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1. Shire President's Message

As I review the past year I find myself reflecting on the wonderful part of the world we live in and dedication of us all to develop our district and protect it from invaders.

The State Government's Reform Process has been a most disruptive and time consuming event for Administration and Councillors and disturbing for our residents.

A lack of consistency and setting of parameters by the Government has caused unnecessary stress to all. Council is working diligently for the best outcome for our community and will continue to do so. We have made it clear to our neighbouring Shires and the Government that we do not wish to amalgamate but are working in a constructive way to sharing services on a voluntary basis and our preferred option is to work collaboratively with the Shires of Bridgetown-Greenbushes and Donnybrook-Balingup.

Both these Shires have committed to working regionally with other groups for the next 12 months and will review their position then. We will need to consider our options for Regional and Federal funding in the interim.

There appears (once again little information) to be a growing trend for FESA to override Local Government powers under the Bush Fires Act and to subvert the authority vested in Local Government regarding hazard management. It is difficult to get information until it is too late. It is the Government's position that bush fire management should come under one authority, being FESA. In light of the circumstances in Victoria and Toodyay this is arguably sensible and I don't doubt that we all would wish to see a cohesive emergency management arrangement but we want to be involved in the process and be consulted. We will persist with this issue.

It has been an eventful year in many ways. It is stimulating to have the group of Councillors that we have at present; I can assure you that you are extremely well represented.

Our Administration under the leadership of our Chief Executive Officer – Mr Alan Lamb has had a challenging year with all the added demands placed on them and I thank them all for their dedication to the Shire's well being.

Many comments both locally and far away have reflected on the well kept facilities and beautiful gardens. We are well served by our outside staff and I thank them for their service, often well beyond what they get paid to do.

We are blessed with a very high percentage of our people voluntarily providing the services and entertainment that makes Boyup Brook unique and we should never slip into complacency by taking them for granted for they are the backbone of our community.

Terry Ginnane
SHIRE PRESIDENT



2. Boyup Brook at a Glance

President	Terry Ginnane
Deputy President	Tony Doust

Councillors

Benjinup Ward	T (Tony) Doust (term expires 2013) B (Brian) O'Hare (term expires 2011)
Boyup Brook Ward	E (Eric) Biddle (term expires 2013) R F(Roger) Downing (term expires 2011) T J (Terry) Ginnane (term expires 2013)
Dinninup Ward	E (Eric) Muncey (term expires 2011)) T (Tom) Oversby (term expires 2013)
Scotts Brook Ward	M (Michael) Giles (term expires 2013) 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	1,585
Number of Electors	1,177
Number of Dwellings	818
Total Rates Levied	\$1,783,498
Total Revenue	\$5,214,572
Number of Employees	30

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

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

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

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

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

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

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

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

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

3. Elected Members

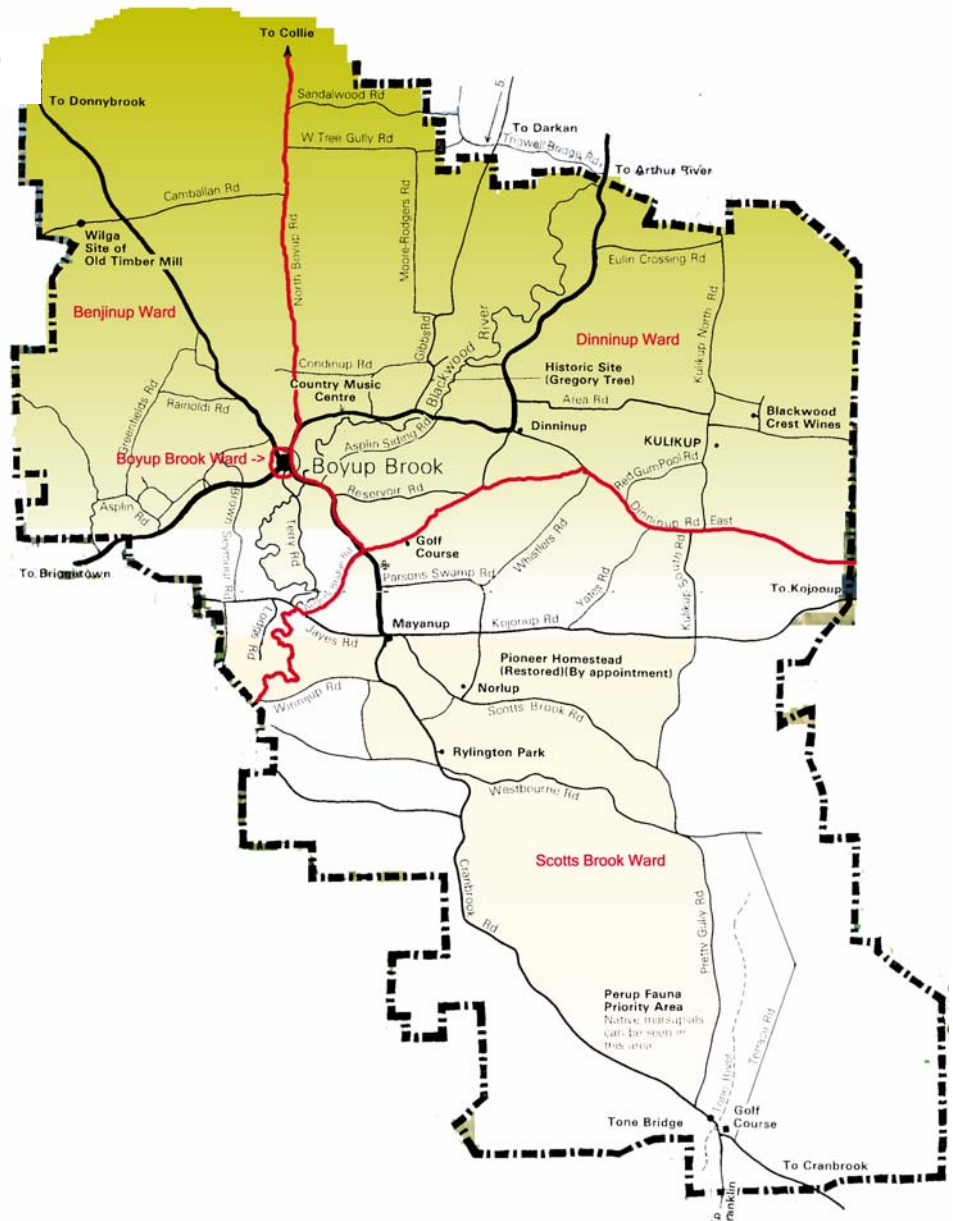
BENJINUP WARD



Cr Doust



Cr O'Hare



BOYUP BROOK WARD



Cr Ginnane



Cr Downing



Cr Biddle

3. Elected Members ...cont.

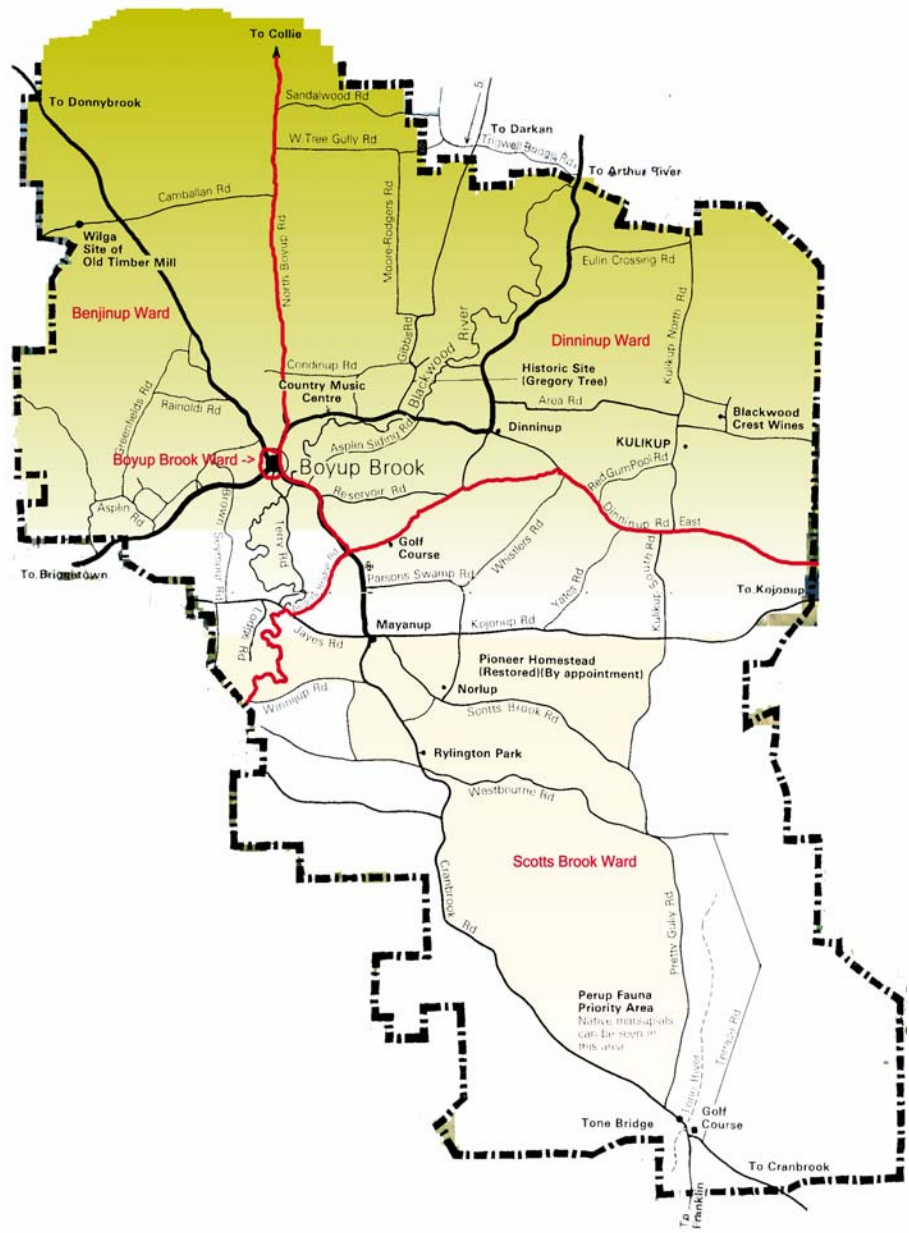
SCOTTS BROOK WARD



Cr Marshall



Cr Giles



DINNINUP WARD



Cr Muncey



Cr Oversby

4. Chief Executive Officer's Report

It is with great pleasure that I write this report on the 2009/10 Financial Year.

The Minister for Local Government's reform strategy continued to dominate the year under review and make for an uncertain future. Your Council has been working with the Bridgetown-Greenbushes and Donnybrook-Balingup Shires on how we might work more closely together, but the latter has a longstanding relationship with another group of Shires and so is reluctant to commit at this stage.

The Local Rural Strategy was completed during the year. 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 2009 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. Those final steps have been completed and the Strategy is in place. Council will now be working on the Townsite Strategy. As part of this process Council will review a number of studies done to identify suitable industrial land with a view to making inroads into this identified need.

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. You will note that a number of staff members have served for more than ten years and they are listed on page 11 of this report. Mr David Millington is by far the longest serving member of staff and I take this opportunity to recognise not only the creditable length of service but also his dedication to duty and great sense of ownership.

I also thank the past Shire President, Councillor Roger Downing, who I worked closely with during the first few months of the year under review, and the Shire President Councillor Terry Ginnane for their assistance and guidance. I also 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 the pending completion of asset management, forward capital works and financial planning will do this. Council will work on the strategic plan once all of the other plans have been completed and it is in a better position to assess the affordability of new initiatives.

