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International visitors to Boyup Brook from Sandakan, Borneo - September 2006

Annual Report 2006/2007 Shire of Boyup Brook

1. Shire President's Message



In my message for last year's annual report I stated that it would be my last as Shire President; however our efficient new CEO, Tony Doust, has prepared this year's report prior to my departure from the chair so in fact this will be my last.

I will re-state that I have enjoyed my role as Shire President and believe I have done the position no injustice during my 8 year term; it is one that I have always respected and believe with conviction that the incumbent has a duty to preserve and advance the integrity of Local Government during his or her tenure.

I have no doubt the newly elected representative will have a similar belief.

During the 2006/2007 year we saw the completion of the Medical Facility up-grade which is running very well and at no cost to the rate-payers; how lucky we are to have a progressive group running the facility and a Council that had the initiative to do something different and take a calculated risk to ensure the continuation of medical services for our community.

We saw the development of the Music Shell at the music park by the Country Music Club and a very successful Festival; the Club deserves congratulations for its continued promotion of the genre and of Boyup Brook.

Council took a new initiative to partly fund the employment of an Events Tourism Officer in conjunction with the Country Music Club, Telecentre and Tourism Association, this commitment will be reviewed annually.

Council made the decision to move on with the completion of the Local Rural Strategy and address the issues raised by West Australian Planning Commission after some years of dissension. The outcome will allow the Strategy to be advertised in the new calendar year for public comment and eventually establish areas for future development.

An issue that came to the fore is something that has always been there but has now become a major issue; it is the sustainability of Local Government and one that this Shire has embraced. It includes being financially sustainable, to provide adequate services, meeting the statutory requirements placed on Local Government by State and Federal Governments and the provision of competent staff to meet the ever increasing responsibilities of Local Government in today's highly legalistic environment.

Will Pearce, our CEO resigned and the process leading to the appointment of our new CEO eventuated in the Shire being fortunate to attract back to the fold the very experienced Tony Doust.

Councillor Mario Martin changed residency outside the Shire which necessitated his resignation, which was unfortunate for both Mario and the Shire. I wish him well.

Boyup Brook is fortunate in having good staff who care what happens to our Shire and in attracting quality Councillors; I thank you all.

Terry Ginnane JP
SHIRE PRESIDENT



2. Boyup Brook at a Glance



President Terry Ginnane JP (re-elected May 2005)
Deputy President Roger Downing (elected May 2005)

Councillors

Benjinup Ward	M (Mario) Martin (resigned March 2007) KJ (Kevin) Moir (term expires 2007)
Boyup Brook Ward	S (Shirley) Broadhurst (term expires 2009) R (Roger) Downing (term expires 2007) TJ (Terry) Ginnane (term expires 2009)
Dinninup Ward	TJ (Tom) Oversby (term expires 2007) A (Aaron) Piper (term expires 2009)
Scotts Brook Ward	J (Jan) Florey (term expires 2009) PE (Peter) Marshall (term expires 2007)

LOCALITIES

Boyup Brook; Dinninup; Kulikup; Mayanup; Tonebridge; Wilga

SIGNIFICANT LOCAL EVENTS

State Country Music Awards and Festival– Feb; Blackwood Marathon – Oct; Upper Blackwood Agricultural Show – Nov; Harvey Dickson's Music Festivals – Sept; Harvey Dickson's Rodeo – Oct; Mayanup Camp Draft – Feb; Power Dinghy Race – Sept; Boyup Brook Book Bonanza - May.

FULL COUNCIL MEETING

Meets on the third Thursday of each month.

TOURIST ATTRACTIONS

Gregory Tree; Blackwood River; Norlup House; Sandy Chambers – local artist; Harvey Dickson's Country Music Centre; Perup Ecology Centre; Roo Gully Wildlife Sanctuary; Carnaby Beetles and Butterflies; town sculptures.

LOCAL INDUSTRIES

Woolen garments; vineyards; timber plantations; general farming; sheep, cattle, grain; trees; pigs; various cottage industries; olives.



Sculpture by Len Zuks commissioned by the Shire

Distance to Perth	270 km
Area	2,838 sq km
Length of Sealed Roads	210 km
Length of Unsealed Roads	788 km
Population	1,540
Number of Electors	1,158
Number of Dwellings	808
Total Rates Levied	\$1,388,113
Total Revenue	\$4,238,729
Number of Employees	27

Address: P O Box 2 Boyup Brook 6244
Phone: 9765 1200 Fax: 9765 1485 Email: shire@boyupbrook.wa.gov.au
Website: www.boyupbrook.wa.gov.au



Electric BBQ & Playground – Sandakan Park

The Shire of Boyup Brook is located on the raised inland Darling Plateau with the main population base and the administrative centre located in the Boyup Brook townsite (which has a population of approximately 600).

It is situated on the upper reaches of the Blackwood River approximately 270 kilometres (by road) south/south-east of Perth.

The Shire is predominantly rural in nature and consists of a transition area ranging from smaller holdings near the western boundary to large broad acre farms to the east.

However, there is a current trend toward more intensive agricultural pursuits including viticulture, aquaculture, vegetable production, olive production and tree farming.

The Shire of Boyup Brook occupies an area of 283,800 hectares and has within its boundaries several smaller localities including Wilga, Mayanup, Dinninup, Chowerup, Tonebridge, McAlinden and Kulikup. Approximately 30 percent of the Shire is National Parks, Water Catchment, Conservation Reserves and Forests.

During the late 1980's through to today, there have been an increasing number of more intensive agricultural pursuits becoming established in the shire.

Vineyards at Kulikup were introduced in the 1970's and in Dinninup and Mayanup in the late 1980's as well as substantial deer and goat farms. There have been significant plantings of wine and table grape vines between 1994 and 1997.

During the period 1997 to 2003 with returns from wool and cattle diminishing, a significant proportion of the shire's arable land was planted to eucalyptus globulus (Tasmanian blue gums).

3. Elected Members

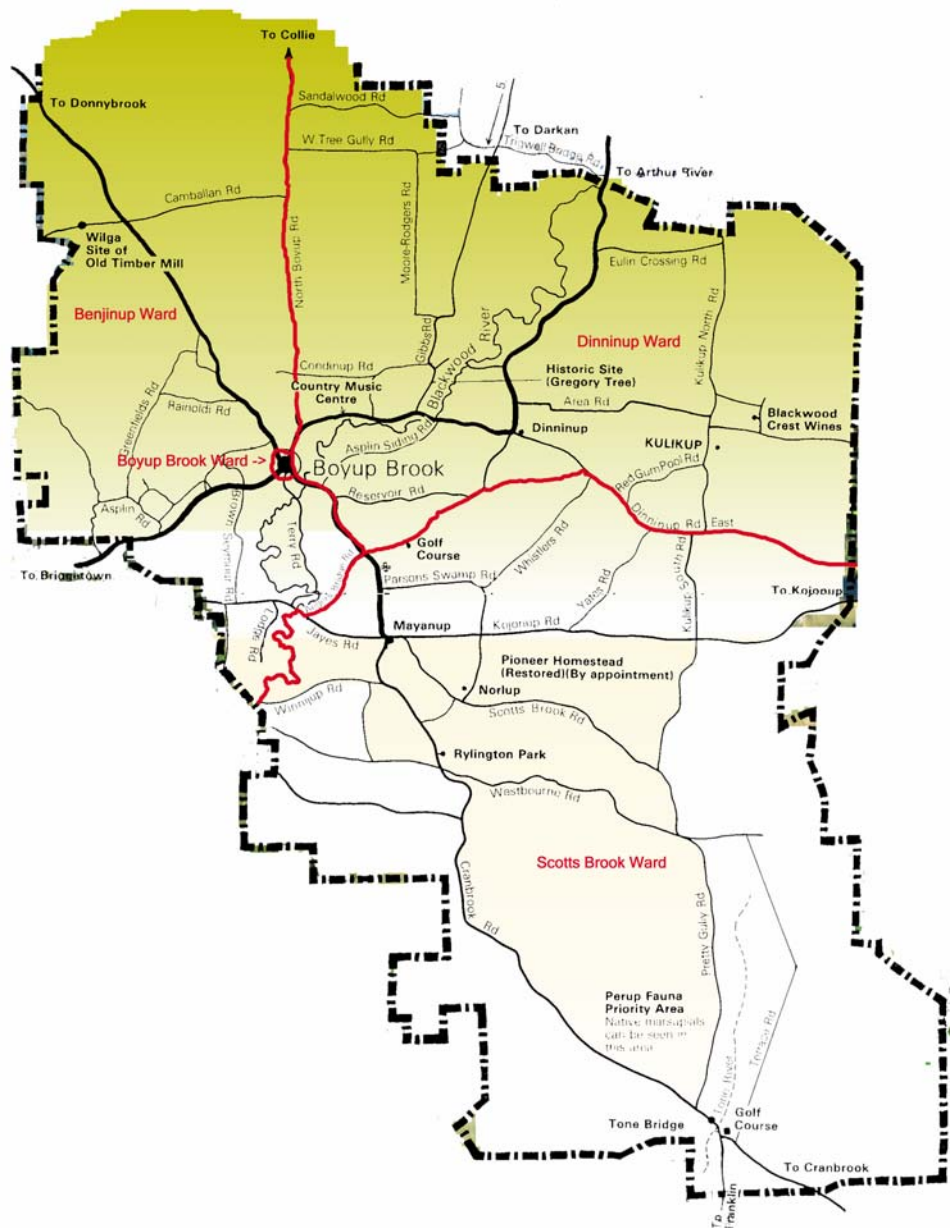
BENJINUP WARD



Cr Martin
Resigned March 2007



Cr Moir



BOYUP BROOK WARD



Cr Ginnane



Cr Downing



Cr Broadhurst

3. Elected Members ... continued

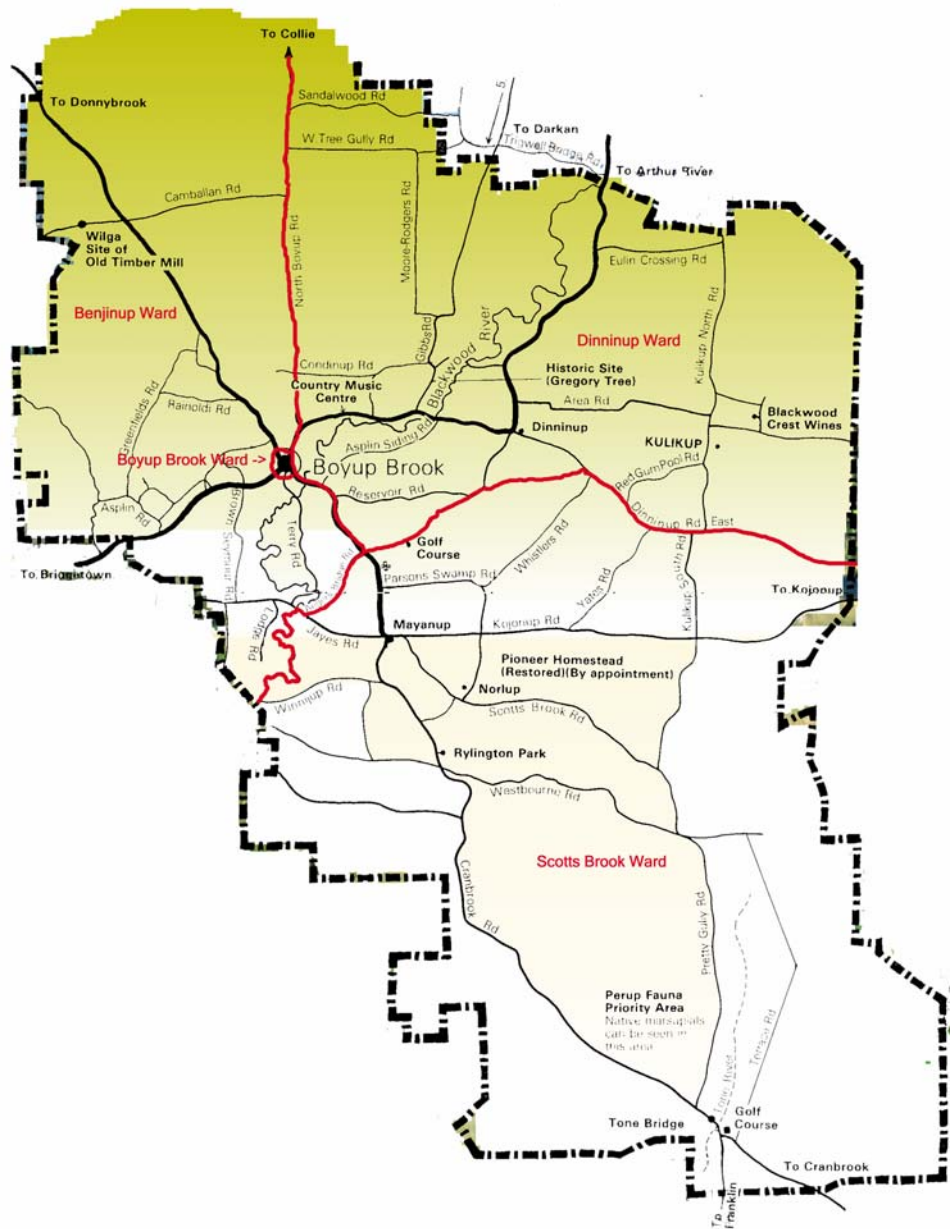
SCOTTS BROOK WARD



Cr Marshall



Cr Florey



DINNINUP WARD

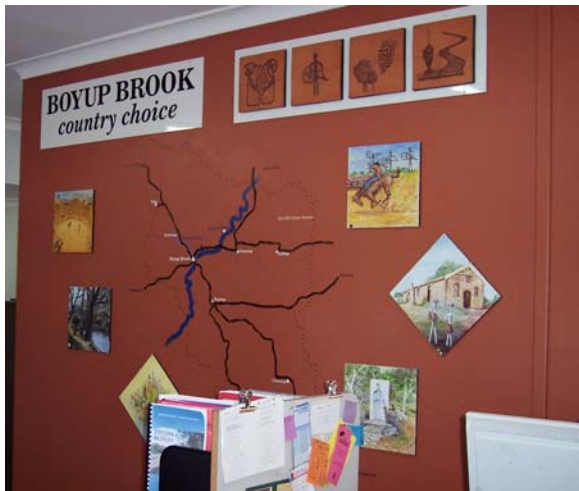


Cr Oversby



Cr Piper

4. Chief Executive Officer's Report



Local Government in Western Australia has reached a point in time where the Structure for the past 100 years is now under pressure for review to meet changing populations, land uses, service requirements and the ability to demonstrate how they can sustain financial independence.

