

# ANNUAL REPORT 2008/09

## SHIRE OF BOYUP BROOK



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## 1. Shire President's Message

It is my pleasure to report to you on the 2008/09 year of your Shire Council's operation.

The Minister for Local Government's Local Government reform agenda was a feature of the year under review. In February 2009 the Minister announced to a Western Australian Local Government Association Ward meeting in Exmouth a package for Local Government reform. The Minister's circular to Mayors and Presidents noted that "these strategies are aimed at achieving greater capacity for Local Governments to better plan, manage and deliver services to their communities with a focus on social, environmental and economic sustainability". The circular noted that principal strategies focus on voluntary structural reform, and he called on councils to embrace this opportunity to voluntarily amalgamate.

The Minister set a tight time line of six months that included milestones. These milestones included a requirement to complete and forward a completed checklist by 30 April 2009, establish a project team to meet with project teams from other Local Governments to determine preferred amalgamation structure (April/May 2009), project team to develop a reform submission to Minister (the submission was to include the preferred amalgamation structure, boundary adjustments, number of elected members, regional groupings, a time line and estimated cost), project team to finalise submission and put it to Council for adoption (June/July 2009), reform submission to be lodged with the Minister by 31 August 2009 (the Minister subsequently extended this to 30 September 2009).

The checklist was lodged and each Council was scored based on this. A score of 1, according to the Minister's Local Government Reform Steering Committee, indicated that there is existing organisational and financial capacity to meet current and future community needs, however reform opportunities should be considered. Score 2 indicated that structural reform including amalgamation/boundary adjustments and formalisation of regional groupings should be considered, and score 3 indicated that significant structural reform including amalgamation and formalisation of regional groupings is required. Six rural Shires were included in category one, thirty nine were category 2 and fifty two, including Boyup Brook, were category three. Contributing factors to this Shire's score of 3 were the lack of detailed asset management planning and future viability planning. It is interesting to note that Council had recognised these deficiencies and had allocated funding in its 2008/09 budget (that is before the Minister announced his amalgamation push) to commence the process to address these. These processes will be completed in 2010 and it is considered that if the same scorecard type analysis was done then, this Council would be at least a category two if not a one.

With the assistance of grant funding, this Council joined with the Shires of Bridgetown/Greenbushes, Manjimup and Nannup to engage a consultant to look at amalgamation options (as we were required to do) and this process included public meetings in each Shire. It is important to note that the attendance at Boyup Brook's meeting, of around 140, was far in excess of those held in other towns. The Consultant's report suggested that there were no determining factors against amalgamation other than the potential adverse impact (financial and social) on the smaller towns such as Boyup Brook and Nannup. It also suggested there was no compelling reason to amalgamate. The report noted that the four Shires were in good shape financially and certainly not the basket cases that the Minister's rhetoric might have suggested.

Based on the report and community sentiment expressed at the public meeting held in Boyup Brook, this Council's submission to the Minister noted that Council did not see amalgamation as a solution, but that it did see value in joining with the Shires of Bridgetown/Greenbushes and Donnybrook/Balingup as a regional grouping of Councils to look at options to work more closely together but retain autonomy.

It is anticipated that the Minister will make some announcement about where he wants to go on this matter, early in 2010 but in the interim it appears that there is no desire from the government or opposition to force amalgamations at this time.

All this extra work has placed the CEO and office staff under great pressure, and I would like to commend them for the way in which they have managed to complete all this work on the Minister's reform requests and still complete their normal duties in a professional manner. The "outside" staff have also performed to their usual high standard, as evidenced by the number of complimentary reports I have received. We are indeed privileged to have staff of this calibre, and their efforts and dedication are highly valued.

I would also like to thank Councillors for the support they have given me during the year.

The coming year shows the promise of exciting and progressive times, as the previous years' forward planning begin to show results.

**Roger Downing**  
SHIRE PRESIDENT

## 2. Boyup Brook at a Glance



Tourist Centre Butterfly Collection

President Roger Downing  
Deputy President Peter Marshall

### Councillors

Benjinup Ward	E (Eric) Muncey (term expires 2009) B (Brian) O'Hare (term expires 2011)
Boyup Brook Ward	S (Shirley) Broadhurst (term expires 2009) RF (Roger) Downing (term expires 2011) T J (Terry) Ginnane (term expires 2009)
Dinninup Ward	K (Kym) Lamshed (term expires 2011) A J (Aaron) Piper (term expires 2009)
Scotts Brook Ward	M (Michael) Giles (term expires 2009) P E (Peter) Marshall (term expires 2011)

### **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.

### **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.

Distance to Perth	270 km
Area	2,838 sq km
Length of Sealed Roads	210 km
Length of Unsealed Roads	790 km
Population	1,565
Number of Electors	1,177
Number of Dwellings	818
Total Rates Levied	\$1,691,980
Total Revenue	\$4,930,052
Number of Employees	28

Address: P O Box 2 Boyup Brook 6244  
Phone: 9765 1200 Fax: 9765 1485 Email: [shire@boyupbrook.wa.gov.au](mailto:shire@boyupbrook.wa.gov.au)  
Website: [www.boyupbrook.wa.gov.au](http://www.boyupbrook.wa.gov.au)

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).



Electric BBQ & Playground – Sandakan Park

### 3. Elected Members

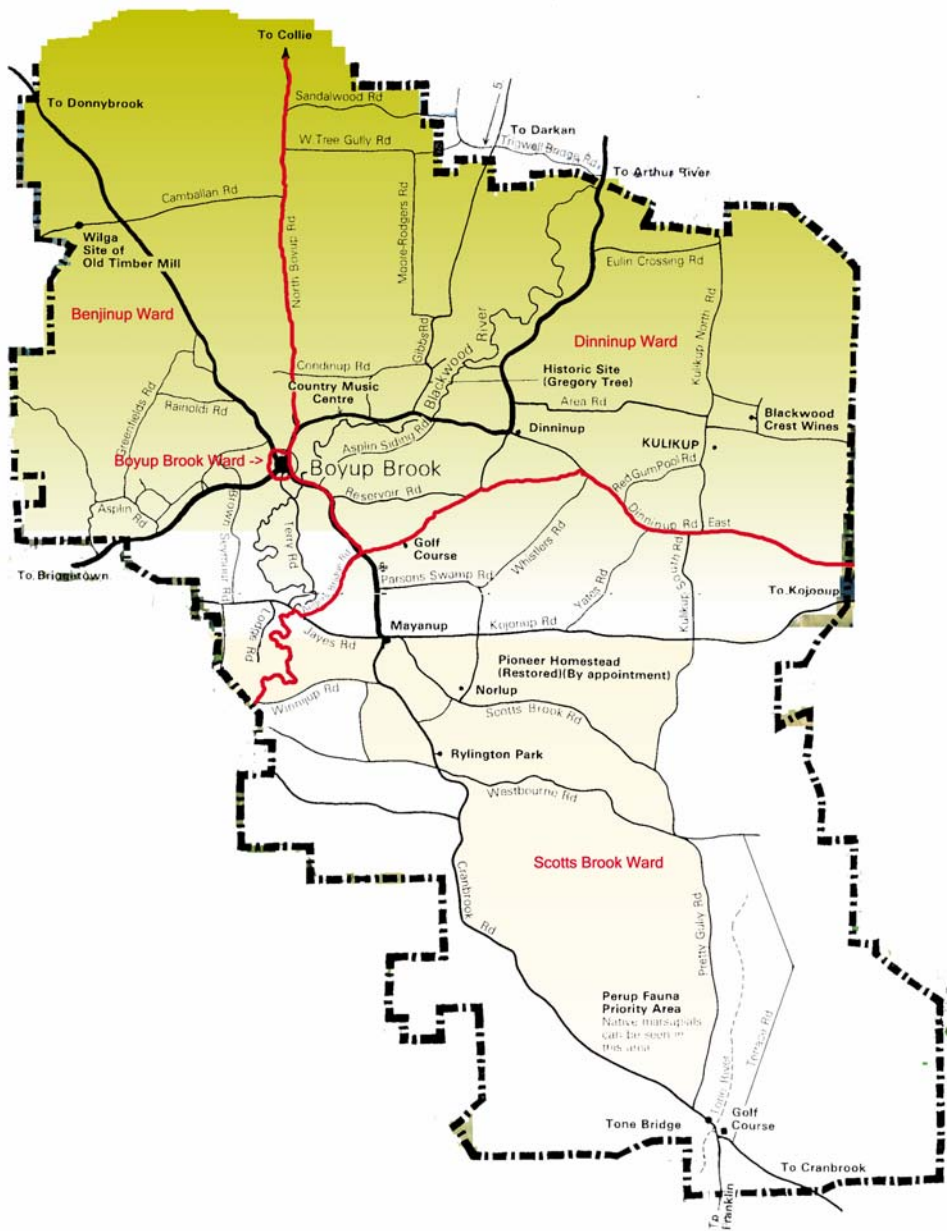
#### BENJINUP WARD



Cr Muncey



Cr O'Hare



#### BOYUP BROOK WARD



Cr Ginnane



Cr Downing



Cr Broadhurst

### 3. Elected Members

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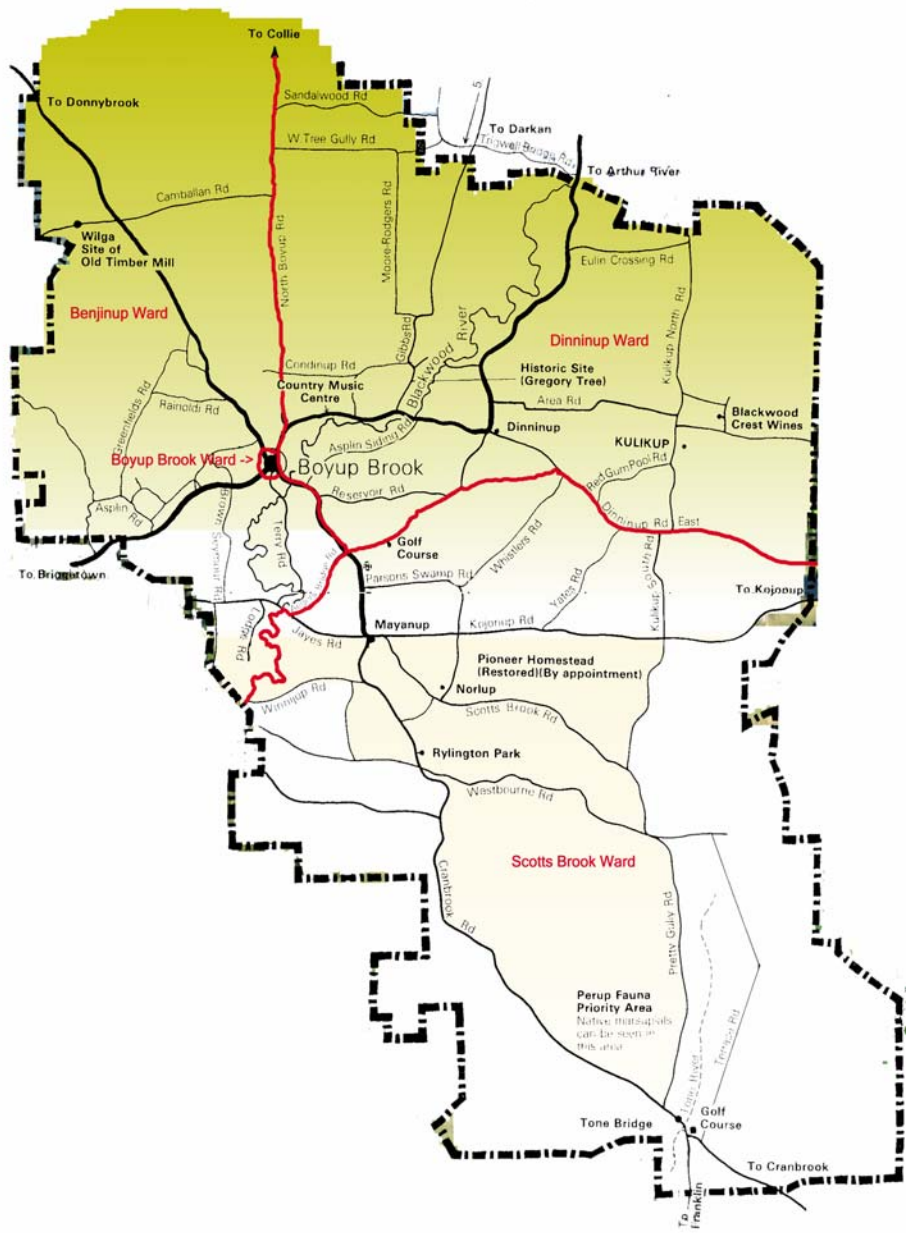
#### SCOTTS BROOK WARD



Cr Marshall



Cr Giles



#### DINNINUP WARD



Cr Lamshed



Cr Piper



## 4. Chief Executive Officer's Report



Repainted train carriages at Railway Station



Boyup Brook Tourist Centre

It is with great pleasure that I write this report on the 2008/09 Financial Year.

Whilst many things occurred during the year under review the single most dominating thing was the Minister for Local Government's reform strategy. The process of meeting the Minister's requirements, working through options and the like took an inordinate amount of time. Part of the process entailed meeting with neighbouring Shires and, essentially, looking at amalgamation, boundary, or other initiatives that Council might pursue. It was noted that none of the seven neighbouring Shires favoured amalgamation in the first instance and there appeared to be a great deal of confidence that most Local Government's would "survive" this latest move toward reducing the number of Local Governments in WA. This confidence was shaken by speeches made by the Premier, Leader of the National Party and the Minister for Local Government at the WA Local Government Association Conference in August this year. The pressure really came on to move quickly to select amalgamation partners before amalgamations were forced, at least that was the perceived position, and a number of meetings were held with neighbouring Shire Councils.

