

SHIRE OF WAGIN



2006/2007 ANNUAL REPORT



Shire of Wagin

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Shire Statistics

Population	1,846
Number of Electors	1,310
Number of Dwellings	895
Distance from Perth (km)	227
Area (sq km)	1,950
Suburbs and Localities	Piesseville, Wagin
Library	Trent St, Wagin
Kindergarten	Johnston St, Wagin
Pre-school	Ranford St, Wagin
Secondary School	Ranford St, Wagin
Length of Sealed Roads (km)	260
Length of Unsealed Roads (km)	626
Rates Levied	\$1,245,127
Total Revenue	\$4,784,345
Council Employees	65

Tourist Attractions

Giant Ram and Wetlands Park, Wagin Historical Village & Museum, Corralyn Emu Farm, Norring Lake, Marrobbie Bird Place, Heritage Walk Trail, Puntapin Rock and Mount Latham.

Local Industries

Wool, Grain, Engineering Manufacture and Seed working.

Significant Local Events

Wagin Woolorama — incorporates the State Sheep Show and is held on the 2nd weekend in March each year, Australia Day Breakfast — in Wetlands Park, Foundation Day Celebration — at Wagin Historical Village includes Vintage Car Club Rally, Apex Christmas Street Carnival — December.

Shire of Wagin

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GENERAL INFORMATION

Your Elected Members

The Shire of Wagin is a corporate body consisting of eleven elected Councillors. The Council members elect the Shire President and Deputy Shire President every two years.

The Shire of Wagin elected members as at 30th June 2007 are —

Cr MJ (Marilyn) Brockway — Shire President

Elected to office in 1997, Retiring 2009

- Finance & General Purposes Committee
- Telecentre Committee
- Stay on Your Feet Management Program
- Roadwise Committee
- LEMAC & Safer WA Committee
- Civic Awards Committee
- Audit Committee
- Wagin/Woodanilling Landcare Zone
- Economic Development Committee
- Land Conservation District Committee
- Health Building & Town Planning Committee
- Rural Towns Rescue Committee
- Swimming Pool Redevelopment Committee
- WALGA Central Zone
- Lakes Sub-Regional Road Group
- Landcare Project Management Committee

Cr DK (Dean) Morgan — Deputy Shire President

Elected to office in 2003, Retiring 2009

- Works & Services Committee
- Finance & General Purposes Committee
- Townscape & Tidy Towns Advisory Committee
- Rural Towns Rescue Committee
- Audit Committee
- Swimming Pool Redevelopment Committee
- Sportsground Advisory Community Centre Management Committee
- Bushfire Advisory Committee
- Economic Development Committee

Cr IC (Ian) Cumming

Elected to office in 1990, Retiring 2009

- Works & Services Committee
- Finance & General Purposes Committee
- Cottage Homes Committee
- School Bus Committee
- Audit Committee

Cr PJ (Phillip) Blight

Elected to office in 1992, Retiring 2007

- Finance & General Purposes Committee
- Rural Towns Rescue Committee
- Sportsground Advisory Community Centre Management Committee
- Audit Committee
- Telecentre Committee
- Land Conservation District Committee
- Lakes Sub-Regional Road Group (Proxy)

Cr EN (Ted) Pugh

Elected to office in 2003, Retiring 2007

- Works & Services Committee
- Finance & General Purposes Committee
- Swimming Pool Redevelopment Committee
- Cottage Homes Committee
- Roadwise Committee
- LEMAC & Safer WA Committee
- Audit Committee
- Rural Towns Rescue Committee
- Community Bus Committee

Cr KM (Keith) Draper

Elected to office in 2003, Retiring 2007

- Works & Services Committee
- Finance & General Purposes Committee
- Health, Building & Town Planning Committee
- Townscape & Tidy Towns Advisory Committee
- Swimming Pool Redevelopment Committee
- Sportsground Advisory Community Centre Management Committee
- Frail Aged Hostel Committee
- Economic Development Committee
- Audit Committee

Cr AC (Austin) Dohle

Elected to office in 2005, Retiring 2009

- Works & Services Committee
- Swimming Pool Redevelopment Committee
- Bushfire Advisory Committee
- Wagin/Woodanilling Landcare Zone

Cr JLC (Lachlan) Ballantyne

Elected to office in 2005, Retiring 2009

- Works & Services Committee
- Health, Building & Town Planning Committee
- Swimming Pool Redevelopment Committee
- Economic Development Committee

Cr AP (Andrew) Scanlon

Elected to office in 2005, Retiring 2007

- Health, Building & Town Planning Committee
- Economic Development Committee
- Sportsground Advisory Community Centre Management Committee

Cr JL (Jenny) Ewen

Elected to office in 2006, Retiring 2009

- Health, Building & Town Planning Committee
- Historical Village Committee
- Wagin Tourism Committee
- Frail Aged Hostel Committee
- Roadwise Committee
- LEMAC & Safer Committee

Elections are normally held biennially on the third Saturday in October and are subject to electoral procedures as governed by the Local Government Act. Voting at Council elections is not compulsory, however participation by residents in elections is vital to the effectiveness of Local Government. Residents not included in the State Electoral Roll should contact the Western Australian Electoral Commission.

Council Meetings are generally held on the third Tuesday of each month except in January where no meeting is planned. Meetings commence at 7pm except in April, July and October where meetings commence at 5.00pm. All meetings are open to the public. Minutes of the meetings are available at the Council offices in Wagin, or by visiting our website www.wagin.wa.gov.au.

Management

Chief Executive Officer	Braden Fisher
Deputy Chief Executive Officer	Brian Roderick
Principal Environmental Health Officer & Building Surveyor	Steve Friend
Manager of Works	Allen Hicks
Recreation Centre Manager	Stuart Johansson
Auditor	UHY Haines Norton 16 Lakeside Corporate 24 Parkland Road Osborne Park WA 6017
Solicitor	Peter Marks Tudhoe St Wagin WA 6315
Bank	National Australia Bank Tudor St Wagin WA 6315

Shire Presidents Report

I have pleasure in presenting to you my report for the 2006/07 financial year and Council's Annual Report for the same period.

Council's aim is to maintain and improve its facilities both in the townsite and rural areas. Significant projects that were achieved during 2006/2007 are;



- Minor internal upgrade to the Administration Centre.
- Internal renovations to the Early Childhood Centre.
- Perimeter Fencing of the Refuse Disposal Site.
- Chlorination System at the Swimming Pool.
- Shade Structures at the Swimming Pool.
- Outdoor Blinds, BBQ, Outdoor Ceiling, Air-conditioning, and Chairs for the Eric Farrow Pavilion.
- Replacement Paths, Relocate Playground Equipment, install Soft fall, Brick paving, Drinking fountain, and removal of the Reeds at the Wetlands Park.
- New storm water pipe from the Weir to the White Dam.

Council again hosted a New Residents Reception in the Eric Farrow Pavilion in February 2007, this again proved to be a very popular and successful function with some one hundred and nineteen people attending including eighty four new residents.

The Shire of Wagin remains in a strong financial position with solid reserve levels and long term plans either in place or being developed to help ensure high quality and affordable services and facilities are available for all resident and visitors.

