Audit resulted in the Shire revaluing its Road Assets to reflect the current replacement valuation less depreciation based on the current condition.

(d) **Movements in Carrying Amounts**

Movement in the carrying amounts of each class of property, plant, and equipment between the beginning and the

Program	Land and Buildings	Furniture and Equip.	Plant and Equip.	Tools	Footpaths	Roads	Other	S	S
	S	S	S	S	S	S	S	S	S
<b>Asset Balance at the beginning of the year</b>	2,380,963	199,869	1,445,664	2,796	455,558	29,998,172	984829.76		35,467,852
<b>Assets Acquired during the year</b>	253,319	1,576	602	0	123,673	591,425	7919.57	0	978,515
<b>Assets Disposed during the year</b>	0	0	(80,599)	0	0	0	0	0	(80,599)
<b>Revaluation Increments/ (decrements)</b>	0	0	0	0	0	0	0	0	0
<b>Asset Balance at the end of the year</b>	2,634,282	201,445	1,365,667	2,796	579,231	30,589,597	992,749	0	36,365,768
<b>Depreciation at the beginning of the year</b>	(499,128)	(183,321)	(1,009,723)	(2,796)	(282,520)	(9,949,190)	(171,970)		(12,098,646)
<b>Depreciation Expense Raised</b>	(70,753)	(7,296)	(81,287)		(33,715)	(194,588)	(47,771)		(435,410)
<b>Depreciation Expense Written Back on Disposals</b>	0	0	80,599	0	0	0	0	0	80,599
<b>Revaluation Increments/ (decrements)</b>	0	0	0	0	0	0	0	0	0
<b>Depreciation at the end of Year</b>	(569,881)	(190,617)	(1,010,410)	(2,796)	(316,235)	(10,143,778)	(219,740)	0	(12,453,458)
<b>Net Asset Values at the end of the year</b>	2,064,401	10,828	355,257	0	262,996	20,445,819	773,009	0	23,912,311

## 7 BORROWINGS INFORMATION

- (a) In accordance with Financial Management regulation 48 the unspent balance of money borrowed in previous years is summarised as follows:

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
S		S	S
0	Loans Unspent	0	0
0	Amount Expended	0	0
<b>Nil</b>	<b>CLOSING BALANCE</b>	<b>Nil</b>	<b>Nil</b>

- (b) Loans Raised in Financial Year

No new Loans were raised during the 2009/2010 financial year.

- (c) Loan Repayments

Program	Loan No.	Principal 01.07.09	Loans Raised		Interest		Loan Repayment	
			Budget 2009/2010	Actual 2009/2010	Budget 2009/2010	Actual 2009/2010	Budget 2009/2010	Actual 2009/2010
		S	S	S	S	S	S	S
Recreation	76	207,599	0	0	12,050	12,046	36,551	36,551
Transport	77	167,084	0	0	9,210	9,207	23,941	23,941
Other Property	75	12,236	0	0	170	230	12,236	12,236
		<b>386,919</b>	<b>0</b>	<b>0</b>	<b>21,430</b>	<b>21,484</b>	<b>72,728</b>	<b>72,728</b>
PLUS Change in Net Accrual					0		0	0
<b>TOTAL</b>		<b>386,919</b>	<b>0</b>	<b>0</b>	<b>21,430</b>	<b>21,484</b>	<b>72,728</b>	<b>72,728</b>
Loan Repayments to be financed by the Shire					21,430	21,484	72,728	72,728
Loan Repayments reimbursed from external sources								
<b>TOTAL</b>					<b>21,430</b>	<b>21,484</b>	<b>72,728</b>	<b>72,728</b>

## 8 RESERVES

In accordance with Financial Management Regulation 38 the following Reserve account information is disclosed.

- (a) Information Technology Reserve (Cash Backed)

Purpose - to fund information technology acquisitions

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
S		S	S
11,863	Opening Balance	12,624	12,624
	Plus Transfer from Accumulated Surplus		
761	- Interest Received	505	579
	- Transfer		
	Less Transfer to Accumulated Surplus		
	- Purchases		
<b>12,624</b>	<b>CLOSING BALANCE</b>	<b>13,129</b>	<b>13,203</b>

**8 RESERVES** (Continued)

(b) **Plant Reserve (Cash Backed)**

Purpose - Acquisition of Major Plant & Equipment.

