# Annual Financial Report

For the year ended
30 June 2011

# SHIRE OF DONNYBROOK/BALINGUP

## FINANCIAL REPORT

## FOR THE YEAR ENDED 30TH JUNE 2011

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Note: The principal place of business of the Shire of Donnybrook / Balingup is:
Corner Collins and Bentley Streets, Donnybrook WA 6239

**SHIRE OF DONNYBROOK/BALINGUP**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2011**

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

## STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Donnybrook / Balingup being the annual financial report, supporting notes and other information for the financial year ended 30th June 2011 are in my opinion properly drawn up to present fairly the financial position of the Shire of Donnybrook / Balingup at 30th June 2011 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under that Act.

Signed on the 11th November 2011

**John R Attwood**
**Chief Executive Officer**

**SHIRE OF DONNYBROOK/BALINGUP**
**STATEMENT OF COMPREHENSIVE INCOME**
***BY NATURE OR TYPE***
**FOR THE YEAR ENDED 30TH JUNE 2011**

| | NOTE | 2011 $ | 2011 Budget $ | 2010 $ |
|---|---|---|---|---|
| **Revenue** | | | | |
| Rates | 23 | 2,905,903 | 2,910,552 | 2,736,158 |
| Operating Grants, Subsidies and Contributions | 29 | 3,633,366 | 4,046,230 | 3,464,105 |
| Fees and Charges | 28 | 1,790,982 | 1,682,060 | 1,626,046 |
| Interest Earnings | 2(a) | 377,702 | 320,908 | 372,179 |
| Other Revenue | | 149,535 | 133,716 | 140,515 |
| | | 8,857,487 | 9,093,466 | 8,339,003 |
| **Expenses** | | | | |
| Employee Costs | | (4,047,617) | (4,201,551) | (3,928,556) |
| Materials and Contracts | | (2,321,734) | (2,890,588) | (2,241,415) |
| Utility Charges | | (323,816) | (319,095) | (280,561) |
| Depreciation on Non Current Assets | 2(a) | (2,498,125) | (2,455,310) | (2,445,032) |
| Interest Expenses | 2(a) | (61,543) | (78,670) | (141,644) |
| Insurance Expenses | | (218,958) | (214,313) | (207,874) |
| Other Expenditure | | (555,685) | (872,663) | (534,306) |
| | | (10,027,478) | (11,032,190) | (9,779,389) |
| Less Applicable to Capital Works | | 311,639 | 341,047 | 294,563 |
| | | (9,715,839) | (10,691,143) | (9,484,825) |
| | | (858,352) | (1,597,677) | (1,145,822) |
| Non-Operating Grants, Subsidies and Contributions | 29 | 3,056,874 | 4,331,718 | 1,575,006 |
| Profit on Asset Disposals | 21 | 121,060 | 391,866 | 54,310 |
| Loss on Asset Disposals | 21 | (27,746) | (10,710) | (6,918) |
| **NET RESULT** | | **2,291,836** | **3,115,197** | **476,575** |
| **Other Comprehensive Income** | | | | |
| Changes on revaluation of non-current assets | 13 | 0 | 0 | 3,136,756 |
| **Total Other Comprehensive Income** | | 0 | 0 | 3,136,756 |
| **TOTAL COMPREHENSIVE INCOME** | | **2,291,836** | **3,115,197** | **3,613,332** |

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

**SHIRE OF DONNYBROOK/BALINGUP**
**STATEMENT OF COMPREHENSIVE INCOME**
***BY PROGRAM***
**FOR THE YEAR ENDED 30TH JUNE 2011**

| | NOTE | 2011 $ | 2011 Budget $ | 2010 $ |
|---|---|---|---|---|
| **Revenue** | **2(a)** | | | |
| Governance | | 28,109 | 25,936 | 3,974 |
| General Purpose Funding | | 4,826,764 | 5,156,568 | 4,511,282 |
| Law, Order, Public Safety | | 282,344 | 392,191 | 224,553 |
| Health | | 1,099,414 | 1,110,499 | 463,005 |
| Education and Welfare | | 2,370,053 | 2,290,569 | 2,311,004 |
| Community Amenities | | 796,123 | 738,334 | 687,153 |
| Recreation and Culture | | 435,754 | 615,530 | 318,510 |
| Transport | | 1,840,849 | 2,883,424 | 1,067,954 |
| Economic Services | | 279,986 | 559,001 | 308,930 |
| Other Property and Services | | 76,025 | 45,700 | 77,794 |
| | | 12,035,421 | 13,817,752 | 9,974,158 |
| **Expenses Excluding Finance Costs** | **2(a)** | | | |
| Governance | | (467,763) | (533,122) | (437,514) |
| General Purpose Funding | | (173,564) | (185,645) | (187,415) |
| Law, Order, Public Safety | | (416,365) | (427,224) | (499,242) |
| Health | | (99,345) | (111,723) | (99,649) |
| Education and Welfare | | (2,336,222) | (2,386,293) | (2,221,969) |
| Community Amenities | | (1,113,446) | (1,226,660) | (1,058,583) |
| Recreation & Culture | | (1,843,144) | (2,154,320) | (1,742,431) |
| Transport | | (2,583,313) | (2,573,568) | (2,548,993) |
| Economic Services | | (562,503) | (958,688) | (446,390) |
| Other Property and Services | | (86,378) | (66,642) | (113,753) |
| | | (9,682,042) | (10,623,885) | (9,355,938) |
| **Finance Costs** | **2(a)** | | | |
| General Purpose Funding | | | (1,000) | 0 |
| Health | | (8,852) | (8,779) | (9,221) |
| Education and Welfare | | (15,799) | (30,678) | (92,430) |
| Recreation and Culture | | (2,237) | (2,352) | (2,084) |
| Economic Services | | (34,656) | (35,861) | (37,909) |
| | | (61,543) | (78,670) | (141,644) |
| **NET RESULT** | | **2,291,836** | **3,115,197** | **476,575** |
| **Other Comprehensive Income** | | | | |
| Changes on revaluation of non-current assets | 13 | 0 | 0 | 3,136,756 |
| **Total Other Comprehensive Income** | | 0 | 0 | 3,136,756 |
| **TOTAL COMPREHENSIVE INCOME** | | **2,291,836** | **3,115,197** | **3,613,332** |

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

**SHIRE OF DONNYBROOK/BALINGUP**
**STATEMENT OF FINANCIAL POSITION**
**AS AT 30TH JUNE 2011**

| | NOTE | 2011 $ | 2010 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and Cash Equivalents | 3 | (250,556) | 1,502,408 |
| Restricted Assets (Trust Fund) | 20 | 1,579,118 | 1,257,813 |
| Restricted Assets (Reserves) | 3 | 6,042,538 | 5,469,955 |
| Accounts Receivable (Rates Debtors) | 5 | 137,965 | 71,712 |
| Accounts Receivable (Other Debtors) | 5 | 339,314 | 431,992 |
| Accrued Income | 5 | 939,046 | 31,090 |
| Prepayments | 5 | 4,774 | 9,058 |
| Inventories (Stock on Hand) | 6 | 12,013 | 10,759 |
| TOTAL CURRENT ASSETS | | 8,804,212 | 8,784,786 |
| **NON-CURRENT ASSETS** | | | |
| Deferred Debtors (Self Support. Loans) | 5 | 26,672 | 36,380 |
| Pensioner Deferred Rates | 5 | 34,428 | 28,565 |
| Long Term Investments | 4 | 25,000 | 25,000 |
| Accrued Income | 5 | 61,977 | 44,811 |
| Land and Buildings | 7 | 21,057,788 | 19,329,411 |
| Infrastructure, Roads, Streets etc. | 8 | 87,721,876 | 87,571,927 |
| Plant / Mobile Equipment | 7 | 2,731,258 | 2,477,962 |
| Furniture and Equipment | 7 | 346,948 | 345,976 |
| TOTAL NON-CURRENT ASSETS | | 112,005,947 | 109,860,032 |
| **TOTAL ASSETS** | | 120,810,159 | 118,644,819 |
| **CURRENT LIABILITIES** | | | |
| Accounts Payable (Creditors) | 9 | 381,422 | 591,999 |
| Prepayments | 9 | 0 | 3,780 |
| Interest-bearing Liabilities | 10 | 100,129 | 294,179 |
| Accrued Expenses | 9 | 57,550 | 26,328 |
| Employee Provisions | 11 | 444,396 | 446,864 |
| Trust Fund | 20 | 1,579,118 | 1,257,813 |
| TOTAL CURRENT LIABILITIES | | 2,562,614 | 2,620,961 |
| **NON-CURRENT LIABILITIES** | | | |
| Interest-bearing Liabilities | 10 | 750,725 | 850,854 |
| Bond Liability | 10 | 187,229 | 187,229 |
| Preston Village Lease Liability | 10 | 3,525,644 | 3,525,644 |
| Long Term Employee Provisions | 11 | 204,306 | 172,325 |
| TOTAL NON-CURRENT LIABILITIES | | 4,667,904 | 4,736,051 |
| **TOTAL LIABILITIES** | | 7,230,517 | 7,357,013 |
| **NET ASSETS** | | 113,579,642 | 111,287,806 |
| **EQUITY** | | | |
| Retained Surplus | | 20,239,986 | 18,633,199 |
| Reserves - Cash/Investment Backed | 12 | 5,084,826 | 4,399,777 |
| Reserves - Asset Revaluation | 13 | 88,254,830 | 88,254,830 |
| TOTAL EQUITY | | 113,579,642 | 111,287,806 |

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

**SHIRE OF DONNYBROOK/BALINGUP**
**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED 30TH JUNE 2011**

| | NOTE | RETAINED SURPLUS $ | RESERVES CASH BACKED $ | ASSET REVALUATION RESERVES $ | TOTAL EQUITY $ |
|---|---|---|---|---|---|
| Balance as at 1 July 2009 | | 18,280,701 | 4,275,700 | 85,118,073 | 107,674,474 |
| Net Result | | 476,575 | 0 | 0 | 476,575 |
| Total Other Comprehensive Income | | 0 | 0 | 3,136,756 | 3,136,756 |
| Transfer from/(to) Reserves | | (124,077) | 124,077 | 0 | 0 |
| **Balance as at 30 June 2010** | | **18,633,199** | **4,399,777** | **88,254,830** | **111,287,806** |
| Net Result | | 2,291,836 | 0 | 0 | 2,291,836 |
| Total Other Comprehensive Income | | 0 | 0 | 0 | 0 |
| Transfer from/(to) Reserves | | (685,049) | 685,049 | 0 | 0 |
| **Balance as at 30 June 2011** | | **20,239,986** | **5,084,826** | **88,254,830** | **113,579,642** |

**SHIRE OF DONNYBROOK/BALINGUP**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 30TH JUNE 2011**

| | NOTE | 2011 $ | 2011 Budget $ | 2010 $ |
|---|---|---|---|---|
| **Cash Flows From Operating Activities** | | | | |
| **Receipts** | | | | |
| Rates | | 2,836,032 | 2,906,037 | 2,717,447 |
| Operating Grants, Subsidies and Contributions | | 3,543,659 | 4,043,136 | 3,429,807 |
| Fees and Charges | | 1,785,812 | 1,694,087 | 1,606,238 |
| Interest Earnings | | 391,981 | 321,947 | 370,753 |
| Goods and Services Tax | | 906,093 | 857,889 | 560,888 |
| Other Revenue | | 148,605 | 135,958 | 141,004 |
| | | 9,612,183 | 9,959,054 | 8,826,137 |
| **Payments** | | | | |
| Employee Costs | | (4,043,689) | (4,235,352) | (3,934,982) |
| Materials and Contracts | | (2,383,809) | (2,926,236) | (2,192,572) |
| Utility Charges | | (326,038) | (317,586) | (283,240) |
| Insurance Expenses | | (218,958) | (214,313) | (207,874) |
| Interest Expenses | | (63,979) | (80,708) | (139,672) |
| Goods and Services Tax | | (913,811) | (850,000) | (672,674) |
| Other Expenditure | | (538,078) | (871,896) | (543,266) |
| Less Applicable to Capital Works | | 311,639 | 341,047 | 294,563 |
| | | (8,176,723) | (9,155,044) | (7,679,717) |
| **Net Cash Provided by Operating Activities** | 14(b) | 1,435,460 | 804,010 | 1,146,421 |
| **Cash Flows from Investing Activities** | | | | |
| Payments for Purchase of Land and Buildings | | (2,090,591) | (3,418,026) | (1,201,152) |
| Payments for Purchase of Plant & Equipment | | (1,004,635) | (1,020,326) | (554,890) |
| Payments for Construction of Infrastructure | | (1,892,095) | (4,234,218) | (1,914,877) |
| Advances to Community Groups | | 0 | 0 | (50,000) |
| Non-Operating Grants, Subsidies and Contributions used for the Development of Assets | | 2,113,343 | 4,327,938 | 1,578,786 |
| Proceeds from Sale of Land and Buildings | | 0 | 300,000 | 0 |
| Proceeds from Sale of long term lease of Buildings | | 0 | 0 | 1,000,644 |
| Proceeds from Sale of Plant & Equipment | | 343,116 | 328,756 | 224,980 |
| **Net Cash Used in Investing Activities** | | (2,530,863) | (3,715,876) | (916,509) |
| **Cash Flows from Financing Activities** | | | | |
| Repayment of Debentures | | (294,179) | (294,179) | (1,226,830) |
| Proceeds from Self Supporting Loans | | 209,201 | 9,201 | 4,419 |
| Proceeds from New Debentures | | 0 | 500,000 | 250,000 |
| **Net Cash Used in Financing Activities** | | (84,977) | 215,022 | (972,411) |
| **Net Decrease in Cash Held** | | (1,180,381) | (2,696,844) | (742,500) |
| Cash at Beginning of Year | | 6,972,362 | 6,972,362 | 7,714,862 |
| **Cash and Cash Equivalents at the End of Year** | 14(a) | 5,791,982 | 4,275,518 | 6,972,362 |