Your Council joined with its Warren Blackwood Strategic Alliance partners (the Shires of Bridgetown/Greenbushes, Manjimup and Nannup) to, using grant funding, employ a consultant to look at amalgamation options, as we were required to do, and conduct relevant public consultation. In the resulting report, the consultant noted that each of the Shires were in relatively good shape and so there was no impediment to the four amalgamating. The report also noted however there may not be any great benefit and that the smaller towns of Boyup Brook and Nannup may suffer financially and socially if amalgamated with larger Council, or a group of Councils. At a comparatively well attended public meeting held in Boyup Brook no support was shown for amalgamation (which is as would be expected) but there was some favour for working more closely with the Shires of Bridgetown/Greenbushes and Donnybrook/Balingup. It was becoming increasingly apparent that there was no will, in the government or opposition, for forced amalgamations and a number of voluntary amalgamations that appeared to be certain would not now eventuate.

This Council's submission to the Minister for Local Government was subsequently couched in terms of no amalgamation but a closer working relationship with the Shires of Bridgetown/Greenbushes and Donnybrook/Balingup and it includes a copy of the consultant's report (both may be viewed on the Council web site).

The Local Rural Strategy was progressed during the year and, hopefully, will be put to the WA Planning Commission (WAPC) for final approval/endorsement before the close of 2009. Whilst this project did not commence in the year under review and was not completed that year it was thought worthy of reporting on because it is a significant document that will tend to shape future development. Broadly, the Rural Strategy sits with Council's Town Planning Scheme and provides landholders, developers, government agencies and the like with a guide as to what is the agreed future path, or strategy, for development. As with such matters that deal with control over the use of land, the process to develop a Rural Strategy took many years. It commenced some years

ago with a draft being produced, in July 2006 the WAPC gave approval for the draft to be advertised for public comment once a number of modifications were made. Workshops were held with Council in April and May 2007 to consider these modifications. Negotiations were held with WAPC and Council resolved in June 2009 to adopt relevant modification to the strategy and commence the required advertising. The advertising period closed in September and the final draft went to the November 2009 Council meeting with a recommendation that it be sent to the WAPC for the final step of the process.

I take this opportunity to sincerely thank my fellow staff members who have maintained and improved the Shire's infrastructure (roads, gardens, parks, facilities and the like), provided services (licensing, library, health/building/planning etc) and kept the necessary back room operations (accounting/bookkeeping, depot maintenance, works planning, and the like) in order. I also thank the Shire President, Councillor Roger Downing, who I worked closely with during the year under review, and Deputy President, Councillor Peter Marshall, who I also worked closely with during the Presidents absences, for their assistance and guidance. And I thank all Councillors for the good working relationship.

The new year offers challenges in ensuring that not only is the Shire in good shape but it can demonstrate that it is and so the focus will remain on completing asset management and financial planning, and ensuring we can improve on the category three score, mentioned in the President's report, should the same test be applied in the future. The strategic plan needs to be brought back to Council for review once it has its asset and financial plans and so is in a better position to assess the affordability of new initiatives. The industrial sites study, that commenced in 2009 with the assistance of South West Regional Development Commission funding, will be completed and be before Council before the close of 2009 and it is expected that Council may take some steps toward the development of a light industrial site during 2009/10.

**Alan Lamb**  
**CHIEF EXECUTIVE OFFICER**

## 5. Senior Management Team



Alan Lamb – Chief Executive Officer



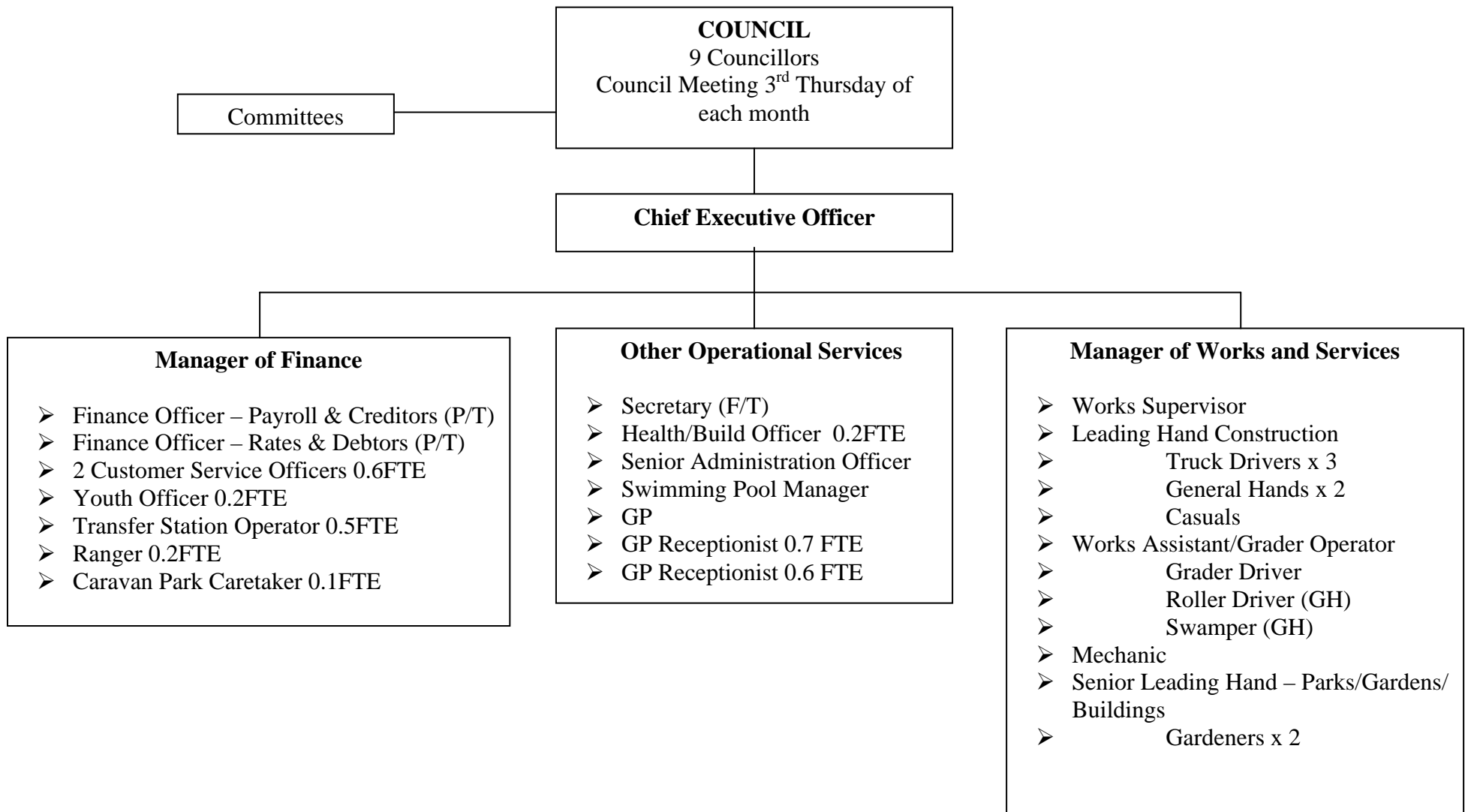
Keith Jones – Manager of Finance



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

### Over 10 Years

Mr. Calvin Brown

Mr. Justin Fallon

Mr. Mike Stanton-Halligan

Mr. John Eddy

Mr. Keith Jones

New North Dinninup Fire Brigade Unit



## 8. Department Reports

Shire President Roger Downing with  
Citizen of the Year Colin Barron



### 8.1 CORPORATE SERVICES

#### Councillors

The Ordinary and Special Council Meetings were conducted throughout the year and the minutes are available on the Shire Website.

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, Agricultural Show and Country Music Festival.

#### Human Resources

Staffing turnover has historically been very low and this year was no exception. Office staff and the Outside staff had small changes throughout the year.

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 continued to be provided for staff.

The regional Occupational Health, Safety and Risk Co-ordinator has invested time this year to ensure that steps are in place to qualify for Silver status in the self-funded insurance scheme which will have a positive impact on insurance premiums to the Shire.

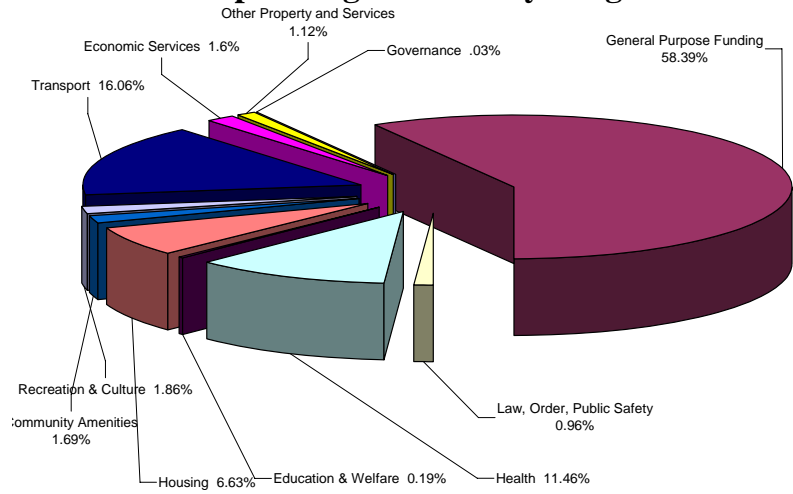
Councillors and employees attended relevant conferences and forums to keep up to date with current issues. Forums attended included Local Government Week, Local Government Manager's, Road forums, Financial Workshops, Records Management forums and Economic Development conferences.

#### Finance

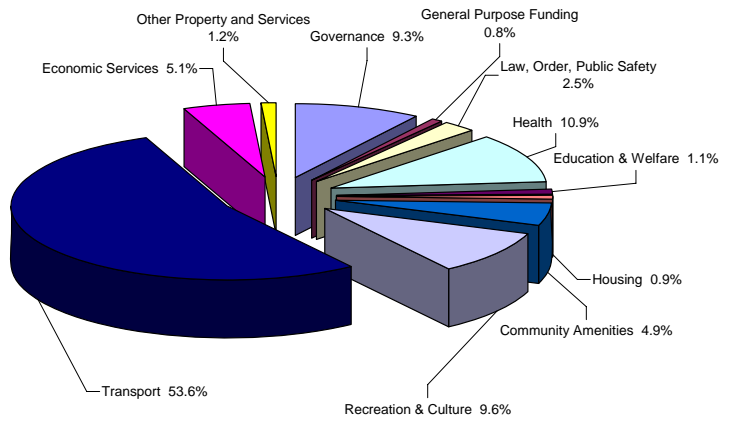
Total Operating Revenue	\$4,930,052
Operating Expenditure	\$5,146,875
Net Assets	\$52,627,709
Total Rates Levied	\$1,691,980
Rateable Properties	1,221
Loans	\$1,113,340
Borrowing Cost Expense	\$50,394

This year saw a rate rise of 6.1% compared to the previous year's 14.5%.

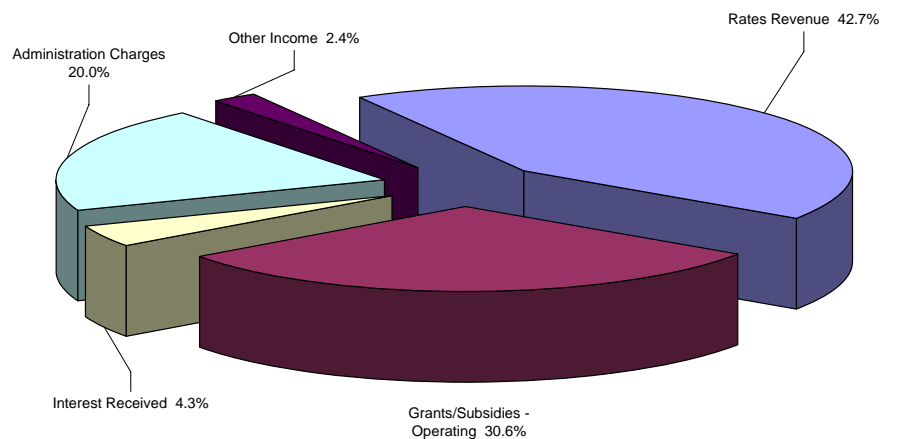
### Operating Revenue by Programme



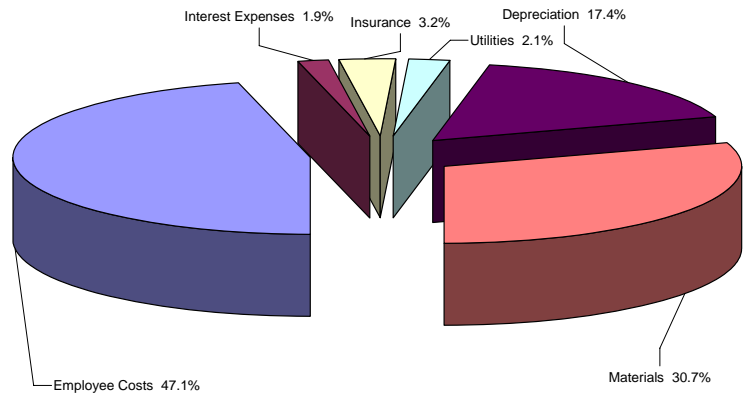
### Operating Expenditure by Programme



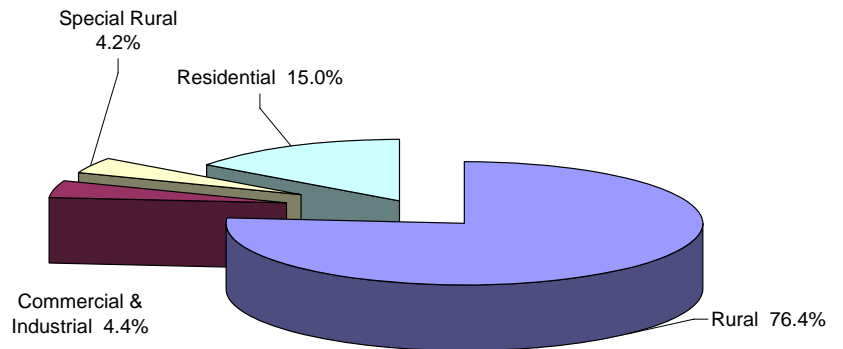
### Operating Revenue by Nature & Type



**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 \$1,296,086 as at 30 June 2009.

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

Blackwood Landcare Zone supported by \$12,700.