As a longtime employee of Local Government throughout the state, including service with this Shire from 1968 to 1988 and November 2006 until the present time, I have seen a lot of changes in Local Government. People often ask me why we need so many employees in the administration role at Boyup Brook as the office staff in 1968 was four full time persons including the Shire Clerk (CEO) and a part-time Health/Building Officer. The answer is very simple the legislative requirements and devolution of responsibilities to Local Government by State & Federal Governments have been the major factor. Since 1968 there have been numerous requirements imposed on Local Governments including Occupation Health & Safety, Freedom of Information, Disability Services, Emergency Services, Risk Management, Accounting Standards & Reporting, Working with Children, Records Management, Municipal Heritage Inventories, Waste Management, Equal Opportunity, National Competition Policy, Annual Compliance Returns, Taxation changes, GST and FBT etc. In addition to this the role of Local Governments have moved from service to properties, i.e. roads, rates & rubbish, to many areas of community services e.g. Recreation, Youth, Welfare, Aged, Doctors Services, Planning & Development, Cultural, Historical & Heritage, Tourism & Promotion.

Given the above it is important that the available resources are used effectively to provide and maintain the services and facilities that have the highest priority. Since taking up the position my focus has been on ensuring that the management practices and systems used are adequate and efficient to ensure the community receives the best value possible from the funding available. A number of areas have been given a priority and these include financial management and reporting, asset management and building maintenance. There are others, however it is important to ensure the financial information we have is accurate, can be relied on for future planning and that the details of the shire's assets and their condition are correctly recorded.

For the longer term it is essential that Council with the Community prepares and implements a Strategic Plan to ensure the available resources are used for the services and projects with the highest priority. The plan must incorporate key results to be achieved and supported by action plans on how this will occur within defined time lines. If the Shire wishes to survive and be sustainable it must be able to demonstrate how this can be achieved. Council has agreed to pursue this objective in the year 2007/08.

I would like to thank the staff for their contribution and assistance during the year. The Shire is well served by people who are committed to providing the best possible outcomes within the level of resources available.

I express my appreciation to the President and Councillors for the support and assistance they have given to me during the time I have been Chief Executive Officer.

Tony Doust
CHIEF EXECUTIVE OFFICER

5. Senior Management Team



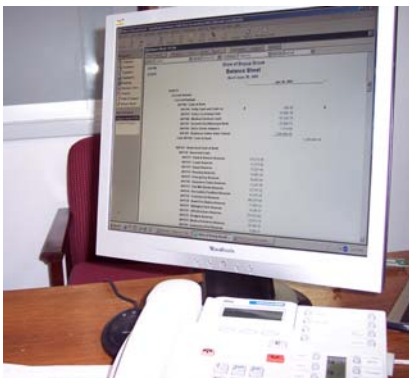
Tony Doust – Chief Executive Officer



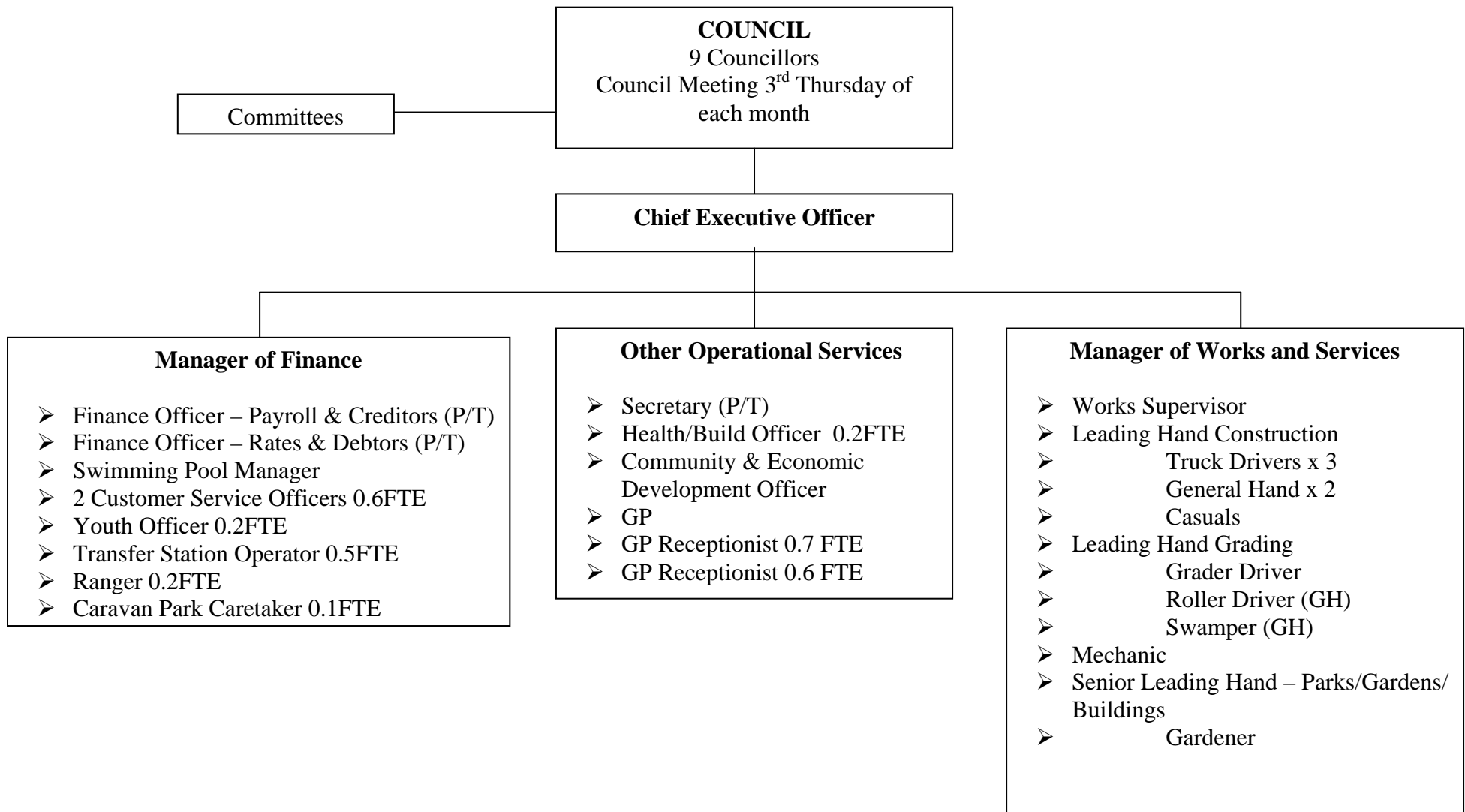
Keith Jones – Manager of Finance



John Eddy – Manager Works & Services



6. SHIRE OF BOYUP BROOK - ORGANISATIONAL STRUCTURE



7. Long Standing Members of Staff

Council wishes to recognize the valuable contribution of the following long serving members of staff.

Over 30 Years

Mr David Millington

Over 20 Years

Mr Tony Bogar

Mr Joe Fenwick

Mr Tony Doust (2 periods of service)

Over 10 Years

Mr Calvin Brown

Mr John Shepherdson

Mr Justin Fallon

Mr Mike Stanton-Halligan

Mr John Eddy



8. Department Reports

8.1 CORPORATE SERVICES

Councillors

There were 11 ordinary meetings and several special meetings of the Council held during the year.

Standing and advisory committees comprising of Councillors and community representatives met during the year. Many more meetings took place for single purpose issues.

The Council hosts and contributes towards a number of civic ceremonies and functions annually including the Sandakan Memorial, ANZAC Day, Remembrance Day, Christmas Carols in the Park, Christmas function, Citizenships, Australia Day, Boyup Brook Book Bonanza, Agricultural Show and Country Music Festival.

Human Resources

The Enterprise Bargaining Agreement (EBA) for the outside workforce continues to provide incentives to improve performance.

The Occupational Health and Safety Committee continued to address issues of concern either immediately or, if not urgent in nature, referred matters through management to address as budget issues.

Safety training and education in relation to manual handling, duty of care, hazard identification and legislative requirements was provided for staff.

The regional Occupational Health, Safety and Risk Co-ordinator provides management with specialised support in this most important of areas.

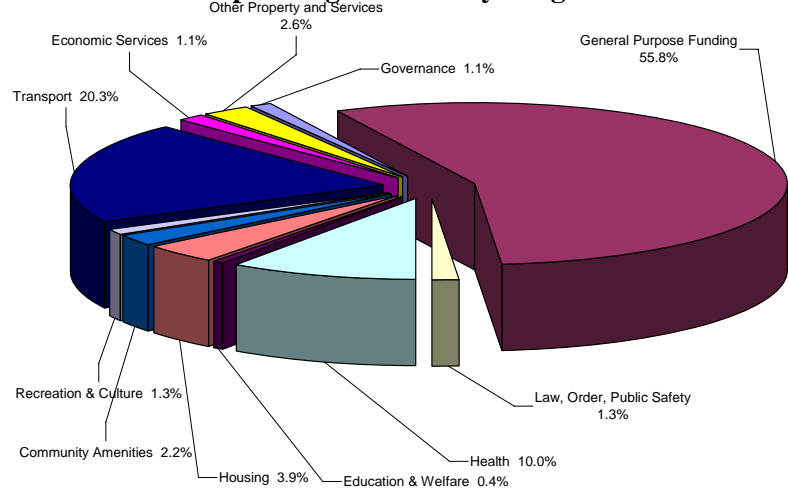
Councillors and employees attended relevant conferences and forums to keep up to date with current issues. Forums attended included Local Government Week, Local Government Manager's, Road forums, Records Management forums and Economic Development conferences.

Finance

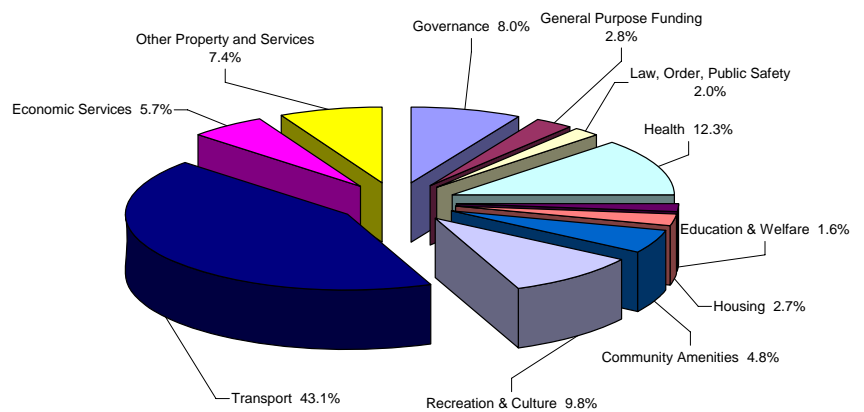
Total Operating Revenue	\$4,238,729
Operating Expenditure	\$3,785,212
Net Assets	\$54,424,379
Total Rates Levied	\$1,388,113
Rateable Properties	1,123
Loans	\$600,994
Borrowing Cost Expense	\$40,421

This year saw a rate rise of 3.82% compared to the previous year's 2.45%.

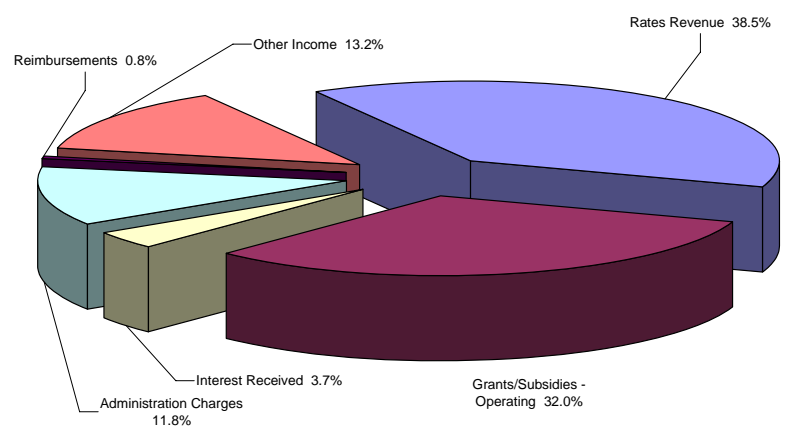
Operating Revenue by Programme



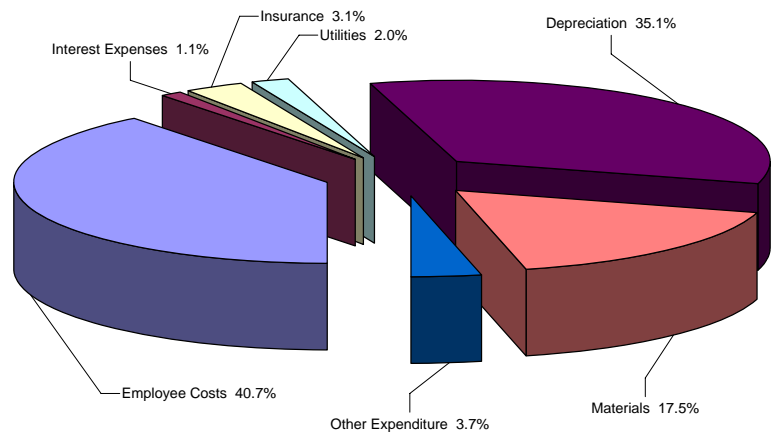
Operating Expenditure by Programme



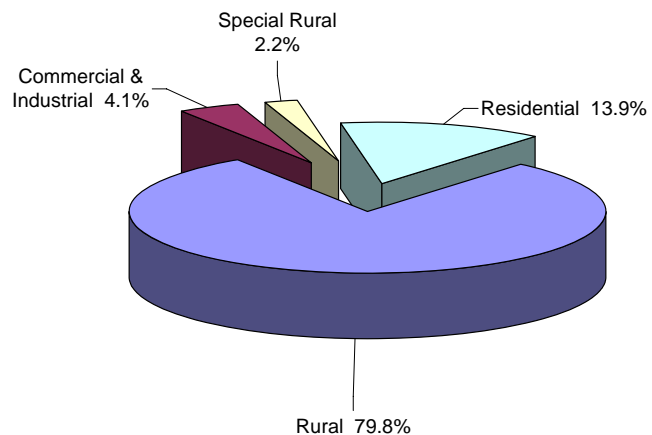
Operating Revenue by Nature & Type



Expenditure by Nature & Type



Breakdown of Rates



During the year: -

Successful grant applications were submitted for youth, fire prevention, industrial land development, townscape infrastructure items, recreation equipment and medical building upgrade.