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
175,280	<b>Opening Balance</b>	283,748	283,748
108,468	<b>Plus Transfer from Accumulated Surplus</b>		
	- Interest Received	11,350	12,998
	<b>Less Transfer to Accumulated Surplus</b>		
<u>283,748</u>	<b>CLOSING BALANCE</b>	<u>295,098</u>	<u>296,746</u>

(c) **Long Service Leave Reserve (Cash Backed)**

Purpose - To fund staff long service leave entitlements.

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
10,984	<b>Opening Balance</b>	11,691	11,691
	<b>Plus Transfer from Accumulated Surplus</b>		
707	- Interest Received	468	536
	<b>Less Transfer to Accumulated Surplus</b>		
<u>11,691</u>	<b>CLOSING BALANCE</b>	<u>12,159</u>	<u>12,227</u>

(d) **Aged Pensioner Units Reserve (Cash Backed)**

Purpose - Fund the maintenance of the Tamma Village Senior Units

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
38,420	<b>Opening Balance</b>	40,887	40,887
2,467	<b>Plus Transfer from Accumulated Surplus</b>		
	- Interest Received	1,635	1,873
-	- Other		
	<b>Less Transfer to Accumulated Surplus</b>		
	- Maintenance costs on Tamma Village		
<u>40,887</u>	<b>CLOSING BALANCE</b>	<u>42,522</u>	<u>42,760</u>

(e) **Entitlements Reserve (Cash Backed)**

Purpose - Fund staff leave entitlement liabilities

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
12,951	<b>Opening Balance</b>	4,872	4,872
	<b>Plus Transfer from Accumulated Surplus</b>		
711	- Interest Received	195	223
-	- Other		
(8,790)	<b>Less Transfer to Accumulated Surplus</b>		
	- Staff Leave entitlements paid		
<u>4,872</u>	<b>CLOSING BALANCE</b>	<u>5,067</u>	<u>5,095</u>



## 8 RESERVES (Continued)

### (f) Housing Reserve (Cash Backed)

Purpose - Fund the provision of housing

The transactions of the Reserve Fund are summarised as follows:

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
0	<b>Opening Balance</b>	0	0
	<b>Plus Transfer from Accumulated Surplus</b>		
-	- Interest Received	0	-
0	<b>Less Transfer to Accumulated Surplus</b>		
	- Other		
<u>0</u>	<b>CLOSING BALANCE</b>	<u>0</u>	<u>0</u>
<u>353,822</u>	<b>TOTAL</b>	<u>367,975</u>	<u>370,031</u>

All of the above Reserve Accounts are Cash Backed and are disclosed as Restricted Cash Assets in Note 5 of the Annual

Its anticipated that the Reserves will be utilised over the next 1 to 10 years .Council would expect further transfers to be made to some of the Reserves as funds are utilised.

### (k) Reserves - Asset Revaluation

During 2009/2010 Financial year the Shire engaged Cardno Consultants to conduct a revaluation on the Shire Road Assets. This resulted in a revaluation of the assets as such the establishment of this reserve.

The Asset Revaluation Reserve is not Cash Backed and future transactions in the Reserve will be in accordance with the Shire of Tammin Accounting Policy.

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
	<b>Asset Revaluation Reserve (Roads)</b>		
20,166,175	Balance brought forward 1st July	20,039,815	20,039,815
(126,360)	Revaluation increment/(decrement) of Assets during current financial year	0	-
<u>20,039,815</u>	<b>CLOSING BALANCE</b>	<u>20,039,815</u>	<u>20,039,815</u>

## 9 CASH FLOW INFORMATION

Reconciliation of cash flows from operations with change in net equity resulting from operations.

For the purpose of the Cash Flow Statement, cash includes cash on hand and in or at call deposits with Banks or Financial Institutions.