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

**SHIRE OF DONNYBROOK/BALINGUP**
**RATE SETTING STATEMENT**
**FOR THE YEAR ENDED 30TH JUNE 2011**

| | | NOTE | 2011 $ | 2011 Budget $ | 2010 $ |
|---|---|---|---|---|---|
| | **Revenues** | | | | |
| | General Purpose Funding (Excl. Rates) | | 1,920,861 | 2,246,014 | 1,775,124 |
| | Governance | | 28,109 | 25,936 | 3,974 |
| | Law, Order, Public Safety | | 282,344 | 392,191 | 224,553 |
| | Health | | 1,099,414 | 1,110,499 | 463,005 |
| | Education and Welfare | | 2,370,053 | 2,290,569 | 2,311,004 |
| | Community Amenities | | 796,123 | 738,334 | 687,153 |
| | Recreation and Culture | | 435,754 | 615,530 | 318,510 |
| | Transport | | 1,840,849 | 2,883,424 | 1,067,954 |
| | Economic Services | | 279,986 | 559,001 | 308,930 |
| | Other Property and Services | | 76,025 | 45,700 | 77,794 |
| | | | 9,129,518 | 10,907,198 | 7,238,000 |
| | **Expenses** | 1,2 | | | |
| | General Purpose Funding | | (173,564) | (186,645) | (187,415) |
| | Governance | | (467,763) | (533,122) | (437,514) |
| | Law, Order, Public Safety | | (416,365) | (427,224) | (499,242) |
| | Health | | (108,197) | (120,502) | (108,870) |
| | Education and Welfare | | (2,352,022) | (2,416,971) | (2,314,399) |
| | Community Amenities | | (1,113,446) | (1,226,660) | (1,058,583) |
| | Recreation & Culture | | (1,845,380) | (2,156,672) | (1,744,515) |
| | Transport | | (2,583,313) | (2,573,568) | (2,548,993) |
| | Economic Services | | (597,158) | (994,549) | (484,299) |
| | Other Property and Services | | (86,378) | (66,642) | (113,753) |
| | | | (9,743,585) | (10,702,555) | (9,497,582) |
| | **Net Operating result Excluding Rates** | | (614,068) | 204,643 | (2,259,582) |
| | **Adjustments for Cash Budget Requirements:** | | | | |
| | **Non-Cash Expenditure and Revenue** | | | | |
| | (Profit)/Loss on Asset Disposals | 21 | (93,314) | (381,156) | (47,392) |
| | Depreciation on Assets | 2(a) | 2,498,125 | 2,455,310 | 2,445,032 |
| | Movement in Employee Benefit Provisions | | 43,462 | 0 | 28,613 |
| | Movement in Pensioner Deferred Rates | | (5,863) | 0 | (3,674) |
| | Movement in Self Supporting Loans | | (190,292) | 0 | 0 |
| | **Capital Expenditure and Revenue** | | | | |
| | Purchase Land and Buildings | 7 | (2,133,915) | (3,413,128) | (1,188,071) |
| | Purchase Infrastructure Assets - Roads | 7 | (1,371,517) | (2,724,720) | (1,606,067) |
| | Purchase Infrastructure Assets - Other | 7 | (403,839) | (1,479,250) | (404,839) |
| | Purchase Plant and Equipment | 7 | (888,495) | (858,605) | (508,912) |
| | Purchase Furniture and Equipment | 7 | (82,755) | (128,247) | (101,824) |
| | Proceeds from Disposal of Assets | 21 | 343,116 | 628,756 | 224,980 |
| | Proceeds from Leased Property | 10 | 0 | 0 | 1,000,644 |
| | Repayment of Debentures | 22 | (294,179) | (294,179) | (1,234,282) |
| | Self Supporting Loans to Community Groups | | 0 | 0 | (50,000) |
| | Proceeds from New Debentures | 22 | 0 | 500,000 | 250,000 |
| | Self-Supporting Loan Principal Income | | 209,201 | 9,201 | 4,419 |
| | Transfers to Reserves (Restricted Assets) | 12 | (1,187,022) | (710,018) | (1,064,627) |
| | Transfers from Reserves (Restricted Assets) | 12 | 501,973 | 1,272,199 | 940,550 |
| ADD | Estimated Surplus/(Deficit) July 1 B/Fwd | | 2,211,951 | 2,008,642 | 3,050,825 |
| LESS | Estimated (Surplus)/Deficit June 30 C/Fwd | | (1,448,473) | 0 | (2,211,951) |
| | **Amount Req'd to be Raised from Rates** | 23 | (2,905,903) | (2,910,552) | (2,736,158) |

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

## 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 statements are a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. The report has also been prepared on the accrual basis under the convention of historical cost accounting, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**Critical Accounting Estimates**

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making judgements about carrying values of assets and liabilities that are 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 included within the statement of financial position with a corresponding Trust Fund Liability. A statement of these monies appears at Note 20 to the Financial Statements.

### (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 include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities 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 and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities on the statement of financial position.

### (e) Trade and Other Receivables

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

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Inventories

***General***

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

***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 borrowing costs and holding costs until completion of the development. Finance and holding charges incurred after development is completed are expensed.

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

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

### (g) Fixed Assets

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

***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 by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

***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 the basis of such cost to reflect the already consumed or future economic benefits of the asset.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of of the asset.

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

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Fixed Assets (continued)

***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 AASB 1051 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.

***Other***
As of 1st July 2001 Council elected to revert to the cost basis for measuring land, buildings and infrastructure (other than roads) that was carried at a revalued amount at the immediately preceding reporting date being 30th June 2001. Roads are carried at fair value.

### (g) Depreciation of Non-Current Assets
All non-current assets having a limited useful life are 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 |
| Office Furniture and Equipment | 5 to 15 years |
| Computer Equipment | 5 years |
| Plant and Equipment | 5 to 15 years |
| Infrastructure: | |
| Bridges | 35 to 50 years |
| Road clearing and earthworks | not depreciated |
| Road Pavement | 40 years |
| Road Seal | 15 years |
| Carparks | 40 years |
| Cycleways | 40 years |
| Footpaths - Concrete | 50 years |
| Footpaths - Slab | 20 years |
| Storm Water Drainage | 50 years |

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Fixed Assets (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**Capitalisation Threshold**
Expenditure on items of equipment under $1,000 is generally not capitalised.

### (h) Financial Instruments

***Initial Recognition and Measurement***
Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initally measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

***Classification and Subsequent Measurement***
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost.

Fair value represnets the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(a) the amount in which the financial asset or financial liability is measured at intial recognition;

(b) less principal repayments;

(C) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and

(d) less any reduction for impairment.

The effective interest method used is to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial assets or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) Financial Instruments (continued)

*(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 it.

*(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 and are subsequently measured at amortised cost.

Loans and receivables are included in current assets or current liabilities, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

*(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.

Held-to-maturity financial assets are included in no-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

If the 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.

*(iv) Available-for-sale financial assets*
Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

*(v) Financial liabilities*
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Impairment**
At the end of each reporting period, the Council assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is onsidered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) *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 reporting 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.

### (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 that 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 are made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating units 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 cost of the asset.

### (k) Trade and Other Payables

Trade payables 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.

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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 and 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 that the Shire 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 unsing 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.

### (m) 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.

### (n) Provisions

Provisions are recognised when:

a) The Council has a present legal or constructive obligation as a result of past events;
b) for which it is probable that an outflow of economic benefits will result to settle the obligation; and
c) that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Provisions are not recognised for future operating losses.

### (o) 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 Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property, or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for 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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (p) 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 17.

### (q) 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.

### (r) Superannuation

The Shire of Donnybrook/Balingup contributes to a number of Superannuation Funds on behalf of employees.

### (s) 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 the 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 the Council's intentions to release for sale.

### (t) Rounding Off Figures

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

### (u) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a restrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

### (v) 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.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (w) 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 2011.

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 1053 - Application of Tiers of Australian Accounting Standards | June 2010 | 01 July 2013 | Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements. |
| (iv) | 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. |

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

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

| | Title and Topic | Issued | Applicable (*) | Impact |
|---|---|---|---|---|
| (v) | AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9<br><br>[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 (i) above). |
| (vi) | AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements<br>[AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] | June 2010 | 01 July 2013 | Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements. |
| (vii) | AASB 2010 - 4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101, 134, and Interpretation 13] | June 2010 | 01 January 2011 | 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. |

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

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

| | Title and Topic | Issued | Applicable (*) | Impact |
|---|---|---|---|---|
| (viii) | AASB 2010 - 5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] | October 2010 | 01 January 2011 | Nil - The revisions embodied in this standard are largely editorial in nature or relate to standards not applicable to the Council and will have minimal effect (if any) on the accounting practices of the Council. |
| (ix) | AASB 2010 - 6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & 7] | November 2010 | 01 July 2011 | Nil - The revisions embodied in this standard amend disclosures required on transfers of financial assets. The Council is not expected to have any qualifying transfers. |
| (x) | AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)<br><br>[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127) | December 2010 | 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 (i) above). |
| (xi) | AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112] | December 2010 | 01 January 2012 | 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. |

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

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

| | Title and Topic | Issued | Applicable (*) | Impact |
|---|---|---|---|---|
| (xi) | (Continued) | | | |
| | AASB 2010 - 9 Amendments to Australian Accounting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] | December 2010 | 01 July 2011 | 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 2009– 14 Amendments to Australian Interpretations – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] | December 2009 | 01 January 2011 | |
| | AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7] | December 2010 | 01 January 2013 | |

Notes:

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

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (x) 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.

These new and revised standards were:

AASB 2009 - 5
AASB 2009 - 8
AASB 2009 - 10
AASB 2009 - 13
AASB 2010 - 1
AASB 2010 - 3

Interpretation 19

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

## 2. REVENUES AND EXPENSES

| | 2011 $ | 2010 $ |
|---|---|---|
| **(a) Net Result** | | |
| The Net Result includes: | | |
| (i) Charging as an Expense: | | |
| **Auditors Remuneration** | | |
| - Annual Audit | 11,640 | 11,130 |
| - Additional Audit Services | 5,720 | 4,540 |
| | 17,360 | 15,670 |
| **Depreciation - By Class** | | |
| Buildings | 405,538 | 383,157 |
| Furniture and Equipment | 76,874 | 76,145 |
| Plant and Equipment | 390,305 | 429,770 |
| Infrastructure - Roads | 1,267,912 | 1,213,992 |
| Infrastructure - Other | 357,496 | 341,968 |
| | 2,498,125 | 2,445,032 |
| **Interest Expenses** | | |
| Interest on Overdraft | 0 | 0 |
| Debentures (refer Note 22 (a)) | 61,543 | 141,644 |
| | 61,543 | 141,644 |
| **Rental Charges** | | |
| - Operating Leases (Photocopier) | 5,741 | 5,741 |
| - Operating Leases (Rec Centre Gym Equipment) | 10,474 | 2,960 |
| - Operating Leases (Dell Computer Server) | 4,345 | 1,605 |
| | 20,560 | 10,306 |

| (ii) Crediting as Revenue: | 2011 $ | 2011 Budget $ | 2010 $ |
|---|---|---|---|
| **Interest Earnings** | | | |
| Investments | | | |
| - Reserve Funds | 239,683 | 143,808 | 185,977 |
| - Other Funds | 105,856 | 151,100 | 159,830 |
| Other Interest Revenue (refer note 27) | 32,162 | 26,000 | 26,373 |
| | 377,702 | 320,908 | 372,179 |

## 2. REVENUES AND EXPENSES (Continued)

### (b) Statement of Objective

In order to discharge its responsibilities to the community, the Shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

Council operations as disclosed in this financial statement encompass the following service orientated activities/programs:

**GENERAL PURPOSE FUNDING**
Objective: To collect revenue to allow for the provision of services.
Activities: General rate revenue, general purpose grants and interest revenue.

**GOVERNANCE**
Objective: To provide a decision making process for the efficient allocation of scarce resources.
Activities: Administration and operation of facilities and services to members of Council; Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

**LAW, ORDER, PUBLIC SAFETY**
Objective: To provide services to help ensure a safer community.
Activities: Supervision of various local laws, fire prevention, animal control and State Emergency Service.

**HEALTH**
Objective: To provide an operational framework for good community health.
Activities: Health Inspection and administration, preventative services and medical centre buildings.

**EDUCATION AND WELFARE**
Objective: To meet the needs of the community in these areas.
Activities: Operation of Frail Aged Hostel, Well Aged Housing, Home & Community Care, Community Development, Child Care Centre & Youth Welfare.

**HOUSING**
Objective: To help ensure adequate housing.
Activities: Council does not currently provide any services in this area.

**COMMUNITY AMENITIES**
Objective: Provide services required by the community.
Activities: Refuse and recycling collection services, operation of refuse disposal sites, town planning & regional development, cemeteries, public conveniences and protection of the environment.

**RECREATION AND CULTURE**
Objective: To establish and manage efficiently infrastructure and resources which will help the social well being of the community.
Activities: Maintenance of public Halls, parks and reserves, sporting facilities, libraries and museum.

**TRANSPORT**
Objective: To provide effective and efficient transport services to the community.
Activities: Construction and maintenance of roads, drainage works, footpaths, parking facilities, traffic signs, street cleaning, street trees, private works and traffic management.

**ECONOMIC SERVICES**
Objective: To help promote the Shire and improve its economic well being.
Activities: Promotion of Tourism, Maintenance of Caravan Park, building control, noxious weed control, receipt of royalties and agency commisions for Department of Transport.

**OTHER PROPERTY & SERVICES**
Activities: Plant repairs, public works overheads and other operational costs.

## 2. REVENUES AND EXPENSES (Continued)

### (c) Conditions Over Contributions

| Grant / Contribution | Function / Activity | Opening Balance (1) 01/07/09 | Received (2) 2009/10 | Expended (3) 2009/10 | Closing Balance (1) 30/06/10 | Received (2) 2010/11 | Expended (3) 2010/11 | Closing Balance 30/06/11 |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| Grants for Bridgeworks (MRWA) | Transport | 39,000 | 0 | 0 | 39,000 | 585,000 | (40,795) | 583,205 |
| Grants for Bridgeworks (WALGGC) | Transport | 0 | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| Various contributions from Developers for upgrading of specific roads | Transport | 269,021 | 83,507 | (68,833) | 283,695 | 15,143 | (46,400) | 252,438 |
| Regional Road Group Grants | Transport | 47,400 | 0 | 0 | 47,400 | 70,624 | (25,000) | 93,024 |
| State Blackspot Grants | Transport | 22,680 | 0 | 0 | 22,680 | 9,725 | 0 | 32,405 |
| TIRES Road Funding Grants | Transport | 25,000 | 0 | (13,000) | 12,000 | 0 | (12,000) | 0 |
| Roads to Recovery Grants | Transport | 28,000 | 0 | (28,000) | 0 | 50,500 | 0 | 50,500 |
| Grants - Donnybrook CBD Redevelopment | Transport | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sth West Development Commission Grants - Balingup Main Street | Transport | 100,000 | 0 | (73,000) | 27,000 | 0 | (22,800) | 4,200 |
| Royalties for Regions Grants (R4R) | Various | 1,059,080 | 0 | (822,959) | 236,120 | 0 | (236,120) | 0 |
| Community Infrastructure Program Grants (RCLIP) | Various | 187,516 | 78,000 | (200,516) | 65,000 | 79,000 | (73,330) | 70,670 |
| Preston Retirement Village (construction funds) | Education and Welfare | 1,100,758 | 0 | (637,109) | 463,650 | 0 | (463,650) | 0 |
| Donnybrook Medical Centre | Health | 0 | 305,408 | 0 | 305,408 | 1,025,000 | (1,114,561) | 215,847 |
| Preston Retirement Village (maintenance fees) | Education and Welfare | 0 | 0 | 0 | 0 | 1,990 | 0 | 1,990 |
| Department of Local Government (Long Term Financial Planning) | Governance | 0 | 0 | 0 | 0 | 25,000 | 0 | 25,000 |
| | | | | | | | | |
| **Total** | | **2,878,455** | **466,915** | **(1,843,417)** | **1,501,953** | **1,961,982** | **(2,034,656)** | **1,429,279** |

Notes:

(1) Grants / contributions recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period.
(2) New Grants / contributions which have been recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
(3) Grants / contributions which have 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.