Reserve funds totaled \$947,677 as at 30 June 2007.

Council provided donations or sponsorships with a value (including in kind) in excess of \$67,228, a slight increase on the previous year.

Council continued to manage the Boyup Brook Flax Mill Caravan Park.

Blackwood Landcare Zone supported by \$12,700.

The Medical Centre upgrade including car parking was completed during the year. The Shire now has an excellent facility.

Council sold its light industrial property at 1 Short Street resulting in an additional plumbing contractor attracted to town.

National Competition Policy

The Council has reviewed all areas of operation to determine the existence or otherwise of significant business activities.

A significant business activity is defined as an activity with an income in excess of \$200,000 pa, which is not a regulatory service (community service obligation) and is not already contracted out.

Accordingly, it has been determined that Council has no significant business activity for the purposes of competitive neutrality as it relates to the National Competition Policy Clause 7 statement.

Records Management

Compliance

The shire is committed to good record keeping practices and complies with relevant legislation including the State Records Act 2000.

Under this Act, a Records Keeping Plan was submitted and approved by the State Records Commission for a period of five years from March 2005.

Record keeping issues are discussed at the monthly staff meetings.

Record Keeping Plan Review

A review of the effectiveness and efficiency of the Record Keeping Plan will be done as required by 2010.

Improvements and Developments

Record keeping practices within the shire are continually evolving and improving. We saw the completion of the retention and disposal process of old files. The retention and disposal will continue on a yearly basis with the recently closed files.

In the year ahead, vital maps, plans and corporate library will be registered on the electronic system. The Cemetery still has to be surveyed and plots will be numbered and cross referenced with the cemetery database. Cemetery procedures will be put in place.

Planning For The Future

The 2005 amendments to the Local Government Act 1995 removed the requirement for a local government to prepare a Plan of Principal Activities and at the same time introduced Section 5.56 which requires 'A local government to plan for the future of the district'.

The Act also requires the Annual Report to contain:

'an overview of the plan for the future of the district made in accordance with Section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year'.



At Council's Special Meeting on 20 June 2006, it approved the plans titled 'Boyup Brook 2010 – Major Activities Becoming Reality, and 'Boyup Brook 2010 – Community Services for the Generations' as a plan for the future of the district from July 2006 to June 2010.

OVERVIEW OF THE FUTURE PLAN

OUR FOCUS

Economic Development

Generational Needs

Community Interaction

Cultural Needs

OUR PRIORITIES

Planning and Infrastructure

Industrial development

Residential land development

Agricultural resource development

Health

Aged accommodation

Education

Recreation and leisure

Councillor community interface

Customer service

Media

State/Federal government

Communication

Tourism

Community groups

Heritage

Environment

Major Initiatives Commenced or Continuing

- Develop and implement a road preservation and replacement program
- Develop and implement a footpath program
- Develop and implement a bridge replacement program
- Continue to implement and fund the plant replacement program
- Upgrade depot – new shed, bituminize grounds
- Townscape – aerial bound cabling in Bridge Street
- Prepare a Local planning strategy
- Develop industrial lots
- Liaise with Landcorp to develop residential lots
- Continue support for the Lions Aged Accommodation Project
- Assisted aged care accommodation with medical assistance
- Progress recommendations from the Recreation and Leisure Feasibility study
- Develop a timely and appropriate television advertising campaign to promote specific economic/tourism development projects
- Develop additional quality accommodation and caravan sites at the Flax Mill
- Maintain the Shire's buildings
- Upgrade the cemetery by enhancing the area and sealing roads
- Provide infrastructure at the Transfer Station
- Provide new fencing for landfill site



Cemetery Niche wall

OUR VISION

To be a proactive local government achieving the economic and social goals of the community that are affordable, productive and environmentally responsible.

OUR MISSION

To provide leadership that will:

Enhance existing community services, identify and provide future service needs and stimulate future developments in a constantly changing economic, cultural and social environment.

OUR VALUES

Our objective is to conduct business based on theses identified values:

- Accountability
- Customer Focus
- Consistency in decision making
- Leadership
- Effective and efficient use of funds
- Recognizing and celebrating achievement

8.2 COMMUNITY SERVICES**Waste Management**

Domestic waste continued to be collected with Boyup Brook being serviced by Warren Blackwood Waste Disposal and Wilga, Dinninup and Kulikup being serviced by shire staff.

Recycling continued to be managed jointly by the shire and the Lions Club enabling funds raised from selling the materials to recycling companies to be circulated back into the community.

Animal Control

Our contract ranger is continuing to do periodic surveillance around the town and impounds dogs that are roaming free. Due to budgetary restrictions this is only a part-time position and it is not always possible to access his services.

Bushfire Control

The Chief Bushfire Control Officer, Mr Kevin Henderson continued in the role he took on last year. The CBFCO continues to be ably assisted in the administration role by a part-time Fire Administration Assistant.

We are very fortunate that most fire incidents are controlled promptly by the brigades. The shire commends and values the many hours that volunteer brigade members invest in ensuring that our lives are safe from the menace of bushfires.



Boyup Brook Recycling and Transfer Station





Shire Library



Music Shell stage in Music Park



Hockey Shelter and Store under construction



Library Services

Council continues to provide a computer to access the Worldwide Web for the purpose of obtaining additional library resources. Our access to any book available in Western Australia is of enormous benefit to local residents.

Membership continues to increase and our book exchange program ensures that there is always something different on the shelf.

Recreation and Leisure

The walk trail on the outskirts of town continues to be an asset to health conscious community members. This has been augmented with the introduction of a pony/walk bridle trail from town to Skeleton Bridge. The Hockey Council were successful in obtaining a CSRFF grant and along with a one-third contribution from the shire constructed a store/shelter for the hockey players and supporters.

The Boyup Brook Country Music Club supported by the shire were instrumental in obtaining significant grant funding to build a stage, reticulate water and provide electricity to the Music Park area. The most successful Country Music Festival so far was staged with John Williamson as the headline act in February 2007.

The swimming pool was open for extra hours this year as a trial. The pool did not close for the lunch time period as had been done in previous years. Daylight savings had a slight impact on the operational times.

Youth Activities

The Youth Advisory Committee (YAC) has once again participated in some very worthwhile activities this year. These activities include, tree planting, workshops, youth trips, volunteer programs and music education.

YAC is about providing skills that will help them after leaving school, the committee members chair and manage their own regular meetings.

Web Site

The shire has its own website for the purpose of promoting the area and providing relevant information to visitors, residents and potential residents.

Further work continues to ensure that the service is as functional and effective as possible.

Community Groups and Events

The Council continued to provide cash and in-kind support for selected events and activities including –

- State Country Music Awards and Festival
- Upper Blackwood Agricultural Show
- Blackwood Marathon
- Boyup Brook Book Bonanza
- Harvey Dickson's Rodeo
- Mayanup Campdraft.

Disability Services Plan

The existing Disabilities Plan was reviewed and updated to meet the requirements of new legislation resulting in the Disability Access and Inclusion Plan (DAIP) which was advertised by Council for public comment to be considered by Council in the 2007/2008 financial year.

8.3 DEVELOPMENT SERVICES

17 Development applications were processed over the year.

There were 65 building licenses issued with the total value of construction being \$2,951,805.

Two demolition licenses were issued.

The following chart provides comparisons with previous years.

<u>APPLICATIONS</u>	97/98	98/99	99/2000	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Planning (inc. plantations)	16	17	43	29	25	15	10	18	23	17
Plantations	N/A	11	34	15	4	1	1	3	13	2
Building (inc. dwellings)	45	43	48	45	58	68	53	70	58	65
New Dwellings	13	13	20	10	14	12	10	6	11	12
Building – Value	\$1,002, 446	\$949, 356	\$2,159, 981	\$899, 922	\$2,613,121	\$1,926,874	\$1,730,149	\$1,905,327	\$2,211,023	\$2,951,805
Demolitions	N/A	1	4	5	2	2	4	3	5	2
Septic Tanks	14	14	20	11	23	17	12	12	12	22

Environmental health, building and planning inspections were carried out on buildings, newly constructed buildings, proposed development and subdivision sites and dilapidated buildings as well as investigating public health issues.

Twenty-two septic tank licenses were issued.

Water sampling and analysis of the Boyup Brook Swimming Pool was carried out monthly during the October to March period.

The Shire reviewed its position on the Local Rural Strategy deciding to move forward by considering the requirements of the WA Planning Commission. Progress has been made towards addressing the issues raised by the WAPC and it is envisaged that the final Strategy will be approved for advertising early in 2008.

8.4 Works and Services

The 2006/2007 works program was based on maintaining and improving Shire infrastructure including roads, bridges, drainage, town gardens, recreation areas and footpaths.

Timber Industry Road Evaluation Study (T.I.R.E.S.) funding of \$210,000 was allocated to the Shire of Boyup Brook to help maintain and improve local roads affected by the harvesting of plantation timber.

In May 2006 the Federal Government announced a “one off” Roads to Recovery (R.T.R.) Grant equal to one quarter of the life of the program allocation for the Shire of Boyup Brook. The “one off” grant of \$278,918 is to be spent in accordance with RTR funding conditions by 30 June 2009.

Major Federal and State Government funded projects completed in the 2005/2006 financial year included:-

ROADS TO RECOVERY (RTR) (Federal Government funding)

- Area Road - widen and seal to 6.0m wide.
- Boyup Brook North Road – application of a second coat bitumen seal.
- Winnejup Road – provide a 300mm wide bitumen edge to the existing 5.0m wide seal.

RTR SUPPLEMENTARY FUND (Federal Government funding)

- Dinninup East Road – prune and re-sheet 3.50km
- Boyup Brook North Road – application of a second coat bitumen seal.
- Winnejup Road – provide a 300mm wide bitumen edge to the existing 5.0m wide seal.

REGIONAL ROAD GROUP (State Government funding)

- Boyup Brook/Arthur River Road – widen and seal to 7.0m wide

T.I.R.E.S. FUNDING (State Government funding)

- McAlinden Road – pruning and pavement stabilization works
- Camballan Road – re-sheeting works
- Boyup Brook North Road – application of a second coat bitumen seal.
- W Tree Gully Road – re-sheeting works



Depot workshop



Road to Transfer Station resealed

Bridge Works

Bridge preservation and improvement works were completed on –

- Bridge No 0741 – Boyup Brook/Arthur River Road – sub-structure repairs
- Bridge No 3305A – Kulikup South Road – waterways design
- Bridge No 3314 – Jackson Street – waterways design

Capital Works Rural Road Construction

Re-sheeting and remedial works were completed on –

- Sandalwood Road – re-sheeting works
- Dinninup East Road – re-sheeting works
- Terrace Road – re-sheeting works
- Balgarup Road – re-sheeting works
- Eulin Crossing Road – re-sheeting works
- Reservoir Road – re-sheeting works
- Elder Road- re-sheeting works
- Wade Road – form and construct
- North Kulikup Road – reconstruct and seal – approx 500m



Realignment of intersection Barron St and Bridge St

Capital Works – Town and Townscape Projects

Town streets, recreation area upgrades and townscape projects completed included –

- Laneways and parking areas for Medical Centre and Telecentre
- Transfer Station – re-seal access road
- Hospital Road – drainage to Lot 49
- Bridge St/Barron St Intersection – modifications to intersection for Main Roads W.A.
- Bridge Street footpath – Co-op to Barron Street

Rural Road and Town Maintenance

Major areas of maintenance expenditure were:-

- Grading of unsealed roads
- Drains and culverts
- Repairs and maintenance of road infrastructure
- Verge spraying and pruning
- Town gardens
- Rubbish removal
- Maintenance of recreation grounds and town reserves
- Replacement and maintenance of traffic and information signs
- Emergency works



Rear of Medical Centre showing new car park



Prime Mover and Low Loader

Plant Replacement

The following plant was purchased through the Plant Replacement Program:-

- 1 x new Isuzu 14 tonne truck
- 2 x new Mitsubishi Triton utilities
- 1 x new Holden Rodeo crew cab utility
- 1 x new Ford station wagon
- 1 x new tri-axle low loader
- 1 x used Mercedes prime mover

General

The 2006/2007 financial year was very productive for the Shire of Boyup Brook with over two million dollars worth of construction and maintenance works completed by the Works and Services division.

Federal and State Government road funding grants provided a large percentage of the funds required to maintain the Shire's local road infrastructure. However due to the increased heavy vehicle traffic accessing local roads, more funding is required to maintain the roads to a satisfactory standard.

Mild weather conditions during 2006/2007 resulted in minimal storm damage to the Shire's road infrastructure and roadside vegetation.