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
	<b>Change in net equity from operations</b>		
791,337	Net Result	441,466	770,281
441,298	Depreciation	425,720	435,410
6,731	(Profit)/Loss on sale of Fixed Assets	(3,420)	(21,841)
(203,485)	Government Revenue	(283,150)	(559,885)
	<b>Change in Assets and Liabilities</b>		
0	(Increase)/Decrease in Inventory	0	0
9,124	(Increase)/Decrease in Employee Provisions	7,326	(7,329)
(454)	(Increase)/Decrease in Prepaid Expenses	(466)	(466)
(5,513)	(Increase)/Decrease in Debtors	0	(110,154)
(13,917)	(Increase)/Decrease in Creditors	(8,464)	8,577
	Rounding		
<u>1,025,121</u>	<b>Cash flows from Operations</b>	<u>579,012</u>	<u>514,593</u>

## 9 CASH FLOW INFORMATION (Continued)

20,000	Credit Card Facility	20,000	20,000
-		-	-
100,000	Bank Overdraft limit	100,000	100,000
-	Amount Utilised	-	-
<b>120,000</b>	Unused Facility available	<b>120,000</b>	<b>120,000</b>

### RECONCILIATION OF CASH

231,757	Cash at Bank - Operating	209,342	777,796
870,862	Restricted Reserves	367,975	370,031
<b>1,102,619</b>	<b>TOTAL CASH</b>	<b>577,317</b>	<b>1,147,827</b>

## 10 TRUST FUND INFORMATION

In accordance with Financial Management Regulation 37 the transactions of the Trust Fund are summarised as follows:

### TRUST FUND FOR THE PERIOD ENDED 30 JUNE 2010

PARTICULARS	OPENING	RECEIPTS		PAYMENTS		CLOSING BALANCE	
	BALANCE	ADOPTED	ACTUAL	ADOPTED	ACTUAL	ADOPTED	ACTUAL
	1/07/2009	BUDGET	2009/2010	BUDGET	2009/2010	BUDGET	30/06/2010
	\$	\$	\$	\$	\$	\$	\$
<b>DEPOSITS</b>							
Nominations Deposits	0	0	400	0	400	0	0
Security Deposits	0	0	11,000	0	11,000	0	0
House Bonds	1,540	240	1,680	240	1,740	1,540	1,480
Tamma Village Bonds	-	0	0	0	-	0	-
Best Memorial Trust	441	0	103	441	-	0	544
Pre-Paid Rates	13,000	0	14,000	13,000	13,000	0	14,000
							-
<b>TOTAL</b>	<b>14,981</b>	<b>240</b>	<b>27,183</b>	<b>13,681</b>	<b>26,140</b>	<b>1,540</b>	<b>16,024</b>

## 11 COMPARISON WITH RATE SETTING STATEMENT

In accordance with Financial Management regulation 36(1)(a) the following information provides details of all income and expenditure together with movements to and from Reserve Accounts which have been included in the Rate Setting Statement but which have not been included in the Comprehensive Income Statement.

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
	<b>Non Operating Income</b>		
0	Principal Repayment	0	0
	Proceeds from Disposal of Assets		
0	Furniture and Equipment	0	0
43,090	Plant and Equipment	50,450	21,841
8,790	Transfer from Reserves	0	0
	Loan Borrowings	0	0
<b>51,880</b>	<b>TOTAL</b>	<b>50,450</b>	<b>21,841</b>
	<b>Non Operating Expenditure</b>		
26,949	Purchase Land and Buildings	531,500	253,319
147,792	Purchase Plant and Equipment	263,450	602
2,496	Purchase Furniture and Equipment	3,000	1,576
262,268	Infrastructure Assets-Roads	539,860	715,098
0	Infrastructure Assets-Recreation	4,000	-
0	Purchase Tools	-	-
9,253	Infrastructure Assets-Other	163,340	7,920
72,807	Repayments of Debt-Principal	64,264	72,596
113,114	Transfer to Reserves	14,153	16,209
<b>634,679</b>	<b>TOTAL</b>	<b>1,583,567</b>	<b>1,067,320</b>

## 12 RATING INFORMATION

In accordance with Financial Management Regulation 39 Council has imposed the following Rates:

### (A) General and Minimum Rate

<u>Actual</u> 2008/2009		<u>Adopted</u> <u>Budget</u> 2009/2010	<u>Actual</u> 2009/2010
\$		\$	\$
Rate in \$ 0.133560	- General Rate (The basis for the rate is Gross Rental Value)		Rate in \$0.137565
Rate in \$0.016094	- General Rate Rural (The basis for the rate is Unimproved Value)		Rate in \$0.009443
\$300 pa	- Minimum Rate		\$350 pa

#### The Objects and Reasons for General and Minimum Rate

Council has imposed a general rate of \$0.137565 GRV and \$0.009443 UV and a minimum rate of \$350.00 pa, as Council perceives it to be a "reasonable" minimum level of rates which all ratepayers in its district should pay. The minimum rate reflects the basic cost incurred by the Council in servicing each lot or dwelling in its district.

For additional information on the rates levied refer to the "Statement of Rating Information".

### (B) Specified Area Rates

No specified area rates will be levied during the year 2009/10

## 13 SERVICE CHARGES

The Shire of Tammin does not have any Service Charges as described in Section 6.38(1) of the Local Government

## 14 INFORMATION ABOUT DISCOUNTS, INCENTIVES, CONCESSIONS AND WRITE OFFS

Pursuant to Section 6.12 of the Local Government Act and Financial Management Regulation 42 the Shire of Tammin has granted the following discount for the payment of rates and rubbish charge to apply as follows:

#### (i) Discount on Rates and Service Charges

The Council offered a discount in 2009/2010 if rates and charges are paid within 35 days of the date of service (which appears on the rate notice). Entitled pensioners, under the Local Government (Rates, Rebates and Deferrals) Act are eligible where 50% of the rates are paid in full.

GENERAL RATES	DISCOUNT	FOR EARLY PAYMENT OF RATES	%	VALUE \$
General Rate - GRV	Discount	For early payment of rates	5%	2,220
General Rate - UV	Discount	For early payment of rates	5%	23,496
		<b>Total Discount</b>		<b>25,716</b>

#### (ii) Incentive Scheme (Rates)

The Council did not offer an incentive scheme operates for the early payment of rates.

## 15 INTEREST CHARGES FOR THE LATE PAYMENT OF RATES CHARGES

- (1) Pursuant to Section 6.51 of the Local Government Act and Financial Management Regulation 43(a) the Shire of Tammin has imposed the following rate of interest applicable for the late payment of rates and rubbish charge to apply as follows:

(a) Where no election has been made to pay the rate and rubbish charge by instalments due

- (i) after it becomes due and payable;  
or  
(ii) 35 days after the date of issue of the rate notice  
which ever is the later.

(b) Where an election has been made to pay the rate & rubbish charge by instalments and an instalment remains unpaid after its due and payable

The rate of interest applied is 11% and the revenue derived from the imposition of the interest amounts to \$2,085 for the 2009/2010 financial year.

- (2) Pursuant to Section 6.45 of the Local Government Act and Financial Management Regulation 27(c) the due date of each instalment is as follows:

1st Instalment	29 September 2009
2nd Instalment	27 November 2009
3rd Instalment	27 January 2010
4th Instalment	29 March 2010

## 15 INTEREST CHARGES FOR THE LATE PAYMENT OF RATES CHARGES (continued)

- (2) Administration charges on an instalment Plan is \$10.00 per instalment for instalments 2, 3 and 4 which derived \$960 in 2009/2010. Simple interest of 5.5% was charged on instalment plans, the revenue derived from the interest imposition amounted to \$1,943 for the 2009/2010 financial year.
- (3) No interest is charged under Section 6.13 of the Local Government 1995 for the late payment of money other than rates

## 16 FEES AND CHARGES INFORMATION

- (a) In accordance with Financial Management Regulation 41, the total revenue from Fees and Charges for each program is summarised as follows:

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
226	General Purpose Funding	3,300	1,806
1,343	Governance	1,200	10,301
1,643	Law, Order, Public Safety	920	581
6,393	Health	3,650	7,237
49,543	Education and Welfare	48,614	50,163
0	Housing	0	0
69,491	Community Amenities	70,100	65,357
8,215	Recreation and Culture	38,540	12,288
8,209	Transport	0	2,048
2,315	Economic Services	2,950	1,522
113,636	Other Property and Services	45,900	66,474
<b>261,014</b>	<b>TOTAL FEES AND CHARGES</b>	<b>215,174</b>	<b>217,778</b>

- (b) Fees and Charges amended during the financial year are as follows:

No amendments were made during the 2009/2010 financial year.