During the year in review there were significant changes at Council level. Cr Jenny Ewen was successful at the September 2006 Extraordinary Election and in February 2007 Council was saddened by the passing of our Deputy Shire President Cr Ray Johnson. Cr Dean Morgan was elected as Deputy President for the remainder of this term, and Council was granted approval to leave this vacancy unfilled until the October 2007 Election process.

Council and I receive support from our staff and I would like to acknowledge the efforts of our Senior Management team over the past 12 months. I would also like to take this opportunity to thank my fellow Councillors for their support and for the time and effort they put in to representing the community.

Cr MJ Brockway
Shire President

Chief Executive Officer's Report

I have pleasure in presenting my report on the activities of the 2006/07 financial year.

The 2006/07 Annual Budget was adopted by Council at the August ordinary Council meeting with an increase in rate revenue of 4%. Minor changes were made to the rubbish collection charges and the minimum rate charge levied by Council. Council retained the option of offering a 5% discount for rates paid in full within 35 days of being issued and this proved popular, with over 76% of rates being collected during this period.

During this year in review Council has become very active in a variety of projects and activities. They include;

- Resource Sharing with the Shire's of Dumbleyung, West Arthur, Williams, and Woodanilling to become known as 4WD.
- Establishing the Great Southern Regional Business Association.
- Establishing a committee comprising twelve Local Governments to look at developing a Regional Refuse Disposal Facility.
- Introduction of a Drug and Alcohol Policy.
- Completion of a Community Safety and Crime Prevention Plan.
- Introduced a Purchasing Policy in line with an amendment to the Tender purchasing threshold.
- Conducted a review of its OHS Policy.
- Construction of the Piesseville Fire Brigade Shed.

Council was very active in sourcing external grant funding to complement its operations and reduce its dependence on general revenue. During the Year in review Council received a total of \$1,843,662. This included \$26,263 for a Community Water Grant, \$89,782 for FESA related projects, \$30,550 for HACC capital purchases, \$40,000 to implement Crime Prevention strategies as identifies in our Community Safety and Crime Prevention Plan, and \$23,900 for a Black Spot project on Smiths Road.

Additional funding applications were prepared for a further Community Water Grant of \$35,000 and Lotterywest for \$300,000 to assist with the extensions at Waratah Lodge. Both of these applications have since been approved and will be funded in 2007/2008. A further application relating to Waratah Lodge for \$300,000 from the Regional Partnerships Program is still progressing through the approval process.

The Shire of Wagin continues to remain in a strong financial position with the amount of outstanding loan principal reducing by \$79,546 to \$285,760 as at 30 June 2007.

Reserve funds have moved by \$220,266 to a balance of \$802,739 as at 30th June 2007. The purpose of these funds is to assist Council in implementing our Plan for the Future requirements without the need to have irregular spikes of income from rates or loan funds.

This financial year a total of 63 building licenses with a value of \$1,585,230 were issued including licenses for 10 new residences.

The Principal Environmental Health Officer conducted periodic inspections of food premises and continued a program of submitting random food products for testing as well as conducting a water sampling program.

Council conducted a successful DrumMuster collection for used chemical drums and this program continues to be well supported by the community.

The Manager of Works and his staff again carried out another successful works program in 2006/2007.

Some of the projects completed during the year included:



- rural tree pruning program using a mulching head machine
- continued surface corrections and widening on Ballagin Road
- various upgrade work on Wendell Street and Beaufort, Jaloran, Bullock Hills, Warup West, Spriggs Fraser, Boyalling, Warup South, Taylors, Smiths and Painters Road.
- cement intersection at Vernon and Vernal Streets
- construction of footpaths on Tudhoe and Upland Streets, and from the School to the Shire Office.
- continued drainage and asphalt work at the Wagin Recreation Complex
- reseal of a number of town streets

Major plant purchases during the year were a new Cat Loader and Isuzu 10 tonne truck as per Council's plant replacement program. A number of light vehicles were upgraded during the year.



The Shire of Wagin has a requirement to comply with the Freedom of Information Act. During 2006/07 no applications were received for information under the terms of this legislation.

Council continued its direct management of the Wagin Medical Centre, this included the recruitment of Dr Alan Majid following the departure of Dr Reg Bullen. A wide range of services are provided at the Medical Centre and Council is very appreciative of the commitment by the staff in delivering this essential service to our community.

National Competition Policy

Local Governments are required to report their progress in implementing National Competition Policy in their annual report. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.

Competitive Neutrality

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership.

Competitive Neutrality should apply to all significant business activities which generate a user-pays income of over \$200,000 per annum unless it can be shown it is in the public interest.

A public benefit test is used to determine if competitive neutrality is in the public interest. This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.

In accordance with Council's responsibilities under the Clause 7 statement relating to competitive neutrality, the Shire of Wagin has reviewed its activities in line with advice from the Local Government Department Circular No 806 and has found that none of its activities have been found to fit the "Significant Business Activity" category for competitive neutrality requirements.

Legislative Review

All Local Governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome. The annual report is to include a statement of which local laws have been reviewed the conclusions of those reviews and a forward strategy for all local laws still to be reviewed.

No new Local Laws were created in 2006/2007 or any existing Local Laws reviewed.

Structural Reform

The Shire of Wagin did not privatise any activities in 2006/07 consequently there were no obligations to report in this area.

Conclusion

I would like to take this opportunity to acknowledge the support that I have received from the Shire President Cr Marilyn Brockway and Council. It is a pleasure to work with a group of volunteers that are dedicated to the current and future wellbeing of the Shire of Wagin.

Braden Fisher
Chief Executive Officer

Disability Services Plan

It is a requirement under section 29m (2) of the Disabilities Services Act 1993 to report on the following outcomes in Council's approach to assisting disabled people.

Outcome 1: Existing functions, facilities and services are adopted to meet the needs of people with disabilities.

Council continued its policy of taking into consideration the needs of people with disabilities wherever practical.

Outcome 2: Access to buildings and facilities are improved.

During 2006/07 Council constructed a dual use path along Tavistock Street and Throssell Street from the School to the Shire Office.



Outcome 3: Information about functions, facilities and services is provided in formats which will meet the communications requirements of people with disabilities.

Council is mindful of the need to keep outgoing information in an easy to understand manner for all its residents and visitors.

Outcome 4: Staff awareness of the needs of people with disabilities and skills in delivering advice and services are improved.

Staff at the Shire of Wagin are aware of the need to provide appropriate services and advice to people within disabilities.

Outcome 5: Opportunities for people with disabilities to participate in public consultation grievance mechanisms and decision making processes are provided.

Access is available for people with disabilities at the Recreation Centre, Town Hall, Eric Farrow Pavilion and Council Chambers where public meetings, forums, elections and Council Meetings are held.

State Records Act 2000

State Records Commission Standard 2 (Record Keeping Plan), Principle 6 (Compliance) states that the government organisations, including local government, should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities under their Record Keeping Plan.

Council is required to report progress with complying with this Principle in its Annual Report.

The Shire of Wagin Recordkeeping Plan was endorsed by the Commission during 2003/04. Staff are continually working on implementing the strategies outlined in this plan. As part of the refurbishment of the Administration Centre a dedicated archives area was established in 2005/06.

Council's Executive Assistant is delegated the task of maintaining the filing and record system of the shire and attends appropriate training courses and seminars to help build skills and knowledge of this function.