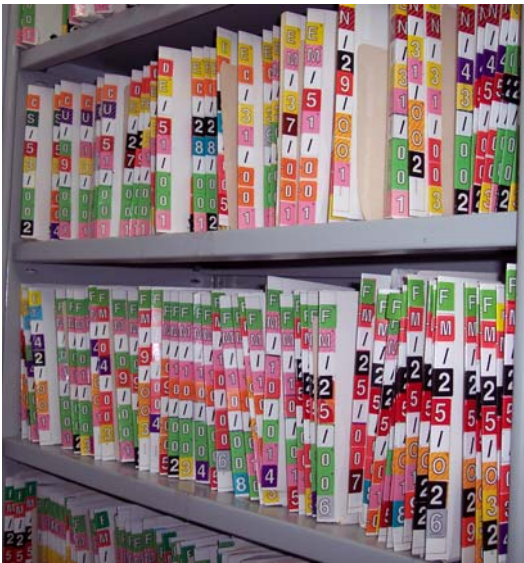
**National Competition Policy**

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 State Records Act 2000 is an Act to provide for the keeping of State records and for related purposes. Section 19 of the Act requires each government organisation have a Record Keeping Plan that has been approved by the State Records Commission.

The purpose of a Record Keeping Plan is to set out which records are to be created by the organization and how it is to keep those records. Record Keeping Plans are to provide an accurate reflection of the record keeping program within the organisation, including information regarding the organisation's record keeping system(s), disposal arrangements, policies, practices and processes. The Record Keeping Plan is the primary means of providing evidence of compliance with the Act and that best practices have been implemented in the organization. In accordance with Section 17 of the Act, the Shire of Boyup Brook and all its employees are legally required to comply with the contents of this plan.

Record keeping issues are discussed at the 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.

### *Training*

All new staff members receive an introduction to the records system (infovision) by the Records Officer. They receive training in the following areas:-

- retrieving incoming and outgoing correspondence.
- accessing an assessment/subject file number.
- viewing and printing scanned documents.
- forwarding correspondence from the users in-tray to another user.

### *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.

## 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**

<b>OUR FOCUS</b>	<b>OUR PRIORITIES</b>
Economic Development	Planning and Infrastructure Industrial development Residential land development Agricultural resource development
Generational Needs	Health Aged accommodation Education Recreation and leisure
Community Interaction	Councillor community interface Customer service Media State/Federal government Communication
Cultural Needs	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
- Assisted aged care accommodation with medical assistance
- 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 Gazebo & 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 these 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 had a considerable setback this year due to the global economic downturn in this area. Stockpiling of recycled items was carried out wherever practicable.

Management of the recycling items is performed jointly by the shire and the Lions Club enabling funds from selling the materials to recycling companies to be circulated back into the community.

**Animal Control**

Our Ranger Services are now provided under a contractual arrangement with the Shire of Bridgetown-Greenbushes. This has a certain downside with the travel distance required by the Ranger from Bridgetown however our circumstances do not justify a full time Ranger employed by this Shire.

**Bushfire Control**

The Chief Bushfire Control Officer, Mr Kevin Henderson continued in the role. The CBFEO continues to be ably assisted in the administration role by shire administration staff.

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.

### Library Services

The Library continues to be well used with many new members joining.

Each month the Library receives a selection of new books and the facility is available to order books from other libraries if this Library does not have them on the shelves.

The Library Computer enables the borrower to search for books and access Britannica On-Line. It is also used to access the Health and Wellness Resources Centre, a facility which enables the borrower to research symptoms of certain illnesses or ailments.

### Recreation and Leisure

The walk trail on the outskirts of town has had a number of log seats placed around it.

The Boyup Brook Oval has had an upgrade of the drainage and reticulation.

The swimming pool is always popular and due to VacSwim not being available, the Shire provided lessons for the younger members of our community.

### Youth Activities

Youth Advisory Council (YAC)

The YAC meet every Tuesday after school at the YAC Shack. 3.30pm to 4.30pm ages 12 and up. The YAC are the Youth voice of Boyup Brook.

Throughout the year YAC have run programs and events for Boyup Brook Young People. National Youth Week was celebrated with the design and airbrushing a mural on the YAC Shack. Other events included Music Workshops, National Tree Day at the Boyup Brook Billabong, Bunbury Day Out, YAC hosted an event for Drug Action Week with the mobile youth space at the skate park, YAC hosted the Blue Light Disco, YAC was involved in the World Vision 40 Hour Famine, YAC members participated in a Fogarty Foundation Youth Leadership Program which ran over 2 days during the July School holidays.

YAC also operate as a service provider for the community. The Upper Blackwood Agriculture Show is supported by YAC running the free Craft workshop keeping within the show theme.

YAC is a committee of young people working for young people in the community and being a voice for the youth of Boyup Brook.



**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 Mens Association
- Harvey Dickson’s Rodeo
- Mayanup Campdraft.

**Disability Services Plan**

The annual Disability Access and Inclusion Plan (DAIP) report was filled in accordance with the Act and Regulations. The Shires stated policy is that all new works will be required to meet the approved standard but existing works or buildings would not be retrofitted.



West Boyup Brook Fast Attack Fire fighting Appliance

**8.3 DEVELOPMENT SERVICES**

There were 58 building licenses issued in the 2008/2009 financial year.

The following chart provides comparisons with previous years.

<u>APPLICATIONS</u>	99/2000	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
Planning (inc. plantations)	43	29	25	15	10	18	23	17		
Plantations	34	15	4	1	1	3	13	2		
Building (inc. dwellings)	48	45	58	68	53	70	58	65	79	58
New Dwellings	20	10	14	12	10	6	11	12	16	7
Building – Value	\$2,159, 981	\$899, 922	\$2,613,121	\$1,926,874	\$1,730,149	\$1,905,327	\$2,211,023	\$2,951,805	\$4,121,001	\$2,640,122
Demolitions	4	5	2	2	4	3	5	2	0,	1
Septic Tanks	20	11	23	17	12	12	12	22	21	11

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.

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

## 8.4 Works and Services

The 2008/2009 works program was based on maintaining and improving Shire infrastructure including roads, bridges, drainage, town gardens, recreation areas and footpaths.

Federal and State Government road funding grants provide a large percentage of the two million dollars funding required to maintain the Shire's local road and town infrastructure.

Projects completed in the 2008/2009 financial year included:-

### ROADS TO RECOVERY (RTR) (Federal Government funding)

- Area Road - widen and seal to 6.0m wide.
- McAlinden Road – widen and seal to 6.0m wide.
- Lee Steere Drive – provide 10mm second coat seal.
- Williams Street – provide 10mm second coat seal.
- Kulikup Road South – prune roadside vegetation.
- Abels Road – prune roadside vegetation.

### 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)

- Westbourne Road – gravel re-sheet.
- Tuckett Road – gravel re-sheet.
- Cranbrook Road – gravel re-sheet.
- Mayanup/Tonebridge Road – bitumen edging.

### Bridge Works

No grant funding for major bridge works was allocated to the Shire in the 2008/2009 financial year and only general maintenance was completed.

### Capital Works Rural Road Construction

- Dwalganup Road – gravel re-sheeting.
- Chapman Road – gravel re-sheeting.
- Terrace Road – gravel re-sheeting.
- Old Mail Road – gravel re-sheeting.
- Westcliffe Road – gravel re-sheeting.
- Gibbs Road – gravel re-sheeting.
- South Kulikup Road – gravel re-sheeting.
- Dinninup East Road – gravel re-sheeting.
- Lodge Road – gravel re-sheeting.
- Wilga Road – widen and seal to 6.0m in townsite.
- Hands Close – form and construct to 6.0m wide.
- Farleigh Road – form and construct to 6.0m wide.





Outside staff assisting with new water bomber filling procedure

### Capital Works – Town and Townscape Projects

- Football Oval – upgrade oval reticulation system
- New Septic System to Hockey Ground toilets.
- CEO House – Knapp St. – earthworks & landscaping.
- Police Housing – Beatty St. – earthworks & landscaping.
- Purchase and locate Town Sculptures.
- Dickson Street – construct footpath between Railway Parade and Forrest 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
- Townsite Rubbish removal
- Maintenance of recreation grounds and town reserves
- Replacement and maintenance of traffic and information signs
- Emergency works and call-outs

### Plant Replacement

In accordance with Council's Plant Replacement Program the following plant was purchased in 2008/2009:-

- 1 x new Ford dual cab utility
- 1 x new Toro two-turn mower
- 1 x new Vibromax – smooth drum roller

### General

In late 2008 the Federal Government announced a five year extension to the Roads to Recovery grant funding to Local Authorities. The Roads to Recovery Program (RTR) will be approximately the same level of funding as the current program and will run from 2009 to 2013.

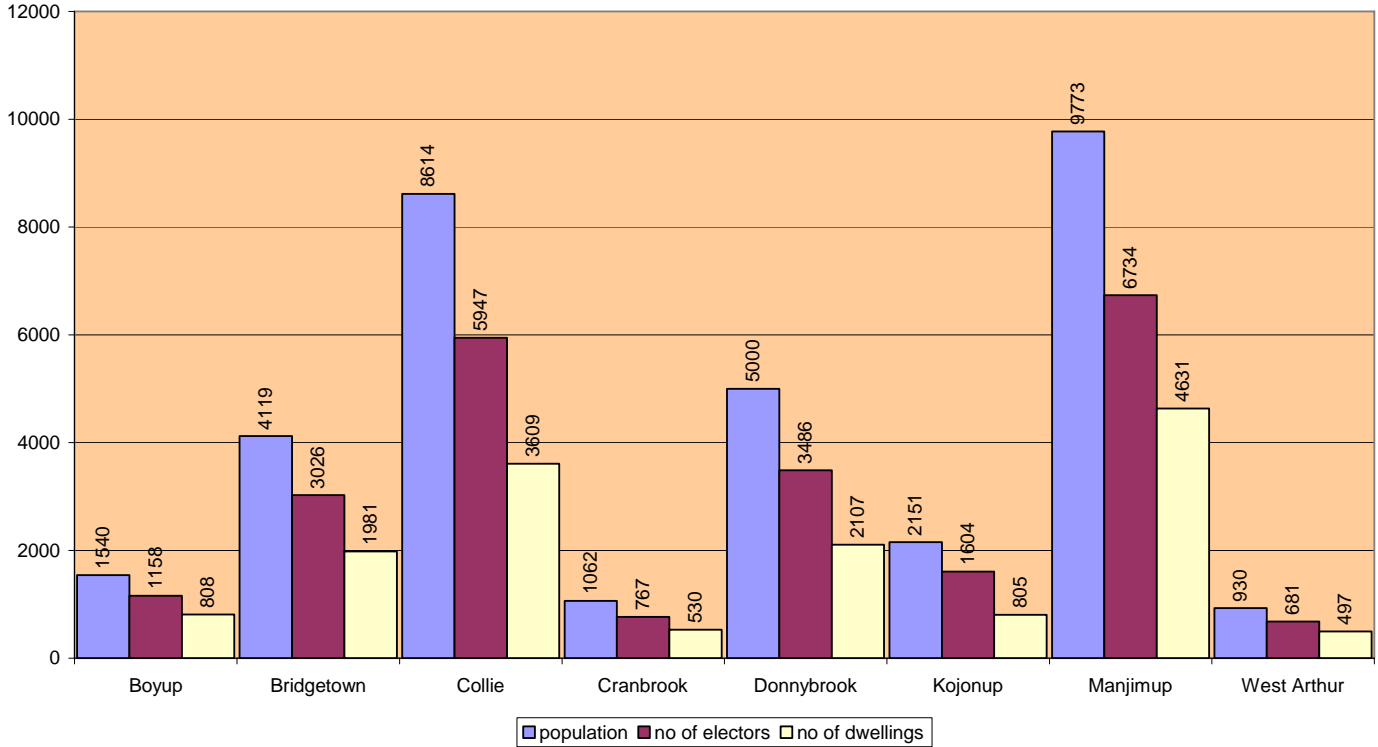
In March 2009 the Federal Government introduced a Funding Agreement of \$100,000 for the Regional and Local Community Infrastructure Program to Local Authorities. Improvements to the town oval reticulation system (\$25,000) were funded by this program.

The State Government is continuing the T.I.R.E.S. grant funding on a year to year basis.

With increasing heavy vehicle traffic on the local road infrastructure it is imperative that both the Federal and State Governments continue their funding for local road maintenance and improvement.