## 17 INVESTMENTS

Earnings from Investments is summarised as follows:

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
19,853	General Account	19,000	39,351
16,113	Reserve Funds	14,150	16,209
2,885	Other Interest on Late Payment of Rates	1,300	4,202
<b>38,851</b>	<b>TOTAL</b>	<b>34,450</b>	<b>59,762</b>

## 18 COUNCIL MEMBERS - FEES, EXPENSES AND ALLOWANCES

In accordance with Financial Management Regulation 44 Fees, Expenses or Allowances paid to Council Members

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
<b>- Annual Attendance Fee</b>			
3,440	Councillor Caffell Sitting Fees	660	660
	Councillor Greenwood Sitting Fees	660	540
	Councillor Jefferies Sitting Fees	660	600
	Councillor B Stokes Sitting Fees	660	660
	Councillor Uppill Sitting Fees	660	420
	Councillor Wheeldon Sitting Fees	660	240
1,000	President	1,320	1,320
<b>- Telecommunication, Travel, and Information Technology Allowance</b>			
0	- Telecommunication		
0	- Information Technology		
1,810	- Travel Expenses	1,800	2,755
<b>- Annual Local Government Allowance</b>			
1,000	- President	1,000	1,000
0	- Deputy President		0

## 19 DEPRECIATION ON NON-CURRENT ASSETS

The Depreciation charge included in the Financial Statements are summarised as follows:

Actual		Adopted Budget	Actual
2008/2009		2009/2010	2009/2010
\$		\$	\$
0	General Purpose Funding	0	0
23,468	Governance	23,219	23,559
6,459	Law, Order, Public Safety	2,618	2,664
0	Health	0	0
13,834	Education and Welfare	3,523	3,523
0	Housing	0	0
10,593	Community Amenities	10,592	10,593
82,013	Recreation and Culture	74,048	76,937
290,320	Transport	290,623	297,037
480	Economic Services	480	480
14,132	Other Property and Services	20,617	20,617
<b>441,299</b>	<b>TOTAL</b>	<b>425,720</b>	<b>435,410</b>

## 20 MAJOR LAND TRANSACTIONS

Council did not participate in any major land transaction during the 2009/10 financial year.

## 21 JOINT VENTURE

Council did not participate in any joint venture during the 2009/10 financial year.

## 22 TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

## 23 CAPITAL AND LEASING COMMITMENTS

### (a) Finance and Operating Lease Commitment

Council did not have any Leasing Commitments during the 2009/10 financial year.

Adopted Budget	Actual
2009/2010	2009/2010
\$	\$
-	-

### (b) Capital Expenditure Commitments

Contracted for:

- plant and equipment purchases (new roller) 130,000

Payable:

- not later than one year 130,000

## 24 FINANCIAL INSTRUMENTS

### (a) Interest Rate Risk

The following table details the Shire of Tammin's exposure to interest rate risks as at 30th June 2010.

	Average Interest %	Variable Interest Rate	Less than 1 year	1 to 5 years	5 to 10 years	Non Interest Bearing	Total
		\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>							
Cash	4.50		1,147,827	0	0	0	1,147,827
Trade Receivables-Current			153,755	0	0	0	-
			<b>1,301,582</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,301,582</b>
<b>Financial Liabilities</b>							
Accounts Payable - Current			71,600	0	0	0	71,600
Employee entitlements - Current			26,919	0	0	0	26,919
Borrowings		0	64,264	106,784	143,143	0	314,191
			<b>162,783</b>	<b>106,784</b>	<b>143,143</b>	<b>-</b>	<b>412,710</b>

(b) Council does not have any material credit risk exposure to any single debtor under any financial instruments entered into.

(c) The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the notes to and forming part of the Annual Financial Statements.