Alan Lamb
CHIEF EXECUTIVE OFFICER

5. Senior Management Team



Alan Lamb – Chief Executive Officer

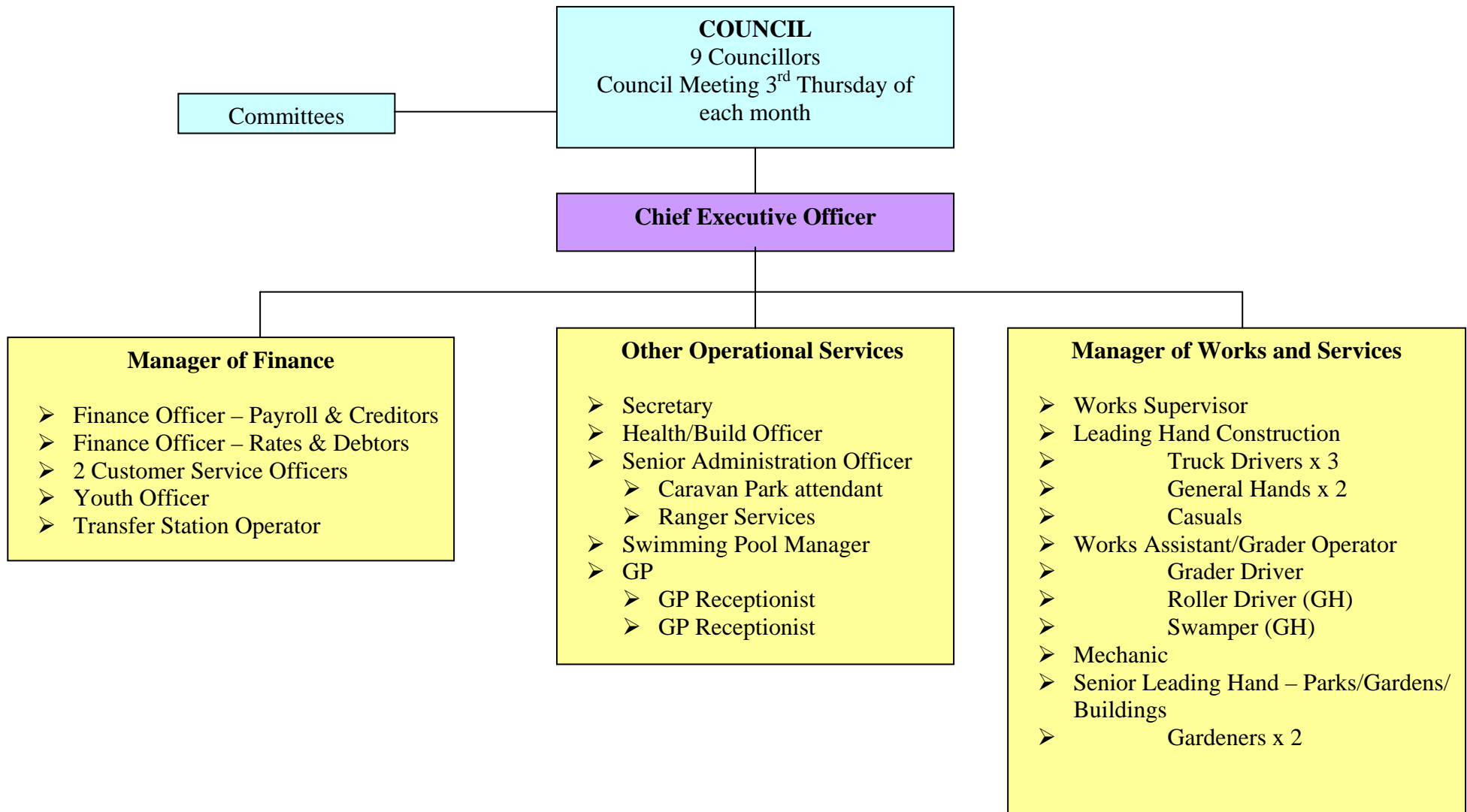


Keith Jones – Manager of Finance



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 35 Years

Mr. David Millington

Over 25 Years

Mr. Tony Bogar

Mr. Joe Fenwick

Over 15 Years

Mr. Calvin Brown

Mr. Justin Fallon

Mr Mark Brlevich

Over 10 Years

Mr. Mike Stanton-Halligan

Mr John Watters

Mr. John Eddy

Mr. Keith Jones

8. Highlights of 2009-2010

Section #	Program and Sub-Program Area
9.1	CORPORATE SERVICES
	<p>New Councillors At the October 2009 Elections three new Council members were elected, Mr Tony Doust, Mr Tom Oversby and Mr Eric Biddle. Mr Eric Muncey was elected at an extraordinary election in March 2010.</p> <p>Planning for the Future In December 2009 a Forward Planning Committee was established consisting of all Council members. <i>the function/role of the committee is to consider and/or review all forward planning matters including asset management planning, long range financial planning, works planning, the strategic plan, town planning scheme, options to work more closely with other Councils, other matters as referred by Council and to report back to Council.</i></p> <p>Public Meeting re Council Amalgamations The community expressed a strong desire to resist any form of Amalgamation with other Councils.</p> <p>Additional offices created A transportable building was attached to the rear of the Shire Administration Offices creating a specific Finance Department. The new building houses two Finance Officers and the Manager of Finance. This addition allows better work flow and space for all employees who operate, either full or part-time out of the Shire Administration building.</p>
9.2	COMMUNITY SERVICES
	<p>Waste Management Affected significantly by downturn in the Global economy. Prices of Recyclable materials dropped and for a period of time a stockpile was established at the Transfer Station.</p> <p>Bushfire Control The McAlinden Bushfire Brigade had the Heavy Duty 2.4 Appliance upgraded.</p>

	<p>Library Services A long awaited refurbishment of the Shire Library took place. The new layout with modular shelving allows more books to be accessed with greater ease.</p> <p>Recreation & Leisure The Adult playground was built adjacent to the Music Park and provides exercise equipment for any community member who wishes to use them.</p>
9.3	DEVELOPMENT SERVICES
	<p>Building There was a rise in the number of new dwellings built and other buildings in general. The value of these buildings doubled compared to the 08/09 financial year.</p>
9.4	WORKS & SERVICES
	<p>Roads to Recovery The third round Roads to Recovery Program (RTR) commenced its first year of operation. This is the first year of a five year program ending in 2014</p> <p>Royalties for Regions A large part of this funding that was budgeted was not received in the financial year 2009/10 which was as a result of the State Government withholding funds because of the Global Economic Crisis.</p>

9. Department Reports

9.1 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

Minimal staff changes occurred throughout the year with only one full time person leaving and a couple of casual staff appointed to full time positions.

Workers Compensation issues were also very minimal resulting in only two claims.

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

Occupational Safety and Health

This year saw the attainment of Silver Accreditation from the Local Government Insurance Services; a first for this Shire. Improved Chemical Storage facilities were installed at the Shire Depot.

Employee Remuneration

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

Salary Range \$	2010	2009
100,000 – 109,999	1	1
210,000 – 219,999	1	1

Finance

Total Operating Revenue	\$5,214,572
Operating Expenditure	\$4,416,601
Net Assets	\$60,665,661
Total Rates Levied	\$1,783,498
Rateable Properties	1,231
Loans	\$515,564
Borrowing Cost Expense	\$73,024

This year saw a rate rise of 5.4% compared to the previous year's 6.1%.

During the year: -

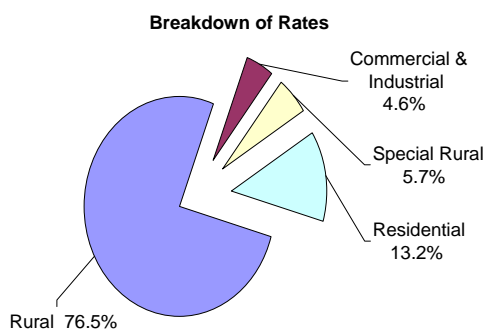
Successful grant applications were submitted for youth, fire prevention, and recreation equipment.

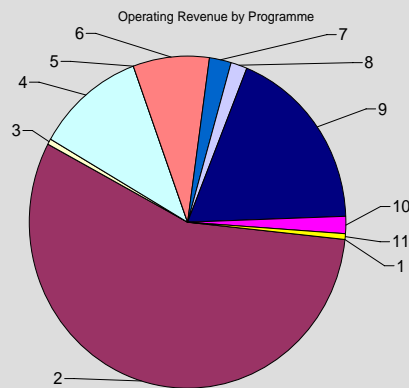
Reserve funds totaled \$1,550,535 as at 30 June 2010.

Blackwood Landcare Zone supported by \$12,700.

Asset improvements

- ✓ New library shelving
- ✓ Transportable addition to Shire office - improving working conditions
- ✓ New carpet to Shire Office
- ✓ Partial sealing of Depot Yard
- ✓ Completion of CEO's house
- ✓ Completion and sale of Police housing to GROH
- ✓ refurbishment of 1 Rogers Ave
- ✓ Upgrade of electrical safety in Shire buildings

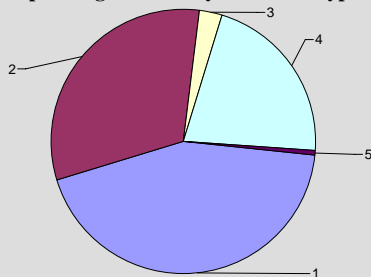




Operating Revenue by Programme

1 ... Governance	0.03%
2 ... General Purpose Funding	55.97%
3 ... Law, Order, Public Safety	0.81%
4 ... Health	10.85%
5 ... Education & Welfare	0.06%
6 ... Housing	7.75%
7 ... Community Amenities	2.23%
8 ... Recreation & Culture	1.76%
9 ... Transport	18.25%
10 ... Economic Services	1.73%
11 ... Other Property & Services	0.56%

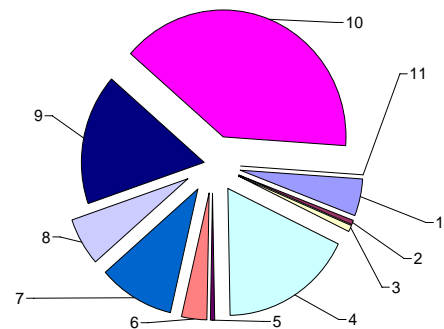
Operating Revenue by Nature & Type



Operating Revenue by Nature & Type

1 ... Rates	43.7%
2 ... Grants & Subsidies	31.7%
3 ... Interest Received	2.8%
4 ... Administration Charges	21.2%
5 ... Other Income	0.7%

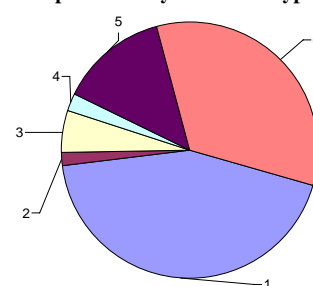
Operating Expenditure by Programme



Operating Expenditure by Programme

1 ... Governance	4.7%
2 ... General Purpose Funding	0.5%
3 ... Law, Order, Public Safety	1.0%
4 ... Health	17.3%
5 ... Education & Welfare	0.6%
6 ... Housing	3.5%
7 ... Community Amenities	9.8%
8 ... Recreation & Culture	6.3%
9 ... Transport	16.6%
10 ... Economic Services	39.6%
11 ... Other Property & Services	0.1%

Expenditure by Nature & Type



Operating Expenditure by Nature & Type

1 ... Employee Costs	43.6%
2 ... Interest Expenses	1.7%
3 ... Insurance	5.3%
4 ... Utilities	2.2%
5 ... Depreciation	13.6%
6 ... Materials	33.7%

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 Plan Review

Under the *State Records Act 2000* the Shire of Boyup Brook has reviewed its Recordkeeping Plan and a report of the review has been submitted to the State Records Commission as requested by July 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

OUR FOCUS

Economic Development

Generational Needs

Community Interaction

Cultural Needs

OUR PRIORITIES

Planning and Infrastructure

Industrial development

Residential land development

Agricultural resource development

Health

Aged accommodation

Education

Recreation and leisure

Councillor community interface

Customer service

Media

State/Federal government

Communication

Tourism

Community groups

Heritage

Environment

Major Initiatives Commenced or Continuing

- Develop and implement a road preservation and replacement program
- Develop and implement a footpath program
- Develop and implement a bridge replacement program
- Continue to implement and fund the plant replacement program
- Upgrade depot – new shed, bituminize grounds
- 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

OUR VISION

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

OUR MISSION

To provide leadership that will:

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

OUR VALUES

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

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

2008 – 2013 STRATEGIC PLAN – PLANNING FOR THE FUTURE

Whilst the exiting Plan for the Future ran until 2010 as part of the required review process Council adopted the 2008 – 2013 Strategic Plan – Planning for the Future document 7 August 2008. This plan's Executive summary is as follows:

EXECUTIVE SUMMARY

The Shire of Boyup Brook has implemented its commitment to review and develop a Strategic Plan which will provide it with a framework for policy development and a consistent direction for decision making for a five year period of 2008-2013.