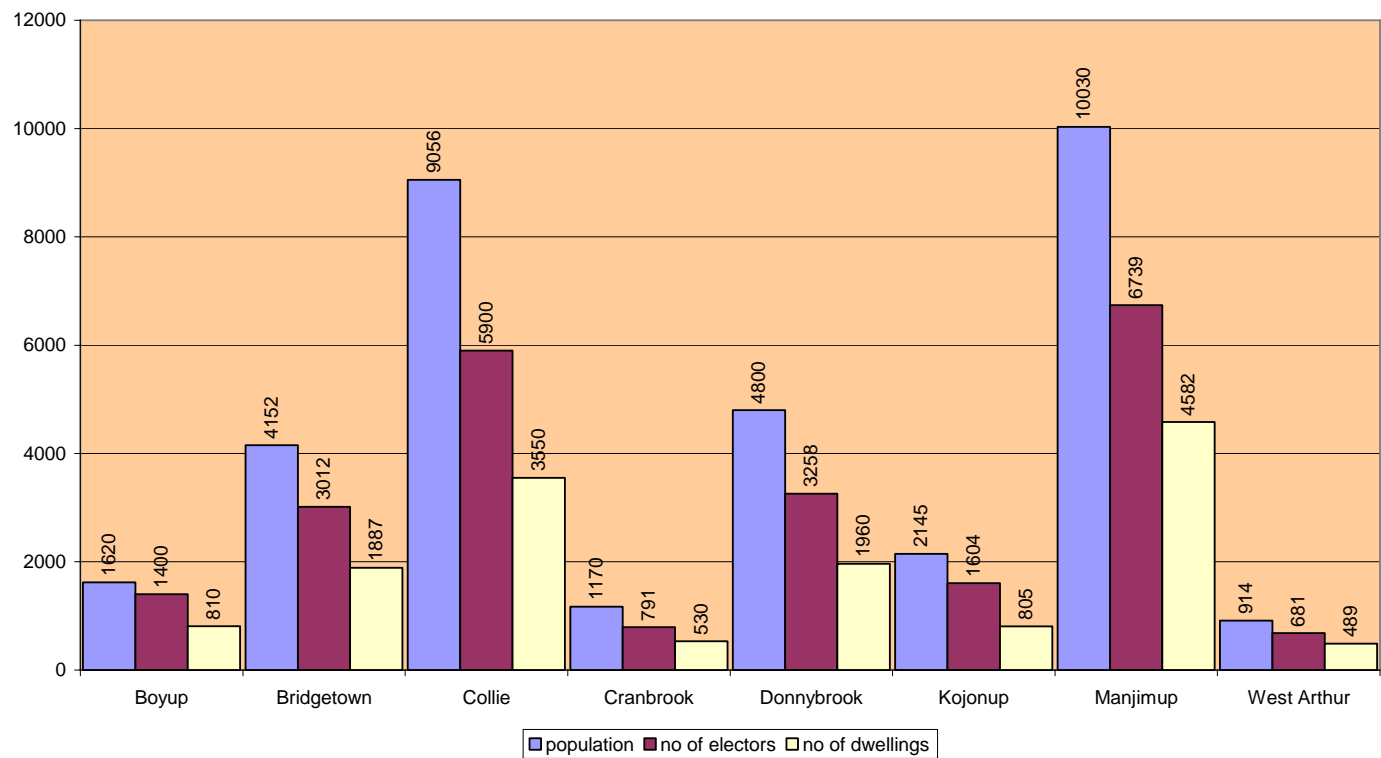
Once again thank you to all property owners who take the time to remove trees, limbs and debris from roadways to assist Works and Services staff in keeping roads open to traffic.



Verge pruning – McAlinden Road

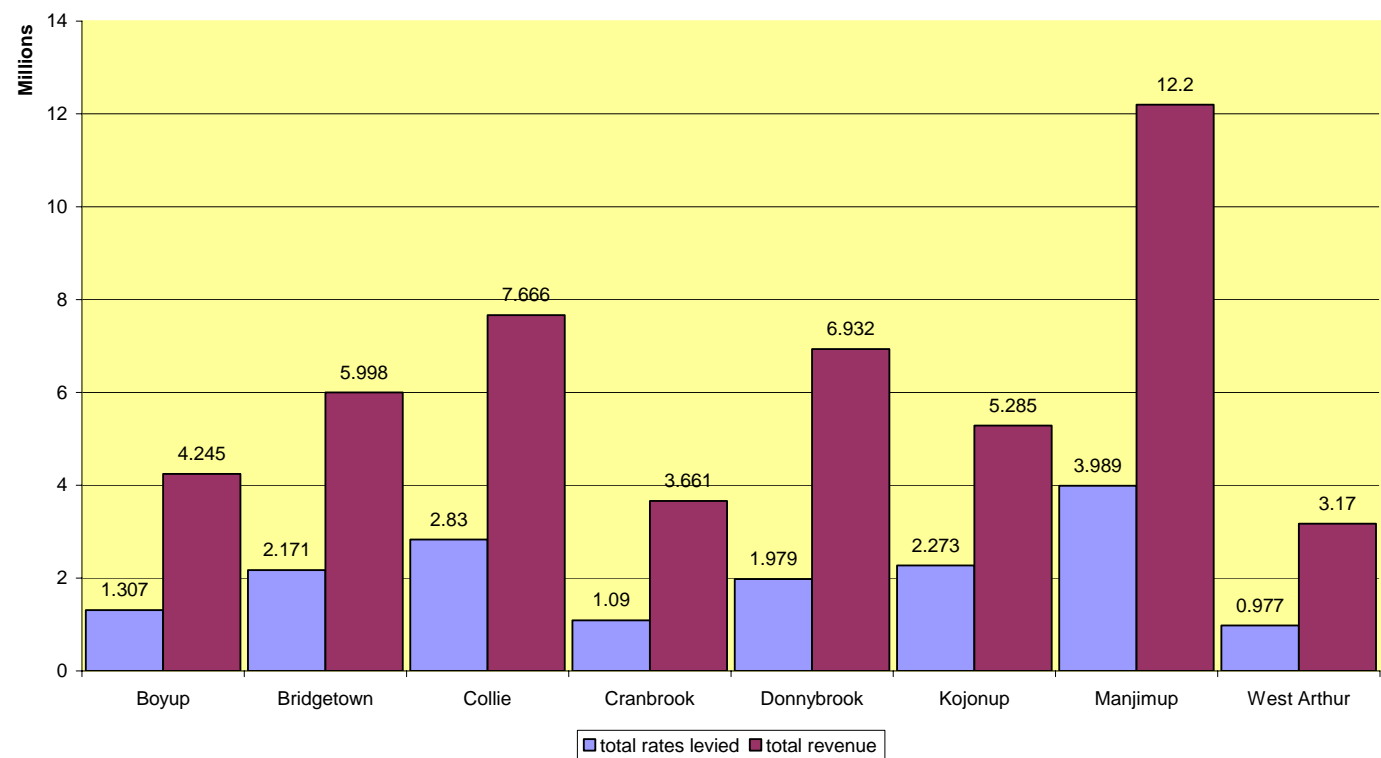
9. COMPARISON OF STANDARD INDICATORS BETWEEN ADJOINING SHIRES

population, electors, dwellings



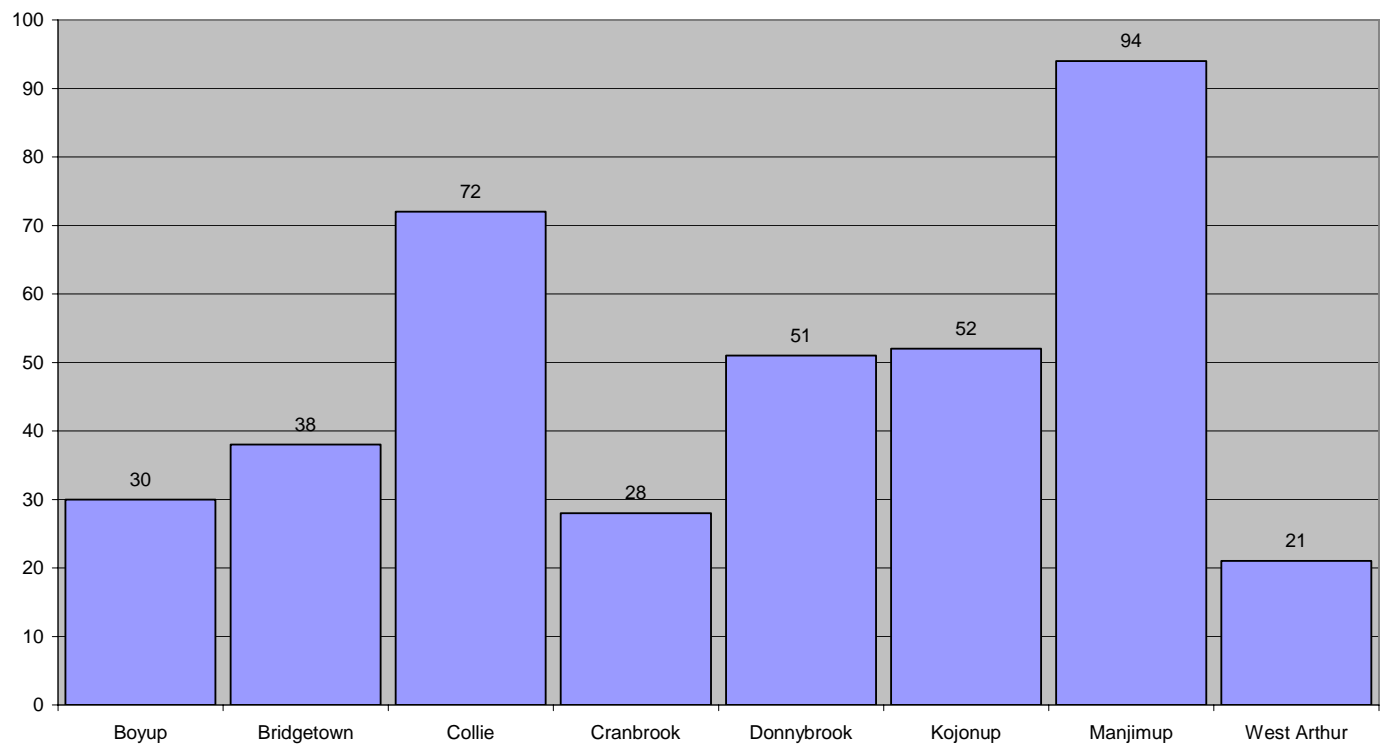
Source: The West Australian Local Government Directory 2006/07

rates & revenue



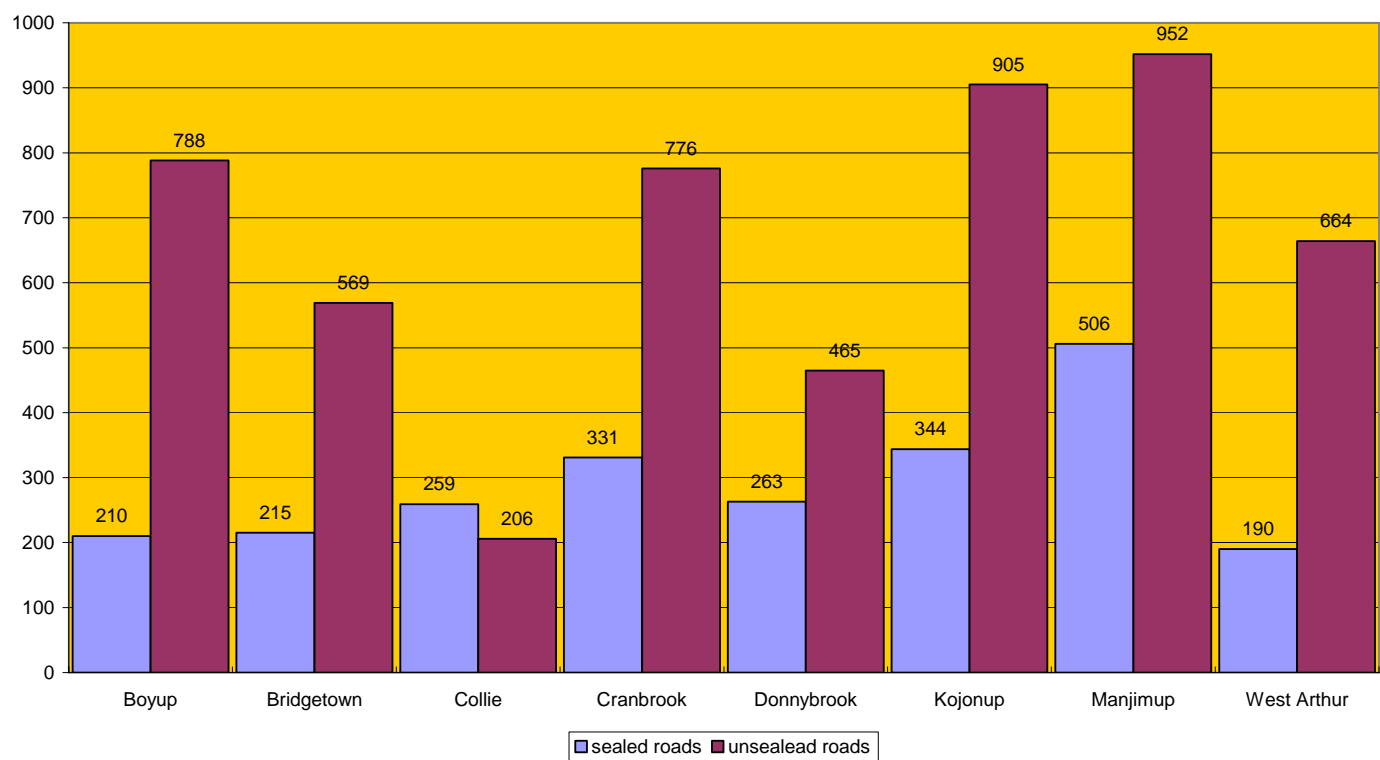
Source: The West Australian Local Government Directory 2006/07