**24 FINANCIAL INSTRUMENTS (Continued)**

(d) Investment of Council Funds:

The Shire of Tammin has adopted a formal Investment Policy. Staff have been operating under this policy with regards to the risk of Shire funds and have restricted investment of funds to fixed interest term deposits with Australian Banks with preference being given to banks with branches located in Tammin. From time to time quotes are sought from banks without a presence in Tammin to ensure that competitive rates are achieved.

(e) Credit Risk

The Shire's receivables are classified as Rates and Annual Charges, Self Supporting Loans, Goods and Services Tax and General Debtors. Rates and Annual Charges are charges that are considered as charges against the property and as such are considered being secured by the Property to which they relate. The Shire accounts for Self Supporting Loans as part of its current receivables as and when payments fall due, amounts due in future years are shown non-current. Self Supporting Loans shown as debtors represent the repayments of a loan that the Shire has drawn on behalf of Community Groups. Good and Services Tax represents monies owed by the Australian Taxation Office to the Shire. The Shire's General Debtors include receivables for goods and services provided to members of the community, government departments and businesses. The Shire has exposure to credit risk in that debtors may not be able to meet their commitments to repay debts. The Shire reviews its outstanding debts regularly and commences a variety of recovery techniques in accordance with its Debt Recovery Procedures. The Shire reviews outstanding debts annually and provides a provision should debts become doubtful.

2008/2009			2009/2010	
Current	Non Current		Current	Non Current
\$	\$		\$	\$
		Financial Assets		
19,115		Rates and Annual Charges	16,231	
-		Self Supporting Loans	-	
-		Goods and Services Tax	-	
24,486		General Debtors	132,725	
<b>43,601</b>	<b>-</b>		<b>148,955</b>	<b>0</b>

(f) Market Risk

The Shire invests funds that are not required immediately in Financial Instruments such as Term Deposits. The Shire may be subject to interest rate risk in that future cash flows may fluctuate because of changes in market interest rate.

Actual		Actual
2008/2009		2009/2010
\$		\$
2,578	Impact of 1% Movement in Interest Rates on Investment Earnings (+/-)	11,256

(h) Liquidity Risk

The maturity analysis for the Shire's financial liabilities is detailed as follows:

	Less than 1 year	1 to 5 years	Greater than 5 years	Total
	\$	\$	\$	\$
<b>Financial Liabilities</b>				
Accounts Payable - Current	71,600			71,600
Interest Bearing Liabilities	64,264	106,784	143,143	314,191
	<b>135,864</b>	<b>106,784</b>	<b>143,143</b>	<b>385,791</b>

**25 POSITION AT COMMENCEMENT OF FINANCIAL YEAR**

(a) DETERMINATION OF OPENING FUNDS

ACTUAL		Adopted Budget	ACTUAL
30.06.2009		2009/2010	30/06/2010
\$		\$	\$
	<b>Current Assets</b>		
1,102,619	Cash at Bank	459,463	1,147,827
0	Cash Advances	-	-
43,601	Receivables	43,601	148,955
0	Stock on Hand	-	-
<b>1,146,220</b>		<b>503,064</b>	<b>1,296,782</b>
	<b>Less Current Liabilities</b>		
(147,279)	Accounts Payable	(151,078)	(135,864)
(39,648)	Employee Entitlements	(26,919)	(26,919)
(186,927)		(177,997)	(162,783)
<b>959,293</b>	<b>SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES</b>	<b>325,067</b>	<b>1,133,999</b>
	<b>ADJUSTMENTS</b>		
(353,822)	Less Cash Backed Reserves and Restricted Funds	(367,975)	(370,031)
	Rounding		
<b>605,471</b>	<b>OPENING/CLOSING FUNDS</b>	<b>(42,908)</b>	<b>763,968</b>

**25 POSITION AT COMMENCEMENT OF FINANCIAL YEAR (Continued)**

**(b) STATEMENT OF RECONCILIATION OF NET CURRENT ASSETS BROUGHT FORWARD**

In accordance with Financial Management Regulation 36(1)(b) the following reconciliation is provided between the Net Current Asset detailed in the 2009/2010 Annual Budget

Net Current Assets Brought Forward as at 1st July 2009. 605,471

**26 CAPITAL EXPENDITURE BY PROGRAM**

Actual Capital Expenditure incurred by Program is summarised as follows:

Program	Furniture and Equipment	Land and Buildings	Plant and Equipment	Roads	Infrastructure Recreation Facilities	Other	Total
	\$	\$	\$	\$	\$	\$	\$
Governance	1,576						1,576
Law, Order, Public Safety			602				602
Health							0
Education and Welfare							0
Housing							0
Community Amenities							0
Recreation and Culture		246,016				7,920	253,936
Transport		7,303		715,098			722,401
Economic Services							0
Other Property & Services							0
<b>TOTAL</b>	<b>1,576</b>	<b>253,319</b>	<b>602</b>	<b>715,098</b>	<b>0</b>	<b>7,920</b>	<b>978,515</b>

**27 FINANCIAL INFORMATION BY RATIO**

In accordance with Financial Management Regulation 50 the following Financial Information by Ratio is provided.

2007/2008 Percent	2008/2009 Percent		2009/2010 Percent
0.73	1.47	(a) <b>Current Ratio</b> $\frac{\text{(Current Assets Minus Restricted Assets)}}{\text{(Current Liabilities-Liabilities Associated with Restricted Assets)}}$	3.73
0.03	0.02	(b) <b>Debt Ratio</b> $\frac{\text{Total Liabilities}}{\text{Total Assets}}$	0.02
0.05	0.04	(c) <b>Debt Service Ratio</b> $\frac{\text{Debt Service Cost}}{\text{Available Operating Revenue}}$	0.05
0.25	0.25	(d) <b>Rate Coverage Ratio</b> $\frac{\text{Net Rate Revenue}}{\text{Available Operating Revenue}}$	0.35
0.02	0.03	(e) <b>Outstanding Rates Ratio</b> $\frac{\text{Rates Outstanding}}{\text{Rates Collectable}}$	0.03
0.25	0.16	(f) <b>Gross Debt to Revenue Ratio</b> $\frac{\text{Gross Debt}}{\text{Total Revenue}}$	0.18
1.23	3.11	(g) <b>Untied Cash to Trade Creditors Ratio</b> $\frac{\text{Untied Cash}}{\text{Unpaid Trade Creditors}}$	5.62
0.17	0.11	(h) <b>Gross Debt to Economically Realisable Assets Ratio</b> $\frac{\text{Gross Debt}}{\text{Economically Realisable Assets}}$	0.08

**DEFINITIONS**

“available operating revenue” means the operating revenue-

(a) plus any contributions towards the repayment of money borrowed which have not been included in the operating revenue; and

(b) minus specific purpose grants, contributions and donations of a capital nature;

**27 FINANCIAL INFORMATION BY RATIO (Continued)**

“current assets” means the total current assets as shown in the statement of financial position;

“debt service cost” means all principal and interest expenses for borrowings under Section 6.20 of the Local Government Government Act 1995;

“economically realisable assets” means total assets other than infrastructure assets;

“gross debt” includes all borrowings under section 6.20 and all utilised bank overdrafts;

“infrastructure assets” means all tangible assets of economic value that are not economically realisable, and

“net rate revenue” means the revenue from all rates and money paid in lieu of rates on non-rateable land -

(a) plus interest for late payment and interest and additional charges on instalments;

(b) minus discounts and concessions granted and money written off;

“rates collectable” means the amount of-

(a) all rates, interim rates, back rates, interim minimum payments, back minimum payments;

(b) interest and additional charges payable on rates and payments referred to in paragraphs (a) and (b);

(c) arrears brought forward from a previous financial year of the amounts referred to in paragraphs (a) and (b);

“rates outstanding” means unpaid rates collectable;

“restricted assets” has the same meaning as in Australian Accounting Standard 27 (AAS27);

“total assets” means all current and non-current assets as shown in the Statement of Financial Position;

“total liabilities” means all current and non-current liabilities as shown in the Statement of Financial Position;

“total revenue” means the total operating revenue excluding all specific purpose grants;

**28 TRADE AND OTHER RECEIVABLES**

Receivables due to the Shire include the following:

<u>ACTUAL</u> <u>2008/2009</u> S		<u>ACTUAL</u> <u>2009/2010</u> S
	<b>Current</b>	
19,115	Rates	16,231
24,486	Sundry Debtors	132,725
-	Less Provision for Doubtful Debts	-
0	Loan Receivable	0
0	Goods and Services Tax	0
<u>43,601</u>		<u>148,955</u>
	<b>Non Current</b>	
0	Rates Outstanding-Pensioner Deferred	4,800
0	Long Term Loans-Clubs/Institutions	0
<u>0</u>		<u>4,800</u>

Deferred pensioners rates represent amounts owing by pensioners who have chosen to defer the payment of their rates in accordance with the Rates and Charges (Rebates and Deferments) Act 1992.