Its general thrust is to focus on the development of a regional approach while continuing to provide improved services and service to a community which the Council envisages will grown with the new infrastructure and opportunities initiated by the Shire.

The external consultancy group of South West People Care was engaged to both research and then facilitate the strategic planning process.

While the Planning Team - consisting of Elected Members and two Executive Officers - participated directly in the process, inputs were included from the community, groups and staff of the Shire of Boyup Brook.

In designing the strategic planning workshop, it was agreed that it would be conducted over two days and located in Nelson's of Bridgetown.

Outcomes developed during the strategic planning process included:

The Shire of Boyup Brook having a Vision to be ...
"Acknowledging our heritage while developing our future."

The Council identified seven Critical Success Factors that are essential to achieve this Vision. They are:

1. Adoption of a realistic Strategic Plan which the Council has the will to carry out.
2. Gaining community confidence in the Strategic Plan and in Council operations.
3. Establishment of sound management practices and a structure which will enable the delivery of the Strategic Plan.
4. Development of a sound financial management plan and record system.
5. Establishment of effective two-way communications and teamwork.
6. Determination and implementing the agreed level of services and service delivery.
7. Development of sustainable management of the Shire's natural resources, heritage and culture.

It is also acknowledged that in setting Critical Success Factors and Key Actions (which convert the theory into practical solutions), monitoring is required to ensure the objectives are achieved. Detailed Action Plans and an Implementation and Monitoring Framework have been developed which will ensure the Strategic Plan focus is addressed.

Additional to the Strategic Plan is a detailed Report of pre-Strategic Plan research together with recommendations for the future development of the organisation. The Strategic Plan Report and Recommendations, the 2008-2013 Strategic Plan and the 2007-2008 Principal Activities Plan should be read in conjunction.

All documents, except any confidential items, will be made available to the community.

The new plan also set the following:

Our Regional Focus for the Strategic Plan

Our Strategic Plan for the future will have a Regional approach and will focus on:

- Economic growth and diversity
- Ecological sustainability and environmental management
- Quality lifestyle and social well-being
- Best practice local government and
- Improved services and infrastructure

Our Future Regional Objectives 2025 and Beyond

In looking towards the year 2025 and beyond, the Strategic Plan has been developed in such a way so as to achieve the following objectives.

- A united region
- A thriving business industry including tourism
- Prosperity with a vision for the future
- Adequate services to cater for the regional community
- A sustainable environment and
- The achievement of a proactive regional community

Vision

The revised Vision Statement for Shire of Boyup Brook is to be...

*“Acknowledging our heritage
while developing our future.”*

Mission

The Mission Statement for Shire of Boyup Brook Council is ...

**“To enhance sustainable growth, economic
vitality and diversity.”**

Values

In respecting the community, Council and Staff will promote and enhance the following values in our interactions ...

Integrity
Strong transparency
Honesty
Sensitivity and
Financial accountability

The Strategic Plan may be viewed on Council's web site www.boyupbrook.wa.gov.au

Council commenced the process of reviewing this plan with a view to producing a smaller document that is more user friendly. It was noted that many of the actions have been completed and that with asset management plans in the process of being completed it was time to review the actions set in 2008 and set new actions that could be afforded and would be achievable. The draft new plan is expected to be ready for community consultation early in 2011.

9.2 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 is on the upturn now after the Global Economic Crisis. A reasonable amount of money is being received for heavy metal, cardboard, newspaper and aluminium cans.

DrumMuster chemical drums are being dropped off after being triple rinsed and a receipt is issued to the person delivering them. The Shire is able to make claims on these via a national program.

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 continue to be provided under a contractual arrangement with the Shire of Bridgetown-Greenbushes. The instances of dogs in the streets roaming free are being followed up when practicable.

A number of cases of stock roaming on country roads have also been addressed.

Bushfire Control

The Chief Bushfire Control Officer, Mr Kevin Henderson continued in the role.

There were a number of non-licensed buildings found during firebreak inspections.

There are still concerns with the number of non-compliant landowners when it comes to providing firebreaks.

The McAlinden Brigade took possession of a refurbished 2.4 heavy duty fire appliance vehicle.

The volunteers in the Fire Brigades continue to respond quickly and efficiently to any outbreak of fire.

Water bombers were used on a fire for the first time in Boyup Brook along with a helitac fire fighting helicopter.

Family Stop Centre

The centre is used by YMCA three days a week for childcare purposes and one day a week by the Boyup Brook Playgroup. There was substantial infrastructure works done this year by upgrading the septic tanks, improving the retaining wall and construction of a new colorbond fence.

Library Services

The library has recently been refurbished with new carpet and new shelving, which makes it a lot more spacious and makes the finding of books a lot easier.

The Library continues to be well used and we have new members joining on a weekly basis.

Each month the Library receives 75 new books and returns 75 of the books that have not been read for at least 1 year, this ensures we have a good rotation of stock.

Many borrowers have been taking advantage of the Inter-library loan system where they can order in any book from another library in WA if it is not on our shelf.

We are lucky enough to have received a lot of donated books in good condition to supplement our stock from the State Library.

We also have a large selection of both junior and adult DVD's which are very popular with the borrowers.

Recreation and Leisure

A \$30,000 Regional & Local Community Infrastructure Program (RLCIP) Grant for the swimming pool car park upgrade was obtained.

\$10,400 Grant from South West Development Commission for the provision of Outdoor Fitness Equipment was received and the equipment was installed adjacent to the Music Park in Jackson Street.

The Flax Mill had a Heritage Study prepared by Kent Lyon Architect with grant funding from LotteryWest.

The Recreation Oval drainage was upgraded with funds obtained via RLCIP.

Youth Activities

Fogarty Foundation Youth Leadership Program was run over the first weekend of the July school holidays. The program was sponsored by the Local Drug Action Group. The program provided the youth an opportunity to learn new things which they can use in their everyday life. Leadership skills, community action and harm reduction in relation to alcohol and other drugs were some of the focal points of the training.

National Tree Day at the Boyup Billabong - YAC organized the morning of rehabilitating the site with saplings and seedlings.

Boyup Brook was announced the winners of the WALGA Banners in the Terrace. Young people designed and completed the award winning Banner. The design was inspired by the artwork at the YAC Shack introducing the Silhouettes from the YAC Shack on to the Banner.

Country Music Festival 25th year YAC Members help celebrate by volunteering their time on the Saturday morning Street Parade blowing up red celebration of 25 year balloons and giving them out to children and families.

YAC agreed to collect disused Mobile phones for YOU CAN to raise much needed funds for youth Cancer...This project is on going and so far the YAC have collected over 60 mobile phones for recycling.

The Boyup Brook Youth Advisory Council meets every Tuesday of each school term at the YAC Shack. Currently YAC has 15 members that are dedicated and proactive in creating an environment for their peers that is enjoyable, safe and informative. YAC has been a catalyst for Young People in the Boyup Brook shire to express their ideas, concerns and to inject a sense of belonging for their community.

Community Groups and Events

Council supported the following activities through the role and activities of the Community Development Officer.

- Jimmy Barnes Concert in the Music Park
- Community Christmas Carols in the Music Park
- Australia Day Breakfast in Sandakan Park
- The annual Country Music Festival
- 100 year Birthday Celebrations for the Agricultural Hall

TOURISM

Council supported the Boyup Brook Tourism Association and the Country Music Club through the role and activities of the Community Development Officer. Through this support Council aims to bring more visitors to our town and the region.

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.

Work commenced towards improved access to the Shire Administration Offices with a ramp and automatically opening electric doors.

9.3 Development Services

There were 62 building licenses issued in the 2009/2010 financial year.

The following chart provides comparisons with previous years.

APPLICATIONS	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
Planning (inc. plantations)	25	15	10	18	23	17			
Plantations	4	1	1	3	13	2			
Building (inc. dwellings)	58	68	53	70	58	65	79	58	62
New Dwellings	14	12	10	6	11	12	16	7	10
Building – Value	\$2,613,121	\$1,926,874	\$1,730,149	\$1,905,327	\$2,211,023	\$2,951,805	\$4,121,001	\$2,640,122	\$4,304,867
Demolitions	2	2	4	3	5	2	0,	1	0
Septic Tanks	23	17	12	12	12	22	21	11	13

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.

9.4 Works and Services

The 2009/2010 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 2009/2010 financial year included:-

ROADS TO RECOVERY (RTR) (Federal Government funding)

- Area Road – second coat seal.
- McAlinden Road – widen and seal to 6.0m wide.

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.
- Boyup Brook North Road – gravel re-sheet.
- Cranbrook Road – gravel re-sheet.
- Mayanup/Tonebridge Road – bitumen edging.
- McAlinden Road East – gravel re-sheet
- Moore Rogers Road – gravel re-sheet
- Corballup Road – gravel re-sheet
- Eulin Crossing Road – gravel re-sheet

Bridge Works

Major bridge works were carried out in 2009/2010 on the Boyup Brook Arthur River Road (bridge number 743 - sub structure repairs and bridge number 745 - super structure repairs).

Capital Works Rural Road Construction

- Howards Road – gravel re-sheeting.
- Asplin Siding Road – gravel re-sheeting.
- Longs Road – gravel re-sheeting.
- Norlup Road – gravel re-sheeting.
- Distributor Road – gravel re-sheeting.
- Scotts Brook Road – gravel re-sheeting.
- Newlgalup Road – gravel re-sheeting.
- Gibbs Road – gravel re-sheeting.
- Hands Close – second coat seal
- Abels Road – prune and widen to 6.0m wide pavement

Capital Works – Town and Townscape Projects

- Depot Yard - asphalt seal – RLCIP funded
- Depot 4 bay shed – RLCIP funded
- Swimming Pool car park – RLCIP funded
- Landfill Site fencing

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 2009/2010:-

- 1 x new Isuzu 14T truck
- 1 x new Bomag Multi-tyred Roller
- 1 x new hydraulic post hole digger
- 1 x new Ford diesel utility
- 1 x new Triton petrol utility
- 1 x new Berlina Wagon
- 1 x new Commodore Sedan
- 1 x new Ford Station Wagon
- 1 x new Hyundai Sante Fe
- 1 x new wide area vacuum
- 1 x new tandem trailer

General

The third round Roads to Recovery Program (RTR) commenced its first year of operation. This is the first year of a five year program ending in 2014

The budget allowed for the Royalties for Regions Program (R4R) funded by the State, Government, however the amount of \$579,414 was withdrawn from the 2009/2010 financial year budget.