In 2007/2008 Council will implementing a new electronic record keeping system, this will ensure Council is at the forefront with record keeping compliance.

Plan for the Future

In 2005/06 the Shire of Wagin formally adopted a 10 year plan for the future of the district. This process was conducted with community consultation to assist in identifying the future needs of our community.

A review of the plan for the future will be completed in 2007/08.

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

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 27th day of September 2007.



Braden Fisher
Chief Executive Officer

Shire of Wagin
Annual Report 2006/2007

SHIRE OF WAGIN
INCOME STATEMENT
BY NATURE OR TYPE

FOR THE YEAR ENDED 30TH JUNE 2007

	NOTE	2007 \$	2007 Budget \$	2006 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	21	1,245,127	1,240,979	1,181,110
Grants and Subsidies	27	1,589,466	1,515,474	2,117,644
Contributions Reimbursements and Donations		505,663	435,802	299,269
Fees and Charges	26	796,191	797,730	627,528
Interest Earnings	2(a)	78,949	73,618	70,665
Other Revenue		200,455	289,322	297,602
		<u>4,415,851</u>	<u>4,352,925</u>	<u>4,593,818</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(2,204,685)	(2,145,643)	(1,972,369)
Materials and Contracts		(1,317,804)	(1,405,859)	(99,601)
Utilities		(191,149)	(192,502)	(74,870)
Depreciation	2(a)	(911,960)	(888,146)	(896,374)
Interest Expenses	2(a)	(21,358)	(22,374)	(24,871)
Insurance		(75,170)	(70,220)	(69,916)
Other Expenditure		(253,799)	(226,273)	(1,208,189)
		<u>(4,975,925)</u>	<u>(4,951,017)</u>	<u>(4,346,190)</u>
		(560,074)	(598,092)	247,628
Grants and Subsidies - non-operating	27	254,196	270,500	146,200
Profit on Asset Disposals	19	114,298	12,875	50,564
Loss on Asset Disposals	19	<u>(108,303)</u>	<u>(90,000)</u>	<u>(42,162)</u>
NET RESULT		<u>(299,883)</u>	<u>(404,717)</u>	<u>402,230</u>

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

Shire of Wagin
Annual Report 2006/2007

SHIRE OF WAGIN
INCOME STATEMENT
BY PROGRAM

FOR THE YEAR ENDED 30TH JUNE 2007

	NOTE	2007 \$	2007 Budget \$	2006 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		25,823	7,500	4,319
General Purpose Funding		2,319,272	2,300,440	2,218,074
Law, Order, Public Safety		166,374	146,365	33,973
Health		59,974	68,870	42,086
Education and Welfare		318,045	265,908	262,307
Community Amenities		155,177	158,550	135,829
Recreation and Culture		48,793	58,250	48,662
Transport		416,137	437,482	702,750
Economic Services		202,574	171,960	591,665
Other Property and Services		1,072,176	1,020,975	750,917
	2 (a)	<u>4,784,345</u>	<u>4,636,300</u>	<u>4,790,582</u>
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		(237,621)	(187,550)	(209,953)
General Purpose Funding		(218,366)	(213,793)	(219,106)
Law, Order, Public Safety		(157,338)	(98,360)	(91,113)
Health		(156,362)	(158,187)	(110,368)
Education and Welfare		(318,519)	(322,812)	(326,467)
Community Amenities		(206,367)	(220,300)	(176,900)
Recreation & Culture		(600,322)	(612,887)	(540,012)
Transport		(1,420,097)	(1,476,650)	(1,282,281)
Economic Services		(618,415)	(689,808)	(565,757)
Other Property and Services		(1,129,463)	(1,038,296)	(822,405)
	2 (a)	<u>(5,062,870)</u>	<u>(5,018,643)</u>	<u>(4,344,362)</u>
BORROWING COSTS EXPENSE				
Governance		0	0	0
Health		(8,946)	(8,946)	(17,008)
Community Amenities		0	0	(6,000)
Recreation & Culture		(12,412)	(13,428)	(20,982)
	2 (a)	<u>(21,358)</u>	<u>(22,374)</u>	<u>(43,990)</u>
NET RESULT		<u>(299,883)</u>	<u>(404,717)</u>	<u>402,230</u>

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

Shire of Wagin
Annual Report 2006/2007

SHIRE OF WAGIN			
BALANCE SHEET			
AS AT 30TH JUNE 2007			
	NOTE	2007	2006
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	3	852,872	988,804
Trade and Other Receivables	4	394,534	456,759
Inventories	5	43,120	46,868
TOTAL CURRENT ASSETS		<u>1,290,526</u>	<u>1,492,431</u>
NON-CURRENT ASSETS			
Other Receivables	4	48,223	98,177
Property, Plant and Equipment	6	5,778,855	5,822,572
Infrastructure	7	16,030,070	16,101,954
TOTAL NON-CURRENT ASSETS		<u>21,857,148</u>	<u>22,022,703</u>
TOTAL ASSETS		<u>23,147,674</u>	<u>23,515,134</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	239,858	257,507
Long Term Borrowings	9	45,328	46,811
Provisions	10	181,661	140,006
TOTAL CURRENT LIABILITIES		<u>466,847</u>	<u>444,324</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	240,432	318,495
Provisions	10	112,505	124,542
TOTAL NON-CURRENT LIABILITIES		<u>352,937</u>	<u>443,037</u>
TOTAL LIABILITIES		<u>819,784</u>	<u>887,361</u>
NET ASSETS		<u>22,327,890</u>	<u>22,627,773</u>
EQUITY			
Retained Surplus		21,525,151	22,045,300
Reserves - Cash Backed	11	802,739	582,473
TOTAL EQUITY		<u>22,327,890</u>	<u>22,627,773</u>

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

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

	NOTE	2007 \$	2006 \$
RETAINED SURPLUS			
Balance as at 1 July 2006		22,045,300	21,700,347
Net Result		(299,883)	402,230
Transfer from/(to) Reserves		<u>(220,266)</u>	<u>(57,277)</u>
Balance as at 30 June 2007		<u>21,525,151</u>	<u>22,045,300</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2006		582,473	525,196
Amount Transferred (to)/from Retained Surplus		<u>220,266</u>	<u>57,277</u>
Balance as at 30 June 2007	11	<u>802,739</u>	<u>582,473</u>
TOTAL EQUITY		<u>22,327,890</u>	<u>22,627,773</u>