no of employees



Source: The West Australian Local Government Directory 2006/07

sealed & unsealed roads



Source: The West Australian Local Government Directory 2006/07

10. CUSTOMER SERVICE PERFORMANCE INDICATORS

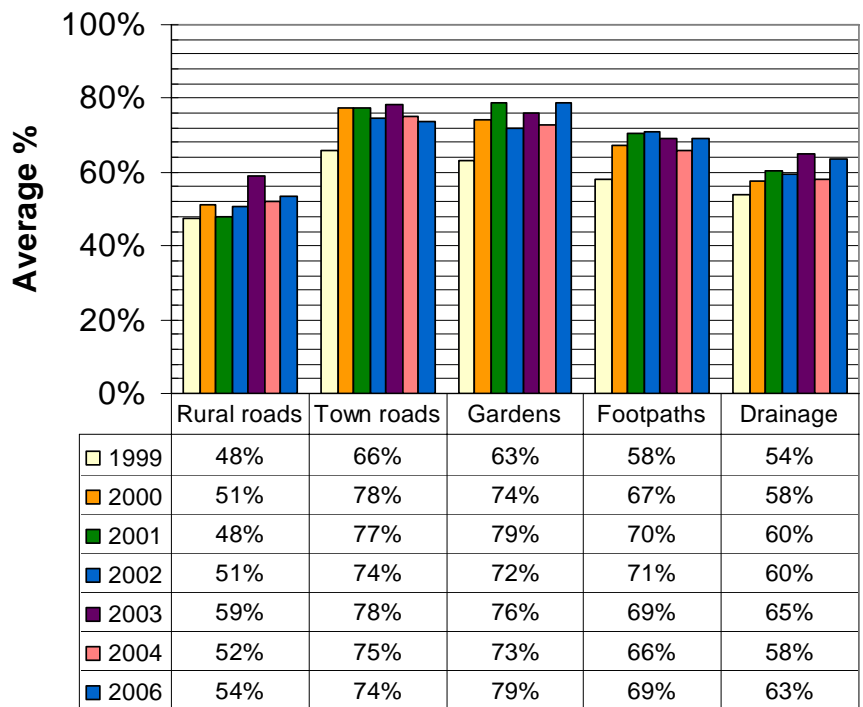
The Council elected to carry out Bi-annual surveys from 2006 the next one being in 2008 and as such the following figures reflect only up to 2006. As the Council has since decided to carry out a Strategic Plan process, this survey matter will be reviewed accordingly.

An inaugural survey was undertaken in 1999. The seventh survey was undertaken in April 2006.

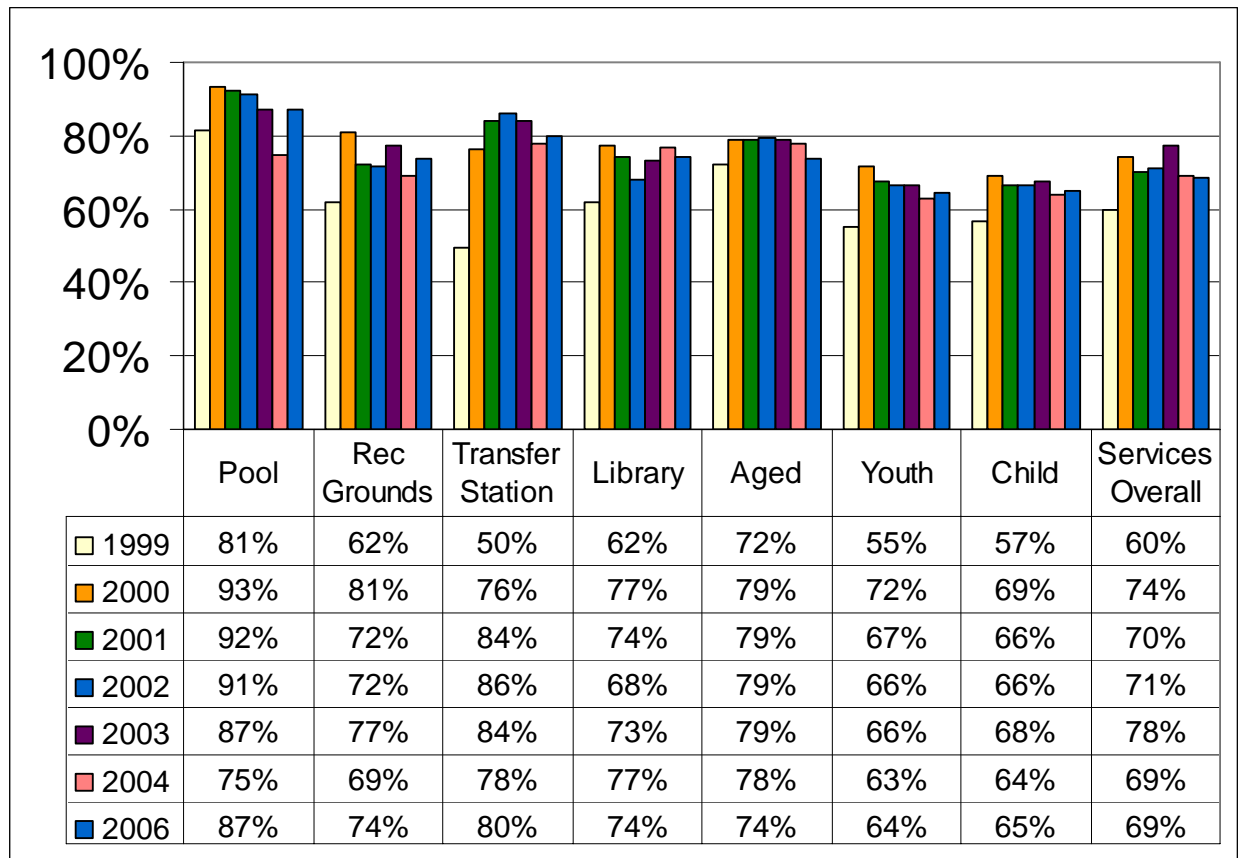
The services and facilities measured have been selected due to their representing substantial expenditure of the shire's total budget.

The survey graphs are a summary of the performance improvements measured from changes to the mean scores recorded over the seven survey years.

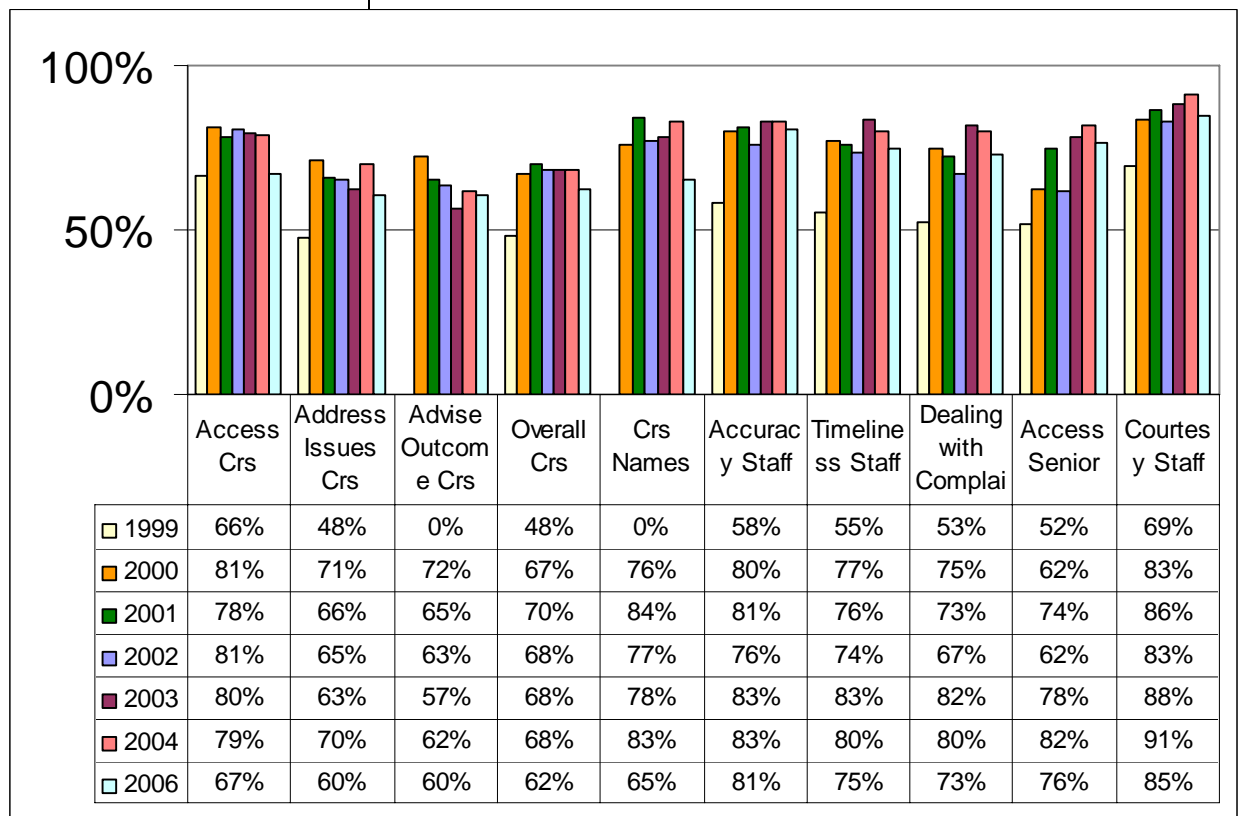
Current Service Provision



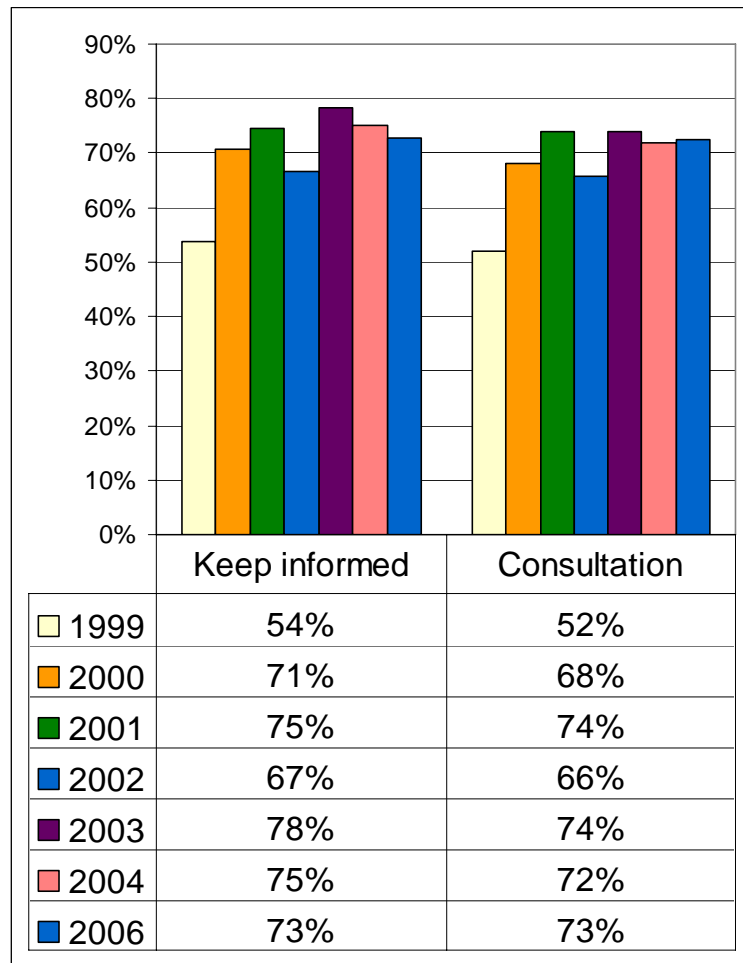
Averaged satisfaction
with facilities and services
provided



Averaged satisfaction with contact with Councillors and Staff



Averaged
satisfaction with
communication
effort



SHIRE OF BOYUP BROOK
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

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SHIRE OF BOYUP BROOK

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Boyup Brook being the annual financial report and other information for the financial year ended 30th June 2007 are in my opinion properly drawn up to present fairly the financial position of the Shire of Boyup Brook at 30th June 2007 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under that Act.

Signed on the 11th day of OCTOBER 2007.