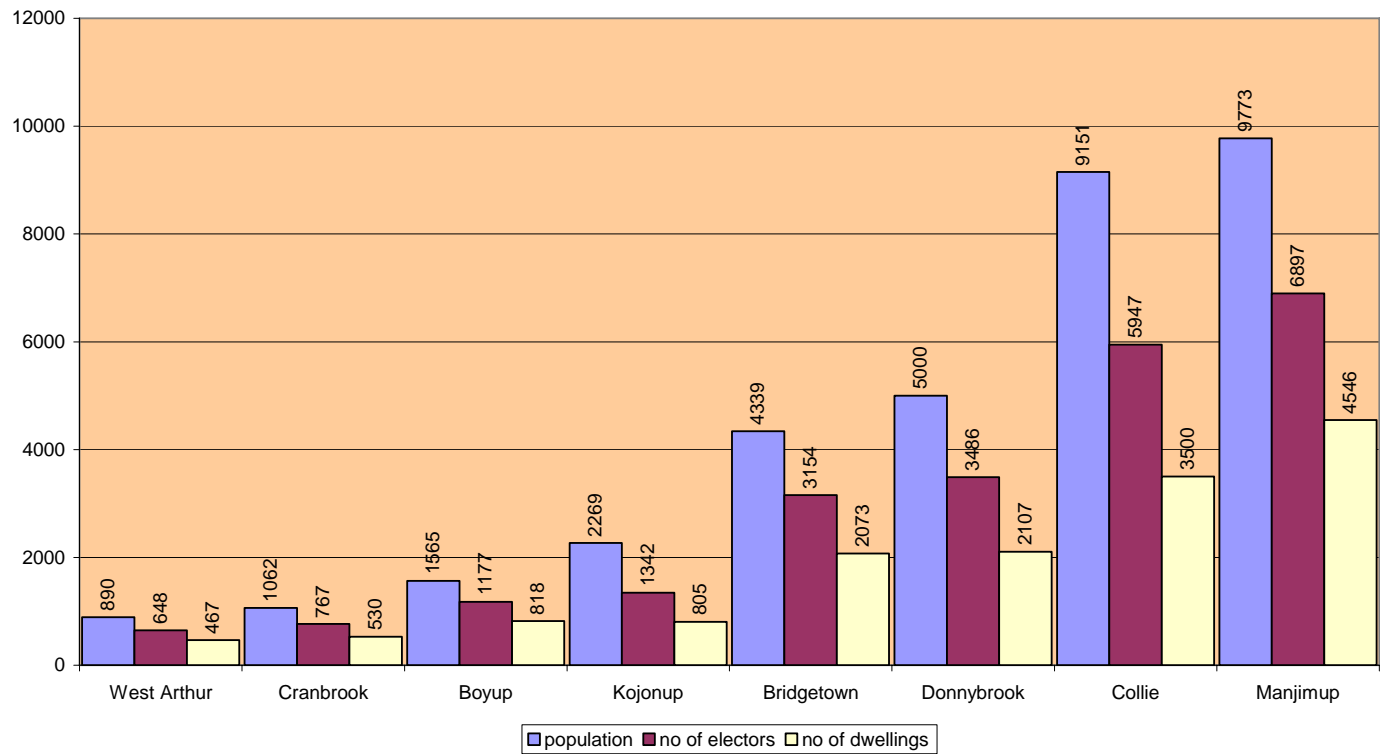
The Federal Government Regional and Local Community Infrastructure Program (RLCIP) to Local Authorities contributed an amount of \$86,081 for the purposes of Recreation Oval drainage and improvements to the Shire works depot.

The State Government is continuing the T.I.R.E.S. grant funding on a year to year basis with \$210,000 being allocated to Shire of Boyup Brook for the 2009/2010 financial year.

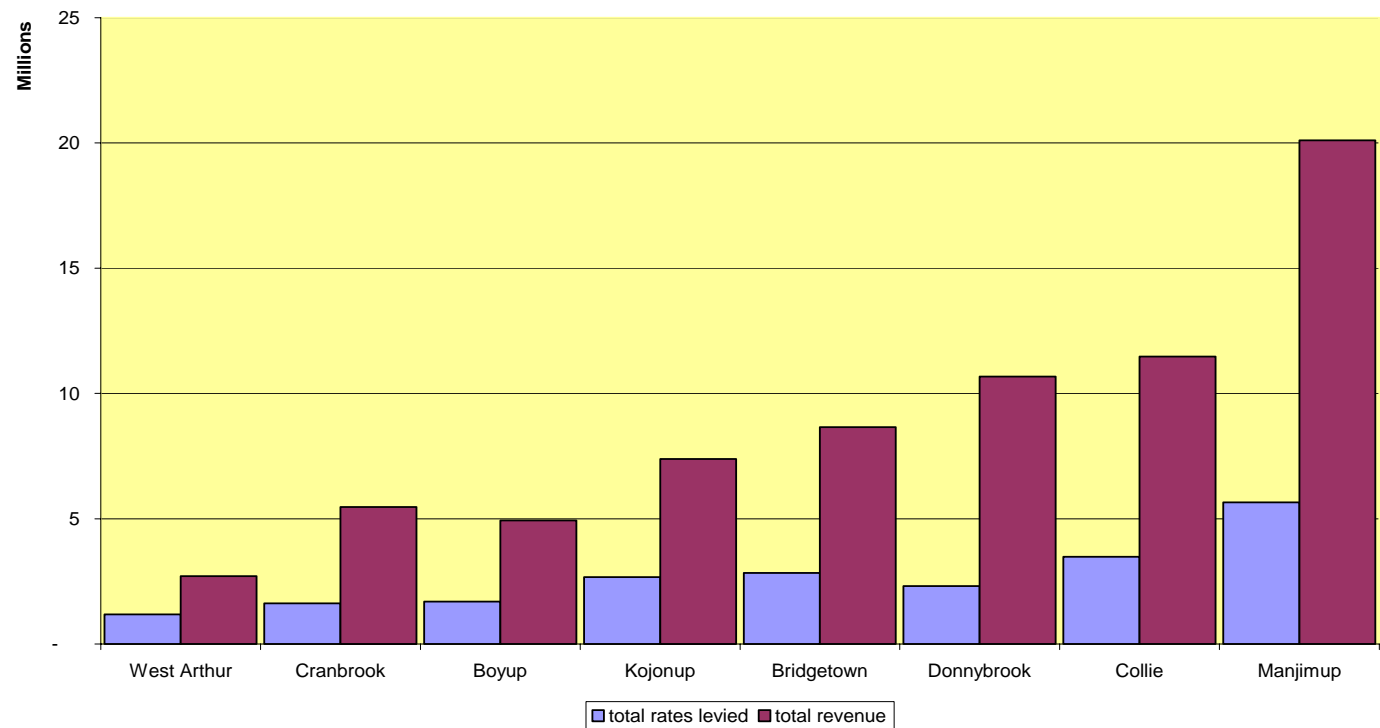
With increasing heavy vehicle traffic on the local road infrastructure it is imperative that both the Federal and State Governments continue their funding for local road maintenance and improvement.