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

Shire of Wagin
Annual Report 2006/2007

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

	NOTE	2007 \$	2007 Budget \$	2006 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,245,305	1,306,499	1,181,110
Grants and Subsidies - operating		1,589,466	1,472,984	2,117,644
Contributions, Reimbursements & Donations		505,663	435,802	299,269
Fees and Charges		850,219	797,730	500,187
Interest Earnings		78,949	33,500	70,665
Goods and Services Tax		201,816	0	188,372
Other		90,721	126,298	298,647
		<u>4,562,139</u>	<u>4,172,813</u>	<u>4,655,894</u>
Payments				
Employee Costs		(2,173,958)	(2,145,643)	(2,020,294)
Materials and Contracts		(1,332,274)	(1,405,859)	(167,184)
Utilities (gas, electricity, water, etc)		(191,149)	(192,502)	(74,870)
Insurance		(75,170)	(70,220)	(69,916)
Interest		(21,898)	(22,574)	(24,871)
Goods and Services Tax		(201,050)	0	(200,693)
Other		(144,065)	(226,073)	(1,208,189)
		<u>(4,139,564)</u>	<u>(4,062,871)</u>	<u>(3,766,017)</u>
Net Cash Provided By (Used In) Operating Activities	12(b)	<u>422,575</u>	<u>109,942</u>	<u>889,877</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	(225,000)	0
Payments for Purchase of Property, Plant & Equipment		(906,939)	(1,092,390)	(832,323)
Payments for Construction of Infrastructure		(437,725)	(501,653)	(407,536)
Grants/Contributions for the Development of Assets		254,196	270,500	146,200
Proceeds from Sale of Land & Buildings		240,500	119,000	18,000
Plant & Equipment		313,800	338,000	420,595
		<u>313,800</u>	<u>338,000</u>	<u>420,595</u>
Net Cash Provided By (Used In) Investing Activities		<u>(536,168)</u>	<u>(1,091,543)</u>	<u>(655,064)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(79,028)	(46,812)	(44,291)
Proceeds from Self Supporting Loans		56,689	24,472	23,426
Proceeds from New Debentures		0	345,000	0
		<u>0</u>	<u>345,000</u>	<u>0</u>
Net Cash Provided By (Used In) Financing Activities		<u>(22,339)</u>	<u>322,660</u>	<u>(20,865)</u>
Net Increase (Decrease) in Cash Held		<u>(135,932)</u>	<u>(658,941)</u>	<u>213,948</u>
Cash at Beginning of Year		988,804	1,039,243	774,856
Cash and Cash Equivalents at the End of the Year	12(a)	<u><u>852,872</u></u>	<u><u>380,302</u></u>	<u><u>988,804</u></u>

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

Shire of Wagin
Annual Report 2006/2007

SHIRE OF WAGIN			
RATE SETTING STATEMENT			
FOR THE YEAR ENDED 30TH JUNE 2007			
	NOTE	2007 \$	2007 Budget \$
REVENUES			
Governance		25,823	7,500
General Purpose Funding		1,074,145	1,034,989
Law, Order, Public Safety		166,374	146,365
Health		59,974	68,870
Education and Welfare		318,045	265,908
Community Amenities		155,177	158,550
Recreation and Culture		48,793	58,250
Transport		416,137	437,482
Economic Services		202,574	171,960
Other Property and Services		<u>1,072,176</u>	<u>934,594</u>
		3,539,218	3,284,468
EXPENSES			
Governance		(237,621)	(187,550)
General Purpose Funding		(218,367)	(213,793)
Law, Order, Public Safety		(157,338)	(98,360)
Health		(165,308)	(167,133)
Education and Welfare		(318,519)	(322,812)
Community Amenities		(206,367)	(220,300)
Recreation & Culture		(612,733)	(626,315)
Transport		(1,420,097)	(1,476,650)
Economic Services		(618,415)	(689,808)
Other Property and Services		<u>(1,129,463)</u>	<u>(1,038,296)</u>
		(5,084,228)	(5,041,017)
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		(5,995)	77,125
Movement in Accrued Interest		(540)	0
Movement in Accrued Salaries and Wages		1,109	0
Movement in Employee Provisions		29,618	0
Depreciation on Assets		911,960	888,146
Capital Expenditure and Revenue			
Purchase Land Held for Resale		0	(225,000)
Purchase Land and Buildings		(235,554)	(353,620)
Purchase Infrastructure Assets		(437,725)	(501,653)
Purchase Plant and Equipment		(566,466)	(616,000)
Purchase Furniture and Equipment		(104,919)	(122,770)
Proceeds from Disposal of Assets		554,300	457,000
Repayment of Debentures		(79,028)	(46,812)
Proceeds from New Debentures		0	345,000
Self-Supporting Loan Principal Income		56,689	24,472
Transfers to Reserves (Restricted Assets)		(318,266)	(189,318)
Transfers from Reserves (Restricted Assets)		98,000	149,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		665,406	630,000
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		268,706	0
		<u>(1,245,127)</u>	<u>(1,240,979)</u>
Amount Required to be Raised from Rates	21	<u>(1,245,127)</u>	<u>(1,240,979)</u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards, 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.

Compliance with IFRSs

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

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

The principal areas of non-compliance with IFRSs include:

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2007.

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

Critical Accounting Estimates

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 18 to this financial report.

(c) Goods and Services Tax

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

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

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

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

(f) Inventories

General

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

Land Held for Resale

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

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

(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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Revaluation

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

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

Land under Roads

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

(h) Depreciation of Non-Current Assets

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

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

Buildings	40 years
Furniture and Office Equipment	10 years
Computer and Electronic Equipment	4 years
Plant and Equipment	
- Construction Plant (Graders, FE Loaders, Tractors, & Rollers)	10 years
- Trucks	5 years
- Sedans	1 years
- Other Plant and Equipment	10 years
Infrastructure Assets	
- Roads	30 years
- Footpaths and Walkways - Slabs	20 years
- Insitu concrete	40 years
- Bitumen	50 years
- Pavers	40 years
- Drainage - below ground	60 years
- off road	20 years
- Pedestrian bridges (wood)	20 years
- Vehicle bridges and culverts (wood)	20 years

The following infrastructure assets are not depreciated due to the high ongoing cost of maintenance;

- Parks and playing field surfaces
- Reticulation systems
- Drainage reserves

The following infrastructure assets are not capitalised owing to their cost being immaterial;

- Street Furniture
- Pedestrian / Bus shelters
- Street signs

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

(j) **Impairment**

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

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

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

(k) **Trade and Other Payables**

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

(l) **Employee Benefits**

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

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

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Interest-bearing Loans and Borrowings

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

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

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

Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

(n) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the 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.

(o) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Balance Sheet and Income Statement. Information about the joint venture is set out in Note 15.

(p) Rates, Grants, Donations and Other Contributions

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

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

(q) Superannuation

The Shire of Wagin contributes to complying Superannuation Schemes. These funds are defined contribution schemes.

(r) Interest Rate Risk

Information on interest rate risk as it applies to financial instruments is disclosed in Note 34.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Credit Risk

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

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

(t) Liquidity Risk

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

(u) Fair Value

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

(v) Rounding Off Figures

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

(w) Comparative Figures

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

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

2. REVENUES AND EXPENSES	2007	2006
	\$	\$
(a) Result from Ordinary Activities		
The Result from Ordinary Activities includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit	6,740	7,070
- Other Services	0	500
Depreciation		
Buildings	104,191	105,163
Furniture and Equipment	51,095	48,422
Plant and Equipment	246,086	242,576
Infrastructure	509,609	499,195
Tools	979	1,018
	<u>911,960</u>	<u>896,374</u>
Interest Expenses		
Debentures (refer Note 20(a))	21,358	24,871
	<u>21,358</u>	<u>24,871</u>
(ii) Crediting as Revenue:		
	2007	2007
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	39,082	32,618
- Other Funds	30,210	32,000
Other Interest Revenue (refer note 25)	9,657	8,639
	<u>78,949</u>	<u>73,618</u>
		<u>70,665</u>

SHIRE OF WAGIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

Governance

Includes costs associated with elected members, the running costs of the Administration building and associated clerical staff, records management and computer operation costs.