Tony Doust
Chief Executive Officer

SHIRE OF BOYUP BROOK

INCOME STATEMENT

BY NATURE OR TYPE

FOR THE YEAR ENDED 30TH JUNE 2007

	NOTE	2007 \$	2007 Budget \$	2006 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	23	1,388,113	1,391,229	1,346,060
Grants and Subsidies	29	1,152,490	926,092	1,409,801
Contributions Reimbursements and Donations		27,182	20,500	28,801
Fees and Charges	28	427,275	587,686	510,075
Interest Earnings	2(a)	134,934	64,032	56,729
Other Revenue		475,818	67,996	286,234
		<u>3,605,812</u>	<u>3,057,535</u>	<u>3,637,700</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(1,468,850)	(1,581,998)	(1,384,234)
Materials and Contracts		(631,211)	(509,345)	(562,706)
Utilities		(71,322)	(62,458)	(98,087)
Depreciation	2(a)	(1,265,348)	(891,357)	(1,206,144)
Interest Expenses	2(a)	(40,421)	(41,005)	(32,216)
Insurance		(110,468)	(123,159)	(99,016)
Other Expenditure		(134,917)	(2,899)	(154,880)
		<u>(3,722,537)</u>	<u>(3,212,221)</u>	<u>(3,537,283)</u>
		(116,725)	(154,686)	100,417
Grants and Subsidies - non-operating	29	432,911	1,117,741	534,374
Profit on Asset Disposals	21	200,006	0	17,596
Loss on Asset Disposals	21	<u>(62,675)</u>	<u>0</u>	<u>(4,160)</u>
NET RESULT		<u>453,517</u>	<u>963,055</u>	<u>648,227</u>

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

SHIRE OF BOYUP BROOK

INCOME STATEMENT

BY PROGRAM

FOR THE YEAR ENDED 30TH JUNE 2007

	NOTE	2007 \$	2007 Budget \$	2006 \$
REVENUES FROM ORDINARY ACTIVITIES 2(a)				
Governance		47,519	32,000	36,865
General Purpose Funding		2,363,581	2,358,053	2,239,277
Law, Order, Public Safety		56,638	51,100	48,944
Health		422,570	399,050	509,027
Education and Welfare		17,816	15,000	5,310
Housing		163,268	30,796	27,786
Community Amenities		92,466	92,376	82,375
Recreation and Culture		55,220	54,360	37,672
Transport		860,638	1,070,141	1,043,841
Economic Services		48,451	57,900	71,991
Other Property and Services		110,562	14,500	86,582
		<u>4,238,729</u>	<u>4,175,276</u>	<u>4,189,670</u>
EXPENSES FROM ORDINARY ACTIVITIES 2(a)				
EXCLUDING BORROWING COSTS EXPENSE				
Governance		(300,991)	(308,514)	(285,229)
General Purpose Funding		(104,348)	(76,968)	(102,325)
Law, Order, Public Safety		(77,214)	(78,793)	(68,239)
Health		(458,823)	(354,037)	(387,189)
Education and Welfare		(59,272)	(111,358)	(43,305)
Housing		(88,014)	(50,770)	(49,962)
Community Amenities		(178,263)	(208,162)	(184,216)
Recreation & Culture		(358,324)	(368,157)	(359,025)
Transport		(1,631,252)	(1,347,698)	(1,796,440)
Economic Services		(208,344)	(260,213)	(213,381)
Other Property and Services		(279,946)	(6,548)	(19,916)
		<u>(3,744,791)</u>	<u>(3,171,218)</u>	<u>(3,509,227)</u>
BORROWING COSTS EXPENSE 2(a)				
Governance		(2,118)	(2,123)	(2,175)
Health		(5,433)	(5,636)	(6,077)
Housing		(12,360)	(12,452)	(8,255)
Community Amenities		(2,253)	(2,259)	(2,338)
Recreation & Culture		(11,713)	(11,701)	(6,001)
Transport		(445)	(653)	(944)
Economic Services		(6,099)	(6,179)	(6,426)
		<u>(40,421)</u>	<u>(41,003)</u>	<u>(32,216)</u>
NET RESULT		<u><u>453,517</u></u>	<u><u>963,055</u></u>	<u><u>648,227</u></u>

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

SHIRE OF BOYUP BROOK

BALANCE SHEET

AS AT 30TH JUNE 2007

	NOTE	2007 \$	2006 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,386,265	1,037,647
Trade and Other Receivables	4	218,987	316,665
Inventories	5	21,129	20,796
TOTAL CURRENT ASSETS		<u>1,626,381</u>	<u>1,375,108</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	5,850,645	5,776,614
Infrastructure	7	48,282,997	48,026,149
TOTAL NON-CURRENT ASSETS		<u>54,133,642</u>	<u>53,802,763</u>
TOTAL ASSETS		<u>55,760,023</u>	<u>55,177,871</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	449,430	312,690
Short Term Borrowings	9	37,858	0
Long Term Borrowings	10	36,797	38,334
Provisions	11	190,871	124,626
TOTAL CURRENT LIABILITIES		<u>714,956</u>	<u>475,650</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	10	564,197	600,994
Provisions	11	56,491	130,365
TOTAL NON-CURRENT LIABILITIES		<u>620,688</u>	<u>731,359</u>
TOTAL LIABILITIES		<u>1,335,644</u>	<u>1,207,009</u>
NET ASSETS		<u>54,424,379</u>	<u>53,970,862</u>
EQUITY			
Retained Surplus		51,886,321	51,518,972
Reserves - Cash Backed	12	947,677	861,509
Reserves - Asset Revaluation	13	1,590,381	1,590,381
TOTAL EQUITY		<u>54,424,379</u>	<u>53,970,862</u>

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

SHIRE OF BOYUP BROOK
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2007

	NOTE	2007 \$	2006 \$
RETAINED SURPLUS			
Balance as at 1 July 2006		51,518,972	50,944,453
Net Result		453,517	648,227
Transfer from/(to) Reserves		(86,168)	(73,708)
Balance as at 30 June 2007		<u>51,886,321</u>	<u>51,518,972</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2006		861,509	787,801
Amount Transferred (to)/from Retained Surplus		<u>86,168</u>	<u>73,708</u>
Balance as at 30 June 2007	12	<u>947,677</u>	<u>861,509</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2006		1,590,381	1,590,381
Revaluation Increment		0	0
Revaluation Decrement		<u>0</u>	<u>0</u>
Balance as at 30 June 2007	13	<u>1,590,381</u>	<u>1,590,381</u>
TOTAL EQUITY		<u><u>54,424,379</u></u>	<u><u>53,970,862</u></u>

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

**SHIRE OF BOYUP BROOK
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2007**

	NOTE	2007 \$	2007 Budget \$	2006 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,495,749	1,370,777	1,266,395
Grants and Subsidies - operating		1,152,490	982,692	1,409,801
Contributions, Reimbursements & Donations		27,182	20,500	28,801
Service Charges		0	0	0
Fees and Charges		431,877	558,925	510,075
Interest Earnings		102,079	64,032	56,729
Goods and Services Tax		0	0	6,840
Other		508,674	67,996	341,325
		<u>3,718,051</u>	<u>3,064,922</u>	<u>3,619,966</u>
Payments				
Employee Costs		(1,476,479)	(1,570,585)	(1,365,344)
Materials and Contracts		(504,762)	(621,521)	(483,722)
Utilities (gas, electricity, water, etc)		(71,322)	(62,458)	(98,087)
Insurance		(110,468)	(123,159)	(99,016)
Interest		(40,421)	(41,005)	(32,216)
Goods and Services Tax		0	0	0
Other		(139,519)	(2,899)	(149,852)
		<u>(2,342,971)</u>	<u>(2,421,627)</u>	<u>(2,228,237)</u>
Net Cash Provided By (Used In) Operating Activities	14(b)	<u>1,375,080</u>	<u>643,295</u>	<u>1,391,729</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(633,702)	(656,200)	(813,902)
Payments for Construction of Infrastructure		(1,164,903)	(1,315,682)	(1,298,978)
Grants/Contributions for the Development of Assets		432,911	1,061,141	534,374
Proceeds from Sale of Plant & Equipment		339,708	330,100	59,027
Net Cash Provided By (Used In) Investing Activities		<u>(1,025,986)</u>	<u>(580,641)</u>	<u>(1,519,479)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(38,334)	(38,334)	(56,088)
Proceeds from New Debentures		0	0	310,000
Net Cash Provided By (Used In) Financing Activities		<u>(38,334)</u>	<u>(38,334)</u>	<u>253,912</u>
Net Increase (Decrease) in Cash Held		310,760	24,320	126,162
Cash at Beginning of Year		1,037,647	799,171	911,485
Cash and Cash Equivalents at the End of the Year	14(a)	<u><u>1,348,407</u></u>	<u><u>823,491</u></u>	<u><u>1,037,647</u></u>

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

SHIRE OF BOYUP BROOK

RATE SETTING STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2007

	NOTE	2007 \$	2007 Budget \$
REVENUES			
Governance		47,519	32,000
General Purpose Funding		975,468	975,672
Law, Order, Public Safety		56,538	51,100
Health		422,570	399,050
Education and Welfare		17,817	15,000
Housing		163,268	30,796
Community Amenities		92,466	92,376
Recreation and Culture		55,220	54,360
Transport		860,638	1,070,141
Economic Services		48,451	57,900
Other Property and Services		110,589	14,500
		<u>2,850,544</u>	<u>2,792,895</u>
EXPENSES			
Governance		(303,082)	(310,637)
General Purpose Funding		(104,348)	(76,968)
Law, Order, Public Safety		(77,214)	(78,793)
Health		(464,257)	(359,673)
Education and Welfare		(59,272)	(111,358)
Housing		(100,374)	(63,222)
Community Amenities		(180,516)	(210,421)
Recreation & Culture		(370,037)	(379,858)
Transport		(1,631,697)	(1,348,351)
Economic Services		(214,443)	(266,392)
Other Property and Services		(279,946)	(20,727)
		<u>(3,785,186)</u>	<u>(3,226,400)</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		(137,331)	0
Movement in Employee Benefit Provisions		(73,874)	0
Depreciation and Amortisation on Assets		1,265,349	891,357
Capital Expenditure and Revenue			
Purchase Land and Buildings		(101,069)	(183,500)
Purchase Infrastructure Assets - Roads		(1,164,903)	(1,315,682)
Purchase Plant and Equipment		(499,374)	(438,700)
Purchase Furniture and Equipment		(33,259)	(34,000)
Proceeds from Disposal of Assets		339,708	330,100
Repayment of Debentures		(38,334)	(38,334)
Transfers to Reserves (Restricted Assets)		(438,072)	(693,032)
Transfers from Reserves (Restricted Assets)		351,905	458,500
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		76,329	65,567
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		546	0
Amount Required to be Raised from Rates	23	<u><u>(1,388,113)</u></u>	<u><u>(1,391,229)</u></u>

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

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

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 applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations. The report has also been prepared on the accrual basis under the convention of historical cost accounting.

Compliance with IFRSs

International Financial Reporting Standards ("IFRSs") form the basis of Australian Accounting Standards adopted by the AASB, being AIFRSs. The financial report of the Shire complies with IFRSs and interpretations adopted by the International Accounting Standards Board except as follows:

- AIFRSs include specific provisions relating to not-for-profit entities. These are not included in IFRSs.
- Australian Accounting Standard AAS27 '*Financial Reporting by Local Governments*' also applies and there is no equivalent standard in IFRSs.

The principal areas of non-compliance with IFRSs include:

- the recognition of non-reciprocal revenue;
- the definition of value in use for the purposes of estimating the recoverable amount of impaired assets; and
- the offsetting of asset revaluation increments and decrements on a class of asset basis rather than individual asset basis.

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 2007.

Council is of the view the new standards or amendments will have no direct impact on the amounts included in the financial report although the changes may impact upon the way in which some financial information is disclosed.

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.

**SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 20 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.

(f) Inventories

General

Inventories are valued at the lower of cost and net realisable value.

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.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 an appropriate proportion of 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

Land under roads is excluded from infrastructure in accordance with the transition arrangements available under AASB 1045 and in accordance with legislative requirements.

(h) Depreciation of Non-Current Assets

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

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

Buildings	50 to 100 years
Furniture and Equipment	5 to 10 years
Plant and Equipment	5 to 10 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	40 years
original surfacing and	
major re-surfacing	
- bituminous seals	15 years
- asphalt surfaces	20 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	15 years
gravel sheet	10 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	10 years
Footpaths - slab	20 years
Sewerage piping	75 years
Water supply piping & drainage systems	75 years

(i) Investments and Other Financial Assets

Financial Assets in the scope of AASB 139 '*Financial Instruments: Recognition and Measurement*' are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Council determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) 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.

(k) 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.

(l) 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) Annual Leave and Long Service Leave (Long-term Benefits)

The provision for employees' benefits for annual leave and long service leave expected to be settled more than 12 months from the reporting date represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees service to balance date.

(m) Interest-bearing Loans and Borrowings

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

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

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

Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

(n) 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 Shire, 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.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Joint Venture

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

(p) Rates, Grants, Donations and Other Contributions

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

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

(q) Superannuation

The Shire of Boyup Brook contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

(r) Interest Rate Risk

Information on interest rate risk as it applies to financial instruments is disclosed in Note 26.

(s) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial report.

The one major concentration of credit risk within the municipality is in relation to its cash and cash equivalent deposits which are all with the one financial institution.

(t) Liquidity Risk

The Council's liquidity risk is managed via the use of its cash and cash equivalent balances, other financial assets and borrowing policy.

(u) Fair Value

All assets and liabilities recognised in the balance sheet, whether they are carried at cost or at fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

(v) Rounding Off Figures

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

(w) Comparative Figures

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

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

2. REVENUES AND EXPENSES

2007
\$

2006
\$

(a) Result from Ordinary Activities

The Result from Ordinary Activities includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit	15,110	6,000
- Other Services	5,604	2,175

Depreciation

Buildings	105,803	94,961
Furniture and Equipment	23,935	18,782
Plant and Equipment	227,555	205,134
Roads	908,055	887,267
	<u>1,265,348</u>	<u>1,206,144</u>

Interest Expenses

Finance Lease Charges		
Debentures (<i>refer Note 21(a)</i>)	40,421	32,216
	<u>40,421</u>	<u>32,216</u>

Rental Charges

- Operating Leases	22,419	0
	<u>22,419</u>	<u>0</u>

(ii) Crediting as Revenue:

2007
\$

2007
Budget
\$

2006
\$

Interest Earnings

Investments			
- Reserve Funds	48,134	24,032	32,121
- Other Funds	53,945	40,000	5,908
Other Interest Revenue (<i>refer note 26</i>)	32,855	0	18,700
	<u>134,934</u>	<u>64,032</u>	<u>56,729</u>

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

GOVERNANCE

Members of Council, civic receptions and functions, public relations, electoral, general administration.

GENERAL PURPOSE FUNDING

Rates, general purpose grants, interest revenue.

LAW, ORDER, PUBLIC SAFETY

Fire prevention, including the WA Fire Brigade Levy, clearing for fire hazards, animal control, dog pound, by-law control, public security, civil emergency services, park rangers, neighbourhood watch.

HEALTH

Food control, health inspections.

EDUCATION AND WELFARE

Rylington Park, aged and disabled, senior citizen's centres, welfare administration, donations to welfare organisations.