## 3. CASH AND CASH EQUIVALENTS

| | 2011 $ | 2010 $ |
|---|---|---|
| Unrestricted | (250,556) | 1,502,408 |
| Restricted | 6,042,538 | 5,469,955 |
| | 5,791,982 | 6,972,362 |
| Municipal Trust Fund | 1,579,118 | 1,257,813 |

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

| | | |
|---|---|---|
| Waste Management Reserve | 769,751 | 749,058 |
| Bushfire Control & Management Reserve | 10,979 | 10,414 |
| Aged Housing Reserve | 1,203,546 | 886,060 |
| Employee Leave & Gratuity Reserve | 171,572 | 162,926 |
| Arbuthnott Memorial Scholarship Reserve | 4,141 | 4,117 |
| Town Planning Reserve | 94,837 | 84,386 |
| Land Development Reserve | 62,739 | 40,484 |
| Plant Replacement Reserve | 212,109 | 116,033 |
| Roadworks Reserve (refer note 2(c)) | 1,170,883 | 1,036,841 |
| (Includes unspent Grants of $471,567) | | |
| Valuation Reserve | 25,875 | 15,102 |
| Central Business District Reserve | 39,463 | 37,546 |
| Buildings Reserve (refer note 2(c)) | 1,131,477 | 1,104,924 |
| Building Maintenance Reserve | 77,712 | 50,000 |
| Electronic Equipment Replacement Reserve | 57,672 | 59,236 |
| Apple Funpark Reserve | 52,069 | 42,650 |
| Total Reserves | 5,084,826 | 4,399,777 |
| Royalties for Regions (R4R) | 0 | 236,120 |
| Community Infrastructure Program (RCLIP) | 70,670 | 65,000 |
| Preston Retirement Village (construction funds) | 0 | 463,650 |
| Donnybrook Medical Centre | 215,847 | 305,408 |
| Roads to Recovery Grant Beelerup Bridge | 544,205 | 0 |
| WA Local Govt Grants Commission - Trevena Rd Bridge | 100,000 | 0 |
| Dept. Local Government Grant - Financial Planning | 25,000 | 0 |
| Preston Retirement Village (maintenance fees - residents) | 1,990 | 0 |
| Unspent Loan Funds (refer note 22(c)) | 0 | 0 |
| | 6,042,538 | 5,469,955 |

## 4. INVESTMENTS

| | 2011 $ | 2010 $ |
|---|---|---|
| Available for Sale Financial Assets | 25,000 | 25,000 |
| **Available for Sale Financial Assets** | | |
| At beginning of the year | 25,000 | 25,000 |
| Revaluation to Income Statement | 0 | 0 |
| Additions | 0 | 0 |
| Disposals | 0 | 0 |
| At end of Year | 25,000 | 25,000 |
| **Held for Trading** | | |
| - unlisted Shares (Community Bank) | 25,000 | 25,000 |

No restrictions have been imposed by regulations or other externally imposed requirements in respect to the above investments.

## 5. TRADE AND OTHER RECEIVABLES

| Current | 2011 $ | 2010 $ |
|---|---|---|
| **Rates Outstanding** | | |
| General | 87,023 | 46,883 |
| Penalty Interest | 15,124 | 8,126 |
| Sanitation | 3,335 | 2,220 |
| Admin. Charge & Interest | 51 | 13 |
| Waste Management Levy | 9,100 | 7,781 |
| Fire Levy | 84 | 84 |
| Pool Inspection | 28 | 14 |
| Legal | 16,184 | 1,799 |
| | 130,928 | 66,919 |
| **Sundry Debtors** | 281,500 | 182,402 |
| | 281,500 | 182,402 |
| **GST Receivable** | 48,106 | 40,389 |
| | 48,106 | 40,389 |
| **Emergency Services Levy Receivable** | 7,037 | 4,793 |
| | 7,037 | 4,793 |
| **Accrued Income** | | |
| New Medical Centre Capital Grants | 900,000 | 0 |
| Tuia Lodge Operating Subsidy payment | 2,889 | 0 |
| Marathon Committee Donation to Rec Centre | 2,945 | 0 |
| Miscellaneous Reimbursements | 770 | 0 |
| Donnybrook Transit Park Income | 776 | 0 |
| Dept. Transport Licensing Commissions | 6,469 | 7,242 |
| Donnybrook Recreation Centre Income | 99 | 175 |
| Interest on Bendigo Bank Cheque Accounts | 1,873 | 2,039 |
| Balingup Transit Park Income | 1,040 | 2,623 |
| Balingup Transfer Station Income | 0 | 944 |
| Dental Surgery Rental Income | 0 | 313 |
| Workers Compensation Reimbursements | 4,222 | 1,048 |
| Private Works Charges | 0 | 12,097 |
| Preston Retirement Village Deferred Charges | 17,961 | 4,609 |
| | 939,046 | 31,090 |
| **Prepayments** | | |
| Industrial Service Subscription (Tuia Lodge) | 911 | 0 |
| Subscriptions prepaid | 581 | 0 |
| BOC Container Rental | 527 | 0 |
| Conference Registration Fees | 709 | 2,200 |
| Lease charge for Copier, Gym Equip & Dell Equip. | 0 | 4,900 |
| Landgate Subscription for Cadastre & Aerial Data | 2,046 | 1,958 |
| | 4,774 | 9,058 |

| 5. TRADE AND OTHER RECEIVABLES (continued) | 2011 $ | 2010 $ |
|---|---|---|
| **Self Supporting Loan Debtors** | | |
| Balingup "Vintage" Aged Accommodation Units | 0 | 200,000 |
| Donnybrook Country Club | 9,708 | 9,201 |
| | 9,708 | 209,201 |
| | 1,421,097 | 543,853 |
| **Non-Current** | | |
| **Pensioner Deferred Rates** | 34,428 | 28,565 |
| | 34,428 | 28,565 |
| **Self Supporting Loan Debtors** | | |
| Donnybrook Country Club | 26,672 | 36,380 |
| | 26,672 | 36,380 |
| **Long Term Investments** | | |
| Shares in Donnybrook Capel Districts Financial Services - Community Bank | 25,000 | 25,000 |
| | 25,000 | 25,000 |
| **Accrued Income** | | |
| Preston Retirement Village Deferred Charges | 61,977 | 44,811 |
| | 61,977 | 44,811 |
| | 148,077 | 134,756 |

## 6. INVENTORIES

| **Current** | | |
|---|---|---|
| Recreation Centre Kiosk Supplies | 855 | 857 |
| Fuels and Oils - at cost | 11,158 | 9,901 |
| | 12,013 | 10,759 |

## 7. PROPERTY, PLANT AND EQUIPMENT

| | 2011<br>$ | 2010<br>$ |
|---|---|---|
| Land - Cost | 2,554,627 | 2,533,261 |
| | 2,554,627 | 2,533,261 |
| Buildings - Cost | 25,879,643 | 23,767,094 |
| Less Accumulated Depreciation | (7,376,482) | (6,970,944) |
| | 18,503,161 | 16,796,150 |
| Furniture and Equipment - Cost | 1,262,144 | 1,189,720 |
| Less Accumulated Depreciation | (915,196) | (843,745) |
| | 346,948 | 345,976 |
| Plant and Equipment - Cost | 5,030,572 | 4,820,114 |
| Less Accumulated Depreciation | (2,299,314) | (2,342,152) |
| | 2,731,258 | 2,477,962 |
| | 24,135,994 | 22,153,349 |

A revaluation of land and buildings was undertaken on Council's behalf by the Valuer General's Office in 1998. Land and Buildings were revalued to their current replacement cost. Subsequent acquistions of land and buildings are brought to account at historical cost. Furniture & Equipment and Plant & Equipment are carried at historical cost.

Effective from 1st July 2001, Council deemed the carrying amount of Land and Buildings, previously carried at a revalued amount based on market value, to be their cost.

These assets, along with all other property, plant and equipment asset classes are carried at cost and whilst not subject to a policy of regular revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB136 "Impairment of Assets".

## 7. PROPERTY, PLANT AND EQUIPMENT & INFRASTRUCTURE(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 | Infrastructure Roads | Infrastructure Other | Total |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ |
| Balance at the beginning of the year | 2,533,261 | 16,796,150 | 345,976 | 2,477,962 | 76,682,600 | 10,889,327 | 109,725,276 |
| Additions | 21,366 | 2,112,549 | 82,755 | 888,495 | 1,371,517 | 403,839 | 4,880,521 |
| (Disposals) | 0 | 0 | (4,909) | (244,893) | 0 | 0 | (249,802) |
| Assets Reclassified | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation - Increments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| - (Decrements) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment (Losses)/reversals | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation (Expense) | 0 | (405,538) | (76,874) | (390,305) | (1,267,912) | (357,496) | (2,498,125) |
| Carrying amount at the end of year | 2,554,627 | 18,503,161 | 346,948 | 2,731,258 | 76,786,205 | 10,935,671 | 111,857,870 |

| | 2011<br>$ | 2010<br>$ |
|---|---|---|
| **8. INFRASTRUCTURE** | | |
| Roads, Streets, Bridges etc. - Management valuation | 92,871,615 | 91,500,098 |
| Less Accumulated Depreciation | (16,085,410) | (14,817,498) |
| | 76,786,205 | 76,682,600 |
| Miscellaneous Infrastructure - Cost | 14,311,619 | 13,907,780 |
| Less Accumulated Depreciation | (3,375,948) | (3,018,453) |
| | 10,935,671 | 10,889,327 |
| | 87,721,876 | 87,571,927 |

Council has adopted a policy of re-valuing roads with sufficient regularity to ensure the carrying amount of each road asset is fairly stated at reporting date. This policy also accords with AASB 116.

**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 Roads | Infrastructure Other | Total |
|---|---|---|---|
| Balance at the beginning of the year | 76,682,600 | 10,889,327 | 87,571,927 |
| Additions | 1,371,517 | 403,839 | 1,775,356 |
| (Disposals) | 0 | 0 | 0 |
| Revaluation - Increments | 0 | 0 | 0 |
| - (Decrements) | 0 | 0 | 0 |
| Impairment (Losses)/reversals | 0 | 0 | 0 |
| Depreciation (Expense) | (1,267,912) | (357,496) | (1,625,408) |
| Carrying amount at the end of year | 76,786,205 | 10,935,671 | 87,721,876 |

| | 2011<br>$ | 2010<br>$ |
|---|---|---|
| **9. TRADE AND OTHER PAYABLES** | | |
| **Current** | | |
| Sundry Creditors | 309,999 | 522,912 |
| Tax Liabilities | | |
| GST Payable | 0 | 0 |
| PAYE Tax | 71,422 | 69,087 |
| Accrued Interest on Loans | 19,602 | 22,038 |
| Accrued Salaries and Wages | 16,592 | 0 |
| Accrued Expenses Other | 21,356 | 4,290 |
| Prepayments | 0 | 3,780 |
| | 438,971 | 622,106 |

| | | |
|---|---|---|
| **10. LONG-TERM BORROWINGS** | | |
| **Current** | | |
| Debentures (Secured by Floating Charge) | 100,129 | 294,179 |
| | 100,129 | 294,179 |
| **Non-Current** | | |
| Debentures (Secured by Floating Charge) | 750,725 | 850,854 |
| (Additional detail on borrowings is provided in Note 22) | | |
| Bond Liabilities (Note 20) | 187,229 | 187,229 |
| Preston Village Lease Liability | 3,525,644 | 3,525,644 |
| | 4,463,598 | 4,563,727 |

Preston Village Lease Liability detailed above represents monies paid by the ingoing leasees of the Preston Retirement Village, Sharp Street Donnybrook under a life tenancy lease arrangement. At 30th June 2011 Council had completed the construction of eleven (11) units, with eight (8) units leased as at this date.

The proceeds received from the life tenancies have been classified as a non-current liability as Council is only required to repay these funds to a vacating leasee, or their estate, in the event that Council is unable to attract a subsequent leasee within the 3-year time period, as specified in the lease agreement.

The lease liability in respect to each unit leased will remain unchanged unless Council is required to refund any lease amount in which case the lease liability will be reduced when refunded.

Where a leasee has vacated a property prior to balance date, the loan liability to the leasee has been classified as non-current as Council will not be required to repay the leasee until the property is re-leased. In the event that the property will be re-leased within the next 12 months, the existing liability will be replaced with a new non current liability with no net impact on Council's Statement of Financial Position.

In the event that Council elects not to market a vacated unit, or the unit will have been vacant for a period of three years at a date falling within the next 12 months, any loan liability on the property will be classified as current.

The respective cost of land and buildings to which the leases relate are recorded at cost within Council's property, plant and equipment (Note 7).

## 11. PROVISIONS

| | 2011 $ | 2010 $ |
|---|---|---|
| **Current** | | |
| Provision for Annual Leave | 374,404 | 373,607 |
| Provision for Long Service Leave | 69,992 | 73,256 |
| | 444,396 | 446,864 |
| **Non-Current** | | |
| Provision for Long Service Leave | 204,306 | 172,325 |
| | 204,306 | 172,325 |

## 12. RESERVES - CASH/INVESTMENT BACKED

All Reserve Accounts are supported by money held in Financial Institutions and match the amounts shown as restricted cash and restricted investments in Note 3 to this financial report.