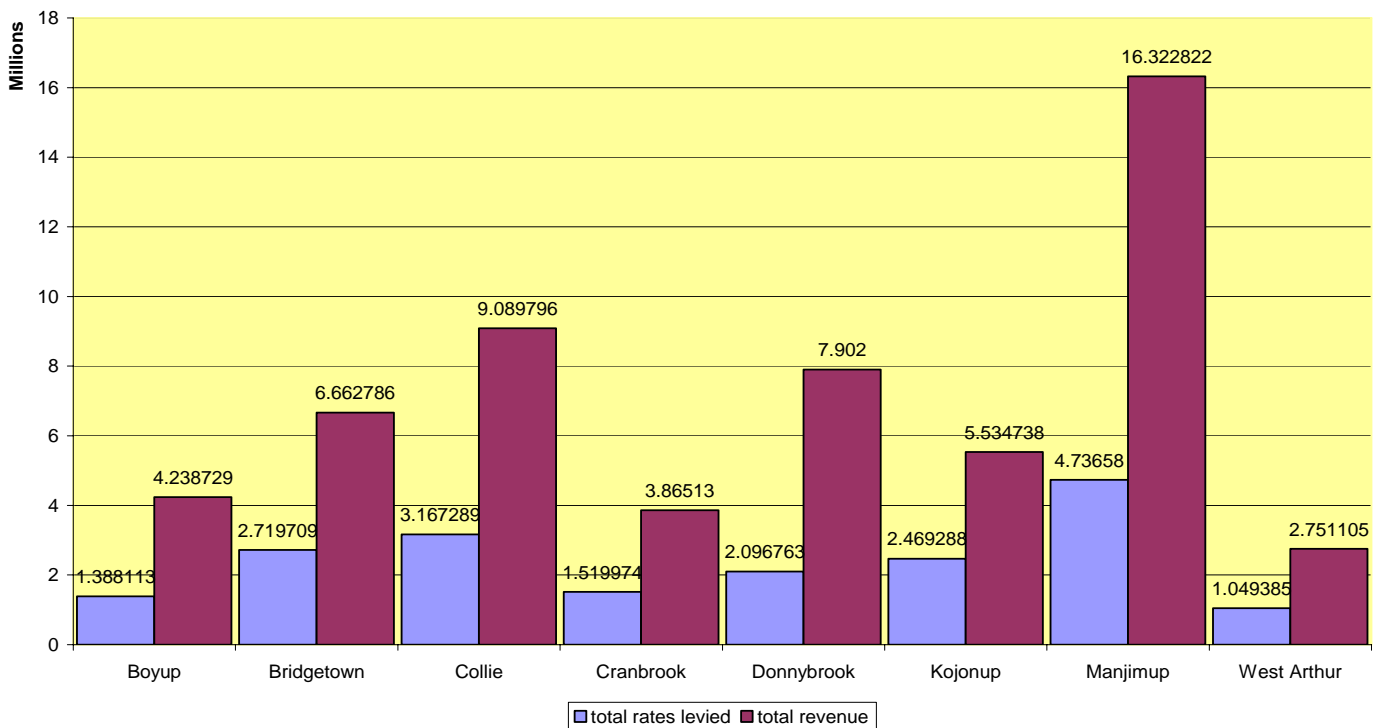
## 9. COMPARISON OF STANDARD INDICATORS BETWEEN ADJOINING SHIRES

population, electors, dwellings



Source: The West Australian Local Government Directory 2007/08

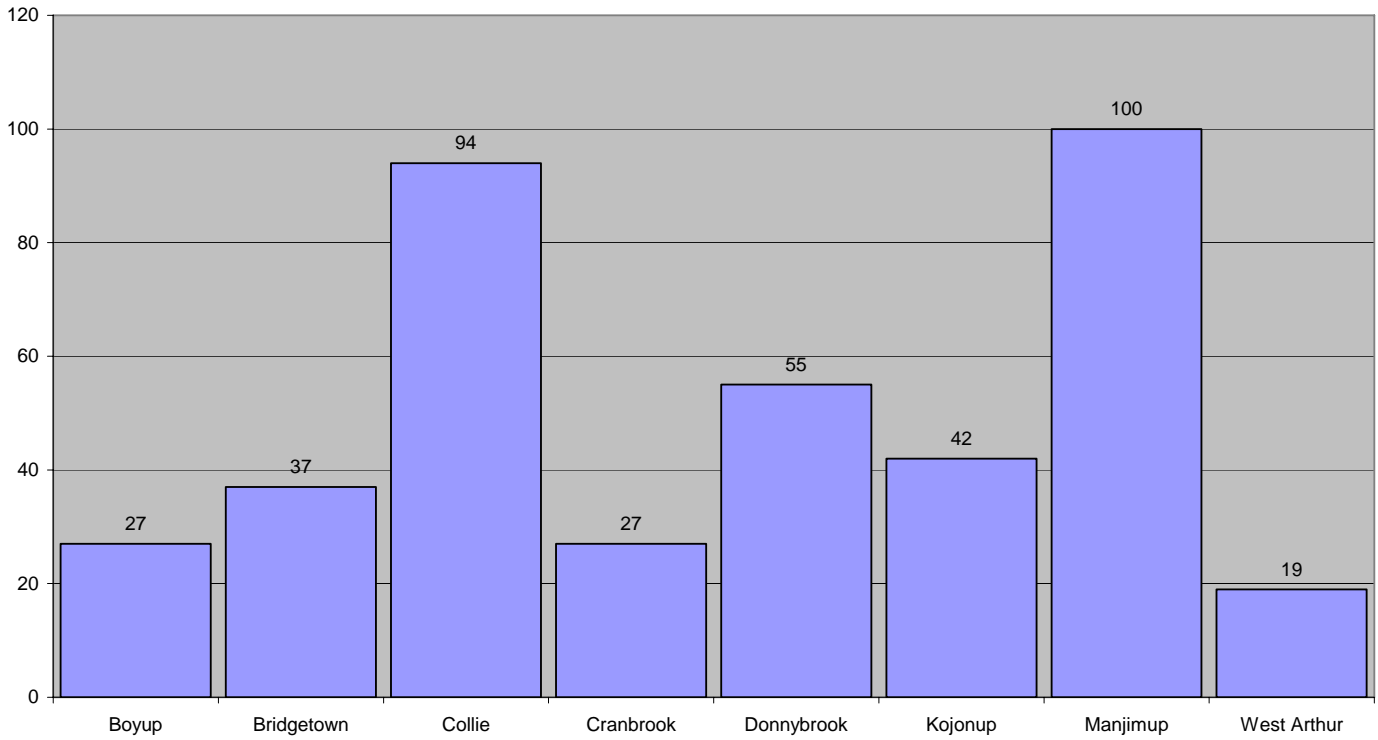
rates & revenue



Source: The West Australian Local Government Directory 2007/08

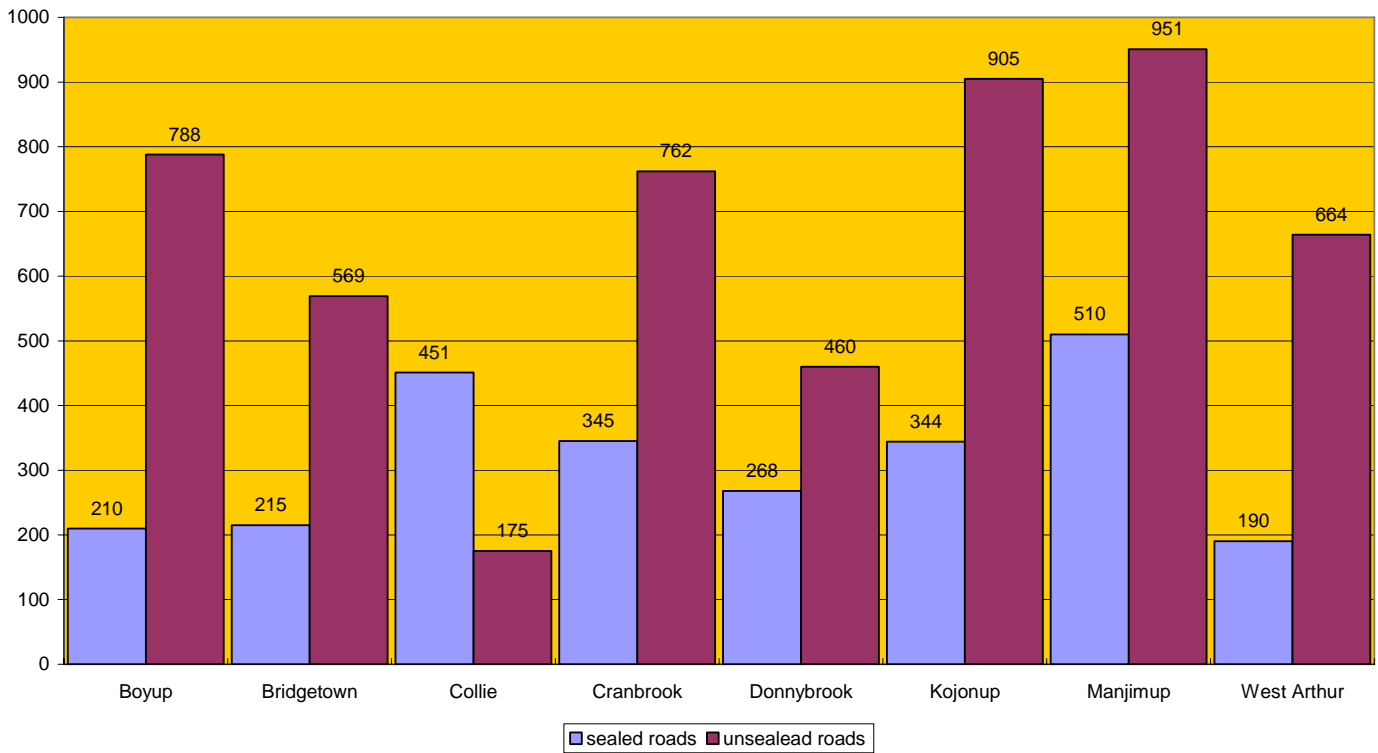


no of employees



Source: The West Australian Local Government Directory 2007/08

sealed & unsealed roads



Source: The West Australian Local Government Directory 2007/08

## 10. CUSTOMER SERVICE PERFORMANCE INDICATORS

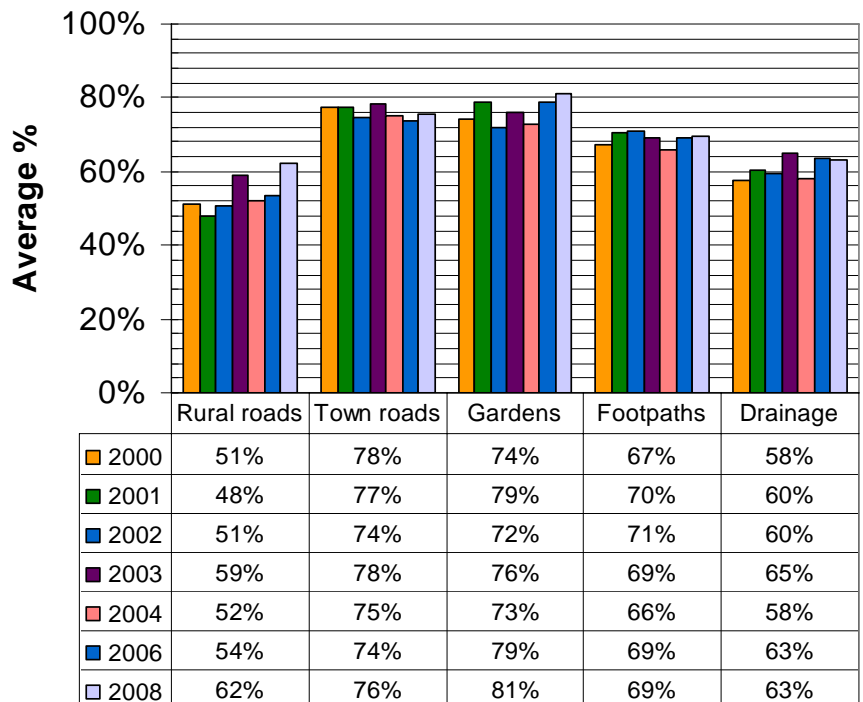
The Council elected to carry out Bi-annual surveys from 2006 this survey was undertaken in June 2008.

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

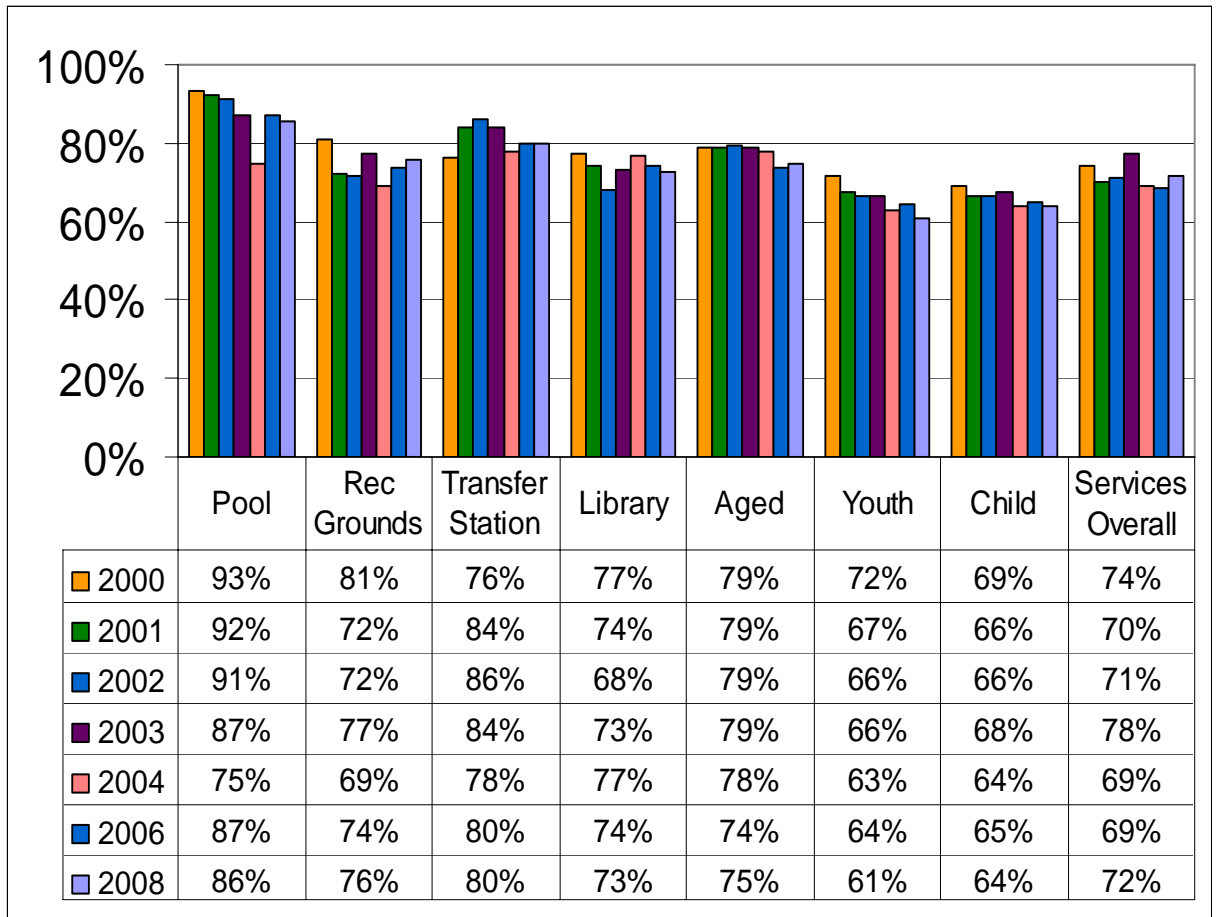
The services and facilities measured have been selected due to their representing substantial expenditure of the shire's total budget.