General Purpose Funding

Includes rate revenue and associated costs, general purpose government grants, costs associated with the repayment of Council loans, including reimbursement from government bodies and community organisations, as well as interest earned on Council investments.

Law, Order, Public Safety

Includes costs associated with fire prevention and control, control of dogs and other animals, abandoned vehicles and supervision of associated local laws.

Health

Includes costs associated with maternal and infant health, analytical expenses ie water sampling, the running of the Regional Health Scheme together with the Shires of Dumbleyung and Woodanilling, pest control ie mosquitoes and the running costs of the Wagin Medical Centre.

Education and Welfare

Includes costs associated with the running of the Wagin Pre-School, maintenance of the Wagin District High School oval, the running of the Wagin Home and Community Care Program, including Community Aged Care Packages and Wagin Frail Aged Lodge.

Community Amenities

Includes provision for the collection and disposal of residential, commercial and industrial refuse, ongoing maintenance of the Wagin Cemetery and running costs associated with providing public conveniences.

Recreation and Culture

Includes costs associated with public halls, the Wagin Memorial Swimming Centre, sportsground maintenance and sportsground buildings maintenance, the provision of library services together with a contribution towards the costs associated with the running of the Wagin Woolorama.

Transport

Includes upgrading, constructing, sealing, resealing and ongoing maintenance costs associated with roads, footpaths and parking facilities, improvements to Council's plant and the provision of aircraft landing facilities and their associated costs.

Economic Services

Includes control of declared flora and fauna, works associated with Council's inclusion as part of the Rural Town's programme, LCDC projects, tourism and area promotion, ongoing maintenance of the Wagin Caravan Park, building control and the provision of standpipes.

Other Property and Services

Includes private works, town planning schemes and the provision for new residential developments, materials in store, costs associated with employment of the outside work crew, costs associated with the running of all Council plant and other unclassified revenue and expenses.

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

2. OPERATING REVENUES AND EXPENSES (Continued)

	2007	2006
	\$	\$
(c) Conditions Over Contributions		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Community Aged Care Packages (Education & Welfare)	9,957	32,857
Roads To Recovery (Transport)	223,297	0
Envirofund Projects (Economic Services)	49,794	37,630
Crime Prevention Grant	6,200	6,200
Integrated Catchment Management Fund (Economic Services)	94,003	4,950
Raising Bed Furrows (Economic Services)	16,630	0
SWCC Weed Management Project (Economic Services)	1,133	0
Farms Vision Monitoring (Economic Services)	15,000	0
Small Land Holders Field Day (Economic Services)	376	0
Red Tailed Phascogale (Economic Services)	4,205	0
SIF Analysis Grant (Economic Services)	63,340	0
Revege of Beckwith (Economic Services)	1,260	0
	485,195	81,637
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Community Aged Care Packages (Education & Welfare)	20,203	9,957
Envirofund Projects (Economic Services)	0	49,794
Integrated Catchment Management Fund (Economic Services)	0	94,003
Crime Prevention Grant	40,000	0
Roads To Recovery	33,441	223,297
Raising Bed Furrows (Economic Services)	0	16,630
SWCC Weed Management Project (Economic Services)	0	1,133
Farms Vision Monitoring (Economic Services)	0	15,000
Small Land Holders Field Day (Economic Services)	0	376
Red Tailed Phascogale (Economic Services)	0	4,205
SIF Analysis Grant (Economic Services)	0	63,340
Revege of Beckwith (Economic Services)	0	1,260
	93,644	478,995

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

2. REVENUES AND EXPENSES (Continued)

	2007	2006
	\$	\$
(c) Conditions Over Contributions (Continued)		
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Community Aged Care Packages (Education & Welfare)	9,957	32,857
Envirofund Projects (Economic Services)	49,794	37,630
HVPA (Economic Services)	0	4,950
Roads To Recovery (Transport)	223,297	0
Crime Prevention Grant	6,200	0
Integrated Catchment Management Fund (Economic Services)	94,003	0
Raising Bed Furrows (Economic Services)	16,630	0
SWCC Weed Management Project (Economic Services)	1,133	0
Farms Vision Monitoring (Economic Services)	15,000	0
Small Land Holders Field Day (Economic Services)	376	0
Red Tailed Phascogale (Economic Services)	4,205	0
SIF Analysis Grant (Economic Services)	63,340	0
Revege of Beckwith (Economic Services)	1,260	0
	485,195	75,437
Closing balances of unexpended grants	93,644	485,195
Comprises:		
Community Aged Care Packages (Education & Welfare)	20,203	9,957
Envirofund Projects (Economic Services)	0	49,794
Integrated Catchment Management Fund (Economic Services)	0	94,003
Crime Prevention Grant	40,000	6,200
Roads To Recovery (Transport)	33,441	223,297
Raising Bed Furrows (Economic Services)	0	16,630
SWCC Weed Management Project (Economic Services)	0	1,133
Farms Vision Monitoring (Economic Services)	0	15,000
Small Land Holders Field Day (Economic Services)	0	376
Red Tailed Phascogale (Economic Services)	0	4,205
SIF Analysis Grant (Economic Services)	0	63,340
Revege of Beckwith (Economic Services)	0	1,260
	93,644	485,195

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

	2007	2006
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Cash on Hand-Municipal	50,133	406,331
Restricted	<u>802,739</u>	<u>582,473</u>
	<u>852,872</u>	<u>988,804</u>
The following is a reconciliation of the municipal funds above:		
Municipal Cash at Bank - Unrestricted	(43,511)	(78,864)
Municipal Cash at Bank - Restricted	<u>93,644</u>	<u>485,195</u>
	<u>50,133</u>	<u>406,331</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	103,290	124,909
Plant Reserve	67,151	62,929
Municipal Buildings Reserve	229,496	157,343
Recreation & Development Reserve	140,578	117,682
Administration Centre Furniture & Equipment Reserve	15,988	24,354
Recreation Centre Equipment Reserve	14,856	12,235
Aerodrome Maintenance & Development Reserve	6,171	1,097
Land Development Reserve	162,153	23,995
Community Bus Reserve	26,884	24,032
HACC Plant & Leave Reserve	<u>36,172</u>	<u>33,897</u>
	<u>802,739</u>	<u>582,473</u>
Other:		
Municipal Cash at Bank - Restricted:		
Unspent Grants - refer note 2(c)	<u>93,644</u>	<u>485,195</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	63,605	74,870
Sundry Debtors	334,649	388,677
GST Receivable	15,668	16,434
Self Supporting Loans	21,411	24,472
Provision for Doubtful Debts	<u>(40,799)</u>	<u>(47,694)</u>
	<u>394,534</u>	<u>456,759</u>
Non-Current		
Rates Outstanding - Pensioners	31,889	27,697
Loans - Clubs/Institutions	<u>16,334</u>	<u>70,480</u>
	<u>48,223</u>	<u>98,177</u>
5. INVENTORIES		
Current		
Fuel and Materials	<u>43,120</u>	<u>46,868</u>
	<u>43,120</u>	<u>46,868</u>