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

| | 2011 $ | 2011 Budget $ | 2010 $ |
|---|---|---|---|
| **(a) Waste Management Reserve** | | | |
| Opening Balance | 749,058 | 749,058 | 686,734 |
| Amount Set Aside / Transfer to Reserve | 105,036 | 24,205 | 62,324 |
| Amount Used / Transfer from Reserve | (84,343) | (65,000) | 0 |
| | 769,751 | 708,263 | 749,058 |
| **(b) Bushfire Control & Management Reserve** | | | |
| Opening Balance | 10,414 | 10,414 | 397 |
| Amount Set Aside / Transfer to Reserve | 565 | 351 | 10,017 |
| Amount Used / Transfer from Reserve | 0 | (2,500) | 0 |
| | 10,979 | 8,265 | 10,414 |
| **(c) Aged Housing Reserve** | | | |
| Opening Balance | 886,060 | 886,060 | 695,930 |
| Amount Set Aside / Transfer to Reserve | 383,747 | 228,986 | 253,673 |
| Amount Used / Transfer from Reserve | (66,261) | (57,253) | (63,543) |
| | 1,203,546 | 1,057,793 | 886,060 |
| **(d) Employee Leave & Gratuity Reserve** | | | |
| Opening Balance | 162,926 | 162,926 | 99,937 |
| Amount Set Aside / Transfer to Reserve | 48,296 | 45,499 | 124,129 |
| Amount Used / Transfer from Reserve | (39,649) | (35,062) | (61,140) |
| | 171,572 | 173,363 | 162,926 |
| **(e) Arbuthnott Memorial Scholarship Reserve** | | | |
| Opening Balance | 4,117 | 4,117 | 4,137 |
| Amount Set Aside / Transfer to Reserve | 223 | 139 | 180 |
| Amount Used / Transfer from Reserve | (200) | (200) | (200) |
| | 4,141 | 4,056 | 4,117 |

| 12. RESERVES - CASH/INVESTMENT BACKED (continued) | 2011 $ | 2011 Budget | 2010 $ |
|---|---|---|---|
| **(f) Town Planning Reserve** | | | |
| Opening Balance | 84,386 | 84,386 | 95,450 |
| Amount Set Aside / Transfer to Reserve | 19,301 | 17,848 | 3,936 |
| Amount Used / Transfer from Reserve | (8,850) | (55,250) | (15,000) |
| | 94,837 | 46,984 | 84,386 |
| **(g) Land Development Reserve** | | | |
| Opening Balance | 40,484 | 40,484 | 38,738 |
| Amount Set Aside / Transfer to Reserve | 43,620 | 46,866 | 1,746 |
| Amount Used / Transfer from Reserve | (21,365) | (25,500) | 0 |
| | 62,739 | 61,850 | 40,484 |
| **(h) Plant Replacement Reserve** | | | |
| Opening Balance | 116,033 | 116,033 | 87,851 |
| Amount Set Aside / Transfer to Reserve | 198,734 | 196,936 | 227,470 |
| Amount Used / Transfer from Reserve | (102,659) | (179,180) | (199,288) |
| | 212,109 | 133,789 | 116,033 |
| **(i) Roadworks Reserve** | | | |
| Opening Balance | 1,036,841 | 1,036,841 | 1,142,454 |
| Amount Set Aside / Transfer to Reserve | 257,911 | 34,993 | 233,092 |
| Amount Used / Transfer from Reserve | (123,870) | (279,254) | (338,704) |
| | 1,170,883 | 792,580 | 1,036,841 |
| **(j) Valuation Reserve** | | | |
| Opening Balance | 15,102 | 15,102 | 28,902 |
| Amount Set Aside / Transfer to Reserve | 10,773 | 10,510 | 19,700 |
| Amount Used / Transfer from Reserve | 0 | 0 | (33,500) |
| | 25,875 | 25,612 | 15,102 |
| **(k) Central Business District Reserve** | | | |
| Opening Balance | 37,546 | 37,546 | 52,493 |
| Amount Set Aside / Transfer to Reserve | 1,917 | 1,267 | 10,053 |
| Amount Used / Transfer from Reserve | 0 | 0 | (25,000) |
| | 39,463 | 38,813 | 37,546 |
| **(l) Buildings Reserve** | | | |
| Opening Balance | 1,104,924 | 1,104,924 | 1,296,924 |
| Amount Set Aside / Transfer to Reserve | 86,553 | 62,291 | 58,176 |
| Amount Used / Transfer from Reserve | (60,000) | (558,000) | (250,176) |
| | 1,131,477 | 609,215 | 1,104,924 |
| **(m) Building Maintenance Reserve** | | | |
| Opening Balance | 50,000 | 50,000 | 0 |
| Amount Set Aside / Transfer to Reserve | 27,712 | 26,688 | 50,000 |
| Amount Used / Transfer from Reserve | 0 | 0 | 0 |
| | 77,712 | 76,688 | 50,000 |
| **(n) Apple Funpark Reserve** | | | |
| Opening Balance | 42,650 | 42,650 | 13,683 |
| Amount Set Aside / Transfer to Reserve | 9,419 | 1,439 | 28,967 |
| Amount Used / Transfer from Reserve | 0 | 0 | 0 |
| | 52,069 | 44,089 | 42,650 |

| 12. RESERVES - CASH/INVESTMENT BACKED (continued) | 2011 $ | 2011 Budget | 2010 $ |
|---|---|---|---|
| **(o) Electronic Equipment Reserve** | | | |
| Opening Balance | 59,236 | 59,236 | 32,070 |
| Amount Set Aside / Transfer to Reserve | 13,213 | 12,000 | 41,394 |
| Amount Used / Transfer from Reserve | (14,777) | (15,000) | (14,229) |
| | 57,672 | 56,236 | 59,236 |
| **TOTAL RESERVES** | 5,084,826 | 3,837,596 | 4,399,777 |

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:

**Waste Management Reserve**
*To receive funds collected from Council's Waste Management levy for the purpose of providing waste management facilities.*
**Bushfire Control & Management Reserve**
*To receive funds collected from Council's Fire Protection Levy for the purpose of providing fire fighting equipment to meet the needs of the district.*
**Aged Housing Reserve**
*To receive any surplus funds from aged housing operations to provide future funding for the upgrade of aged housing facilities.*
**Employee Leave & Gratuity Reserve**
*To fund the payment of annual leave, long service leave and gratuity payments to employees.*
**Arbuthnott Memorial Scholarship**
*To fund the payment of the Arbuthnott Scholarship.*
**Town Planning Reserve**
*To fund future Town Planning projects including Town Planning Scheme Reserves, Rural Strategy, Municipal Inventory and Environmental plan.*
**Land Development Reserve**
*To fund the purchase of land for future community purposes.*
**Plant Replacement Reserve**
*To fund Council's plant replacement program.*
**Roadworks Reserve**
*To contribute to the funding of Council's Roadworks programme.*
**Valuation Reserve**
*To assist in funding the cost of periodic revaluations of Unimproved and Gross Rental Valuations for rating purposes.*
**Central Business District Reserve**
*To fund future Central Business District projects.*
**Buildings Reserve**
*To fund the purchase and upgrade of Council buildings.*
**Building Maintenance Reserve**
*To set aside funds for the future maintenance of Shire owned buildings in accordance with Council's Asset Management Programs*
**Apple Funpark Reserve**
*To receive donations and to provide for the future capital upgrade and maintenance of equipment and facilities at the Apple Funpark in Collins Street, Donnybrook.*
**Electronic Equipment Reserve**
*To provide future funding for the purchase and upgrade of electronic equipment.*

| 13. RESERVES - ASSET REVALUATION | 2011 $ | 2010 $ |
|---|---|---|
| Asset revaluation reserves have arisen on revaluation of the following classes of assets: | | |
| (a) **Land** | | |
| Balance as at 1 July 2010 | 1,213,850 | 1,213,850 |
| Revaluation Increment | 0 | 0 |
| Revaluation Decrement | 0 | 0 |
| Balance as at 30 June 2011 | 1,213,850 | 1,213,850 |
| (b) **Buildings** | | |
| Balance as at 1 July 2010 | 7,268,905 | 7,268,905 |
| Revaluation Increment | 0 | 0 |
| Revaluation Decrement | 0 | 0 |
| Balance as at 30 June 2011 | 7,268,905 | 7,268,905 |
| (c) **Infrastructure Roads** | | |
| Balance as at 1 July 2010 | 78,393,310 | 75,256,554 |
| Revaluation Increment | 0 | 3,136,756 |
| Revaluation Decrement | 0 | 0 |
| Balance as at 30 June 2011 | 78,393,310 | 78,393,310 |
| (d) **Infrastructure Other** | | |
| Balance as at 1 July 2010 | 1,378,764 | 1,378,764 |
| Revaluation Increment | 0 | 0 |
| Revaluation Decrement | 0 | 0 |
| Balance as at 30 June 2011 | 1,378,764 | 1,378,764 |
| TOTAL ASSET REVALUATION RESERVES | 88,254,830 | 88,254,830 |

## 14. 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 in banks and investments, 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:

| | 2011<br>$ | 2011<br>Budget<br>$ | 2010<br>$ |
|---|---|---|---|
| Cash and Cash Equivalents | 5,791,982 | 4,275,519 | 6,972,362 |

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

| | | | |
|---|---|---|---|
| Net Result | 2,291,836 | 3,115,197 | 476,575 |
| Depreciation | 2,498,125 | 2,455,310 | 2,445,032 |
| (Profit)/Loss on Sale of Asset | (93,314) | (381,156) | (47,392) |
| (Increase)/Decrease in Receivables | (124,416) | 6,107 | (98,575) |
| (Increase)/Decrease in Accrued Income | (925,122) | 9,481 | (60,810) |
| (Increase)/Decrease in Prepayments C/A | 4,285 | 9,058 | (4,069) |
| (Increase)/Decrease in Inventories | (1,254) | 759 | (375) |
| Increase/(Decrease) in Payables | (111,299) | (82,512) | 87,342 |
| Increase/(Decrease) in Accrued Expenses | 31,222 | 12,672 | (114,691) |
| Increase/(Decrease in Prepayments C/L | (3,780) | (3,780) | 3,780 |
| Increase/(Decrease) in Employee Provisions | 29,513 | (9,188) | 38,389 |
| Increase/(Decrease) in Gifted Assets | (46,993) | | |
| Grants/Contributions for the Development of Assets | (2,113,343) | (4,327,938) | (1,578,786) |
| **Net Cash from Operating Activities** | 1,435,460 | 804,010 | 1,146,421 |

## 14. NOTES TO THE CASH FLOW STATEMENT (continued)

| | 2011 $ | 2011 Budget $ | 2010 $ |
|---|---|---|---|
| **(c) Credit Standby Arrangements** | | | |
| Bank Overdraft limit - Municipal Fund | 100,000 | 100,000 | 100,000 |
| Bank Overdraft at Balance Date | 0 | 0 | 0 |
| Bank Overdraft limit - Licensing Trust A/C | 10,000 | 10,000 | 10,000 |
| Bank Overdraft at Balance Date | 0 | 0 | 0 |
| Credit Card limit | 9,000 | 9,000 | 9,000 |
| Credit Card Balance at Balance Date | (4,148) | 0 | (2,083) |
| **Total Amount of Credit Unused** | 114,852 | 119,000 | 116,917 |
| **(d) Loan Facilities** | | | |
| Loan Facilities - Current | 100,129 | | 294,179 |
| Loan Facilities - Non-Current | 750,725 | | 850,854 |
| **Total Facilities in Use at Balance Date** | 850,854 | | 1,145,032 |
| **Unused Loan Facilities at Balance Date** | 0 | | 0 |

## 15. CONTINGENT LIABILITIES

Council has received advice through Local Government Insurance Services of a potential claim against Council in respect to two employees employed within Council's Home and Community Care section. The potential claim relates to past working practices in respect to the employment of these two staff members.

As at the date of this financial report a formal claim, other than workers compensation, had not been lodged therefore it is not possible to quantify the extent of any future claim. Council insurers will cover any workers compensation claim and any other claim against Council will be defended.

## 16. CAPITAL AND LEASING COMMITMENTS

### (a) Finance Lease Commitments

Council had no Finance Lease commitments as at reporting date.

| **(b) Operating Lease Commitments** | 2011 $ | 2010 $ |
|---|---|---|
| Non-cancellable operating leases contracted for but not capitalised in the accounts. | | |
| Payable: | | |
| - not later than one year | 23,359 | 19,601 |
| - later than one year but not later than five years | 26,063 | 38,391 |
| - later than five years | 0 | 0 |
| | 49,422 | 57,992 |
| | **Total Lease Commitment** | **Total Lease Commitment** |
| The above leasing commitments relate to the following items: | | |
| - Xerox Photocopier - final payment due 30/6/2013 | 11,981 | 16,633 |
| - Recreation Centre Gym Equip - final payment due 31/3/2013 | 17,675 | 25,583 |
| - Dell Data Storage Equipment - final payment due 31/3/2014 | 12,573 | 15,776 |
| - Canon Colour Scanner - final payment due 30/9/2015 | 7,192 | 0 |
| | 49,422 | 57,992 |

## 16. CAPITAL AND LEASING COMMITMENTS (continued)

| (c) Capital Expenditure Commitments | 2011 | 2010 |
|---|---|---|
| | $ | $ |
| Contracted for: | | |
| - Building construction (Sharp St Retirement Village) | 198,106 | 1,904,292 |
| | 198,106 | 1,904,292 |
| Payable: | | |
| - not later than one year | 198,106 | 694,500 |
| - later than one year but not later than five years | 0 | 1,209,792 |
| | 198,106 | 1,904,292 |

Capital Expenditure commitments relate to the staged construction of Preston Retirement Village at Lot 152 Sharp Street, Donnybrook. Construction of units 12 and 13 commenced during the 2010/11 year and will be completed to lock-up stage only, until there is demand for the more units. Construction of the Community Building was also completed in the 2010/11 year.
Construction of units 14 - 17 has been deferred until there is sufficient demand for these additonal units. The building construction contract for units 14-17 has been cancelled through negotiation with the contractor.

## 17. JOINT VENTURE

The Shire of Donnybrook / Balingup is involved with the Education Department of Western Australia and Homeswest in the following Joint Venture Projects.

(a) Council has a 50% Equity in the Donnybrook Resource Centre situated on Education Department Land (Reserve 24032) in Bentley Street, Donnybrook. Operational and maintenance costs of the Centre are apportioned between Council and the Education Department based on estimated usage patterns.

(b) Arrangements with Homeswest relate to four Well Aged housing complexes located on South Western Highway, Donnybrook. Council is required to recognise any trading surplus from the operation of these units as Restricted Assets and is further required to maintain a Contigency Reserve future major maintenance.