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

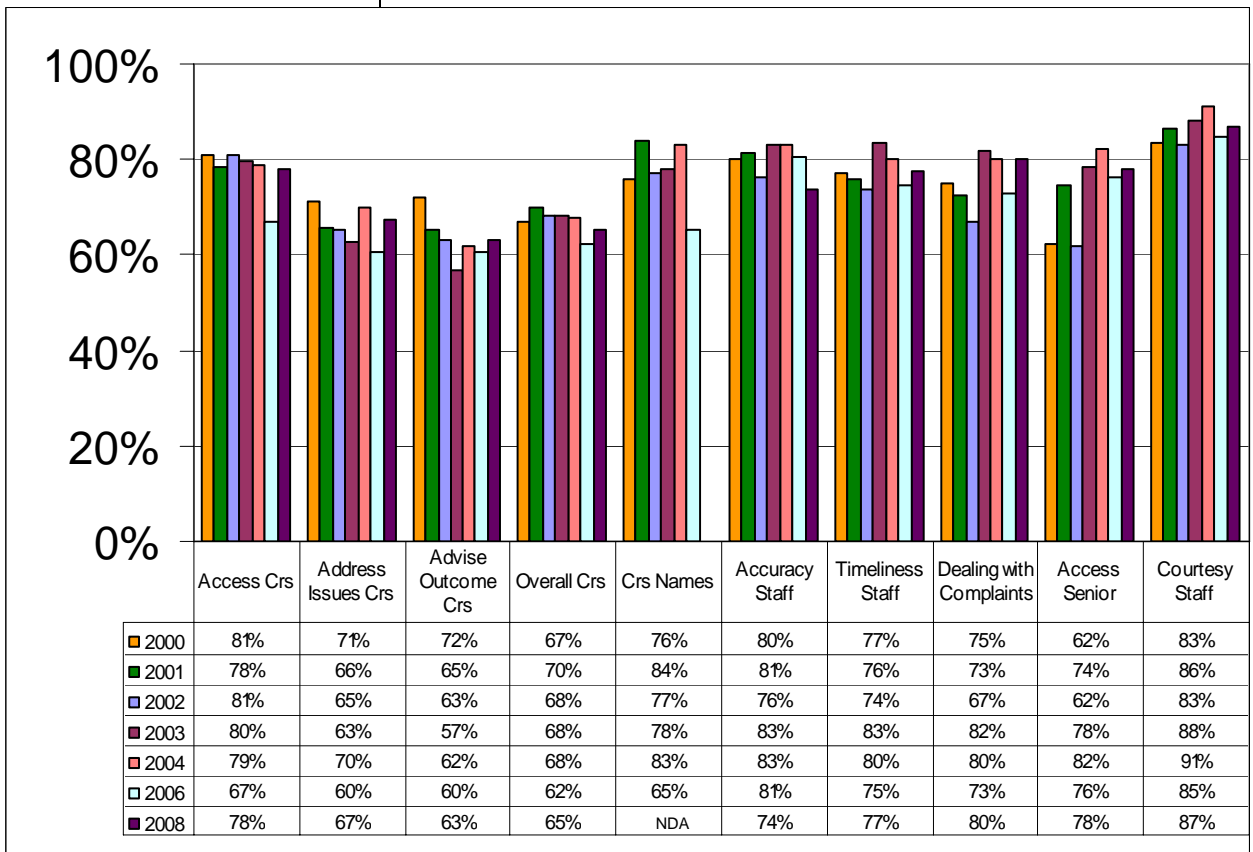
### Current Service Provision



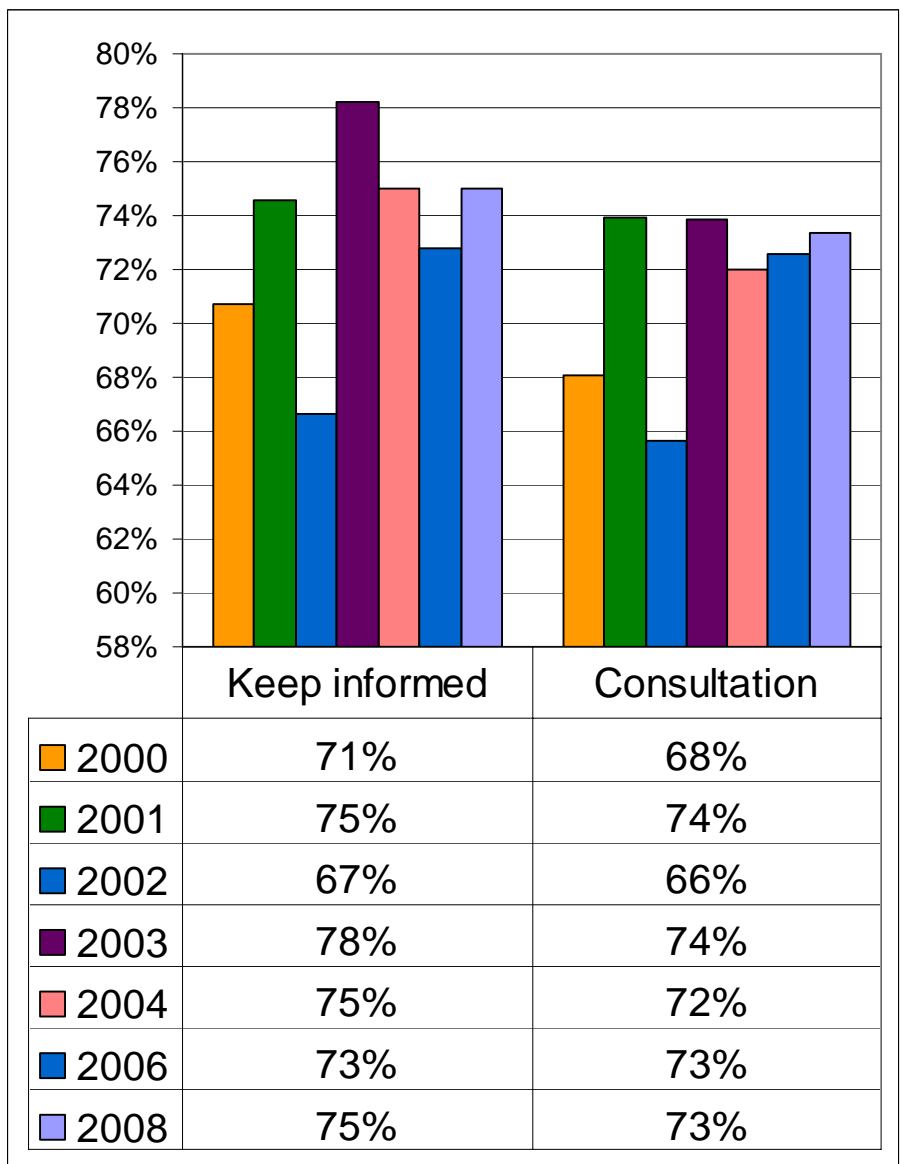
Averaged satisfaction with facilities and services provided



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 2009**

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**SHIRE OF BOYUP BROOK**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**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 2009 are in my opinion properly drawn up to present fairly the financial position of the Shire of Boyup Brook at 30th June 2009 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the                      day of                      2009.

---

Alan Lamb  
Chief Executive Officer

**SHIRE OF BOYUP BROOK**  
**INCOME STATEMENT**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Rates	22	1,691,980	1,698,265	1,593,796
Operating Grants, Subsidies and Contributions	28	1,214,843	1,477,254	1,302,905
Fees and Charges	27	794,795	737,519	671,878
Interest Earnings	2(a)	170,386	122,386	160,596
Other Revenue		93,417	1,000	201,883
		<u>3,965,421</u>	<u>4,036,424</u>	<u>3,931,058</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs		(1,869,038)	(2,436,638)	(1,787,397)
Materials and Contracts		(1,216,930)	(1,217,528)	(1,107,191)
Utility Charges		(82,842)	(82,350)	(68,910)
Depreciation on Non-Current Assets	2(a)	(691,720)	(1,111,993)	(1,307,073)
Interest Expenses	2(a)	(74,087)	(75,184)	(52,821)
Insurance Expenses		(126,617)	(128,323)	(77,656)
Other Expenditure		(4)	0	(4,432)
		<u>(4,061,238)</u>	<u>(5,052,016)</u>	<u>(4,405,480)</u>
		(95,817)	(1,015,592)	(474,422)
Non-Operating Grants, Subsidies and Contributions	28	942,745	145,548	292,218
Profit on Asset Disposals	20	21,886	0	254,325
Loss on Asset Disposal	20	(18,792)	(12,600)	(61,587)
Loss on Revaluation of Roads		(1,066,845)	0	0
		<u>(1,066,845)</u>	<u>0</u>	<u>0</u>
<b>NET RESULT</b>		<u>(216,823)</u>	<u>(882,644)</u>	<u>10,534</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 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Governance		1,336	440	1,591
General Purpose Funding		2,878,883	2,640,220	2,540,981
Law, Order, Public Safety		47,315	46,900	59,964
Health		565,072	453,499	474,394
Education and Welfare		9,542	6,400	10,134
Housing		326,749	22,192	281,250
Community Amenities		83,550	99,300	92,353
Recreation and Culture		91,585	32,450	60,447
Transport		791,865	789,900	834,136
Economic Services		78,912	73,850	78,946
Other Property and Services		55,243	16,821	43,405
	2 (a)	<u>4,930,052</u>	<u>4,181,972</u>	<u>4,477,601</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE</b>				
Governance		(474,283)	(454,475)	(413,390)
General Purpose Funding		(43,205)	(46,501)	(55,688)
Law, Order, Public Safety		(129,432)	(118,371)	(121,933)
Health		(551,119)	(522,837)	(496,132)
Education and Welfare		(57,090)	(60,015)	(68,128)
Housing		(40,318)	(109,062)	(39,538)
Community Amenities		(248,692)	(251,520)	(194,004)
Recreation & Culture		(478,674)	(514,482)	(477,560)
Transport		(2,736,638)	(2,621,408)	(2,196,188)
Economic Services		(254,065)	(275,778)	(225,727)
Other Property and Services		(59,272)	(14,983)	(125,958)
	2 (a)	<u>(5,072,788)</u>	<u>(4,989,432)</u>	<u>(4,414,246)</u>
<b>BORROWING COSTS EXPENSE</b>				
Governance		(1,972)	(1,972)	(2,050)
Health		(7,906)	(8,266)	(8,565)
Housing		(45,840)	(46,333)	(22,930)
Community Amenities		(2,049)	(2,049)	(2,158)
Recreation & Culture		(11,005)	(11,151)	(11,372)
Transport		0	0	(24)
Economic Services		(5,315)	(5,413)	(5,722)
	2 (a)	<u>(74,087)</u>	<u>(75,184)</u>	<u>(52,821)</u>
<b>NET RESULT</b>		<u><u>(216,823)</u></u>	<u><u>(882,644)</u></u>	<u><u>10,534</u></u>

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



**SHIRE OF BOYUP BROOK  
BALANCE SHEET  
AS AT 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	2,403,647	2,362,782
Trade and Other Receivables	4	117,332	232,206
Inventories	5	30,730	31,115
<b>TOTAL CURRENT ASSETS</b>		<u>2,551,709</u>	<u>2,626,103</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	6,201,213	5,714,508
Infrastructure	7	45,752,785	47,921,166
<b>TOTAL NON-CURRENT ASSETS</b>		<u>51,953,998</u>	<u>53,635,674</u>
<b>TOTAL ASSETS</b>		<u>54,505,707</u>	<u>56,261,777</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	442,633	399,895
Long Term Borrowings	9	54,621	50,394
Provisions	10	290,686	242,127
<b>TOTAL CURRENT LIABILITIES</b>		<u>787,940</u>	<u>692,416</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9	1,058,719	1,113,340
Provisions	10	31,339	21,108
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,090,058</u>	<u>1,134,448</u>
<b>TOTAL LIABILITIES</b>		<u>1,877,998</u>	<u>1,826,864</u>
<b>NET ASSETS</b>		<u>52,627,709</u>	<u>54,434,913</u>
<b>EQUITY</b>			
Retained Surplus		51,331,623	51,762,103
Reserves - Cash Backed	11	1,296,086	1,082,429
Reserves - Asset Revaluation	12	0	1,590,381
<b>TOTAL EQUITY</b>		<u>52,627,709</u>	<u>54,434,913</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 2009**

	NOTE	2009 \$	2008 \$
<b>RETAINED SURPLUS</b>			
Balance as at 1 July 2008		51,762,103	51,886,321
Net Result		(216,823)	10,534
Transfer from/(to) Reserves		<u>(213,657)</u>	<u>(134,752)</u>
Balance as at 30 June 2009		<u>51,331,623</u>	<u>51,762,103</u>
<b>RESERVES - CASH BACKED</b>			
Balance as at 1 July 2008		1,082,429	947,677
Amount Transferred (to)/from Retained Surplus		<u>213,657</u>	<u>134,752</u>
Balance as at 30 June 2009	11	<u>1,296,086</u>	<u>1,082,429</u>
<b>RESERVES - ASSET REVALUATION</b>			
Balance as at 1 July 2008		1,590,381	1,590,381
Revaluation Decrement		<u>(1,590,381)</u>	<u>0</u>
Balance as at 30 June 2009	12	<u>0</u>	<u>1,590,381</u>
<b>TOTAL EQUITY</b>		<u>52,627,709</u>	<u>54,434,913</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 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,733,622	1,693,063	1,672,317
Operating Grants, Subsidies and Contributions		1,214,843	1,477,254	1,302,905
Fees and Charges		794,795	737,519	643,413
Interest Earnings		170,387	122,386	165,056
Goods and Services Tax		269,061	0	136,222
Other Revenue		93,415	1,000	197,423
		<u>4,276,123</u>	<u>4,031,222</u>	<u>4,117,336</u>
<b>Payments</b>				
Employee Costs		(1,806,390)	(2,486,638)	(1,734,694)
Materials and Contracts		(1,176,566)	(1,401,317)	(1,219,073)
Utility Charges		(82,842)	(82,350)	(68,910)
Insurance Expenses		(126,617)	(128,323)	(77,656)
Interest expenses		(75,186)	(75,183)	(37,290)
Goods and Services Tax		(195,828)	0	(199,497)
Other Expenditure		(4)	0	(4,432)
		<u>(3,463,433)</u>	<u>(4,173,811)</u>	<u>(3,341,552)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>812,690</u>	<u>(142,589)</u>	<u>775,784</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(1,066,340)	(1,513,500)	(457,480)
Payments for Construction of Infrastructure		(672,232)	(165,615)	(564,259)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		942,745	145,548	292,218
Proceeds from Sale of Plant & Equipment		74,396	60,000	405,372
		<u>74,396</u>	<u>60,000</u>	<u>405,372</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>(721,431)</u>	<u>(1,473,567)</u>	<u>(324,149)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(50,394)	(50,394)	(37,260)
Proceeds from New Debentures		0	200,000	600,000
		<u>0</u>	<u>200,000</u>	<u>600,000</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(50,394)</u>	<u>149,606</u>	<u>562,740</u>
<b>Net Increase (Decrease) in Cash Held</b>		40,865	(1,466,550)	1,014,375
Cash at Beginning of Year		2,362,782	2,333,322	1,348,407
<b>Cash and Cash Equivalents at the End of the Year</b>	13(b)	<u><u>2,403,647</u></u>	<u><u>866,772</u></u>	<u><u>2,362,782</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 2009**