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

	2007	2006
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	4,976,626	4,889,345
Less Accumulated Depreciation	<u>(1,218,098)</u>	<u>(1,127,096)</u>
	3,758,528	3,762,249
Furniture and Equipment - Cost	741,004	659,583
Less Accumulated Depreciation	<u>(383,271)</u>	<u>(342,791)</u>
	357,733	316,792
Plant and Equipment - Cost	2,607,502	2,552,213
Less Accumulated Depreciation	<u>(949,064)</u>	<u>(813,817)</u>
	1,658,438	1,738,396
Tools - Cost	11,355	11,355
Less Accumulated Depreciation	<u>(7,199)</u>	<u>(6,220)</u>
	4,156	5,135
	<u>5,778,855</u>	<u>5,822,572</u>

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

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Tools \$	Total \$
Balance as at 1 July 2006	3,762,249	316,792	1,738,396	5,135	5,822,572
Additions	235,554	104,919	566,466	0	906,939
(Disposals)	(135,084)	(12,883)	(400,336)	0	(548,305)
Depreciation (Expense)	(104,191)	(51,095)	(246,086)	(979)	(402,351)
Balance as at 30 June 2007	<u>3,758,528</u>	<u>357,733</u>	<u>1,658,433</u>	<u>4,156</u>	<u>5,778,855</u>

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

	2007	2006
	\$	\$
7. INFRASTRUCTURE		
Infrastructure - Cost	20,812,615	20,374,890
Less Accumulated Depreciation	<u>(4,782,545)</u>	<u>(4,272,936)</u>
	<u>16,030,070</u>	<u>16,101,954</u>
	<u>16,030,070</u>	<u>16,101,954</u>

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

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

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Infrastructure \$	Total \$
Balance as at 1 July 2006	16,101,954	16,101,954
Additions	437,725	437,725
Depreciation (Expense)	(509,609)	(509,609)
Balance as at 30 June 2007	16,030,070	16,030,070

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

	2007	2006
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	229,559	247,777
Accrued Interest on Debentures	2,717	3,257
Accrued Salaries and Wages	7,582	6,473
	<u>239,858</u>	<u>257,507</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge Debentures	45,328	46,811
	<u>45,328</u>	<u>46,811</u>
Non-Current		
Secured by Floating Charge Debentures	240,432	318,495
	<u>240,432</u>	<u>318,495</u>
Additional detail on borrowings is provided in Note 20.		
10. PROVISIONS		
Current		
Provision for Annual Leave	104,814	95,080
Provision for Long Service Leave	76,847	44,926
	<u>181,661</u>	<u>140,006</u>
Non-Current		
Provision for Annual Leave	21,272	21,335
Provision for Long Service Leave	91,233	103,207
	<u>112,505</u>	<u>124,542</u>

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

	2,007 \$	2,007 Budget \$	2,006 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	124,909	124,910	119,254
Amount Set Aside / Transfer to Reserve	8,381	6,995	5,655
Amount Used / Transfer from Reserve	<u>(30,000)</u>	<u>(30,000)</u>	<u>0</u>
	<u>103,290</u>	<u>101,905</u>	<u>124,909</u>
(b) Plant Reserve			
Opening Balance	62,929	62,929	69,195
Amount Set Aside / Transfer to Reserve	4,222	3,524	3,734
Amount Used / Transfer from Reserve	<u>0</u>	<u>(31,000)</u>	<u>(10,000)</u>
	<u>67,151</u>	<u>35,453</u>	<u>62,929</u>
(c) Municipal Buildings Reserve			
Opening Balance	157,343	157,343	150,118
Amount Set Aside / Transfer to Reserve	125,153	8,811	7,225
Amount Used / Transfer from Reserve	<u>(53,000)</u>	<u>(64,000)</u>	<u>0</u>
	<u>229,496</u>	<u>102,154</u>	<u>157,343</u>
(d) Recreation & Development Reserve			
Opening Balance	117,682	117,682	79,126
Amount Set Aside / Transfer to Reserve	22,896	21,590	68,556
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(30,000)</u>
	<u>140,578</u>	<u>139,272</u>	<u>117,682</u>
Administration Centre Furniture & Equipment Reserve			
Opening Balance	24,354	24,354	23,153
Amount Set Aside / Transfer to Reserve	6,634	6,364	1,201
Amount Used / Transfer from Reserve	<u>(15,000)</u>	<u>(15,000)</u>	<u>0</u>
	<u>15,988</u>	<u>15,718</u>	<u>24,354</u>
(f) Recreation Centre Equipment Reserve			
Opening Balance	12,235	12,235	9,961
Amount Set Aside / Transfer to Reserve	2,621	2,485	2,274
Amount Used / Transfer from Reserve	<u>0</u>	<u>(9,000)</u>	<u>0</u>
	<u>14,856</u>	<u>5,720</u>	<u>12,235</u>
Aerodrome Maintenance & Development Reserve			
Opening Balance	1,097	1,097	1,014
Amount Set Aside / Transfer to Reserve	5,074	5,061	83
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>6,171</u>	<u>6,158</u>	<u>1,097</u>

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

11. RESERVES - CASH BACKED (continued)

	2,007 \$	2,007 Budget \$	2,006 \$
(h) Land Development Reserve			
Opening Balance	23,995	23,995	22,893
Amount Set Aside / Transfer to Reserve	138,158	128,344	1,102
Amount Used / Transfer from Reserve	0	0	0
	<u>162,153</u>	<u>152,339</u>	<u>23,995</u>
(i) Community Bus Reserve			
Opening Balance	24,032	24,031	18,197
Amount Set Aside / Transfer to Reserve	2,852	4,246	5,835
Amount Used / Transfer from Reserve	0	0	0
	<u>26,884</u>	<u>28,277</u>	<u>24,032</u>
(j) HACC Plant & Leave Reserve			
Opening Balance	33,897	33,898	32,285
Amount Set Aside / Transfer to Reserve	2,275	1,898	1,612
Amount Used / Transfer from Reserve	0	0	0
	<u>36,172</u>	<u>35,796</u>	<u>33,897</u>
TOTAL CASH BACKED RESERVES	<u>802,739</u>	<u>622,792</u>	<u>582,473</u>

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

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

Leave Reserve

The purpose of Council's Leave Reserve Account is to provide provisions to meet Council's Long Service Leave and Accrued Annual Leave liabilities so as to minimise the effect on Council's budget from year to year.

Plant Reserve

The purpose of the Plant reserve account is to provide funds for the ongoing replacement and upgrading of motor vehicles, heavy machinery, light machinery and other equipment necessary in the performance of Council's core functions.

Municipal Buildings Reserve

The purpose of the Municipal Buildings Reserve is to provide funds for the upgrading, renovating or restoration of existing Council owned buildings and the construction of new Council owned buildings, including fences and Council houses.

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

11. RESERVES - CASH BACKED (continued)

Recreation & Development Reserve

The purpose of the Recreation & Development Reserve is to provide funds for the expansion, upgrading and development of Council's Recreation facilities. This includes the upgrading of water supplies and the like for recreation areas within the Shire of Wagin.

Administration Centre Furniture & Equipment Reserve

The purpose of this Reserve is to provide for the purchase of furniture, fittings and equipment with the Council's entire administration building.