10. Comparison Of Standard Indicators Between Adjoining Shires

population, electors, dwellings

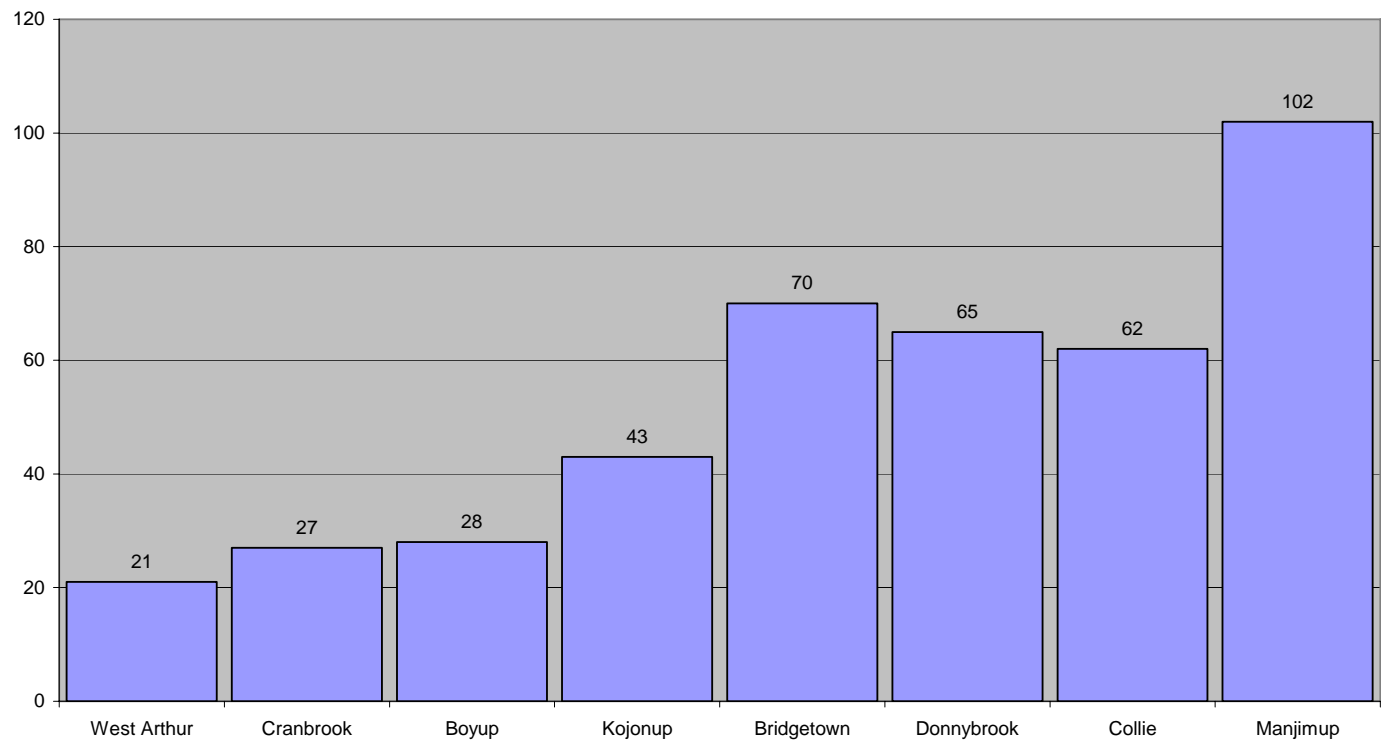


rates & revenue



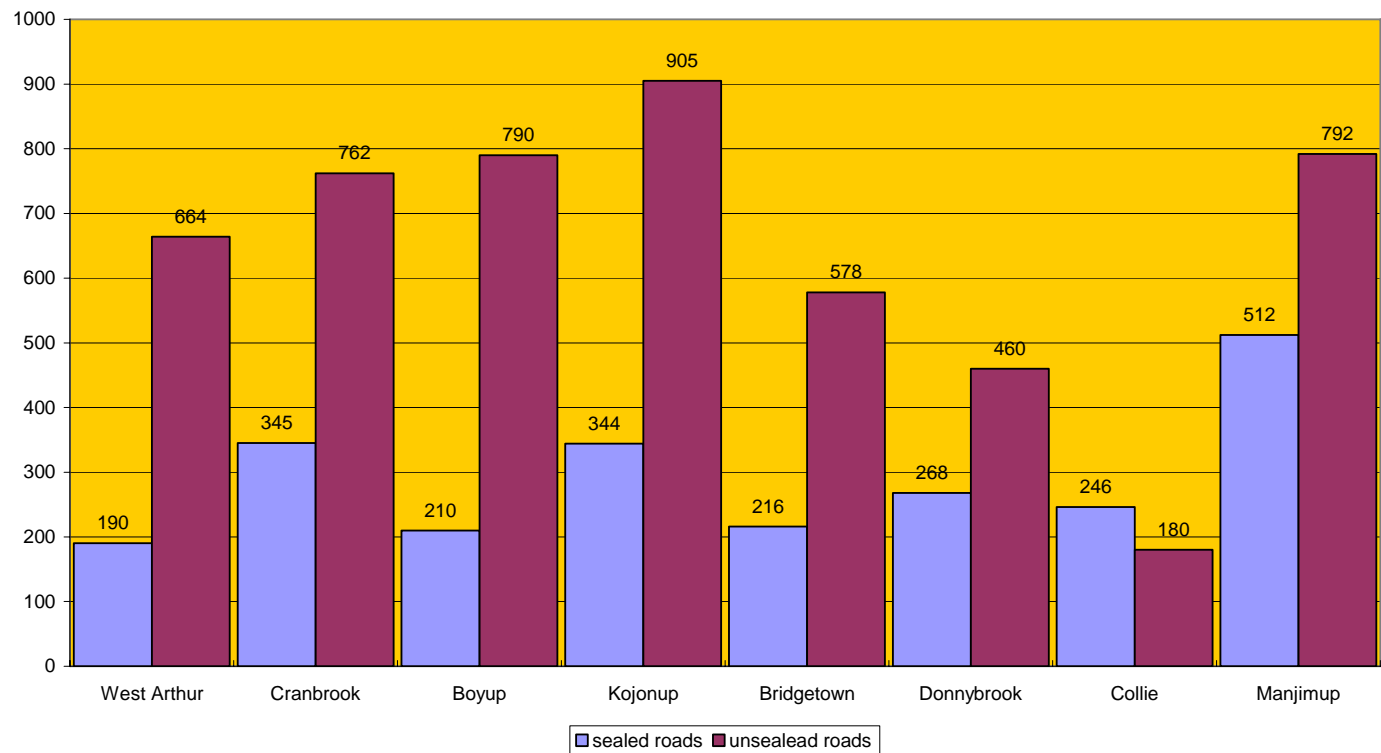
Source: The West Australian Local Government Directory 2009/10

no of employees



Source: The West Australian Local Government Directory 2009/10

sealed & unsealed roads



Source: The West Australian Local Government Directory 2009/10

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

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the day of 2010.

Alan Lamb
Chief Executive Officer

SHIRE OF BOYUP BROOK
STATEMENT OF COMPERHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2010

	NOTE	2010 \$	2010 Budget \$	2009 \$
REVENUE				
Rates	22	1,783,498	1,777,513	1,691,980
Operating Grants, Subsidies and Contributions	28	1,295,033	1,682,967	1,214,843
Fees and Charges	27	863,786	911,286	794,795
Interest Earnings	2(a)	107,691	56,022	170,386
Other Revenue		33,431	600	93,417
		<u>4,083,439</u>	<u>4,428,388</u>	<u>3,965,421</u>
EXPENSES				
Employee Costs		(1,913,937)	(2,218,851)	(1,869,038)
Materials and Contracts		(1,472,428)	(1,369,060)	(1,216,930)
Utility Charges		(97,212)	(89,060)	(82,842)
Depreciation on Non-Current Assets	2(a)	(1,149,826)	(810,388)	(1,166,490)
Interest Expenses	2(a)	(73,024)	(71,835)	(74,087)
Insurance Expenses		(231,345)	(160,328)	(126,617)
Other Expenditure		(4,272)	0	(4)
		<u>(4,942,044)</u>	<u>(4,719,522)</u>	<u>(4,536,008)</u>
		<u>(858,605)</u>	<u>(291,134)</u>	<u>(570,587)</u>
Non-Operating Grants, Subsidies and Contributions	28	937,567	740,846	942,745
Profit on Asset Disposals	20	193,566	0	21,886
Loss on Asset Disposals	20	(3,755)	0	(18,792)
Loss on Revaluation of Roads		0	0	(1,066,845)
		<u>0</u>	<u>0</u>	<u>(1,066,845)</u>
NET RESULT		268,773	449,712	(691,593)
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	7,841,239	0	(1,590,381)
Total Other Comprehensive Income		<u>7,841,239</u>	<u>0</u>	<u>(1,590,381)</u>
TOTAL COMPREHENSIVE INCOME		<u><u>8,110,012</u></u>	<u><u>449,712</u></u>	<u><u>(2,281,974)</u></u>

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

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

	NOTE	2010 \$	2010 Budget \$	2009 \$
REVENUE				
Governance		1,359	440	1,336
General Purpose Funding		2,918,583	2,626,090	2,878,883
Law, Order, Public Safety		42,105	39,600	47,315
Health		565,741	566,220	565,072
Education and Welfare		3,047	6,400	9,542
Housing		403,986	292,381	326,749
Community Amenities		116,543	274,345	83,550
Recreation and Culture		91,742	262,053	91,585
Transport		951,917	1,011,034	791,865
Economic Services		90,221	74,350	78,912
Other Property and Services		29,328	16,321	55,243
	2 (a)	5,214,572	5,169,234	4,930,052
EXPENSES EXCLUDING FINANCE COSTS				
Governance		(500,527)	(472,274)	(474,283)
General Purpose Funding		(54,910)	(45,320)	(43,205)
Law, Order, Public Safety		(110,560)	(123,271)	(129,432)
Health		(628,146)	(620,872)	(551,119)
Education and Welfare		(66,105)	(67,650)	(57,090)
Housing		(111,366)	(103,683)	(40,318)
Community Amenities		(255,068)	(272,571)	(248,692)
Recreation & Culture		(531,454)	(614,283)	(478,674)
Transport		(2,333,698)	(2,084,638)	(3,211,408)
Economic Services		(277,484)	(239,618)	(254,065)
Other Property and Services		(3,457)	(3,507)	(59,272)
	2 (a)	(4,872,775)	(4,647,687)	(5,547,558)
FINANCE COSTS				
Governance		0	0	(1,972)
Health		(6,744)	(7,130)	(7,906)
Housing		(46,457)	(45,110)	(45,840)
Community Amenities		(1,932)	(1,932)	(2,049)
Recreation & Culture		(11,115)	(10,785)	(11,005)
Economic Services		(4,888)	(4,990)	(5,315)
Other Property & Services		(1,888)	(1,888)	0
	2 (a)	(73,024)	(71,835)	(74,087)
NET RESULT		268,773	449,712	(691,593)
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	7,841,239	0	(1,590,381)
Total Other Comprehensive Income		7,841,239	0	(1,590,381)
TOTAL COMPREHENSIVE INCOME		8,110,012	449,712	(2,281,974)

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

SHIRE OF BOYUP BROOK
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2010

	NOTE	2010 \$	2009 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,183,424	2,403,647
Trade and Other Receivables	4	261,988	117,332
Inventories	5	22,531	30,730
TOTAL CURRENT ASSETS		<u>2,467,943</u>	<u>2,551,709</u>
NON-CURRENT ASSETS			
Other Receivables	4	23,111	0
Property, Plant and Equipment	6	5,943,785	6,201,213
Infrastructure	7	53,507,681	45,278,015
TOTAL NON-CURRENT ASSETS		<u>59,474,577</u>	<u>51,479,228</u>
TOTAL ASSETS		<u>61,942,520</u>	<u>54,030,937</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	377,949	442,633
Long Term Borrowings	9	42,118	54,621
Provisions	10	302,606	290,686
TOTAL CURRENT LIABILITIES		<u>722,673</u>	<u>787,940</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	473,446	1,058,719
Provisions	10	55,740	31,339
TOTAL NON-CURRENT LIABILITIES		<u>529,186</u>	<u>1,090,058</u>
TOTAL LIABILITIES		<u>1,251,859</u>	<u>1,877,998</u>
NET ASSETS		<u>60,690,661</u>	<u>52,152,939</u>
EQUITY			
Retained Surplus		50,871,177	50,856,853
Reserves - Cash Backed	11	1,550,535	1,296,086
Reserves - Asset Revaluation	12	8,268,949	0
TOTAL EQUITY		<u>60,690,661</u>	<u>52,152,939</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 2010**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2008		51,762,103	1,082,429	1,590,381	54,434,913
Net Result		(691,593)	0	0	(691,593)
Total Other Comprehensive Income		0	0	(1,590,381)	(1,590,381)
Reserve Transfers		(213,657)	213,657	0	0
Balance as at 30 June 2009		50,856,853	1,296,086	0	52,152,939
Net Result		268,773	0	0	268,773
Total Other Comprehensive Income		0	0	8,268,949	8,268,949
Reserve Transfers		(254,449)	254,449	0	0
Balance as at 30 June 2010		50,871,177	1,550,535	8,268,949	60,690,661

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

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

	NOTE	2010 \$	2010 Budget \$	2009 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,682,498	1,843,557	1,733,622
Operating Grants, Subsidies and Contributions		1,295,033	1,682,967	1,214,843
Fees and Charges		863,786	911,286	794,795
Service Charges		0	0	0
Interest Earnings		114,021	56,022	170,387
Goods and Services Tax		246,373	0	269,061
Other Revenue		27,101	600	93,415
		<u>4,228,812</u>	<u>4,494,432</u>	<u>4,276,123</u>
Payments				
Employee Costs		(1,906,948)	(2,218,851)	(1,806,390)
Materials and Contracts		(1,483,122)	(1,428,868)	(1,176,566)
Utility Charges		(97,212)	(89,060)	(82,842)
Insurance Expenses		(231,345)	(160,328)	(126,617)
Interest expenses		(89,483)	(72,721)	(75,186)
Goods and Services Tax		(288,140)	0	(195,828)
Other Expenditure		(4,272)	0	(4)
		<u>(4,100,522)</u>	<u>(3,969,828)</u>	<u>(3,463,433)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>128,290</u>	<u>524,604</u>	<u>812,690</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(867,550)	(1,495,107)	(1,066,340)
Payments for Construction of Infrastructure		(729,195)	(1,029,656)	(672,232)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		937,567	740,846	942,745
Proceeds from Sale of Plant & Equipment		933,441	254,000	74,396
Net Cash Provided By (Used In) Investing Activities		<u>274,263</u>	<u>(1,529,917)</u>	<u>(721,431)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(622,776)	(54,621)	(50,394)
Proceeds from Self Supporting Loans		(25,000)	0	0
Proceeds from New Debentures		25,000	25,000	0
Net Cash Provided By (Used In) Financing Activities		<u>(622,776)</u>	<u>(29,621)</u>	<u>(50,394)</u>
Net Increase (Decrease) in Cash Held		<u>(220,223)</u>	<u>(1,034,934)</u>	<u>40,865</u>
Cash at Beginning of Year		2,403,647	2,272,726	2,362,782
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>2,183,424</u></u>	<u><u>1,237,792</u></u>	<u><u>2,403,647</u></u>

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

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

NOTE	2010 \$	2010 Budget \$
REVENUE		
Governance	1,359	440
General Purpose Funding	1,135,085	848,577
Law, Order, Public Safety	42,105	39,600
Health	565,741	566,220
Education and Welfare	3,047	6,400
Housing	403,986	292,381
Community Amenities	116,543	274,345
Recreation and Culture	91,742	262,053
Transport	951,917	1,011,034
Economic Services	90,221	74,350
Other Property and Services	29,328	16,321
	<u>3,431,074</u>	<u>3,391,721</u>
EXPENSES		
Governance	(500,527)	(472,274)
General Purpose Funding	(54,910)	(45,320)
Law, Order, Public Safety	(110,560)	(123,271)
Health	(634,890)	(628,002)
Education and Welfare	(66,105)	(67,650)
Housing	(157,823)	(148,793)
Community Amenities	(257,000)	(274,503)
Recreation & Culture	(542,569)	(625,068)
Transport	(2,333,698)	(2,084,638)
Economic Services	(282,372)	(244,608)
Other Property and Services	(5,345)	(5,395)
	<u>(4,945,799)</u>	<u>(4,719,522)</u>
Adjustments for Cash Budget Requirements:		
Non-Cash Expenditure and Revenue		
(Profit)/Loss on Asset Disposals	(189,811)	0
Movement in Accrued Interest	(16,459)	0
Movement in Accrued Salaries and Wages	(29,332)	0
Movement in Employee Benefit Provisions	36,321	0
Depreciation on Assets	1,149,826	810,388
Capital Expenditure and Revenue		
Purchase Land and Buildings	(288,715)	(794,617)
Purchase Infrastructure Assets - Roads	(601,258)	(702,623)
Purchase Infrastructure Assets - Footpaths	(48,292)	(109,924)
Purchase Infrastructure Assets - Recreation	(68,970)	
Purchase Infrastructure Assets - Other	(10,675)	(217,109)
Purchase Plant and Equipment	(530,004)	(604,710)
Purchase Furniture and Equipment	(48,831)	(95,780)
Proceeds from Disposal of Assets	933,441	254,000
Repayment of Debentures	(622,776)	(53,737)
Proceeds from New Debentures	25,000	0
Self-Supporting Loan Principal Income	0	(886)
Transfers to Reserves (Restricted Assets)	(916,343)	(283,654)
Transfers from Reserves (Restricted Assets)	661,894	471,500
Estimated Surplus/(Deficit) July 1 B/Fwd	975,917	877,440
Estimated Surplus/(Deficit) June 30 C/Fwd	679,706	0
Amount Required to be Raised from Rates	22	<u>(1,777,513)</u>

The Estimated July 1 B/Fwd figure of \$975,917 differs from the last year Annual Report figure of \$681,360 and has been changed to correctly reflect the actual situation.