HOUSING

Public and staff housing.

COMMUNITY AMENITIES

Rubbish collections, recycling refuse site operations, litter control, public litter bins, abandoned vehicles, pollution control, town planning control/studies, memorials, public conveniences.

RECREATION AND CULTURE

Public halls, civic centres, parks, sports grounds, sports clubs, community recreation programs, libraries, community arts program.

TRANSPORT

Roads, footpaths, rights of way, drainage, road verges, median strips, street lighting, street cleaning, street trees, traffic surveys, traffic management.

ECONOMIC SERVICES

Tourism and promotions, parades and festivals, Christmas decorations, building control.

OTHER PROPERTY & SERVICES

Public works overhead, plant/vehicle operations, stock and materials, depot operations, sundry property.

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

2. REVENUES AND EXPENSES (Continued)

	2007 \$	2006 \$
(c) Conditions Over Contributions		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Roads to Recovery - supplementary (transport)	278,918	0
Auslink Roads to Recovery Programme	6,400	0
Grant for "Fit for your Shape" (recreation & culture)	0	4,000
Grants for T.I.R.E.S. (transport)	0	232,830
	<u>285,318</u>	<u>236,830</u>
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Roads to Recovery - supplementary (transport)	0	285,318
Auslink Roads to Recovery Programme	1,246	0
Aerial Bundled Cabling (transport)	54,500	0
PATF - Walk to Wagin	1,882	0
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Roads to Recovery - supplementary (transport)	(104,599)	0
Grant for "Fit for your Shape" (recreation & culture)	0	(4,000)
Grants for T.I.R.E.S. (transport)	0	(232,830)
Closing balances of unexpended grants	<u>238,347</u>	<u>285,318</u>
Comprises:		
Roads to Recovery - supplementary (transport)	174,319 *	285,318
Auslink Roads to Recovery Programme	7,646 *	0
Aerial Bundled Cabling (transport)	54,500	0
PATF - Walk to Wagin	1,882	0
	<u>238,347</u>	<u>285,318</u>

* \$181,965 of the above amount is held in the Infrastructure Reserve listed at note 3.

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

	2007 \$	2006 \$
3. CASH AND CASH EQUIVALENTS		
Cash on Hand - Municipal	650	820
Cash at Bank - Municipal	437,938	175,318
Cash on Investment - Reserves - Restricted	947,677	861,509
	<u>1,386,265</u>	<u>1,037,647</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Plant Reserve	100,734	136,312
Leave Reserve	31,576	29,659
Depot Reserve	17,028	15,994
Housing Reserve	19,481	18,137
Emergency Reserve	28,684	22,404
Insurance Claim Reserve	12,208	11,467
Flax Mill Sheds Reserve	23,147	17,042
Recreation Improvement Reserve	43,450	3,209
Commercial Reserve	280,108	117,124
Bush Fire Radios Reserve	11,000	10,333
Rylington Park Reserve	14,285	13,418
Infrastructure Reserve	216,243	294,540
Bridges Reserve	23,815	22,370
Medical Services Reserve	35,188	87,500
Swimming Pool Reserve	5,004	0
Town Hall Reserve	5,004	0
Admin Office Building Reserve	52,697	45,000
Building Maintenance Reserve	10,008	0
Aged Accommodation Reserve	18,017	17,000
	<u>947,677</u>	<u>861,509</u>
Cash at Bank Municipal		
Unrestricted	381,556	168,918
Unspent Grants - Restricted	56,382	6,400
	<u>437,938</u>	<u>175,318</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	29,820	59,232
Sundry Debtors	210,342	194,899
Provision for Doubtful Debts	(39,878)	(11,514)
Other current assets	8,745	12,289
GST Receivable	9,958	59,609
Loans - Clubs/Institutions	0	2,150
	<u>218,987</u>	<u>316,665</u>
5. INVENTORIES		
Current		
Fuel and Materials	21,129	20,796
	<u>21,129</u>	<u>20,796</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	5,206,105	5,281,142
Less Accumulated Depreciation	<u>(1,047,187)</u>	<u>(1,068,445)</u>
	4,158,918	4,212,697
 Furniture and Equipment - Cost	 280,379	 495,122
Less Accumulated Depreciation	<u>(133,150)</u>	<u>(353,265)</u>
	147,229	141,857
 Plant and Equipment - Cost	 2,414,008	 2,302,074
Less Accumulated Depreciation	<u>(869,510)</u>	<u>(880,014)</u>
	1,544,498	1,422,060
	<u><u>5,850,645</u></u>	<u><u>5,776,614</u></u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at 1 July 2006	4,212,697	141,857	1,422,060	5,776,614
Additions	101,069	33,259	499,374	633,702
(Disposals)	(49,044)	(3,952)	(149,381)	(202,377)
Revaluation - Increments	0	0	0	0
- (Decrements)	0	0	0	0
Impairment - (losses)	0	0	0	0
- reversals	0	0	0	0
Depreciation (Expense)	(105,804)	(23,935)	(227,555)	(357,294)
Other Movements				0
Balance as at 30 June 2007	<u>4,158,918</u>	<u>147,229</u>	<u>1,544,498</u>	<u>5,850,645</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006
	\$	\$
7. INFRASTRUCTURE		
Roads - Cost	62,084,787	60,919,883
Less Accumulated Depreciation	<u>(13,899,019)</u>	<u>(12,996,222)</u>
	48,185,768	47,923,661
 Tip Site - cost	 135,676	 135,676
Less Accumulated Depreciation	<u>(38,447)</u>	<u>(33,188)</u>
	97,229	102,488
	 <u><u>48,282,997</u></u>	 <u><u>48,026,149</u></u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	<u>Roads</u> \$	<u>Tip Site</u> \$	<u>Total</u> \$
Balance as at 1 July 2006	47,923,661	102,488	48,026,149
Additions	1,164,903	0	1,164,903
(Disposals)	0	0	0
Revaluation - Increments	0	0	0
- (Decrements)	0	0	0
Impairment - (losses)	0	0	0
- reversals	0	0	0
Depreciation (Expense)	(902,796)	(5,259)	(908,055)
Other Movements	0	0	0
Balance as at 30 June 2007	<u><u>48,185,768</u></u>	<u><u>97,229</u></u>	<u><u>48,282,997</u></u>

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

	2007 \$	2006 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	364,142	199,147
Accrued Interest on Debentures	11,339	12,112
Other Accruals	24,503	63,922
Accrued Salaries and Wages	49,446	37,509
	<u>449,430</u>	<u>312,690</u>
9. SHORT-TERM BORROWINGS		
Bank Overdraft	37,858	0
	<u>37,858</u>	<u>0</u>
10. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	36,797	38,334
	<u>36,797</u>	<u>38,334</u>
Non-Current		
Secured by Floating Charge		
Debentures	564,197	600,994
	<u>564,197</u>	<u>600,994</u>
Additional detail on borrowings is provided in Note 22.		
11. PROVISIONS		
Current		
Provision for Annual Leave	113,184	91,674
Provision for Long Service Leave	77,687	32,952
	<u>190,871</u>	<u>124,626</u>
Non-Current		
Provision for Annual Leave	0	22,784
Provision for Long Service Leave	56,491	107,581
	<u>56,491</u>	<u>130,365</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

	2007 \$	2007 Budget \$	2006 \$
12. RESERVES - CASH BACKED			
(a) Plant Reserve			
Opening Balance	136,312	136,311	158,983
Amount Set Aside / Transfer to Reserve	168,827	167,802	134,686
Amount Used / Transfer from Reserve	(204,405)	(234,000)	(157,357)
	<u>100,734</u>	<u>70,113</u>	<u>136,312</u>
(b) Leave Reserve			
Opening Balance	29,659	29,659	38,683
Amount Set Aside / Transfer to Reserve	1,917	1,169	1,976
Amount Used / Transfer from Reserve	0	0	(11,000)
	<u>31,576</u>	<u>30,828</u>	<u>29,659</u>
(c) Depot Reserve			
Opening Balance	15,994	15,994	10,460
Amount Set Aside / Transfer to Reserve	1,034	635	5,534
Amount Used / Transfer from Reserve	0	0	0
	<u>17,028</u>	<u>16,629</u>	<u>15,994</u>
(d) Housing Reserve			
Opening Balance	18,137	18,137	16,071
Amount Set Aside / Transfer to Reserve	1,344	5,869	5,821
Amount Used / Transfer from Reserve	0	0	(3,755)
	<u>19,481</u>	<u>24,006</u>	<u>18,137</u>
(e) Emergency Reserve			
Opening Balance	22,404	22,404	16,558
Amount Set Aside / Transfer to Reserve	6,280	5,889	5,846
Amount Used / Transfer from Reserve	0	0	0
	<u>28,684</u>	<u>28,293</u>	<u>22,404</u>
(f) Insurance Reserve			
Opening Balance	11,467	11,467	11,861
Amount Set Aside / Transfer to Reserve	741	493	606
Amount Used / Transfer from Reserve	0	0	(1,000)
	<u>12,208</u>	<u>11,960</u>	<u>11,467</u>
(g) Flax Mill Sheds Reserve			
Opening Balance	17,042	17,042	11,457
Amount Set Aside / Transfer to Reserve	6,105	5,677	5,585
Amount Used / Transfer from Reserve	0	(10,000)	0
	<u>23,147</u>	<u>12,719</u>	<u>17,042</u>
(h) Recreation Improvement Reserve			
Opening Balance	3,209	3,209	3,053
Amount Set Aside / Transfer to Reserve	40,241	40,127	156
Amount Used / Transfer from Reserve	0	(13,000)	0
	<u>43,450</u>	<u>30,336</u>	<u>3,209</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2006

	2006 \$	2006 Budget \$	2005 \$
12. RESERVES - CASH BACKED (continued)			
(i) Commercial Reserve			
Opening Balance	117,124	124,124	154,245
Amount Set Aside / Transfer to Reserve	162,984	160,565	52,879
Amount Used / Transfer from Reserve	0	(62,000)	(90,000)
	<u>280,108</u>	<u>222,689</u>	<u>117,124</u>
(j) Bush Fire Radios Reserve			
Opening Balance	10,333	10,333	9,830
Amount Set Aside / Transfer to Reserve	667	409	503
Amount Used / Transfer from Reserve	0	0	0
	<u>11,000</u>	<u>10,742</u>	<u>10,333</u>
(k) Rylington Park Reserve			
Opening Balance	13,418	13,418	14,669
Amount Set Aside / Transfer to Reserve	867	530	749
Amount Used / Transfer from Reserve	0	0	(2,000)
	<u>14,285</u>	<u>13,948</u>	<u>13,418</u>
(l) Infrastructure Reserve			
Opening Balance	294,540	8,624	239,830
Amount Set Aside / Transfer to Reserve	11,703	188,000	287,542
Amount Used / Transfer from Reserve	(90,000)	0	(232,832)
	<u>216,243</u>	<u>196,624</u>	<u>294,540</u>
(m) Bridges Reserve			
Opening Balance	22,370	22,370	102,101
Amount Set Aside / Transfer to Reserve	1,445	16,687	19,156
Amount Used / Transfer from Reserve	0	(15,000)	(98,887)
	<u>23,815</u>	<u>24,057</u>	<u>22,370</u>
(n) Medical Services Reserve			
Opening Balance	87,500	87,500	0
Amount Set Aside / Transfer to Reserve	5,188	73,500	87,500
Amount Used / Transfer from Reserve	(57,500)	(57,500)	0
	<u>35,188</u>	<u>103,500</u>	<u>87,500</u>
(o) Swimming Pool Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	5,004	5,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>5,004</u>	<u>5,000</u>	<u>0</u>
(p) Town Hall Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	5,004	5,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>5,004</u>	<u>5,000</u>	<u>0</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2006

	2006 \$	2006 Budget \$	2005 \$
12. RESERVES - CASH BACKED (continued)			
(q) Admin Office Building Reserve			
Opening Balance	45,000	45,000	0
Amount Set Aside / Transfer to Reserve	7,697	5,000	45,000
Amount Used / Transfer from Reserve	0	(45,000)	0
	<u>52,697</u>	<u>5,000</u>	<u>45,000</u>
(r) Building Maintenance Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	10,008	10,000	0
Amount Used / Transfer from Reserve	0	(5,000)	0
	<u>10,008</u>	<u>5,000</u>	<u>0</u>
(s) Aged Accommodation Reserve			
Opening Balance	17,000	17,000	0
Amount Set Aside / Transfer to Reserve	1,017	680	17,000
Amount Used / Transfer from Reserve	0	(17,000)	0
	<u>18,017</u>	<u>680</u>	<u>17,000</u>
TOTAL CASH BACKED RESERVES	<u>947,677</u>	<u>817,124</u>	<u>861,509</u>

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

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

Plant Reserve

- to be used for the purchase of major items of plant including graders, trucks, utes, rollers etc.

Leave Reserve

- to be used to fund annual / long service / sick leave and redundancy requirements.

Depot Reserve

- to be used to fund future requirements relating to upgrade of Depot facilities.

Housing Reserve

- to be used in the long term maintenance of the Homeswest Housing Units.

Emergency Reserve

- for emergency situations during and outside working hours for example trees on roads, minor flooding, car accidents and supply of services and materials deemed necessary in an emergency.

Insurance Claim Reserve

- this reserve was established following the change to "All Properties Risk Policy" and the acceptance of a \$300 voluntary excess on all claims. Funds to be utilised any year where insurance claims are excessive resulting in substantial increases in operating costs of facilities and/or services.

Flax Mill Sheds Reserve

- to be used to fund future requirements relating to maintenance and upgrade of Flax Mill Sheds.

Recreation Improvement Reserve

- to be used to fund capital improvements to the Recreation facilities and grounds. Originally these funds were partly set aside for reticulation upgrade at the ovals which has been done.

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

12. RESERVES - CASH BACKED (continued)

Commercial Reserve

- to be available for future economic development, enhancement and promotion of the district including Topoclimate type concepts.