Minninup Cottages, Units 5-8 (lot 486) built in 1982/83
Council Equity - 34.48%
Homeswest Equity - 65.52%

Minninup Cottages, Units 9-12 (lot 479) built in 1992/93
Council Equity - 15.2%
Homeswest Equity - 84.8%

Langley Villas, Units 1-6 (lot 100) built in 1994/95
Council Equity - 20.8%
Homeswest Equity - 79.2%

Langley Villas, Units 7-9 (lot 100) built in 2001/2002
Council Equity - 35.98%
Homeswest Equity - 64.02%

| | 2011<br>$ | 2010<br>$ |
|---|---|---|
| **Non-Current Assets** | | |
| **Joint School / Community Library** | | |
| Education Equity (Building Historical cost) | 458,107 | 458,107 |
| Council Equity (Building Historical cost) | 458,107 | 458,107 |
| Less Accumulated Depreciation | (200,647) | (182,323) |
| | 715,567 | 733,891 |
| **Well Aged Accomodation Units** | | |
| Homewest Equity (Building Historical cost) | 1,611,869 | 1,590,359 |
| Council Equity (Building Historical cost) | 557,071 | 549,650 |
| | 2,168,940 | 2,140,009 |
| | 2,884,507 | 2,873,900 |

## 18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

| | 2011 $ | 2010 $ |
|---|---|---|
| General Purpose Funding | 1,754,125 | 1,562,400 |
| Governance | 2,292,316 | 758,472 |
| Law, Order, Public Safety | 343,860 | 575,562 |
| Health | 1,530,203 | 725,211 |
| Education and Welfare | 9,421,484 | 9,408,291 |
| Housing | 208,000 | 208,000 |
| Community Amenities | 1,183,590 | 1,027,052 |
| Recreation and Culture | 11,701,511 | 11,175,082 |
| Transport | 89,943,454 | 89,371,303 |
| Economic Services | 1,019,034 | 1,023,550 |
| Other Property and Services | 35,915 | 1,399 |
| Unallocated | 1,376,668 | 2,808,498 |
| | 120,810,159 | 118,644,819 |

*Note: Full details of Assets classified by Function and Activity are shown in Appendix 2 to these Notes.*

## 19. FINANCIAL RATIOS

| | 2011 | 2010 | 2009 |
|---|---|---|---|
| Current Ratio | 1.4565 | 1.7139 | 0.7624 |
| Untied Cash to Trade Creditors Ratio | -0.6569 | 2.5379 | 2.0787 |
| Debt Ratio | 0.0599 | 0.0620 | 0.0641 |
| Debt Service Ratio | 0.0387 | 0.1637 | 0.0462 |
| Gross Debt to Revenue Ratio | 0.3795 | 0.4873 | 0.3584 |
| Gross Debt to Economically Realisable Assets | 0.1450 | 0.1630 | 0.1626 |
| Rate Coverage Ratio | 0.2414 | 0.2743 | 0.1853 |
| Outstanding Rates Ratio | 0.0573 | 0.0339 | 0.0297 |

The above ratios are calculated as follows:

Current Ratio equals $\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$

Untied Cash to Trade Creditors Ratio equals $\frac{\text{Untied Cash}}{\text{Unpaid Trade Creditors}}$

Debt Ratio equals $\frac{\text{Total liabilities}}{\text{Total assets}}$

Debt Service Ratio equals $\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$

Gross Debt to Revenue Ratio equals $\frac{\text{Gross Debt}}{\text{Total Revenue}}$

**19. FINANCIAL RATIOS (continued)**

| | |
|---|---|
| Gross Debt to Economically Realisable Assets Ratio equals | $\frac{\text{Gross Debt}}{\text{Economically Realisable Assets}}$ |
| Rate Coverage Ratio equals | $\frac{\text{Net rate revenue}}{\text{Operating revenue}}$ |
| Outstanding Rates Ratio equals | $\frac{\text{Rates outstanding}}{\text{Rates collectable}}$ |

*Note: Supporting information for the calculation of Financial ratios is shown in Appendix 3 to these Notes.*

## 20. TRUST FUNDS

Funds held at balance date over which the Municipality has no control and which are included as both an asset and liability within the financial statements are as follows:

| | Balance 1-Jul-10 $ | Amounts Received $ | Amounts Paid ($) | Balance 30-Jun-11 $ |
|---|---|---|---|---|
| Aged Housing Ingoing Fees (** see note) | 559,599 | 657,343 | (154,943) | 1,061,999 |
| Tenancy Bonds | 5,310 | 300 | (300) | 5,310 |
| Hall / Liquor Deposits | 550 | 5,850 | (5,400) | 1,000 |
| Nomination Deposits | 0 | 0 | 0 | 0 |
| Public Open Space | 149,871 | 4,510 | (90,100) | 64,281 |
| Redden Tree Planting Fund | 1,499 | 0 | 0 | 1,499 |
| General Deposits | 5,918 | 1,655 | (1,594) | 5,978 |
| Extractive Industry Bonds | 63,706 | 14,076 | (7,000) | 70,781 |
| Transport Licensing | 0 | 1,523,575 | (1,523,575) | 0 |
| BCITF Levy | 2,328 | 30,868 | (32,493) | 702 |
| Roadworks/Subdivisional Bonds | 224,613 | 6,654 | (147,227) | 84,040 |
| Chemical Steering Committee | 2,092 | 101 | 0 | 2,193 |
| HACC Leave Provisions & Grants | 50,422 | 2,469 | (2,413) | 50,477 |
| HACC Grant for Police Clearances | 1,435 | 0 | 0 | 1,435 |
| HACC Gopher Donations | 741 | 0 | 0 | 741 |
| Key Deposits | 200 | 25 | (25) | 200 |
| Builders Reg. Board Levy | 760 | 7,611 | (7,966) | 405 |
| Resource Centre Carpet Refund | 4,000 | 0 | 0 | 4,000 |
| Bunbury Port Authority Donations | 0 | 0 | (0) | 0 |
| Community Bus Hire Deposit | 100 | 2,100 | (2,100) | 100 |
| Youth Advisory Council | 1,500 | 0 | 0 | 1,500 |
| Marathon Committee Donations | 5,922 | 500 | (2,945) | 3,476 |
| Upper Preston Cemetery Board | 4,420 | 214 | 0 | 4,634 |
| Balingup Skatepark Fundraising | 2,000 | 0 | 0 | 2,000 |
| Balingup Transfer Station Perf. Bond | 8,229 | 399 | 0 | 8,628 |
| HACC & CACP Surplus Funds | 116,702 | 63,799 | (13,686) | 166,816 |
| Dbk Marathon Surplus Funds | 3,244 | 3,755 | (2,000) | 4,999 |
| Preston Retirement Village Deposits | 0 | 5,000 | (5,000) | 0 |
| AppleFunPark Donations | 0 | 7,211 | (7,211) | 0 |
| Bushfire Brigade Unspent ESL | 24,407 | 0 | (6,833) | 17,574 |
| Preston Retirement Village Bonds | 1,000 | 0 | 0 | 1,000 |
| House Transport Bond | 15,000 | 5,000 | (10,000) | 10,000 |
| Shire Staff Social Club | 945 | 4,000 | (4,596) | 349 |
| Ramsay Terrace Performance Bond | 1,000 | 0 | 0 | 1,000 |
| WA Country Builders Performance Bond | 0 | 2,000 | 0 | 2,000 |
| Library Equipment Donations | 300 | 2,000 | (2,300) | 0 |
| Donation from Lord Mayor's Distress Fund | 0 | 1,000 | (1,000) | 0 |
| Lions Club Number Plate Surrounds | 0 | 266 | (266) | 0 |
| | 1,257,813 | 2,352,280 | (2,030,974) | 1,579,118 |

***Note:***

At 30th June 2011, Tuia Lodge Aged Housing Bonds and Interest held by Council totalled $1,249,228.

Of this balance $1,061,999 is held in Trust at 30 June 2011 (as disclosed above), and the balance of $187,229 was utilised during the 2005/06 year to assist in funding Tuia Lodge Aged Housing extensions.

This amount of $187,229 has been shown as bonds repayable by Council within Note 10 to the Financial Report.

## 21. DISPOSALS OF ASSETS - 2010/11 FINANCIAL YEAR

The following assets were disposed of during the year.

| | Net Book Value | | Sale Price | | Profit (Loss) | |
|---|---|---|---|---|---|---|
| | Actual $ | Budget $ | Actual $ | Budget $ | Actual $ | Budget $ |
| **GOVERNANCE** | | | | | | |
| Westinghouse Fridge | 949 | 0 | 0 | 0 | (949) | 0 |
| CEO's Vehicle (DB5) | 28,919 | 27,030 | 25,276 | 26,500 | (3,644) | (530) |
| MFA's Vehicle (DB007) | 23,111 | 20,764 | 20,000 | 22,000 | (3,111) | 1,236 |
| **LAW, ORDER, PUBLIC SAFETY** | | | | | | |
| Light Tanker - Mullalyup BFB | 7,426 | 0 | 18,000 | 0 | 10,574 | 0 |
| **HEALTH** | | | | | | |
| EHO's Vehicle (DB252) | 12,310 | 11,900 | 13,636 | 12,500 | 1,327 | 600 |
| **EDUCATION & WELFARE** | | | | | | |
| HACC Toyota Aurion (DB009) | 14,809 | 15,240 | 16,818 | 16,818 | 2,009 | 1,578 |
| HACC Toyota Camry (DB4565) | 13,036 | 13,416 | 16,818 | 16,818 | 3,782 | 3,402 |
| Tuia Pentium 4 Computer | 234 | 0 | 0 | 0 | (234) | 0 |
| **COMMUNITY AMENITIES** | | | | | | |
| Town Planner's Vehicle (DB463) | 18,837 | 16,440 | 14,636 | 14,000 | (4,201) | (2,440) |
| **RECREATION & CULTURE** | | | | | | |
| Sportsart TM6300 Treadmill | 3,726 | 0 | 91 | 0 | (3,635) | 0 |
| **TRANSPORT** | | | | | | |
| Caterpillar Grander (DB2462) | 64,411 | 64,410 | 87,000 | 87,000 | 22,589 | 22,590 |
| Mitsubishi Trip Truck (DB1149) | 5,000 | 5,000 | 83,874 | 88,000 | 78,874 | 83,000 |
| Ford Crew Cab Utility (DB112) | 18,110 | 18,660 | 19,091 | 19,620 | 981 | 960 |
| Kubota Ride on Mower (DB898) | 13,337 | 13,140 | 7,000 | 8,000 | (6,337) | (5,140) |
| Combi Hedgetrimmer | 386 | 0 | 136 | 0 | (250) | 0 |
| FS200 Brushcutter | 0 | 0 | 136 | 0 | 136 | 0 |
| FS200 Brushcutter | 27 | 0 | 136 | 0 | 110 | 0 |
| 372XP Husqvarna Chainsaw | 0 | 0 | 455 | 0 | 455 | 0 |
| Stihl Pressure Cleaner | 0 | 0 | 141 | 0 | 141 | 0 |
| Wacker UHP 18" Compactor | 461 | 0 | 545 | 0 | 84 | 0 |
| Laser Level | 939 | 0 | 791 | 0 | (148) | 0 |
| **ECONOMIC SERVICES** | | | | | | |
| MDES Vehicle (DB15) | 23,773 | 20,100 | 18,535 | 17,500 | (5,239) | (2,600) |
| Lot 500 Cnr Marmion Street | 0 | 21,500 | 0 | 300,000 | 0 | 278,500 |
| | 249,802 | 247,600 | 343,116 | 628,756 | 93,314 | 381,156 |

*Note: Further details in respect to Assets Disposed is shown in Appendix 4 to these Notes.*

## 22. INFORMATION ON BORROWINGS

(a) Debenture Repayments

| Particulars | Principal 1-Jul-10 | New Loans (Budget) | Principal Repayments | | Principal 30-Jun-11 | | Interest Repayments | |
|---|---|---|---|---|---|---|---|---|
| | | | Actual | Budget | Actual | Budget | Actual | Budget |
| **Health** | | | | | | | | |
| Loan 74 Dental Surgery Ext | 152,211 | | 6,582 | 6,582 | 145,629 | 145,629 | 8,852 | 8,779 |
| **Education & Welfare** | | | | | | | | |
| Loan 75 Tuia Lodge Extensions | 199,774 | | 28,754 | 28,754 | 171,021 | 171,020 | 10,694 | 11,099 |
| Loan 78 Retirement Village | 0 | | | | 0 | 0 | | |
| Loan 86 Balingup Aged Accom (*) | 200,000 | | 200,000 | 200,000 | 0 | 0 | 5,105 | 5,204 |
| Loan 87 Balingup Aged Accom (*) | | 200,000 | 0 | 0 | 0 | 200,000 | 0 | 0 |
| Loan 88 Retirement Village | 0 | 300,000 | 0 | 0 | 0 | 300,000 | 0 | 14,375 |
| **Other Recreation & Sport** | | | | | | | | |
| Loan 85 Dbk Country Club (*) | 45,581 | | 9,201 | 9,201 | 36,380 | 36,380 | 2,237 | 2,352 |
| **Economic Services** | | | | | | | | |
| Loan 73 Community Bank | 138,120 | | 16,149 | 16,149 | 121,972 | 121,971 | 8,241 | 8,733 |
| Loan 77 Transit Park | 271,843 | | 26,596 | 26,596 | 245,247 | 245,247 | 17,388 | 17,988 |
| Loan 80 Collins St Storage Units | 137,503 | | 6,897 | 6,897 | 130,606 | 130,606 | 9,027 | 9,140 |
| | 1,145,032 | 500,000 | 294,179 | 294,179 | 850,854 | 1,350,853 | 61,543 | 77,670 |

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

(b) New Debentures - 2010/11

| Particulars/Purpose | Amount Borrowed | | Institution | Loan Type | Term (Years) | Total Interest & Charges | Interest Rate | Amount Used | | Balance Unspent $ |
|---|---|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | | | | | | Actual | Budget | |
| Loan 87 Balingup Aged Accom | 0 | 200,000 | WATC | Debenture | 2 years | 22,000 | 5.50% | 0 | 200,000 | 0 |
| Loan 88 Retirement Village | 0 | 300,000 | WATC | Debenture | 2 years | 33,000 | 5.50% | 0 | 300,000 | 0 |

Note: No new loans were raised during the 2010/11 year.

## 22. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

| Particulars | Date Borrowed | Balance 1 July 2010 $ | Borrowed During Year $ | Expended During Year $ | Balance 30 June 2011 $ |
|---|---|---|---|---|---|
| No loans remain unspent | | | | | |

(d) Overdraft

Council has established the following overdraft facilities to assist with short term liquidity requirements.

| | | |
|---|---|---|
| Municipal Fund | $ | 100,000 |
| Licensing Trust Fund | $ | 10,000 |

The balance of the Municipal Fund Bank Overdraft at 1st July 2010 and 30th June 2011 was Nil.

The balance of the Licensing Trust Fund Overdraft at 1st July 2010 and 30th June 2011 was Nil.