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 2010

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

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

(d) Cash and Cash Equivalents

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

For the purposes of the 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 statement of financial position.

(e) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest 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 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

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

Land Held for Resale

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

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

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

(g) Fixed Assets

Initial Recognition

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

Revaluation

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

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

Land under Roads

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation of Non-Current Assets

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

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

Buildings	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 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets

Classification

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance 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 statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (Continued)

Subsequent measurement

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

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

Impairment

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

(j) Estimation of Fair Value

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

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

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

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

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

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the 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 balance date.

Borrowing Costs

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions

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

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

(p) Leases

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

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

(q) Joint Venture

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

(r) Rates, Grants, Donations and Other Contributions

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

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

(s) Superannuation

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

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

(u) Rounding Off Figures

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

(v) Comparative Figures

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

(w) Budget Comparative Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2010.

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

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9– Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 124– Related Party Disclosures	December 2009	01 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii) AASB 2009-5 - Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	May 2009	01 January 2010	Nil – The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
(iv) AASB 2009-8 - Amendments to Australian Accounting Standards – Group Cash – Settled Share-based Payment Transactions [AASB 2]	July 2009	01 January 2010	Nil - The Council will not have applicable transactions.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	December 2009	01 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(vi) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (ii) above).
(vii) AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	December 2009	01 July 2010	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2010- 1 Amendment to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosure for First-time Adopters [AASB 1 & AASB 7]	February 2010	01 July 2010	

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Notes:

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations.

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

AASB 101: Presentation of Financial Statements

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

Disclosure Impact

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

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

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

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

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

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

2. REVENUE AND EXPENSES

2010
\$

2009
\$

(a) Net Result

The Net Result includes:

(i) Charging as an Expense:

Auditors Remuneration

- Audit	10,508	10,240
- Other Services	1,029	11,200

Depreciation

Buildings	89,779	90,222
Furniture and Equipment	18,041	18,024
Plant and Equipment	273,528	268,059
Infrastructure - Roads	754,198	773,695
Infrastructure - Parks & Gardens	3,186	3,036
Infrastructure - Recreation	6,721	6,683
Infrastructure - Footpaths	1,760	2,070
Infrastructure - Other	2,613	4,701
	<u>1,149,826</u>	<u>1,166,490</u>

Interest Expenses (Finance Costs)

Debentures (<i>refer Note 21(a)</i>)	73,024	74,087
	<u>73,024</u>	<u>74,087</u>

Rental Charges

- Operating Leases	10,884	6,851
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(ii) Crediting as Revenue:

2010
\$

2010
Budget
\$

2009
\$

Interest Earnings

Investments			
- Reserve Funds	47,234	25,922	74,493
- Other Funds	40,567	24,000	69,185
Other Interest Revenue (<i>refer note 26</i>)	19,890	6,100	26,708
	<u>107,691</u>	<u>56,022</u>	<u>170,386</u>

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of 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 2010

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (*) 1-Jul-08 \$	Received (+) 2008/09 \$	Expended (#) 2008/09 \$	Closing Balance (*) 30-Jun-09 \$	Received (+) 2009/10 \$	Expended (#) 2009/10 \$	Closing Balance 30-Jun-10 \$
Roads to Recovery - supplementary	Transport	85,666	0	(85,666)	0	0	0	0
Auslink Roads to Recovery Programme	Transport	21,052	24,247	(21,052)	24,247	311,700	(335,947)	0
RCLIP Federal Funded Programme	Transport	0	75,000	0	75,000	0	(75,000)	0
FESA ESL Grant Funding	Law Order Public Safety	0	6,000	0	6,000 0	0	(6,000)	0 0
LGCF - Forward Capital Grant	Transport	0	0	0	0	35,000	0	35,000
RLCIP - Swimming Pool Car Park	Recreation	0	0	0	0	30,000	(21,099)	8,901
Total		106,718	105,247	(106,718)	105,247	376,700	(438,046)	43,901

Notes:

(*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(+) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(#) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

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

	2010	2009
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	588,988	924,142
Restricted	1,594,436	1,479,505
	<u>2,183,424</u>	<u>2,403,647</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Plant Reserve	99,209	188,724
Leave Reserve	68,112	65,717
Depot Reserve	19,912	19,212
Housing Reserve	23,007	22,199
Emergency Reserve	33,319	32,147
Insurance Claim Reserve	14,276	13,775
Flax Mill Sheds Reserve	27,069	26,117
Recreation Improvement Reserve	137,517	43,736
Commercial Reserve	458,325	310,963
Bush Fire Radios Reserve	12,864	12,411
Rylington Park Reserve	16,706	16,118
Infrastructure Reserve	19,008	18,340
Bridges Reserve	221,787	25,845
Medical Services Reserve	51,348	44,719
Swimming Pool Reserve	8,630	10,661
Boyup Brook Town Hall Reserve	16,050	10,661
Admin Office Building Reserve	1,627	59,460
Building Maintenance Reserve	48,588	12,407
Aged Accommodation Reserve	21,070	20,330
R2R Supplementary Reserve	994	959
CEO Housing Reserve	0	324,981
Road Contribution Reserve	17,208	16,604
IT Reserve	72,551	0
Transfer Station Reserve	56,985	0
Caravan Park Reserve	103,644	0
Library Furniture Reserve	729	0
Unspent Loans	0	78,172
Unspent Grants	43,901	105,247
	<u>1,594,436</u>	<u>1,479,505</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	137,016	65,715
Sundry Debtors	105,765	85,466
Provision for Doubtful Debts	(31,820)	(37,020)
Accrued Income	7,371	3,171
Loans - Clubs/Institutions	1,889	0
Gst receivable	41,767	0
	<u>261,988</u>	<u>117,332</u>
Non-Current		
Loans - Clubs/Institutions	23,111	0
	<u>23,111</u>	<u>0</u>

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

	2010 \$	2009 \$
5. INVENTORIES		
Current		
Fuel and Materials	22,531	30,730
	<u>22,531</u>	<u>30,730</u>
 6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	5,582,364	5,927,980
Less Accumulated Depreciation	<u>(1,320,465)</u>	<u>(1,230,686)</u>
	4,261,899	4,697,294
 Furniture and Equipment - Cost	220,635	171,805
Less Accumulated Depreciation	<u>(126,303)</u>	<u>(108,263)</u>
	94,332	63,542
 Plant and Equipment - Cost	2,856,661	2,596,576
Less Accumulated Depreciation	<u>(1,269,107)</u>	<u>(1,156,199)</u>
	1,587,554	1,440,377
	<u>5,943,785</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 2010

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at 1 July 2009	4,697,294	63,542	1,440,377	6,201,213
Additions	288,715	48,831	530,004	867,550
(Disposals)	(634,331)	0	(109,299)	(743,630)
Revaluation - Increments	0	0	0	0
- (Decrements)	0	0	0	0
Impairment - (losses)	0	0	0	0
- reversals	0	0	0	0
Depreciation (Expense)	(89,779)	(18,041)	(273,528)	(381,348)
Other Movements	0	0	0	0
Balance as at 30 June 2010	<u>4,261,899</u>	<u>94,332</u>	<u>1,587,554</u>	<u>5,943,785</u>

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

	2010	2009
	\$	\$
7. INFRASTRUCTURE		
Roads - management valuation 2010	71,009,464	0
Roads - management valuation 2009	0	61,522,454
Roads - Cost	0	616,803
Less Accumulated Depreciation	<u>(17,990,698)</u>	<u>(17,236,500)</u>
	53,018,766	44,902,757
 Footpaths - Cost	 109,281	 60,990
Less Accumulated Depreciation	<u>(6,829)</u>	<u>(5,070)</u>
	102,452	55,920
 Recreation - Cost	 287,621	 218,652
Less Accumulated Depreciation	<u>(103,806)</u>	<u>(97,086)</u>
	183,815	121,566
 Parks & Gardens - Cost	 121,862	 121,862
Less Accumulated Depreciation	<u>(25,600)</u>	<u>(22,414)</u>
	96,262	99,448
 Other - Cost	 130,506	 119,831
Less Accumulated Depreciation	<u>(24,120)</u>	<u>(21,507)</u>
	106,386	98,324
	<u><u>53,507,681</u></u>	<u><u>45,278,015</u></u>

Council have adopted a policy of re-valuing roads annually to ensure the carrying amount of each road asset is fairly stated at reporting date.

This policy accords with the requirements of AASB 116.

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

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Roads	Footpaths	Parks and Gardens	Recreation	Other	Total
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2009	44,902,757	55,920	99,448	121,566	98,324	45,278,015
Additions	601,258	48,292	0	68,970	10,675	729,195
(Disposals)	0	0	0	0	0	0
Revaluation - Increments	8,268,949	0	0	0	0	8,268,949
- (Decrements)	0	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0	0
- reversals	0	0	0	0	0	0
Depreciation (Expense)	(754,198)	(1,760)	(3,186)	(6,721)	(2,613)	(768,478)
Other Movements	0	0	0	0	0	0
Balance as at 30 June 2010	<u>53,018,766</u>	<u>102,452</u>	<u>96,262</u>	<u>183,815</u>	<u>106,386</u>	<u>53,507,681</u>

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

	2010	2009
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	256,151	279,706
Accrued Interest on Debentures	9,313	25,772
ATO Liabilities	24,426	69,588
Accrued Salaries and Wages	83,397	67,567
Other accruals	4,662	0
	<u>377,949</u>	<u>442,633</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	<u>42,118</u>	<u>54,621</u>
	<u>42,118</u>	<u>54,621</u>
Non-Current		
Secured by Floating Charge		
Debentures	<u>473,446</u>	<u>1,058,719</u>
	<u>473,446</u>	<u>1,058,719</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	148,648	144,095
Provision for Long Service Leave	153,958	146,591
	<u>302,606</u>	<u>290,686</u>
Non-Current		
Provision for Long Service Leave	<u>55,740</u>	<u>31,339</u>
	<u>55,740</u>	<u>31,339</u>