Recreation Centre Equipment Reserve

The purpose of the Recreation Centre Equipment Reserve is to provide funds for the purchase of additional or replacement equipment utilised at the Wagin Community Recreation Centre including the upgrading or replacement of fixtures and fittings.

Aerodrome Maintenance & Development Reserve

The purpose of this Reserve is to provide for major maintenance type works (eg resealing of apron area, replacing lights etc) and development type work (such as reconstruction runways, sealing roadways, upgrading buildings, fences etc) at the Wagin Airstrip.

Land Development Reserve

The purpose of this Reserve is to provide funds for the development of land within the Wagin Shire for the benefit of residents and the good Government of the local authority, as determined by Council. This includes the purchase, subdivision and development of land for industrial, residential, commercial and other purposes, as the need arises and as Council sees fit.

Community Bus Reserve

The purpose of this Reserve is to provide funds to allow for the maintenance, upgrade and changeover of the Wagin Community Bus as required from time to time.

HACC Pant & Leave Reserve

The purpose of this Reserve is to provide provisions to meet the HACC long service leave and accrued annual leave liabilities so as to minimise the effect on the HACC budget from year to year and to provide for the replacement of vehicles, should grant monies not be provided or are insufficient to meet requirements.

No Council Reserves will be fully utilised in the 2007/2008 financial year.

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

12. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	2,007 \$	2,007 Budget \$	2,006 \$
Cash and Cash Equivalents	<u>852,872</u>	<u>380,302</u>	<u>988,804</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	(299,883)	(404,717)	402,230
Depreciation	911,960	888,146	896,374
(Increase)/Decrease in Receivables	54,972	77,125	(138,617)
(Profit)/Loss on Sale of Asset	(5,995)	74,755	(8,402)
(Increase)/Decrease in Inventories	3,748	0	(21,785)
Increase/(Decrease) in Payables	(17,649)	(112,377)	(45,798)
Increase/(Decrease) in Employee Provisions	29,618	(142,490)	(47,925)
Grants/Contributions for the Development of Assets	<u>(254,196)</u>	<u>(270,500)</u>	<u>(146,200)</u>
Net Cash from Operating Activities	<u>422,575</u>	<u>109,942</u>	<u>889,877</u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank Overdraft limit	0		0
Bank Overdraft at Balance Date	0		0
Credit Card limit	13,000		13,000
Credit Card Balance at Balance Date	<u>(467)</u>		<u>(603)</u>
Total Amount of Credit Unused	<u>12,533</u>		<u>12,397</u>
Loan Facilities			
Loan Facilities - Current	45,328		46,811
Loan Facilities - Non-Current	<u>240,432</u>		<u>318,495</u>
Total Facilities in Use at Balance Date	<u>285,760</u>		<u>365,306</u>
Unused Loan Facilities at Balance Date	<u>0</u>		<u>0</u>

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

13. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

Council has no Finance Leases of Hire Purchase Commitments at 30th June 2007

(b) Operating Lease Commitments

Council has no Operating Lease Commitments at 30th June 2007

(c) Capital Expenditure Commitments

Council has no Capital Expenditure Commitments at 30th June 2007

14. CONTINGENT LIABILITIES

Council has no Contingent Liabilities as at 30th June 2007

15. JOINT VENTURE

The Shire together with the Shires of West Arthur and Williams have a joint venture arrangement with regard to the provision of an Environmental Health and Building Surveying Service.

	2007	2006
	\$	\$
16 TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY		
Governance	572,895	487,465
Law, Order, Public Safety	118,056	109,542
Health	476,939	485,479
Education and Welfare	230,794	204,290
Community Amenities	97,231	79,305
Recreation and Culture	2,551,145	2,504,084
Transport	17,171,985	17,293,642
Economic Services	143,729	116,938
Unallocated	1,784,900	2,234,389
	<u>23,147,674</u>	<u>23,515,134</u>

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

17. FINANCIAL RATIOS	2007	2006	2005
Current Ratio	1.08	2.86	1.25
Untied Cash to Trade Creditors Ratio	0.00	0.00	0.57
Debt Ratio	0.04	0.04	0.04
Debt Service Ratio	0.02	0.01	0.02
Gross Debt to Revenue Ratio	0.06	0.08	0.09
Gross Debt to Economically Realisable Assets Ratio	0.04	0.01	0.06
Rate Coverage Ratio	0.25	0.24	0.26
Outstanding Rates Ratio	0.05	0.06	0.08

The above ratios are calculated as follows:

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

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

18. TRUST FUNDS

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

	Balance 1-Jul-06 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-07 \$
Deposits - Town Hall	1,025	800	(1,200)	625
Deposits - Community Bus	300	2,550	(2,400)	450
Deposits - Rec Centre	250	1,925	(1,175)	1,000
Deposits - Animal Trap	0	170	(120)	50
BCITF	155	2,241	(2,241)	155
BRB	286	2,271	(2,407)	150
Nomination Deposits	0	240	(240)	0
Pre Paid Rates	1,382	1,086	(1,049)	1,419
Other Deposits	7,700	5,528	(8,183)	5,045
Unclaimed Money	1,399	0	0	1,399
Licensing Takings	6,830	1,359,436	(1,350,948)	15,318
	<u>19,327</u>			<u>25,611</u>

19. DISPOSALS OF ASSETS - 2006/07 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land & Buildings						
Other Property and Services						
Lot 51 Pederick Drive	23,125	23,125	21,500	21,500	(1,625)	(1,625)
Lot 60 Pederick Drive	23,125	23,125	24,000	24,000	875	875
Lot 54 Pederick Drive	23,125	23,125	23,500	23,500	375	375
Lot 52 Pederick Drive	23,125	23,125	23,000	25,000	(125)	1,875
Lot 53 Khedive Street Wagin	23,125	23,125	23,500	25,000	375	1,875
Pt Lot 233 Victor Street Wagin	0	0	5,000	0	5,000	0
21 Tarbet Street Wagin	19,459	0	120,000	0	100,541	0
Furniture and Equipment						
Governance						
Office Furniture	12,883	0	925	0	(11,958)	0
Plant and Equipment						
Governance						
Falcon Sedan W.001	21,870	19,500	20,455	22,000	(1,415)	2,500
Ford Falcon XR8 W.1	33,116	32,000	30,211	33,000	(2,905)	1,000
Falcon XR8 Sedan W.1	29,909	32,000	30,000	33,000	91	1,000
Health						
Ford Falcon XR6 W.1479	25,347	25,500	24,618	30,000	(729)	4,500
Transport						
Ford Territory W.1008	31,316	29,000	31,909	30,000	593	1,000
Toro Ride on Mower	2,827	0	0	0	(2,827)	0
JCB Loader	146,459	150,000	62,500	77,000	(83,959)	(73,000)
2001 Isuzu Truck W.1002	79,461	87,000	85,909	70,000	6,448	(17,000)
Ford Territory W.1008	30,033	29,000	27,273	30,000	(2,760)	1,000
	<u>548,305</u>	<u>519,625</u>	<u>554,300</u>	<u>444,000</u>	<u>5,995</u>	<u>(75,625)</u>

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

20. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-06	New Loans	Principal Repayments		Principal 30-Jun-07		Interest Repayments	
	\$	\$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
124 Medical Centre	131,051		18,232	18,232	0	112,819	8,946	8,946
126 Wagin Bowling Club **	36,668		36,150	3,933	518	32,735	1,051	1,536
127 Wagin Frail Aged **	12,000		6,000	6,000	0	6,000	0	0
128 Wagin Ag. Society **	46,284		14,539	14,539	0	31,745	2,524	2,524
131 Recreation Development	139,303		4,107	4,108	0	135,196	8,837	8,837
	365,306	0	79,028	46,812	518	285,760	318,494	21,358
								21,843

(*) Self supporting loan financed by payments from third parties.
All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2006/07

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
132 LIA Development	0	225,000	WATC	Debenture	20	175,771	6.36	0	225,000	0
133 Swim Pool & Eric Farrow Pav	0	120,000	WATC	Debenture	20	93,744	6.36	0	120,000	0

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

20. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

There were no unspent Loan Debenture Funds as at 30th June 2007.