(e) Interest Rate Risk

Council's exposure to interest rate risk as a result of borrowings and the effective weighted average interest rate on these borrowings is as follows:

| Borrowings | 2011 $ | 2010 $ |
|---|---|---|
| Floating interest rates | | |
| Fixed interest rate maturing | | |
| - within one year | 0 | 200,000 |
| - one to five years | 207,400 | 45,581 |
| - over five years | 643,453 | 899,451 |
| Non interest bearing | | |
| Total Borrowings | 850,854 | 1,145,032 |
| Weighted average effective interest rate | 6.31% | 6.11% |

## 23. RATING INFORMATION - 2010/11 FINANCIAL YEAR

| RATE TYPE | Rate in $ | Number of Properties | Rateable Value | Rate Revenue | Interim Rates | | Total Revenue | Budget Rate Revenue | | Budget Total Revenue |
|---|---|---|---|---|---|---|---|---|---|---|
| **GRV General Rate** | | | | | | | | | | |
| Donnybrook Townsite | 6.1782 | 612 | 9,815,798 | 606,440 | 7,223 | | 613,663 | 606,440 | | 606,440 |
| Noggerup Townsite | 6.1782 | 3 | 37,180 | 2,297 | | | 2,297 | 2,297 | | 2,297 |
| Balingup Townsite | 6.1782 | 27 | 467,916 | 28,909 | 518 | | 29,427 | 28,909 | | 28,909 |
| Mullalyup Townsite | 6.1782 | 4 | 47,860 | 2,957 | 642 | | 3,599 | 2,957 | | 2,957 |
| Kirup Townsite | 6.1782 | 23 | 386,608 | 23,885 | -642 | | 23,243 | 23,885 | | 23,885 |
| Rural Residential | 6.1782 | 233 | 3,041,720 | 187,924 | 359 | | 188,282 | 187,924 | | 187,924 |
| **Sub-Totals** | | 902 | 13,797,082 | 852,412 | 8,099 | | 860,511 | 852,412 | | 852,412 |
| **GRV Minimum Rates** | **Minimum $** | | | | | | | | | |
| Donnybrook Townsite | 642.00 | 530 | 4,369,530 | 340,260 | | | 340,260 | 340,260 | | 340,260 |
| Donnybrook T/Site Special | 642.00 | 1 | 6,100 | 244 | | | 244 | 244 | | 244 |
| Noggerup Townsite | 642.00 | 25 | 141,716 | 16,050 | | | 16,050 | 16,050 | | 16,050 |
| Balingup Townsite | 642.00 | 151 | 1,066,376 | 96,942 | | | 96,942 | 96,942 | | 96,942 |
| Mullalyup Townsite | 642.00 | 26 | 155,154 | 16,692 | | | 16,692 | 16,692 | | 16,692 |
| Kirup Townsite | 642.00 | 68 | 479,322 | 43,656 | | | 43,656 | 43,656 | | 43,656 |
| Rural Residential | 642.00 | 78 | 678,560 | 50,076 | | | 50,076 | 50,076 | | 50,076 |
| **Sub-Totals** | | 879 | 6,896,758 | 563,920 | 0 | 0 | 563,920 | 563,920 | | 563,920 |

**23. RATING INFORMATION - 2010/11 FINANCIAL YEAR (continued)**

| RATE TYPE | Rate in $ | Number of Properties | Rateable Value | Rate Revenue | Interim Rates | | Total Revenue | Budget Rate Revenue | | Budget Total Revenue |
|---|---|---|---|---|---|---|---|---|---|---|
| **UV Differential & General Rate** | | | | | | | | | | |
| Donnybrook Rural | 0.2719 | 268 | 132,802,000 | 361,089 | 810 | | 361,899 | 361,089 | | 361,089 |
| Donnybrook T/Site Special | 0.2719 | | | | | | | | | 0 |
| Preston Rural | 0.2719 | 141 | 69,454,000 | 188,845 | 956 | | 189,801 | 188,845 | | 188,845 |
| Balingup Rural | 0.2719 | 166 | 96,043,000 | 261,141 | 3,265 | | 264,406 | 261,141 | | 261,141 |
| Central Rural | 0.2719 | 195 | 98,650,000 | 268,229 | 1,291 | | 269,520 | 268,229 | | 268,229 |
| **Sub-Totals** | | 770 | 396,949,000 | 1,079,305 | 6,321 | | 1,085,626 | 1,079,304 | | 1,079,304 |
| **UV Minimum Rates** | **Minimum $** | | | | | | | | | |
| Donnybrook Rural | 701.00 | 211 | 30,557,300 | 147,911 | | | 147,911 | 147,911 | | 147,911 |
| Dbk. Special Rural Lots | 701.00 | 15 | 996,000 | 3,660 | | | 3,660 | 3,660 | | 3,660 |
| Preston Rural | 701.00 | 106 | 16,497,000 | 74,306 | | | 74,306 | 74,306 | | 74,306 |
| Balingup Rural | 701.00 | 120 | 20,903,000 | 84,120 | | | 84,120 | 84,120 | | 84,120 |
| Central Rural | 701.00 | 108 | 19,539,100 | 75,708 | | | 75,708 | 75,708 | | 75,708 |
| Mining Tenements | 701.00 | 11 | 15,400 | 7,711 | 1,686 | | 9,397 | 7,711 | | 7,711 |
| **Sub-Totals** | | 571 | 88,507,800 | 393,416 | 1,686 | | 395,102 | 393,416 | | 393,416 |
| | | | | | | | 2,905,159 | | | 2,889,052 |
| Interim Rates (budget) | | | | | | | | | | 20,000 |
| Back Rates (Miscellaneous) | | | | | | | 2,067 | | | 2,000 |
| Specified Area Rates (refer note 24) | | | | | | | 0 | | | 0 |
| | | | | | | | 2,907,226 | | | 2,911,052 |
| Less Rates Written Off | | | | | | | -1,323 | | | (500) |
| **Totals** | | | | | | | 2,905,903 | | | 2,910,552 |

## 24. SPECIFIED AREA RATE - 2010/11 FINANCIAL YEAR

| | Rate in $ | Basis of Rate | Rateable Value | Rate Revenue | Budget Rate Revenue | Applied to Costs | Budget Applied to Costs |
|---|---|---|---|---|---|---|---|
| | No Specified Area Rate was levied during 2010/2011 | | | | | | |

## 25. SERVICE CHARGES - 2010/11 FINANCIAL YEAR

| | Amount of Charge $ | Revenue Raised | Budget Revenue | Applied to Service Costs | Budget Applied to Costs |
|---|---|---|---|---|---|
| | No Service Charges were levied during 2010/2011 | | | | |

In previous years a service charge was imposed on all rating assessments for the purpose of purchasing plant and equipment for bush fire control. Funds collected were transferred to Reserve to be expended in accordance with Council's "Five Year Bushfire Strategy".

Funds previously collected from service charges will continue to be utilised for the purchase of plant and equipment and a summary of movements to and from the Bush Fire Control and Management Reserve is detailed below:

| | |
|---|---|
| Balance of Reserve 1st July 2010 | 10,414 |
| *Funds raised* | |
| Add Interest on Investment | 565 |
| Amount transferred to Reserve | 0 |
| | 10,979 |
| *Funds Utilised* | |
| | 0 |
| Balance of Reserve 30th June 2011 | **10,979** |

## 26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2010/11 FINANCIAL YEAR

| | Type | Disc % | Total Cost/ Value | Budget Cost/ Value |
|---|---|---|---|---|
| Ratepayers who pay their rate account in full within 35 days of the rate notice being issued will be automatically entered into a draw for the following prizes | | | | |
| 2010/2011 | | | | |
| 1. Bendigo Bank | Cash | | | |
| 1st Prize | | | 500 | 500 |
| 2nd Prize | | | 300 | 300 |
| 3rd Prize | | | 200 | 200 |
| | | | 1,000 | 1,000 |
| To ensure that a fair and equitable rate was levied the following rating concessions were granted | | | | |
| Donnybrook Special Town Lots | Concession | | 7,253 | 7,253 |
| | | | 7,253 | 7,253 |
| Various Rates Debtors - minor balances written off | Write Off | | 89.09 | 707 |
| Penatly Interest relating to rates debtors written off | Write Off | | 532.67 | 322 |
| Rates and charges written off under section 6.47LG Act. | Write Off | | 897.51 | 7,863 |
| Waste Management Levy raised but written off as per Council resolution | Write Off | | 500 | 4,936<br>0 |
| | | | 2,019 | 1,029 |

## 27. INTEREST CHARGES AND INSTALMENT PLAN CHARGES - 2010/11 FINANCIAL YEAR

| | Interest Rate (%) | Admin. Charge $ | Revenue $ | Budgeted Revenue $ |
|---|---|---|---|---|
| Interest on Unpaid Rates | 11.0 | | 19,122 | 15,000 |
| Interest on Instalments Plan | 5.5 | | 13,041 | 11,000 |
| Charges on Instalment Plan | | $ 5.00 | 10,580 | 9,500 |
| | | | 42,742 | 35,500 |

Ratepayers had the option of paying rate accounts in one payment or by two or four instalments as follows:

Option 1: Payment in full by 1st October 2010

Option 2: Payment by two equal instalments
1st Instalment due: 1st October 2010
2nd Instalment due: 5th February 2011

Option 3: Payment in four equal instalments
1st Instalment due: 1st October 2010
2nd Instalment due: 3rd December 2010
3rd Instalment due: 5th February 2011
4th Instalment due: 8th April 2011

An administration charge of $5.00 per instalment was applied to all assessments where payment was made by instalments. Simple interest at the rate of 5.5% was also payable on the second, third and fourth instalments.

## 28. FEES & CHARGES

| | 2011 $ | 2010 $ |
|---|---|---|
| General Purpose Funding | 20,599 | 22,036 |
| Governance | 0 | 0 |
| Law, Order, Public Safety | 27,676 | 26,268 |
| Health | 69,163 | 52,722 |
| Education and Welfare | 576,270 | 525,709 |
| Community Amenities | 698,167 | 643,246 |
| Recreation & Culture | 187,271 | 169,303 |
| Transport | 68,515 | 24,504 |
| Economic Services | 143,321 | 162,258 |
| | 1,790,982 | 1,626,046 |

*Note: Further details of Fees and Charges are shown in Appendix 5 To these Notes.*

## 29. GRANT REVENUE (INCL. CONTRIBUTIONS, REIMBURSMENTS & DONATIONS)

| | 2011 | 2010 |
|---|---|---|
| **By Nature and Type:** | | |
| Grants and Subsidies - operating | 3,633,366 | 3,464,105 |
| Grants and Subsidies - non-operating | 3,056,874 | 1,575,006 |
| | 6,690,239 | 5,039,111 |
| **By Program:** | | |
| General Purpose Funding | 1,678,826 | 1,464,446 |
| Governance | 31,024 | 28,847 |
| Law, Order, Public Sector | 242,461 | 187,786 |
| Health | 1,028,924 | 410,283 |
| Education and Welfare | 1,718,465 | 1,745,362 |
| Community Amenities | 46,101 | 3,506 |
| Recreation and Culture | 234,403 | 133,070 |
| Transport | 1,600,724 | 948,958 |
| Economic Services | 33,308 | 39,583 |
| Other Property & Services | 76,003 | 77,271 |
| | 6,690,239 | 5,039,111 |

*Note: Full details of Grants and Contributions are shown in Appendix 6 to these Notes.*

## 30. EMPLOYEE NUMBERS

| | 2011 | 2010 |
|---|---|---|
| The number of full-time equivalent Employees at balance date (excl. casuals) | 62.8 | 60.1 |

## 31. COUNCILLORS' REMUNERATION

| | 2011 $ | 2011 Budget $ | 2010 $ |
|---|---|---|---|
| The following fees, expenses and allowances were paid to council members and/or the president. | | | |
| President's Allowance | 6,520 | 6,520 | 6,300 |
| Deputy President's Allowance | 1,630 | 1,630 | 1,575 |
| Meeting Attendance Fees | 42,950 | 42,950 | 37,275 |
| Travelling Expenses | 2,341 | 5,000 | 4,788 |
| Telecommunications Allowance | 4,500 | 4,000 | 4,052 |
| Provision of Uniform | 812 | 2,700 | 0 |
| Childcare Allowance | 0 | 0 | 0 |
| | 58,753 | 62,800 | 53,989 |

## 32. EMPLOYEES' REMUNERATION

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

| Salary Range $ | 2011 | 2010 |
|---|---|---|
| 100,000 - 109,999 | 1 | 1 |

## 33. MAJOR LAND TRANSACTIONS

Council was not involved in any major land transactions during the 2010/2011 year.

## 34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

During the 2007/2008 year Council commenced the development of a Retirement Village to be located in Sharp Street Donnybrook.

Council has accepted a tender for the construction of 17 retiree units, a community building and associated infrastructure costs. Construction commenced in June 2007 and the project will be staged over a period of 4 - 5 years.

Due to a reduction in the demand for the units Council negotiated with the contractor during the 2010/11 year to reduce the scope of the contract by removing the construction of units 14-17. Market conditions will determine when further construction will commence.
Future construction will be subject to a new building contract.

Following construction of the units retirees will be offered a right to occupy the units in the form of a life tenancy. The sale price relating to the "right to life tenancy" has been calculated on the basis of full recovery of land development and building construction costs. On this basis it is estimated that the units will be sold for a price between $310,000 each and $340,000 each.

Any profits gained from the future sale of "right to life tenancy" agreements will be used to fund new units and/or utilised to payout sellers of tenancy agreements prior to purchase by the new tenant.

Project revenue and expenditure relating to the project for the 2010/11 year is as follows:

| Expenditure | Actual 2010/11 $ | Budget 2010/11 $ |
|---|---|---|
| Capital | | |
| Land development and project management costs | 0 | 237,028 |
| Constructon costs - units 12-13 | 188,232 | 210,144 |
| Constructon costs - Community Building | 289,596 | 304,828 |
| Interest on debenture loan | 0 | 14,375 |
| Operating | | |
| Preston Village Maintenance Fees c/fwd to 11/12 | 1,990 | 0 |
| Preston Village Maintenance Expenses 10/11 | 19,672 | 20,400 |
| | **499,490** | **786,775** |
| Income | | |
| Capital | | |
| Unspent funds brought forward from 2009/10 | (463,650) | (466,375) |
| Deficit carried forward to 2011/12 | (14,178) | |
| Proceeds of short-term debenture loan | 0 | (300,000) |
| Preston Village - Lease sale proceeds (refer note 10) | 0 | 0 |
| Operating | | |
| Unspent Maintenance Fees b/fwd from 2009/10 | (1,685) | 0 |
| Community Donations | (1,000) | |
| Maintenance fees recovered from leasees | (18,977) | (20,400) |
| | **(499,490)** | **(786,775)** |

## 35. 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 29.

## 36. SUBSEQUENT EVENTS

As at 31st October 2011 Council will be relinquishing its role of sponsor of the Donnybrook Balingup Home and Community service. From 1st November 2011 the service will be managed by Community Home Care of Bunbury.

All assets acquired for use within the Donnybrook Balingup Home and Community Care service will be transferred to Community Home Care for nil consideration.

Surplus operational and reserve funds will either be transferred to Community Home Care or returned to the WA Department of Health.

All employees engaged within the service will cease employment with Council on 31st October 2011. All employee leave entitlements will be paid to terminating employees. Depending upon their employment status some employees will receive severance payments. All payments to employees will be funded from Home and Community Care operational surpluses or reserve funds.

## 37. 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 | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | $ | $ | $ | $ |
| **Financial Assets** | | | | |
| Cash and cash equivalents | 5,791,982 | 6,972,362 | 5,791,982 | 6,972,362 |
| Receivables | 1,544,176 | 608,797 | 1,544,176 | 608,797 |
| Financial assets at fair value through profit or loss | 0 | 0 | 0 | 0 |
| Available-for-sale financial assets | 25,000 | 25,000 | 25,000 | 25,000 |
| Held-to-maturity investments | 0 | 0 | 0 | 0 |
| | 7,361,158 | 7,606,159 | 7,361,158 | 7,606,159 |
| **Financial Liabilities** | | | | |
| Payables | 438,971 | 622,106 | 438,971 | 622,106 |
| Borrowings | 850,854 | 1,145,032 | 736,347 | 1,000,510 |
| | 1,289,825 | 1,767,138 | 1,175,318 | 1,622,616 |

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.

- Borrowings, Held-to-Maturity Investments – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets – based on quoted market prices at the reporting date or independent valuation.