	NOTE	2009 \$	2009 Budget \$
<b>REVENUES</b>			
Governance		1,336	440
General Purpose Funding		1,186,903	941,955
Law, Order, Public Safety		47,315	46,900
Health		565,072	453,499
Education and Welfare		9,542	6,400
Housing		326,749	22,192
Community Amenities		83,550	99,300
Recreation and Culture		91,585	32,450
Transport		791,865	789,900
Economic Services		78,912	73,850
Other Property and Services		55,243	16,821
		3,238,072	2,483,707
<b>EXPENSES</b>			
Governance		(476,255)	(456,447)
General Purpose Funding		(43,205)	(46,501)
Law, Order, Public Safety		(129,432)	(118,371)
Health		(559,025)	(531,103)
Education and Welfare		(57,090)	(60,015)
Housing		(86,158)	(155,395)
Community Amenities		(250,741)	(253,569)
Recreation & Culture		(489,679)	(525,633)
Transport		(2,736,638)	(2,621,408)
Economic Services		(259,380)	(281,191)
Other Property and Services		(59,272)	(14,983)
		(5,146,875)	(5,064,616)
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
(Profit)/Loss on Asset Disposals		(3,094)	12,600
Movement in Accrued Interest		(1,098)	0
Movement in Accruals		(28,119)	0
Loss on Revaluation of Roads		1,066,845	0
Movement in Accrued Salaries and Wages		(18,709)	0
Movement in Employee Benefit Provisions		42,695	0
Depreciation and Amortisation on Assets		691,720	1,111,993
<b>Capital Expenditure and Revenue</b>			
Purchase Land and Buildings		(813,368)	(1,270,000)
Purchase Infrastructure Assets - Roads		(616,803)	(154,025)
Purchase Infrastructure Assets - Footpaths		(19,592)	(11,592)
Purchase Infrastructure Assets - Recreation		(35,837)	0
Purchase Plant and Equipment		(252,972)	(238,500)
Purchase Furniture and Equipment		0	(5,000)
Proceeds from Disposal of Assets	20	74,396	60,000
Repayment of Debentures	21	(50,394)	(50,393)
Proceeds from New Debentures		0	200,000
Transfers to Reserves (Restricted Assets)	11	(354,297)	(299,299)
Transfers from Reserves (Restricted Assets)	11	140,640	594,957
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		1,076,170	931,903
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		681,360	0
		(1,691,980)	(1,698,265)

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 2009**

**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 Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

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

**Critical Accounting Estimates**

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

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

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

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

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

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

**(c) Goods and Services Tax**

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

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(f) Inventories**

***General***

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

***Land Held for Resale***

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

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

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

**(g) Fixed Assets**

***Initial Recognition***

Assets costing in excess of \$1200 are initially recognised at cost. Assets costing less than \$1200 are treated as operating expenditure. 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 used in construction, direct labour on the project 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 subsequently accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

***Land under Roads***

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

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

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

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

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

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

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

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

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

Buildings	50 to 100 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing, earthworks and formation	not depreciated
gravel pavement	40 to 50 years
original surfacing and major re-surfacing	
- bituminous seals	15 to 20 years
- asphalt surfaces	30 to 40 years
Gravel roads	
clearing, earthworks and formation	not depreciated
gravel pavement	10 to 20 years
Formed roads (unsealed)	
clearing, earthworks and formation	not depreciated
Footpaths - concrete	40 to 50 years
Kerbing	40 to 50 years
Water supply piping & drainage systems	75 years
Infrastructure - Recreation	10 to 100 years
Infrastructure - Parks and Gardens	10 to 50 years
Infrastructure - Other	10 to 67 years

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

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

***Classification***

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

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

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

*(ii) Loans and receivables*

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

*(iii) Held-to-maturity investments*

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

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

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

***Recognition and derecognition***

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

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



**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

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

***Subsequent measurement***

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

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

***Impairment***

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

**(j) Estimation of Fair Value**

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

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

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

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

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

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(k) Impairment**

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

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

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

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

**(l) Trade and Other Payables**

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

**(m) Employee Benefits**

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

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

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

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

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

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

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

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

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

***Borrowing Costs***

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

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(o) Provisions**

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

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

**(p) Leases**

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

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

**(q) Joint Venture**

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

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

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

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

**(s) Superannuation**

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

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

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

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

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

**(u) Rounding Off Figures**

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

**(v) Comparative Figures**

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

**(w) Budget Comparative Figures**

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

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(x) New Accounting Standards and Interpretations**

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 2009

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(ii) Revised AASB 123 Borrowing Costs (includes AASB 2009-1) and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007 and April 2009	1 January 2009	Nil – There have been two revisions to the Standard. The first removed the option to expense all borrowing costs and required the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The second (AASB2009-1) reinstated the choice to either expense or capitalise in the case of not-for-profit entities. There will be no impact on the financial report of the Council as it already capitalises borrowing costs relating to qualifying assets and will continue to do so.
(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of Financial Position), being as at the beginning of the comparative period.

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(x) New Accounting Standards and Interpretations (Continued)**

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs.
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 July 2009	The revisions embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council.  It is not anticipated the more significant changes will have any effect on the financial report as the topics are not relevant to the operations of the Council.
(v) AASB 2008-11 Amendments to Australian Accounting Standard – Business Considerations Among Not-for-Profit Entities	November 2008	1 July 2009	Nil – Whilst this standard has the effect of applying AASB 3 Business Combinations to the Not-for-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27.
(vi) AASB 2008-1 Amendments to Australian Accounting Standard – Share-Based Payments: Vesting Conditions and Cancellations	February 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2008-2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligations Arising on Liquidation	March 2008	1 January 2009	

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(x) New Accounting Standards and Interpretations (Continued)**

Title and Topic	Issued	Applicable (*)	Impact
(vi) (Continued)			
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2007-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	July 2008	1 January 2009	
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	August 2008	1 July 2009	
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009	
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
Interpretation 1 – Changes in Existing, Decommissioning, Restoration and Similar Liabilities	June 2007	1 January 2009	

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(x) New Accounting Standards and Interpretations (Continued)**

(vi) (Continued)	Title and Topic	Issued	Applicable (*)	Impact
	Interpretation 12 – Service Concession Arrangements	June 2007	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	Interpretation 15 – Agreements for the Construction of Real Estate	August 2008	1 January 2009	
	Interpretation 16 – Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2008	
	Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
	Interpretation 18 – Transfers of Assets from Customers	March 2009	Ending 1 July 2009	

**Notes:**

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



**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**2. REVENUES AND EXPENSES**

**2009**                      **2008**  
**\$**                                      **\$**

**(a) Result from Ordinary Activities**

The Result from Ordinary Activities includes:

(i) Charging as an Expense:

**Auditors Remuneration**

- Audit	10,240	8,810
- Other Services	11,200	0

**Depreciation**

Buildings	90,222	102,612
Furniture and Equipment	18,024	28,399
Plant and Equipment	268,059	249,972
Infrastructure - Roads	298,925	919,267
Infrastructure - Parks & Gardens	3,036	0
Infrastructure - Recreation	6,683	0
Infrastructure - Footpaths	2,070	31
Infrastructure - Other	4,701	6,792
	691,720	1,307,073

**Interest Expenses**

Finance Lease Charges	0	0
Debentures ( <i>refer Note 21(a)</i> )	74,087	52,821
	74,087	52,821

**Rental Charges**

- Operating Leases	0	0
	0	0

(ii) Crediting as Revenue:

<b>2009</b>	<b>2009</b>	<b>2008</b>
<b>\$</b>	<b>Budget</b>	<b>\$</b>
	<b>\$</b>	

**Interest Earnings**

Investments		
- Reserve Funds	74,493	56,286
- Other Funds	69,185	60,000
Other Interest Revenue ( <i>refer note 26</i> )	26,708	10,852
	170,386	122,386
		160,596

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**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 governance of the Shire.

**GENERAL PURPOSE FUNDING**

Rates, general purpose grants, interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

Fire prevention and administration, clearing for fire hazards, animal control, dog pound, Local law control, public security, civil emergency services, rangers.

**HEALTH**

Food control, health inspections and provision of medical services.

**EDUCATION AND WELFARE**

Telecentre, Rylington Park, aged and disabled, senior citizen's services.

**HOUSING**

Public and staff housing.

**COMMUNITY AMENITIES**

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

**RECREATION AND CULTURE**

Public halls, swimming pool, civic centres, parks, sports grounds, 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, vehicle licensing.

**ECONOMIC SERVICES**

Tourism and promotions, Festivals, building control, Caravan park, Flax Mill Camp, economic development.

**OTHER PROPERTY & SERVICES**

Public works overhead, plant/vehicle operations, Private works, administration costs.

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(b) Statement of Objective (Continued)**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Conditions Over Contributions</b>		
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)	85,666	174,319
Auslink Roads to Recovery Programme (Transport)	21,052	7,646
Aerial Bundled Cabling (Transport)	0	54,500
PATF - Walk to Wagin (Recreation)	0	1,882
	<u>106,718</u>	<u>238,347</u>
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.		
Auslink Roads to Recovery Programme (Transport)	24,247	21,052
RCLIP Federal Funded Programme	75,000	0
FESA ESL Grant Funding	6,000	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)	(85,666)	(88,653)
Auslink Roads to Recovery Programme (Transport)	(21,052)	(7,646)
Aerial Bundled Cabling (Transport)	0	(54,500)
PATF - Walk to Wagin (Recreation)	0	(1,882)
Closing balances of unexpended grants	<u>105,247</u>	<u>106,718</u>
Comprises:		
Roads to Recovery - supplementary (Transport)	0	85,666
FESA ESL Grant Funding	6,000	0
RCLIP Federal Funding Programme	75,000	0
Auslink Roads to Recovery Programme (Transport)	24,247	21,052
	<u>105,247</u>	<u>106,718</u>

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	924,142	726,201
Restricted	1,479,505	1,636,581
	<u>2,403,647</u>	<u>2,362,782</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Plant Reserve	188,724	5,860
Leave Reserve	65,717	33,253
Depot Reserve	19,212	17,932
Housing Reserve	22,199	20,719
Emergency Reserve	32,147	30,005
Insurance Claim Reserve	13,775	12,857
Flax Mill Sheds Reserve	26,117	24,377
Recreation Improvement Reserve	43,736	45,759
Commercial Reserve	310,963	294,991
Bush Fire Radios Reserve	12,411	11,584
Rylington Park Reserve	16,118	15,044
Infrastructure Reserve	18,340	17,118
Bridges Reserve	25,845	10,080
Medical Services Reserve	44,719	37,058
Swimming Pool Reserve	10,661	5,270
Boyup Brook Town Hall Reserve	10,661	5,270
Admin Office Building Reserve	59,460	55,497
Building Maintenance Reserve	12,407	10,540
Aged Accommodation Reserve	20,330	18,975
R2R Supplementary Reserve	959	109,615
CEO Housing Reserve	324,981	300,625
Road Contribution Reserve	16,604	0
Unspent Loans	78,172	554,152
Unspent Grants	105,247	0
	<u>1,479,505</u>	<u>1,636,581</u>

**4. TRADE AND OTHER RECEIVABLES**

**Current**

Rates Outstanding	65,715	70,217
Sundry Debtors	85,466	100,169
Provision for Doubtful Debts	(37,020)	(11,413)
Accrued Income	3,171	0
GST Receivable	0	73,233
	<u>117,332</u>	<u>232,206</u>

**5. INVENTORIES**

**Current**

Fuel and Materials	30,730	31,115
	<u>30,730</u>	<u>31,115</u>

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings - Cost	5,927,980	5,200,998
Less Accumulated Depreciation	<u>(1,230,686)</u>	<u>(1,123,162)</u>
	4,697,294	4,077,836
Furniture and Equipment - Cost	171,805	280,379
Less Accumulated Depreciation	<u>(108,263)</u>	<u>(161,549)</u>
	63,542	118,830
Plant and Equipment - Cost	2,596,576	2,546,036
Less Accumulated Depreciation	<u>(1,156,199)</u>	<u>(1,028,194)</u>
	1,440,377	1,517,842
	<u><u>6,201,213</u></u>	<u><u>5,714,508</u></u>

Note: During the course of the year a major review of the fixed asset register was undertaken. As a result of this review, a number of assets were reclassified between asset classifications. This resulted in a net movement of \$132,028 between Property, Plant & Equipment and Infrastructure as disclosed in the "Other Movements" line in the "Movements in Carrying Amounts" table in this note and note 7.

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**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.