(d) Overdraft

Council did not use a overdraft facility during 2006 / 2007 Financial Year and does not have any overdraft facility in place.

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

21. RATING INFORMATION - 2006/07 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV	10.7480	858	4,331,486	465,548	7,729	0	473,277	465,548	5,000	500	471,048
UV	1.1259	357	68,763,000	774,175	1,014	0	775,189	774,175	500	0	774,675
Sub-Totals		1,215	73,094,486	1,239,723	8,743	0	1,248,466	1,239,723	5,500	500	1,245,723
Minimum Rates											
GRV	\$250	165	97,738	41,250	0	0	41,250	0	0	0	41,250
UV	\$250	19	218,714	4,750	0	0	4,750	0	0	0	4,750
Sub-Totals		184	316,452	46,000	0	0	46,000	0	0	0	46,000
Specified Area Rate (refer note 23)							1,294,466				1,291,723
Discounts (refer note 25)							0				0
Totals							1,294,466				1,291,723
							(49,339)				(50,744)
							1,245,127				1,240,979

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

22. SPECIFIED AREA RATE - 2006/07 FINANCIAL YEAR

The Shire of Wagin did not levy a Specified Area Rate for the 2006 / 2007 Financial Year.

23. SERVICE CHARGES - 2006/07 FINANCIAL YEAR

The Shire of Wagin did not levy any Service Charges for the 2006 / 2007 Financial Year.

**24. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2006/07 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	5	49,339	50,744
			49,339	50,744
Rate Assessment	Write-Off		4,867	4,000

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11		7,801	9,000
Interest on Instalments Plan	5.5		1,856	1,500
Charges on Instalment Plan		5	2,070	2,000
			11,727	12,500

Ratepayers had the option of paying rates in four equal instalments, due on 29th September 2006, 29th November 2006, 29th January 2007 and 29th March 2007. Administration charges and interest applied for the final three instalments.

26. FEES & CHARGES	2007 \$	2006 \$
Governance	335	0
General Purpose Funding	23,020	36,670
Law, Order, Public Safety	13,197	4,304
Education & Welfare	22,284	18,276
Health	4,091	32,771
Community Amenities	153,067	10,874
Recreation & Culture	36,167	32,665
Transport	0	0
Economic Services	42,500	25,353
Other Property & Services	501,530	466,615
	<u>796,191</u>	<u>627,528</u>

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

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

27. GRANT REVENUE	2007	2006
	\$	\$
By Nature and Type:		
Grants and Subsidies - operating	1,589,466	2,117,644
Grants and Subsidies - non-operating	254,196	146,200
	<u>1,843,662</u>	<u>2,263,844</u>
By Program:		
General Purpose Funding	900,871	867,736
Law, Order, Public Sector	148,648	23,650
Education & Welfare	289,807	229,043
Recreation and Culture	3,000	3,000
Transport	408,387	654,485
Economic Services	92,949	485,930
	<u>1,843,662</u>	<u>2,263,844</u>

28. COUNCILLORS' REMUNERATION	2007	2007	2006
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	5,360	6,000	5,575
President's Allowance	5,400	5,400	5,200
Deputy President's Allowance	1,350	1,350	1,300
Travelling Expenses	1,588	2,000	1,274
Telecommunications Allowance	0	600	0
	<u>13,698</u>	<u>15,350</u>	<u>13,349</u>

29. EMPLOYEES' REMUNERATION

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

Salary Range	2007	2006
\$		
200,000 - 209,999	0	1
220,000 - 229,999	1	0

30. EMPLOYEE NUMBERS

	2007	2006
The number of full-time equivalent Employees at balance date	<u>38</u>	<u>45</u>

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

31. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is disclosed in Note 27.

32. MAJOR LAND TRANSACTIONS

Council did not participate in any Major land Transactions during the 2006 / 2007 financial year.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Wagin Medical Centre

Council's objective is to provide an efficient and quality Medical service to it's community. Operating costs are met by consultation fees charged to patients.

	2007 \$	2007 Budget \$	2006 \$
(a) Operating Statement			
Operating Revenues			
Surgery Visits	328,479	435,000	375,288
Hospital Visits	52,153	80,000	64,171
Practice Incentive Payments	30,855	45,000	42,141
WACRRM Practice Support	2,700	6,000	9,300
Contribution from the Shire of Dumbleyung	10,420	10,420	10,000
Interest	958	1,500	1,454
Reimbursments	1,432	2,500	8,596
	426,997	580,420	510,950
Less Operating Expenses			
Employee Expenses	457,240	472,500	452,306
Insurance	6,462	20,200	6,506
Medical Stock	8,120	12,000	9,164
Administration	12,767	16,000	0
Medical Centre Maintenance	5,669	7,000	6,078
Other	25,920	52,720	41,679
	516,178	580,420	515,733
Operating Result	(89,181)	0	(4,783)

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

34. INTEREST RATE RISK

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

Year Ended 30 June 2007	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
FINANCIAL ASSETS								
Fixed Rate								
Other Financial Assets	0	0	0	0	0	0	0	
Weighted Average Effective Interest Rate								
Floating Rate								
Cash and Cash Equivalents	852,872	0	0	0	0	0	852,872	6.10%
Weighted Average Effective Interest Rate	6.10%							
FINANCIAL LIABILITIES								
Fixed Rate								
Debentures	0	0	0	31,745	0	248,015	279,760	6.64%
Weighted Average Effective Interest Rate				5.91%		6.73%		

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

34. INTEREST RATE RISK (Continued)

Year Ended 30 June 2006	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
FINANCIAL ASSETS								
Fixed Rate								
Other Financial Assets	0	0	0	0	0	0	0	
Weighted Average Effective Interest Rate								
Floating Rate								
Cash and Cash Equivalents	988,804	0	0	0	0	0	988,804	5.68%
Weighted Average Effective Interest Rate	5.68%							
FINANCIAL LIABILITIES								
Fixed Rate								
Debentures	0	0	0	0	46,284	307,022	353,306	6.37%
Weighted Average Effective Interest Rate					5.91%	6.44%		



INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF THE SHIRE OF WAGIN

Report on the Financial Report

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

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

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

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

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

Statutory Compliance

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

Annual Financial Report

The annual financial report for the year ended 30 June 2006 was not submitted to the Executive Director of the Department of the Local Government within 30 days of receipt of the auditor's report as required by Financial Management Regulation 51(2).

Other Matters

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

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

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Date: 2 October 2007
Perth, WA

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