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

**(a) Cash and Cash Equivalents**
**Financial assets at fair value through profit or loss**
**Available-for-sale financial assets**
**Held-to-maturity investments**

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

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

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

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

| | 30-Jun-11<br>$ | 30-Jun-10<br>$ |
|---|---|---|
| Impact of a 1% **(*)** movement in interest rates on cash and investments: | | |
| - Equity | 57,920 | 69,724 |
| - Income Statement | 57,920 | 69,724 |

**Notes:**

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

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

## 37. 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-11 | 30-Jun-10 |
|---|---|---|
| Percentage of Rates and Annual Charges | | |
| - Current | 2.17% | 0.54% |
| - Overdue | 97.83% | 99.46% |
| Percentage of Other Receivables | | |
| - Current | 96.83% | 94.65% |
| - Overdue | 3.17% | 5.35% |

**37. 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 $ | Carying values $ |
|---|---|---|---|---|---|
| **2011** | | | | | |
| Payables | 438,971 | 0 | 0 | 438,971 | 438,971 |
| Borrowings | 152,269 | 591,747 | 364,557 | 1,108,573 | 850,854 |
| | 591,240 | 591,747 | 364,557 | 1,547,544 | 1,289,825 |
| **2010** | | | | | |
| Payables | 622,106 | 0 | 0 | 622,106 | 622,106 |
| Borrowings | 357,473 | 603,300 | 505,273 | 1,466,046 | 1,145,032 |
| | 979,579 | 603,300 | 505,273 | 2,088,152 | 1,767,138 |

## 37. 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 % |
|---|---|---|---|---|---|---|---|---|
| **Year Ended 30 June 2011** | | | | | | | | |
| **Borrowings** | | | | | | | | |
| **Fixed Rate** | | | | | | | | |
| Debentures | | | | 36,380 | 171,021 | 643,453 | 850,854 | 6.31% |
| Weighted Average Effective Interest Rate | | | | 5.43% | 5.76% | 6.50% | | |
| **Year Ended 30 June 2010** | | | | | | | | |
| **Borrowings** | | | | | | | | |
| **Fixed Rate** | | | | | | | | |
| Debentures | 200,000 | | | | 45,581 | 899,451 | 1,145,032 | 6.11% |
| Weighted Average Effective Interest Rate | 5.19% | | | | 5.43% | 6.34% | | |

AMD
CHARTERED ACCOUNTANTS

PARTNERS

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Peter Manolas CPA
(Master of Taxation Law)
Stuart Fricker CPA, GAICD
Tim Partridge FCA
Dean Rob CA

ASSOCIATES

Maria Cavallo CA
Shane Kaurin CPA
Steven Cluning CA

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial report of the Shire of Donnybrook/Balingup, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year ended 30 June 2011, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

### Council's responsibility for the financial report

The Council of the Shire of Donnybrook/Balingup is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), and the Local Government Act 1995, and for such internal control as Council determines necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is the express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 and material misstatements 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 accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluation the overall presentation of the financial report.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 Part 6 and Australian Accounting Standards so as to present a view which is consistent with our understanding of the Shire of Donnybrook/Balingup's financial position, the results of its operations, its changes in equity and its cash flows.



Chartered Accountants

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**Independence**
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

**Opinion**
In our opinion, the financial report of the Shire of Donnybrook/Balingup:

i. gives a true and fair view of the Shire of Donnybrook/Balingup's financial position as at 30 June 2011 and of its performance for the financial year ended 30 June 2011; and
ii. complies with Australian Accounting Standards (including the Australian Accounting Interpretations); and
iii. are prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

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

i. There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire of Donnybrook/Balingup.
ii. 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 with exception of the following:
   - Council's 30 June 2010 annual financial report and audit report was provided to Council on the 30 November 2010; however the 30 June 2010 annual financial report was not submitted to the Department within 30 days of receipt of the auditor's report as required by section 51(2) of the Local Government (Financial Management) Regulations 1996.
iii. All necessary information and explanations were obtained by us.
iv. All audit procedures were satisfactorily completed during our audit.

**AMD Chartered Accountants**

**TIM PARTRIDGE**
**Partner**

Bunbury, Western Australia Dated this 11th day of November 2011

**APPENDIX 1**

| 2. | OPERATING REVENUE AND EXPENDITURE | | 2010/2011 | | 2010/2011 | | 2009/2010 | |
|---|---|---|---|---|---|---|---|---|
| | (b) | Classified According to Nature and Type: | Actual | | Budget | | Actual | |
| | **OPERATING REVENUE** | | | | | | | |
| | **Rate Revenue** | | | | | | | |
| | | Rates (incl.Discount) | 2,905,903.32 | | 2,910,552.00 | | 2,736,157.68 | |
| | | Castle Place Drainage | | **2,905,903.32** | | 2,910,552.00 | | 2,736,157.68 |
| | **Grants & Subsidies (Operating)** | | | | | | | |
| | | General Purpose Grant | 1,453,201.00 | | 1,176,713.00 | | 1,348,033.00 | |
| | | Interest on Deferred Rates | 1,573.95 | | 1,600.00 | | 1,229.14 | |
| | | Other Grants | 675,390.34 | | 1,471,218.00 | | 627,300.54 | |
| | | Aged Hostel Subsidy | 1,089,022.42 | **3,219,187.71** | 1,065,300.00 | 3,714,831.00 | 1,056,943.48 | 3,033,506.16 |
| | **Grants & Subsidies (Capital)** | | | | | | | |
| | | Local Roads Grant | 100,000.00 | | 150,000.00 | | | |
| | | MRD Special Grants | 1,463,878.00 | | 1,556,148.00 | | 783,393.00 | |
| | | Other Grants | 1,291,380.98 | **2,855,258.98** | 1,626,570.00 | 3,332,718.00 | 546,218.01 | 1,329,611.01 |
| | **Contributions, Reimbursements, Donations (Oper)** | | | | | | | |
| | | Contributions, Reimbursements & Donations | 414,177.87 | **414,177.87** | 331,399.00 | 331,399.00 | 430,598.98 | 430,598.98 |
| | **Contributions, Reimbursements, Donations (Cap)** | | | | | | | |
| | | Contributions, Reimbursements & Donations | 201,614.64 | **201,614.64** | 999,000.00 | 999,000.00 | 245,394.60 | 245,394.60 |
| | **Service Charges** | | | | | | | |
| | | Fire Protection Levy | | **0.00** | | 0.00 | | 0.00 |

**APPENDIX 1**

| 2. | OPERATING REVENUE AND EXPENDITURE | 2010/2011 | | 2010/2011 | | 2009/2010 | |
|---|---|---|---|---|---|---|---|
| | (b) Classified According to Nature and Type: | Actual | | Budget | | Actual | |
| | **Fees and Charges** | | | | | | |
| | Rates Instalment Charges | 10,580.00 | | 9,500.00 | | 9,302.50 | |
| | Direct Debit Arrangement Fees | 1,200.00 | | 1,500.00 | | 1,685.00 | |
| | Refuse Removal Charges | 171,129.78 | | 168,324.00 | | 164,220.24 | |
| | Waste Management Levy | 380,661.67 | | 379,000.00 | | 361,396.86 | |
| | Recycling Charges | 59,637.98 | | 56,257.00 | | 51,840.71 | |
| | Rental Income | 593,699.37 | | 550,647.00 | | 534,255.80 | |
| | Hall Income | 13,451.90 | | 14,750.00 | | 14,605.86 | |
| | Ground Rent | 14,959.25 | | 14,943.00 | | 16,348.79 | |
| | Recreation Centre Income | 154,896.37 | | 143,850.00 | | 134,952.99 | |
| | Caravan Park | 27,819.21 | | 23,500.00 | | 24,471.20 | |
| | Fines and Penalties | 7,144.09 | | 8,800.00 | | 8,500.00 | |
| | Other Fees and Charges | 288,656.75 | | 301,289.00 | | 281,489.02 | |
| | Private Works | 67,145.27 | **1,790,981.64** | 9,700.00 | 1,682,060.00 | 22,977.03 | 1,626,046.00 |
| | **Interest Earnings** | | | | | | |
| | Rates Penatly Interest Charge | 19,121.63 | | 15,000.00 | | 15,529.21 | |
| | Interest on Rates Instalments | 13,040.61 | | 11,000.00 | | 10,843.41 | |
| | Interest on Municipal Funds | 101,309.40 | | 145,100.00 | | 158,186.27 | |
| | Interest on Tuia Lodge Funds | 4,546.85 | | 6,000.00 | | 1,643.33 | |
| | Interest on Reserve Funds | 239,683.49 | **377,701.98** | 143,808.00 | 320,908.00 | 185,977.16 | 372,179.38 |
| | **Other Revenue** | | | | | | |
| | Royalties | 19,999.98 | | 100.00 | | 19,999.98 | |
| | Commissions | 87,856.72 | | 91,700.00 | | 91,619.14 | |
| | Other Income | 41,677.98 | **149,534.68** | 41,916.00 | 133,716.00 | 28,896.17 | 140,515.29 |
| | **Profit on Sale of Non-Current Assets** | 121,060.26 | **121,060.26** | 391,866.00 | 391,866.00 | 54,309.96 | 54,309.96 |
| | **Total Operating Revenue** | **12,035,421.08** | **12,035,421.08** | **13,817,050.00** | **13,817,050.00** | **9,968,319.06** | **9,968,319.06** |

**APPENDIX 1**

| | | 2010/2011 Actual | | 2010/2011 Budget | | 2009/2010 Actual | |
|---|---|---|---|---|---|---|---|
| **2.** | **OPERATING REVENUE AND EXPENDITURE** | | | | | | |
| | **(b) Classified According to Nature and Type:** | | | | | | |
| | **OPERATING EXPENDITURE** | | | | | | |
| | **Employee Costs** | | | | | | |
| | Salaries and Wages | 3,460,331.35 | | 3,531,782.00 | | 3,331,976.59 | |
| | Superannuation | 357,571.57 | | 404,285.00 | | 353,359.73 | |
| | Workers Compensation | 101,827.49 | | 106,272.00 | | 94,920.76 | |
| | Clothing and Uniforms | 27,551.89 | | 35,400.00 | | 28,813.00 | |
| | Training Expenses | 40,493.81 | | 88,147.00 | | 45,886.08 | |
| | Fringe Benefits Tax | 26,731.97 | | 18,100.00 | | 25,729.96 | |
| | Employee Provisions | 29,512.98 | | 0.00 | | 38,388.61 | |
| | Other Employee Costs | 3,595.85 | 4,047,616.91 | 17,565.00 | 4,201,551.00 | 9,481.62 | 3,928,556.35 |
| | **Materials** | | | | | | |
| | Chemicals / Gas | 14,138.93 | | 13,200.00 | | 14,054.83 | |
| | General Supplies | 256,364.79 | | 199,616.00 | | 222,637.09 | |
| | Road Materials | 73,121.98 | | 53,550.00 | | 63,742.08 | |
| | Fuels & Oils | 162,065.01 | | 188,750.00 | | 159,053.24 | |
| | Plant Parts | 92,458.64 | | 106,500.00 | | 103,781.99 | |
| | Tools/Hardware | 10,984.76 | | 16,450.00 | | 35,222.93 | |
| | Office Supplies | 60,179.14 | | 90,738.00 | | 52,402.32 | |
| | Garden Supplies | 37,462.38 | | 68,438.00 | | 50,666.23 | |
| | Safety Equipment | 12.27 | | 0.00 | | 2,146.00 | |
| | Kiosk Purchases (Rec) | 15,943.33 | | 17,600.00 | | 12,831.57 | |
| | Freight & Transport | 8,293.17 | 731,024.40 | 4,550.00 | 759,392.00 | 9,248.31 | 725,786.59 |

**APPENDIX 1**

| 2. | OPERATING REVENUE AND EXPENDITURE | 2010/2011 | | 2010/2011 | | 2009/2010 | |
|---|---|---|---|---|---|---|---|
| | (b) Classified According to Nature and Type: | Actual | | Budget | | Actual | |
| | **Contracts** | | | | | | |
| | Lease & Rental Expenses | 3,952.68 | | 23,600.00 | | 3,875.27 | |
| | Service Contracts & Repairs | 121,361.17 | | 104,580.00 | | 111,151.71 | |
| | Contract Labour | 1,081,674.20 | | 1,410,610.00 | | 981,516.27 | |
| | Plant Hire (External) | 9,836.16 | | 1,850.00 | | 3,612.12 | |
| | Security Service | 2,078.70 | | 2,600.00 | | 2,324.45 | |
| | Professional Services & Consultants | 153,022.94 | | 395,933.00 | | 230,175.45 | |
| | Rubbish Disposal Contract | 144,454.75 | | 143,425.00 | | 136,206.88 | |
| | Recycling Contract | 74,329.31 | 1,590,709.91 | 48,598.00 | 2,131,196.00 | 46,766.17 | 1,515,628.32 |
| | **Utility Charges** | | | | | | |
| | Phone/Fax | 42,407.80 | | 45,100.00 | | 37,490.78 | |
| | Sewerage | 18,126.59 | | 9,844.00 | | 9,886.55 | |
| | Electricity | 211,530.90 | | 206,479.00 | | 185,893.89 | |
| | Water | 51,750.74 | 323,816.03 | 57,672.00 | 319,095.00 | 47,290.18 | 280,561.40 |
| | **Insurance Expenses** | | | | | | |
| | Insurance | 218,957.79 | 218,957.79 | 214,313.00 | 214,313.00 | 207,874.29 | 207,874.29 |
| | **Interest Expenses** | | | | | | |
| | Interest on Overdraft | | | 1,000.00 | | 0.00 | |
| | Interest on Loans | 61,543.37 | 61,543.37 | 77,670.00 | 78,670.00 | 141,644.14 | 141,644.14 |

**APPENDIX 1**

| 2. | OPERATING REVENUE AND EXPENDITURE | 2010/2011 | | 2010/2011 | | 2009/2010 | |
|---|---|---|---|---|---|---|---|
| | (b) Classified According to Nature and Type: | Actual | | Budget | | Actual | |
| | **Other Expenditure** | | | | | | |
| | Refreshments | 26,885.47 | | 35,400.00 | | 33,059.84 | |
| | Subscriptions / Donations | 126,854.94 | | 148,037.00 | | 72,978.36 | |
| | Valuations / Title Searches | 20,140.45 | | 25,000.00 | | 61,101.50 | |
| | Postage | 13,959.74 | | 15,000.00 | | 14,178.98 | |
| | Accommodation | 4,970.65 | | 12,650.00 | | 8,678.59 | |
| | Licence Fees | 13,652.25 | | 12,750.00 | | 11,564.20 | |
| | Advertising | 37,697.68 | | 55,300.00 | | 37,636.47 | |
| | Councillor Allowances | 58,754.01 | | 62,800.00 | | 53,989.29 | |
| | Bank Charges | 10,596.76 | | 11,000.00 | | 9,844.84 | |
| | Other Expenditure | 242,173.28 | 555,685.23 | 494,726.00 | 872,663.00 | 231,273.78 | 534,305.85 |
| | **Loss on Sale of Non-Current Assets** | 27,745.95 | 27,745.95 | 10,710.00 | 10,710.00 | 6,918.38 | 6,918.38 |
| | **Depreciation** | | | | | | |
| | Buildings | 405,538.15 | | 383,160.00 | | 383,157.13 | |
| | Furniture and Equipment | 76,873.96 | | 76,150.00 | | 76,144.71 | |
| | Plant and Equipment | 390,305.17 | | 440,000.00 | | 429,769.69 | |
| | Infrastructure Roads | 1,267,912.00 | | 1,214,000.00 | | 1,213,991.64 | |
| | Infrastructure Other | 357,495.55 | 2,498,124.83 | 342,000.00 | 2,455,310.00 | 341,968.49 | 2,445,031.66 |
| | **Less: Applicable to Capital Works** | -311,639.08 | -311,639.08 | -341,047.00 | -341,047.00 | -294,563.38 | -294,563.38 |
| | **Total Operating Expenditure** | **9,743,585.34** | **9,743,585.34** | **10,701,853.00** | **10,701,853.00** | **9,491,743.60** | **9,491,743.60** |
| | **CHANGE IN NET ASSETS FROM OPERATIONS** | **2,291,835.74** | **2,291,835.74** | **3,115,197.00** | **3,115,197.00** | **476,575.46** | **476,575.46** |