	<b>Land &amp; Buildings \$</b>	<b>Furniture &amp; Equipment \$</b>	<b>Plant &amp; Equipment \$</b>	<b>Total \$</b>
Balance as at 1 July 2008	4,077,836	118,830	1,517,842	5,714,508
Additions	813,368	0	252,972	1,066,340
(Disposals)	(2,646)	(2,230)	(66,426)	(71,302)
Revaluation - Increments	0	0	0	0
- (Decrements)	0	0	0	0
Impairment - (losses)	0	0	0	0
- reversals	0	0	0	0
Depreciation (Expense)	(90,222)	(18,024)	(268,059)	(376,305)
Other Movements	(101,042)	(35,034)	4,048	(132,028)
Balance as at 30 June 2009	<u>4,697,294</u>	<u>63,542</u>	<u>1,440,377</u>	<u>6,201,213</u>

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>7. INFRASTRUCTURE</b>		
Roads - management valuation 2008	61,522,454	0
Roads at cost	616,803	48,738,629
Less Accumulated Depreciation	<u>(16,761,730)</u>	<u>(919,267)</u>
	45,377,527	47,819,362
Footpaths - Cost	60,990	11,398
Less Accumulated Depreciation	<u>(5,070)</u>	<u>(31)</u>
	55,920	11,367
Recreation - Cost	218,652	0
Less Accumulated Depreciation	<u>(97,086)</u>	<u>0</u>
	121,566	0
Other -Cost	119,831	97,229
Less Accumulated Depreciation	<u>(21,507)</u>	<u>(6,792)</u>
	98,324	90,437
Parks & Gardens - Cost	121,862	0
Less Accumulated Depreciation	<u>(22,414)</u>	<u>0</u>
	99,448	0
	<u>45,752,785</u>	<u>47,921,166</u>

Note: During the course of the year a major review of the fixed asset register was undertaken. As a result of this review, a number of assets were reclassified between asset classifications. This resulted in a net movement of \$132,028 between Property, Plant & Equipment and Infrastructure as disclosed in the "Other Movements" line in the "Movements in Carrying Amounts" table in this note and note 6.

**SHIRE OF BOYUP BROOK**  
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**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.

	<b>Roads</b>	<b>Footpaths</b>	<b>Parks and Gardens</b>	<b>Recreation</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at 1 July 2008	47,819,362	11,367	0	0	90,437	47,921,166
Additions	616,803	19,592	0	35,837	0	672,232
(Disposals)	0	0	0	0	0	0
Revaluation - Increments	0	0	0	0	0	0
- (Decrements)	(2,657,226)	0	0	0	0	(2,657,226)
Impairment - (losses)	0	0	0	0	0	0
- reversals	0	0	0	0	0	0
Depreciation (Expense)	(298,925)	(2,070)	(3,036)	(6,683)	(4,701)	(315,415)
Other Movements	(102,487)	27,031	102,484	92,412	12,588	132,028
Balance as at 30 June 2009	<u>45,377,527</u>	<u>55,920</u>	<u>99,448</u>	<u>121,566</u>	<u>98,324</u>	<u>45,752,785</u>



**SHIRE OF BOYUP BROOK  
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	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	279,706	257,035
Accrued Interest on Debentures	25,772	26,870
Other Accruals	0	29,714
Accrued Salaries and Wages	67,567	67,035
ATO Liabilities	69,588	19,241
	<u>442,633</u>	<u>399,895</u>
<b>9. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge Debentures	<u>54,621</u>	<u>50,394</u>
	<u>54,621</u>	<u>50,394</u>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	<u>1,058,719</u>	<u>1,113,340</u>
	<u>1,058,719</u>	<u>1,113,340</u>
Additional detail on borrowings is provided in Note 21.		
<b>10. PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	144,095	125,036
Provision for Long Service Leave	146,591	117,091
	<u>290,686</u>	<u>242,127</u>
<b>Non-Current</b>		
Provision for Long Service Leave	<u>31,339</u>	<u>21,108</u>
	<u>31,339</u>	<u>21,108</u>

**SHIRE OF BOYUP BROOK**  
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	2009 \$	2009 Budget \$	2008 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Plant and vehicle Reserve</b>			
Opening Balance	5,860	5,860	100,734
Amount Set Aside / Transfer to Reserve	182,864	182,207	5,126
Amount Used / Transfer from Reserve	0	0	(100,000)
	<u>188,724</u>	<u>188,067</u>	<u>5,860</u>
<b>(b) Leave Reserve</b>			
Opening Balance	33,253	33,253	31,576
Amount Set Aside / Transfer to Reserve	32,464	31,729	1,677
Amount Used / Transfer from Reserve	0	0	0
	<u>65,717</u>	<u>64,982</u>	<u>33,253</u>
<b>(c) Depot Reserve</b>			
Opening Balance	17,932	17,932	17,027
Amount Set Aside / Transfer to Reserve	1,280	932	905
Amount Used / Transfer from Reserve	0	0	0
	<u>19,212</u>	<u>18,864</u>	<u>17,932</u>
<b>(d) Community Housing Reserve</b>			
Opening Balance	20,719	20,719	19,481
Amount Set Aside / Transfer to Reserve	1,480	1,077	1,238
Amount Used / Transfer from Reserve	0	0	0
	<u>22,199</u>	<u>21,796</u>	<u>20,719</u>
<b>(e) Emergency Reserve</b>			
Opening Balance	30,005	30,005	28,684
Amount Set Aside / Transfer to Reserve	2,142	1,560	1,321
Amount Used / Transfer from Reserve	0	0	0
	<u>32,147</u>	<u>31,565</u>	<u>30,005</u>
<b>(f) Insurance Claim Reserve</b>			
Opening Balance	12,857	12,856	12,208
Amount Set Aside / Transfer to Reserve	918	669	649
Amount Used / Transfer from Reserve	0	0	0
	<u>13,775</u>	<u>13,525</u>	<u>12,857</u>
<b>(g) Flax Mill Sheds Reserve</b>			
Opening Balance	24,377	24,377	23,147
Amount Set Aside / Transfer to Reserve	1,740	1,268	1,230
Amount Used / Transfer from Reserve	0	0	0
	<u>26,117</u>	<u>25,645</u>	<u>24,377</u>
<b>(h) Recreation Facilities Reserve</b>			
Opening Balance	45,759	45,759	43,450
Amount Set Aside / Transfer to Reserve	3,227	2,379	2,309
Amount Used / Transfer from Reserve	(5,250)	(25,000)	0
	<u>43,736</u>	<u>23,138</u>	<u>45,759</u>

**SHIRE OF BOYUP BROOK**  
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	2009 \$	2009 Budget \$	2008 \$
<b>11. RESERVES - CASH BACKED (continued)</b>			
<b>(i) Commercial Reserve</b>			
Opening Balance	294,991	294,991	280,108
Amount Set Aside / Transfer to Reserve	21,062	15,340	14,883
Amount Used / Transfer from Reserve	(5,090)	(80,000)	0
	<u>310,963</u>	<u>230,331</u>	<u>294,991</u>
<b>(j) Bush Fire Radios Reserve</b>			
Opening Balance	11,584	11,585	11,000
Amount Set Aside / Transfer to Reserve	827	602	584
Amount Used / Transfer from Reserve	0	0	0
	<u>12,411</u>	<u>12,187</u>	<u>11,584</u>
<b>(k) Rylington Park Reserve</b>			
Opening Balance	15,044	15,044	14,285
Amount Set Aside / Transfer to Reserve	1,074	782	759
Amount Used / Transfer from Reserve	0	0	0
	<u>16,118</u>	<u>15,826</u>	<u>15,044</u>
<b>(l) Infrastructure Reserve</b>			
Opening Balance	17,118	17,117	216,243
Amount Set Aside / Transfer to Reserve	1,222	890	864
Amount Used / Transfer from Reserve	0	0	(199,989)
	<u>18,340</u>	<u>18,007</u>	<u>17,118</u>
<b>(m) Bridges Reserve</b>			
Opening Balance	10,080	10,081	23,815
Amount Set Aside / Transfer to Reserve	15,765	15,524	1,265
Amount Used / Transfer from Reserve	0	0	(15,000)
	<u>25,845</u>	<u>25,605</u>	<u>10,080</u>
<b>(n) Medical Services Reserve</b>			
Opening Balance	37,058	37,058	35,188
Amount Set Aside / Transfer to Reserve	7,661	6,927	1,870
Amount Used / Transfer from Reserve	0	0	0
	<u>44,719</u>	<u>43,985</u>	<u>37,058</u>
<b>(o) Swimming Pool Reserve</b>			
Opening Balance	5,270	5,270	5,004
Amount Set Aside / Transfer to Reserve	5,391	5,274	266
Amount Used / Transfer from Reserve	0	0	0
	<u>10,661</u>	<u>10,544</u>	<u>5,270</u>
<b>(p) Boyup Brook Town Hall Reserve</b>			
Opening Balance	5,270	5,270	5,004
Amount Set Aside / Transfer to Reserve	5,391	5,274	266
Amount Used / Transfer from Reserve	0	0	0
	<u>10,661</u>	<u>10,544</u>	<u>5,270</u>

**SHIRE OF BOYUP BROOK**  
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	2009 \$	2009 Budget \$	2008 \$
<b>11. RESERVES - CASH BACKED (continued)</b>			
<b>(q) Administration Centre Reserve</b>			
Opening Balance	55,497	55,497	52,697
Amount Set Aside / Transfer to Reserve	3,963	2,886	2,800
Amount Used / Transfer from Reserve	0	(58,383)	0
	<u>59,460</u>	<u>0</u>	<u>55,497</u>
<b>(r) Building Maintenance Reserve</b>			
Opening Balance	10,540	10,540	10,008
Amount Set Aside / Transfer to Reserve	1,867	1,659	532
Amount Used / Transfer from Reserve	0	0	0
	<u>12,407</u>	<u>12,199</u>	<u>10,540</u>
<b>(s) Aged Accommodation Reserve</b>			
Opening Balance	18,975	18,975	18,018
Amount Set Aside / Transfer to Reserve	1,355	987	957
Amount Used / Transfer from Reserve	0	0	0
	<u>20,330</u>	<u>19,962</u>	<u>18,975</u>
<b>(t) Roads to Recovery Supplementary Reserve</b>			
Opening Balance	109,615	109,615	0
Amount Set Aside / Transfer to Reserve	6,344	5,700	210,615
Amount Used / Transfer from Reserve	(115,000)	(115,315)	(101,000)
	<u>959</u>	<u>0</u>	<u>109,615</u>
<b>(u) CEO Housing Reserve</b>			
Opening Balance	300,625	300,625	0
Amount Set Aside / Transfer to Reserve	24,356	15,633	337,905
Amount Used / Transfer from Reserve	0	(316,258)	(37,280)
	<u>324,981</u>	<u>0</u>	<u>300,625</u>
<b>(v) Road Contributions Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	31,904	0	0
Amount Used / Transfer from Reserve	(15,300)	0	0
	<u>16,604</u>	<u>0</u>	<u>0</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u><u>1,296,086</u></u>	<u><u>786,772</u></u>	<u><u>1,082,429</u></u>

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

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

**Plant & Vehicles Reserve**

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

**Community Housing Reserve**

- to be used for the maintenance of the Homeswest Housing Units in Forrest & Proctor Streets.

**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.

**SHIRE OF BOYUP BROOK**  
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**11. RESERVES - CASH BACKED (continued)**

**Insurance Claims 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 the large sheds (storage) at the Flaxmill complex.

**Recreation Facilities Reserve**

- to be used to fund improvements to the Recreation facilities and grounds.

**Commercial Reserve**

- to be used for future economic development, enhancement and promotion of the district

**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**

- to be used for the development of facilities at Rylington Park

**Infrastructure Reserve**

- to be used for the development of Infrastructure in the Shire

**Roads to Recovery Supplementary Reserve**

- to be used for R2R projects in accordance with the supplementary Grant programme

**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.

**Bridges Reserve**

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

**Medical Services Reserve**

- to be used to fund future medical services requirements

**Swimming Pool Reserve**

- to be used to fund future major improvement/maintenance projects at the swimming pool

**Boyup Brook Town Hall Reserve**

- to be used to fund future major improvements/maintenance at Town Hall

**Administration Centre Reserve**

- to be used to fund future major improvements/additions to the administration centre

**Building Maintenance Reserve**

- to be used to fund future maintenance of Shire owned buildings including Heritage buildings

**Aged Accommodation Reserve**

- to be used to fund future requirements of Aged Accommodation

**Road Contributions Reserve**

- to be used to set aside contributions from Developers for road development when required

**CEO Housing Reserve**

- to be used to fund future requirements of the CEO's Housing

**SHIRE OF BOYUP BROOK**  
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<b>12. RESERVES - ASSET REVALUATION</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
<b>Roads</b>		
Balance as at 1 July 2008	1,590,381	1,590,381
Revaluation Increment	0	0
Revaluation Decrement	(1,590,381)	0
Balance as at 30 June 2009	<u>0</u>	<u>1,590,381</u>
<b>TOTAL ASSET REVALUATION RESERVES</b>	<u><u>0</u></u>	<u><u>1,590,381</u></u>

**13. 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:

	<b>2009</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Cash and Cash Equivalents	<u>2,403,647</u>	<u>866,772</u>	<u>2,362,782</u>

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

Net Result	(216,823)	(882,644)	10,534
Depreciation	691,720	1,111,993	1,307,073
Impairment (Loss)/Reversal			
(Profit)/Loss on Sale of Asset	(3,094)	12,600	(192,738)
Loss on Revaluation of Roads	1,066,845	0	0
(Increase)/Decrease in Receivables	114,874	(5,202)	(13,219)
(Increase)/Decrease in Inventories	385	1,129	(9,986)
Increase/(Decrease) in Payables	61,447	(184,918)	(49,535)
Increase/(Decrease) in Employee Provisions	40,081	(50,000)	15,873
Grants/Contributions for the Development of Assets	<u>(942,745)</u>	<u>(145,547)</u>	<u>(292,218)</u>
<b>Net Cash from Operating Activities</b>	<u><u>812,690</u></u>	<u><u>(142,589)</u></u>	<u><u>775,784</u></u>

**SHIRE OF BOYUP BROOK**  
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**13. NOTES TO THE CASH FLOW STATEMENT (Continued)**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank Overdraft limit	50,000	50,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	0	0
Credit Card Balance at Balance Date	0	0
<b>Total Amount of Credit Unused</b>	<u>50,000</u>	<u>50,000</u>
<b>Loan Facilities</b>		
Loan Facilities - Current	54,621	50,394
Loan Facilities - Non-Current	1,058,719	1,113,340
<b>Total Facilities in Use at Balance Date</b>	<u>1,113,340</u>	<u>1,163,734</u>
<b>Unused Loan Facilities at Balance Date</b>	<u>78,172</u>	<u>554,152</u>

**14. CONTINGENT LIABILITIES**

The Shire has no contingent liabilities at 30 June 2009.