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

	2010 \$	2010 Budget \$	2009 \$
11. RESERVES - CASH BACKED			
(a) Plant and vehicle Reserve			
Opening Balance	188,724	188,724	5,860
Amount Set Aside / Transfer to Reserve	156,878	173,506	182,864
Amount Used / Transfer from Reserve	(246,393)	(221,500)	0
	<u>99,209</u>	<u>140,730</u>	<u>188,724</u>
(b) Leave Reserve			
Opening Balance	65,717	65,717	33,253
Amount Set Aside / Transfer to Reserve	2,395	1,314	32,464
Amount Used / Transfer from Reserve	0	0	0
	<u>68,112</u>	<u>67,031</u>	<u>65,717</u>
(c) Depot Reserve			
Opening Balance	19,212	19,212	17,932
Amount Set Aside / Transfer to Reserve	700	384	1,280
Amount Used / Transfer from Reserve	0	0	0
	<u>19,912</u>	<u>19,596</u>	<u>19,212</u>
(d) Community Housing Reserve			
Opening Balance	22,199	26,298	20,719
Amount Set Aside / Transfer to Reserve	808	526	1,480
Amount Used / Transfer from Reserve	0	0	0
	<u>23,007</u>	<u>26,824</u>	<u>22,199</u>
(e) Emergency Reserve			
Opening Balance	32,147	28,047	30,005
Amount Set Aside / Transfer to Reserve	1,172	10,561	2,142
Amount Used / Transfer from Reserve	0	0	0
	<u>33,319</u>	<u>38,608</u>	<u>32,147</u>
(f) Insurance Claim Reserve			
Opening Balance	13,775	13,774	12,857
Amount Set Aside / Transfer to Reserve	501	275	918
Amount Used / Transfer from Reserve	0	0	0
	<u>14,276</u>	<u>14,049</u>	<u>13,775</u>
(g) Flax Mill Sheds Reserve			
Opening Balance	26,117	26,117	24,377
Amount Set Aside / Transfer to Reserve	952	522	1,740
Amount Used / Transfer from Reserve	0	0	0
	<u>27,069</u>	<u>26,639</u>	<u>26,117</u>
(h) Recreation Facilities Reserve			
Opening Balance	43,736	103,736	45,759
Amount Set Aside / Transfer to Reserve	93,781	35,075	3,227
Amount Used / Transfer from Reserve	0	0	(5,250)
	<u>137,517</u>	<u>138,811</u>	<u>43,736</u>
(i) Commercial Reserve			
Opening Balance	310,963	310,964	294,991
Amount Set Aside / Transfer to Reserve	147,362	6,219	21,062
Amount Used / Transfer from Reserve	0	0	(5,090)
	<u>458,325</u>	<u>317,183</u>	<u>310,963</u>

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

	2010 \$	2010 Budget \$	2009 \$
11. RESERVES - CASH BACKED (continued)			
(j) Bush Fire Radios Reserve			
Opening Balance	12,411	12,412	11,584
Amount Set Aside / Transfer to Reserve	453	248	827
Amount Used / Transfer from Reserve	0	0	0
	<u>12,864</u>	<u>12,660</u>	<u>12,411</u>
(k) Rylington Park Reserve			
Opening Balance	16,118	16,118	15,044
Amount Set Aside / Transfer to Reserve	588	323	1,074
Amount Used / Transfer from Reserve	0	0	0
	<u>16,706</u>	<u>16,441</u>	<u>16,118</u>
(l) Infrastructure Reserve			
Opening Balance	18,340	18,339	17,118
Amount Set Aside / Transfer to Reserve	668	367	1,222
Amount Used / Transfer from Reserve	0	0	0
	<u>19,008</u>	<u>18,706</u>	<u>18,340</u>
(m) Bridges Reserve			
Opening Balance	25,845	25,845	10,080
Amount Set Aside / Transfer to Reserve	195,942	15,517	15,765
Amount Used / Transfer from Reserve	0	0	0
	<u>221,787</u>	<u>41,362</u>	<u>25,845</u>
(n) Medical Services Reserve			
Opening Balance	44,719	44,719	37,058
Amount Set Aside / Transfer to Reserve	6,629	5,894	7,661
Amount Used / Transfer from Reserve	0	0	0
	<u>51,348</u>	<u>50,613</u>	<u>44,719</u>
(o) Swimming Pool Reserve			
Opening Balance	10,661	10,661	5,270
Amount Set Aside / Transfer to Reserve	5,389	5,214	5,391
Amount Used / Transfer from Reserve	(7,420)	0	0
	<u>8,630</u>	<u>15,875</u>	<u>10,661</u>
(p) Boyup Brook Town Hall Reserve			
Opening Balance	10,661	10,661	5,270
Amount Set Aside / Transfer to Reserve	5,389	5,214	5,391
Amount Used / Transfer from Reserve	0	0	0
	<u>16,050</u>	<u>15,875</u>	<u>10,661</u>
(q) Administration Centre Reserve			
Opening Balance	59,460	59,460	55,497
Amount Set Aside / Transfer to Reserve	2,167	1,189	3,963
Amount Used / Transfer from Reserve	(60,000)	(60,000)	0
	<u>1,627</u>	<u>649</u>	<u>59,460</u>
(r) Building Maintenance Reserve			
Opening Balance	12,407	32,407	10,540
Amount Set Aside / Transfer to Reserve	36,181	15,648	1,867
Amount Used / Transfer from Reserve	0	0	0
	<u>48,588</u>	<u>48,055</u>	<u>12,407</u>
(s) Aged Accommodation Reserve			
Opening Balance	20,330	20,330	18,975
Amount Set Aside / Transfer to Reserve	740	407	1,355
Amount Used / Transfer from Reserve	0	0	0
	<u>21,070</u>	<u>20,737</u>	<u>20,330</u>

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

	2010 \$	2010 Budget \$	2009 \$
11. RESERVES - CASH BACKED (continued)			
(t) Roads to Recovery Supplementary Reserve			
Opening Balance	959	959	109,615
Amount Set Aside / Transfer to Reserve	35	20	6,344
Amount Used / Transfer from Reserve	0	0	(115,000)
	<u>994</u>	<u>979</u>	<u>959</u>
(u) CEO Housing Reserve			
Opening Balance	324,981	0	300,625
Amount Set Aside / Transfer to Reserve	3,100	0	24,356
Amount Used / Transfer from Reserve	(328,081)	0	0
	<u>0</u>	<u>0</u>	<u>324,981</u>
(v) Road Contributions Reserve			
Opening Balance	16,604	16,603	0
Amount Set Aside / Transfer to Reserve	604	332	31,904
Amount Used / Transfer from Reserve	0	0	(15,300)
	<u>17,208</u>	<u>16,935</u>	<u>16,604</u>
(w) IT Reserve			
Opening Balance	0	70,000	0
Amount Set Aside / Transfer to Reserve	72,551	1,400	0
Amount Used / Transfer from Reserve	0	(70,000)	0
	<u>72,551</u>	<u>1,400</u>	<u>0</u>
(x) Transfer Station Reserve			
Opening Balance	0	54,981	0
Amount Set Aside / Transfer to Reserve	56,985	1,100	0
Amount Used / Transfer from Reserve	0	0	0
	<u>56,985</u>	<u>56,081</u>	<u>0</u>
(y) Caravan Park Reserve			
Opening Balance	0	100,000	0
Amount Set Aside / Transfer to Reserve	103,644	2,000	0
Amount Used / Transfer from Reserve	0	(100,000)	0
	<u>103,644</u>	<u>2,000</u>	<u>0</u>
(z) Library Furniture Reserve			
Opening Balance	0	20,000	0
Amount Set Aside / Transfer to Reserve	20,729	400	0
Amount Used / Transfer from Reserve	(20,000)	(20,000)	0
	<u>729</u>	<u>400</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u>1,550,535</u>	<u>1,108,239</u>	<u>1,296,086</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
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

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.

I T Reserve

- to be used to fund future I T requirements.

Transfer Station Reserve

- to be used to fund future upgrade to Transfer Station.

Caravan Park Reserve

- to be used to fund future upgrades to Caravan Park.

Library Furniture Reserve

- to be used to fund future Library furniture needs.

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

12. RESERVES - ASSET REVALUATION

2010
\$

2009
\$

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

(a) Roads

Balance as at 1 July 2009	0	1,590,381
Revaluation Increment	8,268,949	0
Revaluation Decrement	0	(1,590,381)
Balance as at 30 June 2010	<u>8,268,949</u>	<u>0</u>
TOTAL ASSET REVALUATION RESERVES	<u><u>8,268,949</u></u>	<u><u>0</u></u>

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2010 \$	2010 Budget \$	2009 \$
Cash and Cash Equivalents	<u>2,183,424</u>	<u>1,237,792</u>	<u>2,403,647</u>

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

Net Result	268,773	449,712	(691,593)
Depreciation	1,149,826	810,388	1,166,490
(Profit)/Loss on Sale of Asset	(189,811)	0	(3,094)
Loss on Revaluation of Roads	0	0	1,066,845
(Increase)/Decrease in Receivables	(142,767)	66,044	114,874
(Increase)/Decrease in Inventories	8,199	0	385
Increase/(Decrease) in Payables	(64,684)	(60,694)	61,447
Increase/(Decrease) in Employee Provisions	36,321	0	40,081
Grants/Contributions for the Development of Assets	(937,567)	(740,846)	(942,745)
Net Cash from Operating Activities	<u><u>128,290</u></u>	<u><u>524,604</u></u>	<u><u>812,690</u></u>

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

13. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	50,000	50,000	50,000
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	10,000	10,000	0
Credit Card Balance at Balance Date	0	0	0
Total Amount of Credit Unused	<u>60,000</u>	<u>60,000</u>	<u>50,000</u>

Loan Facilities

Loan Facilities - Current	42,118	42,118	54,621
Loan Facilities - Non-Current	473,446	1,041,600	1,058,719
Total Facilities in Use at Balance Date	<u>515,564</u>	<u>1,083,718</u>	<u>1,113,340</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>78,172</u>
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14. CONTINGENT LIABILITIES

The Shire has no contingent liabilities at 30 June 2010.

	2010	2009
	\$	\$

15. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

The Shire has no finance lease commitments at 30 June 2010.

(b) Operating Lease Commitments

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

Payable:

- not later than one year	14,189	17,131
- later than one year but not later than five years	2,160	16,349
- later than five years	0	0
	<u>16,349</u>	<u>33,480</u>

(c) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	0	79,121
- plant & equipment purchases	0	0

Payable:

- not later than one year	0	79,121
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The capital expenditure project outstanding at the end of 2009 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
FOR THE YEAR ENDED 30TH JUNE 2010

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	1,782	4,838
General Purpose Funding	0	0
Law, Order, Public Safety	51,084	58,832
Health	522,090	506,741
Education and Welfare	1,208,354	1,216,490
Housing	1,089,200	1,510,327
Community Amenities	206,910	204,686
Recreation and Culture	1,033,947	975,529
Transport	53,922,609	45,937,706
Economic Services	322,381	329,575
Other Property and Services	1,575,662	1,584,532
Unallocated	2,008,501	1,701,681
	<u>61,942,520</u>	<u>54,030,937</u>

	2010	2009	2008
18. FINANCIAL RATIOS			
Current Ratio	1.33	1.49	1.50
Untied Cash to Unpaid Trade Creditors Ratio	2.09	2.65	2.82
Debt Ratio	0.02	0.04	0.03
Debt Service Ratio	0.16	0.03	0.02
Gross Debt to Revenue Ratio	0.12	0.28	0.28
Gross Debt to Economically Realisable Assets Ratio	0.06	0.13	0.14
Rate Coverage Ratio	0.35	0.35	0.36
Outstanding Rates Ratio	0.07	0.04	0.03

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

19. TRUST FUNDS

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

	Balance 1-Jul-09 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-10 \$
Relocateable House Bond	27,360	15,958	(20,601)	22,717
Shire Rental Bonds	1,239	1,040	(336)	1,943
Councillor Election Nomination Deposits	0	640	(640)	0
Shire Hall Hire Deposits	75	0	0	75
Fruit Fly Program	6,058	0	0	6,058
Kerb Deposits	1,400	0	0	1,400
Boyup Brook Community Foundation	3,842	0	(3,528)	314
	<u>39,974</u>			<u>32,507</u>