Bush Fire Radios Reserve

- to be used to fund bush fire radio changeover and future radio requirements and for the maintenance of the bush fire radio tower.

Rylington Park Reserve

- previously set up from funds received from Rylington Park for the lease of the farm.
A new lease agreement now exists which means no further income will be received in this fund.

Infrastructure Reserve

- unspent grant money received from State and Federal government sources for specific infrastructure costs.

Bridges Reserve

- to be used to fund future requirements of bridge works.

Medical Services Reserve

- to be used to fund future medical services requirements and provision of GP bonus

Swimming Pool Reserve

- to be used to fund future requirements of swimming pool

Town Hall Reserve

- to be used to fund future requirements of Town Hall

Admin Office Building Reserve

- to be used to fund future requirements of Office Building

Building Maintenance Reserve

- to be used to fund future requirements of Shire owned buildings

Aged Accommodation Reserve

- to be used to fund future requirements of Aged Accommodation

13. RESERVES - ASSET REVALUATION

2007

2006

\$

\$

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

Roads

Balance as at 1 July 2006	1,590,381	1,590,381
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2007	<u>1,590,381</u>	<u>1,590,381</u>

TOTAL ASSET REVALUATION RESERVES

1,590,381

1,590,381

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

14. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	2007 \$	2007 Budget \$	2006 \$
Cash and Cash Equivalents	1,386,265	823,491	1,037,647
Bank Overdraft	(37,858)	0	0
	<u>1,348,407</u>	<u>823,491</u>	<u>1,037,647</u>

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

Net Result	453,517	963,055	648,227
Amortisation	0	0	0
Depreciation	1,265,348	891,357	1,206,144
Impairment (Loss)/Reversal			
(Increase)/Decrease in Receivables	107,636	(49,213)	(72,825)
(Profit)/Loss on Sale of Asset	(137,331)	0	46,683
(Increase)/Decrease in Inventories	(333)	0	8,226
Increase/(Decrease) in Payables	126,783	(112,176)	70,758
Increase/(Decrease) in Employee Provisions	(7,629)	11,413	18,890
Grants/Contributions for the Development of Assets	(432,911)	(1,061,141)	(534,374)
Net Cash from Operating Activities	<u>1,375,080</u>	<u>643,295</u>	<u>1,391,729</u>

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank Overdraft limit	50,000	50,000
Bank Overdraft at Balance Date	37,858	0
Credit Card limit	0	0
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	<u>87,858</u>	<u>50,000</u>

Loan Facilities

Loan Facilities - Current	36,797	38,334
Loan Facilities - Non-Current	564,197	600,994
Total Facilities in Use at Balance Date	<u>600,994</u>	<u>639,328</u>

Unused Loan Facilities at Balance Date	<u>0</u>
---	----------

<u>0</u>

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

15. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

Nil

(b) Operating Lease Commitments

Nil

(c) Capital Expenditure Commitments

Nil

16. CONTINGENT LIABILITIES

Nil

17. JOINT VENTURE

Nil

	2007	2006
	\$	\$
18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY		
Governance	434,556	453,666
General Purpose Funding	29,820	47,718
Law, Order, Public Safety	92,693	97,330
Health	420,679	339,439
Education and Welfare	1,477,858	1,493,454
Housing	528,006	588,975
Community Amenities	120,994	125,446
Recreation and Culture	1,063,990	1,072,009
Transport	48,542,398	48,546,923
Economic Services	398,721	398,542
Other Property and Services	1,053,749	863,883
Unallocated	1,596,559	1,150,486
	<u>55,760,023</u>	<u>55,177,871</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006	2005
19. FINANCIAL RATIOS			
Current Ratio	0.91	1.14	1.00
Untied Cash to Trade Creditors Ratio	1.05	0.85	0.53
Debt Ratio	0.02	0.02	0.01
Debt Service Ratio	0.02	0.02	0.02
Gross Debt to Revenue Ratio	0.15	0.15	0.09
Gross Debt to Economically Realisable Assets Ratio	0.09	0.09	0.06
Rate Coverage Ratio	0.34	0.32	0.31
Outstanding Rates Ratio	0.02	0.04	0.06

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{Gross debt}}{\text{Total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{Gross debt}}{\text{Economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{Net rate revenue}}{\text{Operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{Rates outstanding}}{\text{Rates collectable}}$

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

20. TRUST FUNDS

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

	Balance 1-Jul-06 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-07 \$
Road upgrade contributions				
- W Lee Steere	11,310			11,310
- Mondy	3,200			3,200
Relocateable House Bond	8,803	15,697	(5,000)	19,500
Shire Rental Bonds	1,400	800		2,200
Fruit Fly Program	5,670			5,670
Kerb Deposits	500			500
Boyup Brook Community Foundation	0	4,000		4,000
Shire Rental Receipts	2,498			2,498
Interest Received net of fees	0	965		965
	<u>33,381</u>			<u>49,843</u>

21. DISPOSALS OF ASSETS - 2006/07 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
1 Short Street	17,997	0	155,166	0	137,169	0
Doctors Vehicle	20,208	0	13,273	0	(6,935)	0
Mitsubishi Triton Ute	10,323	0	10,909	0	586	0
Mitsubishi Triton Ute	11,135	0	10,909	0	(226)	0
Ford Courier Utility	23,711	0	17,070	0	(6,641)	0
Ride on Mower	5,115	0	4,500	0	(615)	0
Chainsaws	992	0	682	0	(310)	0
Isuzu 14T Truck	40,857	0	72,418	0	31,561	0
Mitsubishi Pajero 4x4	28,848	0	24,091	0	(4,757)	0
Nissan Prime Mover & Trailer	0	0	27,540	0	27,540	0
Pacific 16T Roller	0	0	3,150	0	3,150	0
Dental Equipment	98	0	-	0	(98)	0
Furniture & Equipment	1,299	0	-	0	(1,299)	0
Hospital House	33,700	0	-	0	(33,700)	0
Sundry Plant & Equipment	8,094	0	-	0	(8,094)	0
	<u>202,377</u>	<u>0</u>	<u>339,708</u>	<u>0</u>	<u>137,331</u>	<u>0</u>

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

22. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-06 \$	New Loans \$	Principal Repayments		Principal 30-Jun-07		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
110 Admin Roof/Bldg Upgrade	33,194		1,120	1,120	32,074	32,075	2,118	2,123
Health								
107 Hospital Upgrade	86,342		10,028	10,028	76,314	76,313	5,433	5,636
Housing								
102 House - Manager of Works	73,610		4,310	4,310	69,300	69,300	5,919	6,029
115 House - new employee	110,000		3,001	3,584	106,999	106,416	6,441	7,008
Community Amenities								
112 Transfer Station	32,305		1,413	1,413	30,892	30,893	2,253	2,259
Recreation & Culture								
114 Pool Bowl upgrade	200,000		5,451	5,451	194,549	194,549	11,713	11,701
Transport								
105 Depot Workshop Constr.	11,685		7,661	7,661	4,024	4,023	445	653
Economic Services								
106 FlaxMill Upgrade	47,773		2,792	2,792	44,981	44,982	3,309	3,381
109 FlaxMill Water Upgrade	44,419		2,558	2,558	41,861	41,860	2,790	2,798
	639,328	0	38,334	38,917	600,994	600,411	40,421	41,588

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2006/07

Nil

(c) Unspent Debentures

Nil

(d) Overdraft

Council established an overdraft facility of \$50,000 in 1992 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2006 was nil and at 30 June 2007 was \$37,858.

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

23. RATING INFORMATION - 2006/07 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General Rate - GRV											
T - Residential - Town	0.131182	292	1,393,340	182,781	550		183,331	182,781			182,781
C - Commercial	0.131182	29	344,308	45,167			45,167	45,167			45,167
I - Industrial	0.131182	16	65,300	8,566			8,566	8,566			8,566
General Rate - UV											0
M - Mining	0.004798	0		0			0	0			0
S - Special Rural	0.004798	56	1,699,000	8,152			8,152	8,152			8,152
R - Rural	0.004798	685	215,134,000	1,032,213	(2,396)		1,029,817	1,032,213			1,032,213
O - Outside Rural	0.004798	0		0			0	0			0
Sub-Totals		1,078	218,635,948	1,276,879	(1,846)	0	1,275,033	1,276,879	0	0	1,276,879
Minimum Rates	Minimum \$										
GRV											
T - Residential - Town	470.00	21	16,534	9,870			9,870	9,870			9,870
C - Commercial	470.00	2	5,720	940	(940)		0	940			940
I - Industrial	470.00	7	7,340	3,290			3,290	3,290			3,290
UV											
M - Mining	470.00	8	154,871	3,760			3,760	3,760			3,760
S - Special Rural	470.00	48	2,445,500	22,560			22,560	22,560			22,560
R - Rural	470.00	119	7,649,540	55,930	(330)		55,600	55,930			55,930
O - Outside Rural	400.00	45	201,500	18,000			18,000	18,000			18,000
Sub-Totals		250	10,481,005	114,350	(1,270)	0	113,080	114,350	0	0	114,350
Specified Area Rate (refer note 23)							1,388,113				1,391,229
							0				0
Discounts (refer note 25)							1,388,113				1,391,229
							0				0
Totals							1,388,113				1,391,229

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

24. SPECIFIED AREA RATE - 2006/07 FINANCIAL YEAR

nil

25. SERVICE CHARGES - 2006/07 FINANCIAL YEAR

nil

26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS

nil

27. INTEREST CHARGES AND INSTALMENTS - 2006/07 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11%	0	19,697	7,000
Interest on Instalments Plan	5.5%	0	6,596	4,000
Charges on Instalment Plan		22.50	6,562	5,000
			32,855	16,000

Ratepayers had the option of paying rates in four equal instalments, due on 15th August 2006, 17th October 2006, 19th December 2006 and 20th February 2007. Administration charges and interest applied for the final three instalments.

28. FEES & CHARGES	2007 \$	2006 \$
Governance	4,381	7,026
General Purpose Funding	6,279	4,900
Law, Order, Public Safety	10,358	6,474
Health	219,978	304,245
Education & Welfare	915	886
Housing	15,302	20,191
Community Amenities	85,682	77,115
Recreation & Culture	27,547	22,062
Economic Services	43,184	50,360
Other Property & Services	13,649	16,816
	<u>427,275</u>	<u>510,075</u>

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

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

29. GRANT REVENUE

	2007	2006
	\$	\$
By Nature and Type:		
Grants and Subsidies - operating	1,152,490	1,409,801
Grants and Subsidies - non-operating	432,911	534,374
	<u>1,585,401</u>	<u>1,944,175</u>
By Program:		
General Purpose Funding	756,614	811,672
Governance	0	2,941
Law, Order, Public Sector	42,900	39,230
Health	10,500	94,500
Education & Welfare	12,171	3,418
Recreation and Culture	17,656	7,909
Transport	745,560	969,505
Economic Services	0	15,000
	<u>1,585,401</u>	<u>1,944,175</u>

30. COUNCILLORS' REMUNERATION

	2007	2007	2006
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	41,700	41,700	39,700
President's Allowance	4,205	4,170	3,935
Deputy President's Allowance	1,044	1,042	999
Conference Expenses	7,895	10,000	9,950
Travelling Expenses	7,876	3,000	2,502
Telecommunications Allowance	678	1,000	751
	<u>63,398</u>	<u>60,912</u>	<u>57,837</u>

31. EMPLOYEES' REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

Salary Range	2007	2006
\$		
150,000 - 159,999	1	1

32. EMPLOYEE NUMBERS

The number of full-time equivalent Employees at balance date

<u>25</u>	<u>26</u>
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33. MAJOR LAND TRANSACTIONS

nil

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2006/07 financial year.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

35. INTEREST RATE RISK

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

Year Ended 30 June 2007	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
FINANCIAL ASSETS								
Fixed Rate								
Other Financial Assets	0	0	0	0	0	0	0	0.00%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
Floating Rate								
Cash and Cash Equivalents	1,348,407	0	0	0	0	0	1,348,407	5.60%
Weighted Average Effective Interest Rate	5.60%	0.00%	0.00%	0.00%	0.00%	0.00%		
FINANCIAL LIABILITIES								
Fixed Rate								
Debentures	(4,023)	0	0	0	0	(596,971)	(600,994)	6.24%
Weighted Average Effective Interest Rate	2.68%	0.00%	0.00%	0.00%	0.00%	6.19%		

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007

35. INTEREST RATE RISK (Continued)

Year Ended 30 June 2006	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
FINANCIAL ASSETS								
Fixed Rate								
Other Financial Assets	0	0	0	0	0	0	0	0.00%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
Floating Rate								
Cash and Cash Equivalents	1,037,647	0	0	0	0	0	1,037,647	5.10%
Weighted Average Effective Interest Rate	5.10%	0.00%	0.00%	0.00%	0.00%	0.00%		
FINANCIAL LIABILITIES								
Fixed Rate								
Debentures	0	(11,684)	0	0	0	(627,644)	(639,328)	6.46%
Weighted Average Effective Interest Rate	0.00%	7.67%	0.00%	0.00%	0.00%	6.34%		

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF BOYUP BROOK**

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Boyup Brook, which comprises the balance sheet as at 30 June 2007 and the income statement by nature or type, income statement by program, statement of changes in equity, cash flow statement and rate setting statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

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

- a giving a true and fair view of the Shire's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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

Statutory Compliance

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

Monthly Financial Reports

The Monthly Financial Reports for each month were presented to Council as required by Financial Management Regulation 34. However, with the exception of September 2006, they did not contain the following information as required:

- i) Material variances between the year to date actual and budgeted income and expenditure - Financial Management Regulation 34(1)(d).
- ii) An explanation of each of the variances referred to above - Financial Management Regulation 34(2)(b).

Adoption of Material Variance

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

Other Matters

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

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

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Address: Perth, WA
Date: 12 October 2007

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