**15. CAPITAL AND LEASING COMMITMENTS**

**(a) Finance Lease Commitments**

The Shire has no finance lease commitments at 30 June 2009.

**(b) Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the accounts.

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Payable:		
- not later than one year	17,131	17,131
- later than one year but not later than five years	16,349	33,480
- later than five years	0	0
	<u>33,480</u>	<u>50,611</u>

**(c) Capital Expenditure Commitments**

Contracted for:

- capital expenditure projects	79,121	737,080
- plant & equipment purchases	0	48,213

Payable:

- not later than one year	79,121	785,293
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The capital expenditure project outstanding at the end of the current reporting period represents the completion of constructing the CEO house and Police houses.

**16. JOINT VENTURE**

The Shire was not party to any Joint Ventures during the year.

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>		
Governance	4,838	11,198
General Purpose Funding	0	55,722
Law, Order, Public Safety	58,832	88,314
Health	506,741	561,549
Education and Welfare	1,216,490	1,227,996
Housing	1,510,327	1,708,210
Community Amenities	204,686	104,578
Recreation and Culture	975,529	1,085,974
Transport	45,937,706	48,244,444
Economic Services	329,575	324,404
Other Property and Services	1,584,532	2,011,377
Unallocated	2,176,451	838,011
	<b>54,505,707</b>	<b>56,261,777</b>

	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>18. FINANCIAL RATIOS</b>			
Current Ratio	1.49	1.50	0.91
Untied Cash to Unpaid Trade Creditors Ratio	2.65	2.82	1.05
Debt Ratio	0.03	0.03	0.02
Debt Service Ratio	0.03	0.02	0.02
Gross Debt to Revenue Ratio	0.28	0.28	0.15
Gross Debt to Economically Realisable Assets Ratio	0.13	0.14	0.09
Rate Coverage Ratio	0.35	0.36	0.34
Outstanding Rates Ratio	0.04	0.03	0.02

The above ratios are calculated as follows:

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



**SHIRE OF BOYUP BROOK**  
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**19. TRUST FUNDS**

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

	<b>Balance 1-Jul-08</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>Balance 30-Jun-09</b>
	<b>\$</b>	<b>\$</b>	<b>(\$)</b>	<b>\$</b>
Relocateable House Bond	27,962	1,898	(2,500)	27,360
Shire Rental Bonds	1,293	303	(357)	1,239
Councillor Election Nomination Deposits	0	0	0	0
Shire Hall Hire Deposits	75	0	0	75
Fruit Fly Program	6,058	0	0	6,058
Kerb Deposits	800	600	0	1,400
Boyup Brook Community Foundation	4,000	0	(158)	3,842
Christmas Club	6,987	0	(6,987)	0
	<u>47,175</u>			<u>39,974</u>

**20. DISPOSALS OF ASSETS - 2008/09 FINANCIAL YEAR**

The following assets were disposed of during the year.

	<b>Net Book Value</b>		<b>Sale Price</b>		<b>Profit (Loss)</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Isuzu 4T Truck	19,890	0	29,850	0	9,960	0
Ford Courier Dual Cab	19,006	24,600	20,455	20,000	1,449	(4,600)
Two Turn Mower	15,546	18,000	9,091	10,000	(6,455)	(8,000)
Vibromax Roller	4,523	20,000	15,000	20,000	10,477	0
Lots 354/355 Jayes Road	0	10,000	0	10,000	0	0
Wahkinup Hall	2,647	0	0	0	(2,647)	0
Fire Fast Attack Unit	2,220	0	0	0	(2,220)	0
Sundry Furn & Equipment	2,230	0	0	0	(2,230)	0
Sundry Plant & Equipment	5,240	0	0	0	(5,240)	0
	<u>71,302</u>	<u>72,600</u>	<u>74,396</u>	<u>60,000</u>	<u>3,094</u>	<u>(12,600)</u>

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**21. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-08 \$	New Loans \$	Principal Repayments		Principal 30-Jun-09		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>								
110 Admin Roof/Bldg Upgrade	30,881		1,272	1,272	29,609	29,609	1,972	1,972
Admin Building additions				0	0	200,000	0	0
<b>Health</b>								
107 Hospital Upgrade	65,601		11,445	11,445	54,156	54,156	3,973	4,219
102 House - Medical Practitioner	64,160		5,473	5,473	58,687	58,687	3,933	4,047
<b>Housing</b>								
115 House - 1 Rogers Ave	103,819		3,370	3,370	100,449	100,449	6,066	6,128
116 Police Housing - Beatty St	600,000		14,972	14,972	585,028	585,028	39,774	40,205
<b>Community Amenities</b>								
112 Transfer Station	29,377		1,624	1,624	27,753	27,754	2,049	2,049
<b>Recreation &amp; Culture</b>								
114 Pool Bowl upgrade	188,773		6,122	6,122	182,651	182,650	11,005	11,151
Bowling Club - artificial turf (*)				0	0	80,000		0
<b>Economic Services</b>								
106 FlaxMill Upgrade	41,986		3,215	3,215	38,771	38,771	2,910	2,958
109 FlaxMill Water Upgrade	39,137		2,901	2,901	36,236	36,234	2,405	2,455
	1,163,734	0	50,394	50,394	1,113,340	1,393,338	74,087	75,184

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2008/09

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Nil										

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**21. INFORMATION ON BORROWINGS (Continued)**

(c) Unspent Debentures

<b>Particulars</b>	<b>Date Borrowed</b>	<b>Balance 1-Jul-08 \$</b>	<b>Borrowed During Year \$</b>	<b>Expended During Year \$</b>	<b>Balance 30-Jun-09 \$</b>
Police Housing - Beatty Street	1/2/2008	554,152	0	475,980	78,172
		554,152	0	475,980	78,172

(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 2008 was \$Nil and 30 June 2009 was \$Nil.

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**22. RATING INFORMATION - 2008/09 FINANCIAL YEAR**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>	<b>Budget Rate Revenue \$</b>	<b>Budget Interim Rate \$</b>	<b>Budget Back Rate \$</b>	<b>Budget Total Revenue \$</b>
<b>General Rate - GRV</b>											
GRV _ Residential	0.1386	266	1,525,032	211,369			211,369	211,369			211,369
GRV - Commercial	0.1386	28	391,212	54,222			54,222	54,222			54,222
GRV - Industrial	0.1386	11	93,184	12,915			12,915	12,915			12,915
GRV - Urban Townsites	0.1386	6	32,864	4,555			4,555	4,555			4,555
<b>General Rate - UV</b>											
UV - Rural	0.004414	579	272,673,000	1,203,579	2,036		1,205,615	1,203,580	10,000		1,213,580
UV - Rural Residential (Special Rural)	0.004414	94	15,991,000	70,584			70,584	70,584			70,584
UV - Urban Townsites	0.004414	0	0	0			0	0			0
UV - Mining	0.004414	0	0	0			0	0			0
<b>Sub-Totals</b>		984	290,706,292	1,557,224	2,036	0	1,559,260	1,557,225	10,000	0	1,567,225
<b>Minimum Rates</b>	<b>Minimum \$</b>										
<b>GRV</b>											
GRV _ Residential	560	21	51,528	11,760			11,760	11,760			11,760
GRV - Commercial	560	2	6,000	1,120			1,120	1,120			1,120
GRV - Industrial	560	4	11,000	2,240			2,240	2,240			2,240
<b>UV</b>											
UV - Rural	560	152	13,397,940	85,120			85,120	83,440			83,440
UV - Rural Residential (Special Rural)	560	2	104,000	1,120			1,120	1,120			1,120
UV - Urban Townsites	560	47	1,227,500	26,320			26,320	26,320			26,320
UV - Mining	560	9	185,384	5,040			5,040	5,040			5,040
<b>Sub-Totals</b>		237	14,983,352	132,720	0	0	132,720	131,040	0	0	131,040
Ex-Gratia Rates							1,691,980				1,698,265
Specified Area Rates							1,691,980				1,698,265
Discounts ( <i>refer note 26</i> )											
<b>Totals</b>							1,691,980				1,698,265

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**23. SPECIFIED AREA RATE - 2008/09 FINANCIAL YEAR**

Nil

**24. SERVICE CHARGES - 2008/09 FINANCIAL YEAR**

Nil

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2008/09 FINANCIAL YEAR**

Nil

**26. INTEREST CHARGES AND INSTALMENTS - 2008/09 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	0	15,143	4,500
Interest on Instalments Plan	5.50%	0	5,205	1,600
Charges on Instalment Plan		22.50	6,360	4,000
			26,708	10,100

Ratepayers had the option of paying rates in four equal instalments, due on 5th September 2008, 7th November 2008, 9th January 2009 and 6th March 2009. Administration charges and interest applied for the final three instalments.

<b>27. FEES &amp; CHARGES</b>	<b>2009 \$</b>	<b>2008 \$</b>
Governance	77	973
General Purpose Funding	672	9,108
Law, Order, Public Safety	7,049	12,100
Health	549,178	462,748
Education and Welfare	2,039	0
Housing	28,676	28,871
Community Amenities	28,019	27,427
Recreation and Culture	34,755	39,810
Transport	56,126	869
Economic Services	78,987	78,571
Other Property and Services	9,217	11,401
	<u>794,795</u>	<u>671,878</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 2009**

<b>28. GRANT REVENUE</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	1,214,843	1,302,905
Non-Operating Grants, Subsidies and Contributions	942,745	292,218
	<u>2,157,588</u>	<u>1,595,123</u>
<b>By Program:</b>		
Governance	1,260	37
General Purpose Funding	1,028,774	755,996
Law, Order, Public Safety	40,266	46,997
Health	0	0
Education and Welfare	2,319	1,752
Housing	289,707	0
Community Amenities	682	0
Recreation and Culture	57,179	15,877
Transport	706,038	758,802
Economic Services	0	0
Other Property and Services	31,363	15,662
	<u>2,157,588</u>	<u>1,595,123</u>

<b>29. COUNCILLORS' REMUNERATION</b>	<b>2009</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	50,000	50,000	42,275
President's Allowance	5,000	5,000	4,450
Deputy President's Allowance	1,300	1,250	1,113
Conference Expenses	13,193	0	4,543
Travelling Expenses	4,189	8,000	6,472
Telecommunications Allowance	717	1,500	989
	<u>74,399</u>	<u>65,750</u>	<u>59,842</u>

**30. 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.

<b>Salary Range</b>	<b>2009</b>	<b>2008</b>
<b>\$</b>		
100,000 - 109,999	1	0
210,000 - 219,999	1	1

**31. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<b>2009</b>	<b>2008</b>
<u>26</u>	<u>26</u>

**32. MAJOR LAND TRANSACTIONS**

Nil

**33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2008/09 financial year.

**SHIRE OF BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**34. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	2,403,647	2,362,782	2,403,647	2,362,782
Receivables	117,332	232,206	117,332	232,206
	<u>2,520,979</u>	<u>2,594,988</u>	<u>2,520,979</u>	<u>2,594,988</u>
<b>Financial Liabilities</b>				
Payables	442,633	399,895	442,633	399,895
Borrowings	1,113,340	1,163,734	1,079,626	1,124,627
	<u>1,555,973</u>	<u>1,563,629</u>	<u>1,522,259</u>	<u>1,524,522</u>

Fair value is determined as follows:

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

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(a) Cash and Cash Equivalents**

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

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

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

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

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

	<b>30-Jun-09</b>	<b>30-Jun-08</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	24,036	23,628
- Income Statement	24,036	23,628

**Notes:**

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

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



**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**34. FINANCIAL RISK MANAGEMENT (Continued)**  
**(b) Receivables**

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

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

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

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

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

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

	<b>30-Jun-09</b>	<b>30-Jun-08</b>
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	15.00%	62.00%
- Overdue	85.00%	28.00%

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(c) Payables  
Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2009</u></b>					
Payables	442,633	0	0	442,633	442,633
Borrowings	124,973	484,229	1,206,368	1,815,570	1,113,340
	<u>567,606</u>	<u>484,229</u>	<u>1,206,368</u>	<u>2,258,203</u>	<u>1,555,973</u>
<b><u>2008</u></b>					
Payables	399,895	0	0	399,895	399,895
Borrowings	124,973	499,894	1,315,676	1,940,543	1,163,734
	<u>524,868</u>	<u>499,894</u>	<u>1,315,676</u>	<u>2,340,438</u>	<u>1,563,629</u>

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(c) Borrowings (Continued)**

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

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

	<u>&lt;1 year</u>	<u>&gt;1&lt;2 years</u>	<u>&gt;2&lt;3 years</u>	<u>&gt;3&lt;4 years</u>	<u>&gt;4&lt;5 years</u>	<u>&gt;5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<b><u>Year Ended 30 June 2009</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	0	0	0	54,155	0	1,059,185	1,113,340	6.48%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	6.72%	0.00%	6.46%		
<b><u>Year Ended 30 June 2008</u></b>								
<b>Borrowings</b>								
<b>Fixed Rate</b>								
Debentures	0	0	0	0	65,600	1,098,134	1,163,734	6.48%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	6.72%	6.46%		

**INDEPENDENT AUDIT 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 2009 and the income statement by nature or type, income statement by program, statement of changes in equity, cash flow statement, rate setting statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

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

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

***Auditor's Responsibility***

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

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

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

**Independence**

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

**Auditor's Opinion**

In our opinion, the financial report of the Shire of 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 2009 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**INDEPENDENT AUDIT REPORT  
TO THE ELECTORS OF THE SHIRE OF BOYUP BROOK(continued)**

**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) 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



GREG GODWIN  
PARTNER

Date: 10 September 2009  
Perth, WA

2009 Year End Boyup Brook AO6