**29 INVENTORIES**

<u>ACTUAL</u> <u>2008/2009</u> S		<u>ACTUAL</u> <u>2009/2010</u> S
<u>0</u>	Comprises of Fuels and Consumables	<u>0</u>

All inventories at balance date have been valued at cost.



**30 TRADE AND OTHER PAYABLES**

<u>ACTUAL</u> <u>2008/2009</u>		<u>ACTUAL</u> <u>2009/2010</u>
\$		\$
60,056	Trade Creditors	54,976
0	Goods and Services Tax	0
2,193	Other Agencies	12671
2,202	Accrued interest on Debentures	1736
10,100	Accrued Salaries and Wages	13279
0	PAYG Withholding	
<u>74,551</u>	<b>Total</b>	<u>82,662</u>

**31 LONG - TERM BORROWINGS**

<u>ACTUAL</u> <u>2008/2009</u>		<u>ACTUAL</u> <u>2009/2010</u>
\$		\$
<u>72,728</u>	Current - secured by a floating charge debenture	<u>64,264</u>
<u>314,191</u>	Non - Current - secured by a floating charge debenture	<u>249,927</u>

**32 PROVISIONS**

Provision for Employees' entitlements at balance date are as follows:

<u>ACTUAL</u> <u>2008/2009</u>		<u>ACTUAL</u> <u>2009/2010</u>
\$		\$
	<b>Current</b>	
39,648	Provision for Annual Leave	26,919
0	Provision for Long Service Leave	0
<u>39,648</u>		<u>26,919</u>
	<b>Non - Current</b>	
22,761	Provision for Long Service Leave	28,161
<u>22,761</u>		<u>28,161</u>

**33 EMPLOYEE NUMBERS AND REMUNERATION**

In accordance with the Local Government (Administration) Regulation 19B the following information is provided in relation to

<u>2008/2009</u>		<u>2009/2010</u>
1	<b>Annual Salary Range</b> \$100,000 or more per annum	0
11	<b>Total Number of Employees</b> The number of full time equivalent employees at 30 June	10.75

**34 ECONOMIC DEPENDENCY**

A significant portion of revenue is received by way of grants from the State and Federal Government  
The total of grant revenue from government sources is as follows:

<u>ACTUAL</u> <u>2008/2009</u>		<u>ACTUAL</u> <u>2009/2010</u>
\$		\$
1,375,040	<b>By Nature and Type:</b> Operating Grants	878,499
203,485	Non-Operating Grants	559,885
<u>1,578,525</u>	<b>Total</b>	<u>1,438,384</u>

**34 ECONOMIC DEPENDENCY (Continued)**

<b>By Program:</b>		
	Governance	45,000
1,326,113	General Purpose Funding	1,084,295
1,200	Law, Order, Public Safety	1,200
-	Health	-
-	Education and Welfare	-
-	Housing	-
-	Community Amenities	-
5,790	Recreation and Culture	20,000
243,922	Transport	287,889
1,500	Economic Services	-
-	Other Property and Services	-
<b><u>1,578,525</u></b>	<b>Total</b>	<b><u>1,438,384</u></b>

**35 CONTINGENT LIABILITIES**

Council does not have any known contingent liabilities at 30th June 2010

# SHIRE OF TAMMIN

## INDEPENDENT AUDIT REPORT

### TO THE ELECTORS OF THE SHIRE OF TAMMIN

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

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

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

#### **Auditor's Responsibility**

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

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

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

#### **Independence**

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

#### **Auditor's Opinion**

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

#### **Other Matters**

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

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



**Gregory Froomes Wyllie CPA**  
Perth, Western Australia  
3 November 2010