20. DISPOSALS OF ASSETS - 2009/10 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Health						
GP Vehicle	0	14,500	0	14,500	0	0
Housing						
Police Houses	634,231	0	770,359	0	136,128	0
Transport						
Isuzu 14 Tonne Truck	34,114	70,000	59,173	70,000	25,059	0
Isuzu 3 Tonne Truck	0	38,000	0	38,000	0	0
Triton Ute 4 x 4 Diesel	6,350	16,500	14,546	16,500	8,196	0
Triton Ute Petrol	4,275	14,000	10,773	14,000	6,498	0
Multi-tyred Roller	3,536	40,000	20,000	40,000	16,464	0
MOW Vehicle	23,356	19,000	21,045	19,000	(2,311)	0
Other Property & Services						
CEO Vehicle	21,506	27,000	22,727	27,000	1,221	0
MF Vehicle	16,262	15,000	14,818	15,000	(1,444)	0
	<u>743,630</u>	<u>254,000</u>	<u>933,441</u>	<u>254,000</u>	<u>189,811</u>	<u>0</u>

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

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-09 \$	New Loans \$	Principal Repayments		Principal 30-Jun-10		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Health								
107 Hospital Upgrade	54,156		12,227	12,227	41,929	41,929	3,174	3,437
102 House - Medical Practitioner	58,687		5,828	5,828	52,859	52,859	3,570	3,693
Housing								
115 House - 1 Rogers Ave	100,449		3,571	3,571	96,878	96,878	5,859	5,921
116 Police Housing - Beatty St	585,028		585,028	15,989	0	569,039	40,598	39,189
Community Amenities								
112 Transfer Station	27,754		1,740	1,740	26,014	26,015	1,932	1,932
Recreation & Culture								
114 Pool Bowl upgrade	182,650		6,487	6,487	176,163	176,164	10,638	10,785
117 Bowling Club - artificial turf (*)	0	25,000	0	884	25,000	24,116	477	886
Economic Services								
106 FlaxMill Upgrade	38,771		3,450	3,450	35,321	35,321	2,621	2,723
109 FlaxMill Water Upgrade	36,236		3,090	3,090	33,146	33,144	2,267	2,267
Other Property & Services								
110 Admin Roof/Bldg Upgrade	29,609		1,355	1,355	28,254	28,254	1,888	1,888
	1,113,340	25,000	622,776	54,621	515,564	1,083,719	73,024	72,721

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

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2009/10

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Self Supporting Loan to Bowling Club	25,000	25,000	WA Treasury	Debenture	20	8,751	6.72%	25,000	25,000	0

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

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

The Shire does not have any unspent debentures as at 30 June 2010.

(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 2009 and 30 June 2010 was \$Nil.

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

22. RATING INFORMATION - 2009/10 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General Rate											
GRV _ Residential	0.14553	266	1,531,948	222,944	689		223,633	222,944			222,944
GRV - Commercial	0.14553	28	391,212	56,933			56,933	56,933			56,933
GRV - Industrial	0.14553	11	93,184	13,561			13,561	13,562			13,562
GRV - Urban Townsites	0.14553	6	32,864	4,783			4,783	4,783			4,783
General Rate - UV											
UV - Rural	0.004182	572	300,674,000	1,257,419	8,257		1,265,676	1,257,419			1,257,419
UV - Rural Residential (Special Rural)	0.004182	94	16,303,000	68,179			68,179	68,179			68,179
UV - Urban Townsites	0.004182	1	173,000	723			723	723			723
UV - Mining	0.004182	0	0	0			0	0			0
Sub-Totals		978	319,199,208	1,624,542	8,946	0	1,633,488	1,624,543	0	0	1,624,543
Minimum Rates	Minimum \$										
GRV											
GRV _ Residential	590	20	48,228	11,800			11,800	11,800			11,800
GRV - Commercial	590	2	6,000	1,180			1,180	1,180			1,180
GRV - Industrial	590	4	11,000	2,360			2,360	2,360			2,360
UV											
UV - Rural	590	167	16,979,940	98,530			98,530	98,530			98,530
UV - Rural Residential (Special Rural)	590	2	116,500	1,180			1,180	1,180			1,180
UV - Urban Townsites	590	46	2,201,250	27,140			27,140	27,140			27,140
UV - Mining	590	12	200,850	7,080			7,080	7,080			7,080
Sub-Totals		253	19,563,768	149,270	0	0	149,270	149,270	0	0	149,270
Ex-Gratia Rates							1,782,758				1,773,813
Specified Area Rate (refer note 23)							740				700
Discounts (refer note 25)							1,783,498				1,774,513
Totals							0				3,000
							1,783,498				1,777,513

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

23. SPECIFIED AREA RATE - 2009/10 FINANCIAL YEAR

Nil

24. SERVICE CHARGES - 2009/10 FINANCIAL YEAR

Nil

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

Nil

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	0	16,403	4,500
Interest on Instalments Plan	5.50%	0	3,487	1,600
Charges on Instalment Plan		22.50	6,330	4,000
			26,220	10,100

Ratepayers had the option of paying rates in four equal instalments, due on 15th September 2009, 17th November 2009, 19th January 2010 and 16th March 2010. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2010 \$	2009 \$
Governance	41	77
General Purpose Funding	1,945	672
Law, Order, Public Safety	10,425	7,049
Health	565,741	549,178
Education and Welfare	993	2,039
Housing	26,075	28,676
Community Amenities	97,393	28,019
Recreation and Culture	37,593	34,755
Transport	33,879	56,126
Economic Services	67,984	78,987
Other Property and Services	21,717	9,217
	<u>863,786</u>	<u>794,795</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 2010

28. GRANT REVENUE	2010	2009
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	1,295,033	1,214,843
Non-Operating Grants, Subsidies and Contributions	937,567	942,745
	<u>2,232,600</u>	<u>2,157,588</u>
By Program:		
Governance	0	1,260
General Purpose Funding	1,019,127	1,028,774
Law, Order, Public Safety	31,549	40,266
Health	0	0
Education and Welfare	2,492	2,319
Housing	241,783	289,707
Community Amenities	19,000	682
Recreation and Culture	54,212	57,179
Transport	840,564	706,038
Economic Services	22,488	0
Other Property and Services	1,385	31,363
	<u>2,232,600</u>	<u>2,157,588</u>

29. COUNCILLORS' REMUNERATION	2010	2010	2009
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	51,188	52,500	50,000
President's Allowance	5,250	5,250	5,000
Deputy President's Allowance	1,363	1,313	1,300
Conference Expenses	11,044	15,000	13,193
Travelling Expenses	1,782	8,000	4,189
Telecommunications Allowance	0	1,500	717
	<u>70,627</u>	<u>83,563</u>	<u>74,399</u>

30. EMPLOYEE NUMBERS	2010	2009
The number of full-time equivalent employees at balance date	<u>29</u>	<u>26</u>

31. MAJOR LAND TRANSACTIONS

Nil

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

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

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2010	2009	2010	2009
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	2,183,423	2,403,647	2,183,423	2,403,647
Receivables	285,099	117,332	285,099	117,332
	<u>2,468,522</u>	<u>2,520,979</u>	<u>2,468,522</u>	<u>2,520,979</u>
Financial Liabilities				
Payables	377,949	442,633	377,949	442,633
Borrowings	515,564	1,113,340	464,744	1,079,626
	<u>893,513</u>	<u>1,555,973</u>	<u>842,693</u>	<u>1,522,259</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 2010

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash 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.

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

Another risk associated with cash 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.

	30-Jun-10	30-Jun-09
	\$	\$
Impact of a 1% (*) movement in interest rates on cash:		
- Equity	21,834	24,036
- Income Statement	21,834	24,036

Notes:

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

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	30-Jun-10	30-Jun-09
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	7.00%	15.00%
- Overdue	93.00%	85.00%

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2010</u>					
Payables	377,949	0	0	377,949	377,949
Borrowings	73,770	263,752	403,603	741,125	515,564
	<u>451,719</u>	<u>263,752</u>	<u>403,603</u>	<u>1,119,074</u>	<u>893,513</u>
<u>2009</u>					
Payables	442,633	0	0	442,633	442,633
Borrowings	125,573	486,627	1,213,945	1,826,145	1,113,340
	<u>568,206</u>	<u>486,627</u>	<u>1,213,945</u>	<u>2,268,778</u>	<u>1,555,973</u>

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Borrowings (Continued)

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

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<u>Year Ended 30 June 2010</u>								
Borrowings								
Fixed Rate								
Debentures			41,927			473,637	515,564	6.22%
Weighted Average Effective Interest Rate			6.72%			6.18%		
<u>Year Ended 30 June 2009</u>								
Borrowings								
Fixed Rate								
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%		

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

34 COMPARATIVE FIGURES

The following adjustment has been made to the comparative amounts relating to 30 June 2009 Financial Report to bring to account financial activity that was omitted in 2008/2009. Detail of this activity is listed below:-

- (a) Depreciation on roads of \$474,770 was not brought into account in the Financial Report for the year ended 30 June 2009.

	Financial Report 2009 \$	Corrected Comparative 2009 \$	Adjustment \$
STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE			
Expenses - Depreciation on Non-Current Assets	(691,720)	(1,166,490)	(474,770)
Net Result	(216,823)	(691,593)	(474,770)
Total Comprehensive Income	(1,807,204)	(2,281,974)	(474,770)

STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM

Expenses excluding Finance Costs - Transport	(2,736,638)	(3,211,408)	(474,770)
Net Result	(216,823)	(691,593)	(474,770)
Total Comprehensive Income	(1,807,204)	(2,281,974)	(474,770)

STATEMENT OF FINANCIAL POSITION

Non-Current Assets - Infrastructure	45,752,785	45,278,015	(474,770)
Total Non-Current Assets	51,953,998	51,479,228	(474,770)
Total Assets	54,505,707	54,030,937	(474,770)
Net Assets	52,627,709	52,152,939	(474,770)
Equity - Retained Surplus	51,331,623	50,856,853	(474,770)
Total Equity	52,627,709	52,152,939	(474,770)

STATEMENT OF CHANGES IN EQUITY

Retained Surplus - Net Result 2009	(216,823)	(691,593)	(474,770)
Retained Surplus - Balance as at 30 June 2009	51,331,623	50,856,853	(474,770)
Total Equity - Net Result 2009	(216,823)	(691,593)	(474,770)
Total Equity - Balance as at 30 June 2009	52,627,709	52,152,939	(474,770)

NOTE 2(a)

Depreciation - Infrastructure Roads	298,925	773,695	(474,770)
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NOTE 7 INFRASTRUCTURE

Infrastructure Roads - Accumulated Depreciation	(16,761,730)	(17,236,500)	(474,770)
Roads - Carrying Amount	45,377,527	44,902,757	(474,770)
Total Infrastructure	45,752,785	45,278,015	(474,770)
Roads - Balance as at 1 July 2009	45,377,527	44,902,757	(474,770)

NOTE 13(b) NOTES TO THE CASH FLOW STATEMENT

Net Result	(216,823)	(691,593)	(474,770)
Depreciation	(691,720)	(1,166,490)	(474,770)

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

Report on the Financial Report

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

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

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

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

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

Statutory Compliance

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

Annual Financial Report

Council did not submit the Annual Financial Report for the year ended 30 June 2009 to the Department of Local Government within 30 days of receipt of the auditor's report as required by Local Government (Financial Management) Regulation 51(2).

Monthly Financial Report

The monthly financial reports from August 2009 to June 2010 did not include explanations for material variances between actual and budgeted figures as required by Local Government (Financial Management) Regulation 34(2)(b).

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

UHY HAINES NORTON
CHARTERED ACCOUNTANTS


GREG GODWIN
PARTNER

Address: Perth, WA
Date: 17 November 2010

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