**APPENDIX 2**

| 17. | ASSETS CLASSIFIED BY PROGRAM | Values 30.06.2011 | | Values 30.06.2010 | |
|---|---|---|---|---|---|
| a) | **FIXED ASSETS BY PROGRAM** | | | | |
| | **Governance** | | | | |
| | Land | 50,000.00 | | 50,000.00 | |
| | Buildings | 1,741,584.47 | | 589,513.68 | |
| | Furniture & Fittings | 91,386.40 | | 102,320.82 | |
| | Plant & Equipment | 407,780.13 | 2,290,751.00 | | 741,834.50 |
| | **Law, Order and Public Safety** | | | | |
| | Buildings | 326,614.41 | | 125,607.83 | |
| | Furniture & Fittings | 4,511.46 | | 1,624.18 | |
| | Plant & Equipment | | 331,125.87 | 415,824.63 | 543,056.64 |
| | **Health** | | | | |
| | Land | 80,000.00 | | 80,000.00 | |
| | Buildings | 326,812.00 | | 335,461.03 | |
| | Furniture & Fittings | 393.43 | | 209.93 | |
| | Plant & Equipment | | 407,205.43 | | 415,670.96 |
| | **Education & Welfare** | | | | |
| | Land | 587,291.32 | | 587,291.32 | |
| | Buildings | 7,267,502.05 | | 6,906,095.40 | |
| | Furniture & Fittings | 151,880.80 | | 130,830.19 | |
| | Plant & Equipment | 118,565.07 | 8,125,239.24 | 129,526.70 | 7,753,743.61 |
| | **Housing** | | | | |
| | Land | 208,000.00 | | 208,000.00 | |
| | Buildings | | 208,000.00 | | 208,000.00 |
| | **Community Amenities** | | | | |
| | Buildings | 283,913.02 | | 145,719.05 | |
| | Furniture & Fittings | | | | |
| | Plant & Equipment | 4,229.40 | | 3,717.47 | |
| | Infrastructure | | 288,142.42 | | 149,436.52 |

**APPENDIX 2**

| 17. | ASSETS CLASSIFIED BY PROGRAM | Values 30.06.2011 | | Values 30.06.2010 | |
|---|---|---|---|---|---|
| | | | | | |
| | **Recreation and Culture** | | | | |
| | Land | 658,283.11 | | 658,283.11 | |
| | Buildings | 7,800,869.86 | | 7,916,570.19 | |
| | Furniture & Fittings | 97,446.49 | | 105,775.82 | |
| | Plant & Equipment | 13,844.88 | | 8,743.97 | |
| | Infrastructure | 2,422,656.89 | 10,993,101.23 | 2,228,896.99 | 10,918,270.08 |
| | **Transport** | | | | |
| | Land | 197,849.07 | | 197,849.07 | |
| | Buildings | 541,350.31 | | 554,384.15 | |
| | Furniture & Fittings | 1,329.24 | | 5,215.00 | |
| | Plant & Equipment | 2,186,838.91 | | 1,920,148.92 | |
| | Infrastructure | 85,277,478.84 | 88,204,846.37 | 85,320,769.11 | 87,998,366.25 |
| | **Economic Services** | | | | |
| | Land | 773,203.37 | | 751,837.46 | |
| | Buildings | 214,514.96 | | 222,799.04 | |
| | Infrastructure | 21,740.31 | 1,009,458.64 | 22,261.23 | 996,897.73 |
| | | | **111,857,870.20** | | **109,725,276.29** |
| **17. (b)** | **OTHER ASSETS BY PROGRAM** | | | | |
| | **General Purpose Funding** | | | | |
| | Receivables / Debtors | 177,076.33 | | 104,729.08 | |
| | Long Term Investments (Shares) | 25,000.00 | | 25,000.00 | |
| | Restricted Assets (Unspent Grants) | 25,000.00 | | | |
| | Restricted Assets (Reserves) | 1,527,048.56 | 1,754,124.89 | 1,432,671.07 | 1,562,400.15 |
| | **Governance** | | | | |
| | Restricted Assets (Unspent Grants) | | | 9,537.00 | |
| | Receivables / Debtors | 1,565.46 | 1,565.46 | 7,100.17 | 16,637.17 |
| | **Law, Order and Public Safety** | | | | |
| | Restricted Assets (Reserves) | 10,979.03 | | 10,414.10 | |
| | Receivables / Debtors | 1,754.78 | 12,733.81 | 22,091.00 | 32,505.10 |

**APPENDIX 2**

| 17. ASSETS CLASSIFIED BY PROGRAM | Values 30.06.2011 | | Values 30.06.2010 | |
|---|---|---|---|---|
| **Health** | | | | |
| Restricted Assets (Unspent Grants) | 215,846.83 | | 305,407.87 | |
| Receivables / Debtors | 907,150.44 | 1,122,997.27 | 4,132.48 | 309,540.35 |
| **Education and Welfare** | | | | |
| Restricted Assets (Reserves) | 1,207,686.87 | | 890,177.24 | |
| Restricted Assets (Restricted Cash) | 1,989.63 | | 463,649.54 | |
| Receivables / Debtors | 86,568.55 | 1,296,245.05 | 300,720.67 | 1,654,547.45 |
| **Housing** | | | | |
| Restricted Assets (Reserves) | | | | |
| Receivables / Debtors | | 0.00 | | 0.00 |
| **Community Amenities** | | | | |
| Restricted Assets (Reserves) | 864,588.26 | | 833,443.78 | |
| Restricted Assets (Unspent Grants) | | | 38,011.04 | |
| Receivables / Debtors | 30,859.10 | 895,447.36 | 6,160.33 | 877,615.15 |
| **Recreation and Culture** | | | | |
| Restricted Assets (Reserves) | 52,069.33 | | 42,650.18 | |
| Restricted Assets (Unspent Grants) | 598,087.33 | | 158,077.27 | |
| Receivables / Debtors | 57,397.46 | | 55,226.74 | |
| Stock on Hand | 855.25 | 708,409.37 | 857.42 | 256,811.61 |
| **Transport** | | | | |
| Restricted Assets (Reserves) | 1,422,454.07 | | 1,190,420.65 | |
| Restricted Assets (Unspent Grants) | 116,788.00 | | 95,494.78 | |
| Receivables / Debtors | 188,208.09 | | 77,119.67 | |
| Stock on Hand | 11,157.51 | 1,738,607.67 | 9,901.46 | 1,372,936.56 |
| **Economic Services** | | | | |
| Receivables / Debtors | 9,575.00 | 9,575.00 | 26,651.99 | 26,651.99 |
| **Other Property & Services** | | | | |
| Receivables / Debtors | 35,914.96 | 35,914.96 | 1,398.82 | 1,398.82 |
| **Other Non-Attributable** | | | | |
| Cash | -250,556.17 | | 1,502,407.80 | |
| Trust Fund | 1,579,118.17 | | 1,257,812.69 | |
| Receivables / Debtors | 48,105.78 | 1,376,667.78 | 48,277.51 | 2,808,498.00 |
| | | **8,952,288.62** | | **8,919,542.35** |
| **SUMMARY OF ASSETS** | | | | |
| **Fixed:** Property, Plant & Equipment | | 111,857,870.20 | | 109,725,276.29 |
| **Other:** Cash, Reserves, Debtors & Stock | | 8,952,288.62 | | 8,919,542.35 |
| **TOTAL ASSETS** | | **120,810,158.82** | | **118,644,818.64** |

**Appendix 3**

## SUPPORTING SCHEDULES FOR THE CALCULATION OF RATIOS

### (A) Current Ratio

currents assets minus restricted assets
current liabilities minus liabilities associated with restricted assets

| | | | | | |
|---|---|---|---|---|---|
| | 8,804,212 | less | 6,042,538 | + | 1,579,118 |
| | 2,562,614 | less | 1,579,118 | + | 171,572 |
| equals | | 1.4565 | | | |

### (B) Untied Cash to Trade Creditors Ratio

Untied cash
Unpaid Trade Creditors

| | |
|---|---|
| | -250,556 |
| | 381,422 |
| equals | -0.6569 |

### (C) Debt Ratio

total liabilities
total assets

| | |
|---|---|
| | 7,230,517 |
| | 120,810,159 |
| equals | 0.0599 |

### (D) Debt Service Ratio

debt service cost
available operating revenue

| | | | |
|---|---|---|---|
| Loan principal repaid | 294,179 | | |
| Interest on loans | 61,543 | | |
| Interest on overdraft | 0 | | |
| Operating revenue | 12,035,421 | | |
| Self Supporting loan repayments received | 209,201 | | |
| Capital Grants | 3,056,874 | | |
| | 294,179 | 61,543 | 0 |
| | 12,035,421 | 209,201 | -3,056,874 |
| equals | | 0.0387 | |

**Appendix 3**

## SUPPORTING SCHEDULES FOR THE CALCULATION OF RATIOS

### (E) Gross Debt to Revenue Ratio

$$\frac{\text{Gross debt}}{\text{Total revenue}}$$

$$\frac{4{,}567{,}874}{12{,}035{,}421}$$

equals 0.3795

### (F) Gross Debt to Economically Realisable Assets Ratio

$$\frac{\text{Gross debt}}{\text{Economically realisable assets}}$$

$$\frac{4{,}567{,}874}{31{,}509{,}165}$$

equals 0.1450

### (G) Rate Coverage Ratio

$$\frac{\text{net rate revenue}}{\text{operating revenue}}$$

$$\frac{2{,}905{,}903}{12{,}035{,}421}$$

equals 0.2414

**Appendix 3**

**SUPPORTING SCHEDULES FOR THE CALCULATION OF RATIOS**

**(H) Outstanding Rates Ratio**

$$\frac{\text{rates outstanding}}{\text{rates collectable}}$$

| | |
|---|---|
| Rates outstanding 30/6/11 | 172,394 |
| Rates levied 2010/11 year | 2,905,903 |
| Rates outstanding 30/6/10 | 100,278 |

$$\frac{172{,}394}{100{,}278 + 2{,}905{,}903}$$

equals 0.0573

**SHIRE OF DONNYBROOK / BALINGUP**
**Notes to and forming part of the Financial Statements**
**For the Period ended 30th June 2011**

**Appendix 4 Asset Disposal Schedule - 2010/2011**

| Asset No. | Asset Details | Asset Classification | Budget Proceeds Sale of Asset | Budget Written Down Value | Budget Profit/Loss | Actual Proceeds Sale of Asset | Actual Written Down Value | Actual Profit / Loss |
|---|---|---|---|---|---|---|---|---|
| **GOVERNANCE** | | | | | | | | |
| **Other Governance** | | | | | | | | |
| 30145 | Westinghouse Fridge - Staffroom | Furniture and Equipment | 0.00 | 0.00 | 0.00 | 0.00 | 948.71 | (948.71) |
| 61183 | CEO's Vehicle (DB5) | Plant and Equipment | 26,500.00 | 27,030.00 | (530.00) | 25,275.54 | 28,919.10 | (3,643.56) |
| 61176 | MFA's Vehicle (DB007) | Plant and Equipment | 22,000.00 | 20,764.00 | 1,236.00 | 20,000.00 | 23,110.73 | (3,110.73) |
| | | | **48,500.00** | **47,794.00** | **706.00** | **45,275.54** | **52,978.54** | **(7,703.00)** |
| **LAW, ORDER & PUBLIC SAFETY** | | | | | | | | |
| **Fire Prevention** | | | | | | | | |
| 61092 | Light Tanker - Mullalyup BFB | Plant and Equipment | 0.00 | 0.00 | 0.00 | 18,000.00 | 7,426.22 | 10,573.78 |
| | | | **0.00** | **0.00** | **0.00** | **18,000.00** | **7,426.22** | **10,573.78** |
| **HEALTH** | | | | | | | | |
| **Administration and Inspection** | | | | | | | | |
| 61175 | EHO's Vehicle (DB252) | Plant and Equipment | 12,500.00 | 11,900.00 | 600.00 | 13,636.36 | 12,309.61 | 1,326.75 |
| | | | **12,500.00** | **11,900.00** | **600.00** | **13,636.36** | **12,309.61** | **1,326.75** |
| **EDUCATION AND WELFARE** | | | | | | | | |
| **Home and Community Care** | | | | | | | | |
| 61161 | HACC Toyota Aurion (DB009) | Plant and Equipment | 16,818.00 | 15,240.00 | 1,578.00 | 16,818.18 | 14,809.27 | 2,008.91 |
| 61162 | HACC Toyota Camry (DB4565) | Plant and Equipment | 16,818.00 | 13,416.00 | 3,402.00 | 16,818.18 | 13,036.27 | 3,781.91 |
| **Other Welfare** | | | | | | | | |
| 30734 | Tuia Pentium 4 Computer | Furniture and Equipment | 0.00 | 0.00 | 0.00 | 0.00 | 234.14 | (234.14) |
| | | | **33,636.00** | **28,656.00** | **4,980.00** | **33,636.36** | **28,079.68** | **5,556.68** |
| **COMMUNITY AMENITIES** | | | | | | | | |
| **Town Planning** | | | | | | | | |
| 61173 | Town Planner's Vehicle (DB463) | Plant and Equipment | 14,000.00 | 16,440.00 | (2,440.00) | 14,636.36 | 18,837.04 | (4,200.68) |
| | | | **14,000.00** | **16,440.00** | **(2,440.00)** | **14,636.36** | **18,837.04** | **(4,200.68)** |
| **RECREATION AND CULTURE** | | | | | | | | |
| **Other Recreation and Sport** | | | | | | | | |
| 31176 | Sportsart TM6300 Treadmill | Furniture and Equipment | 0.00 | 0.00 | 0.00 | 90.91 | 3,725.81 | (3,634.90) |
| | | | **0.00** | **0.00** | **0.00** | **90.91** | **3,725.81** | **(3,634.90)** |
| **Road Plant Purchases** | | | | | | | | |
| 61066 | Caterpillar Grander (DB2462) | Plant and Equipment | 87,000.00 | 64,410.00 | 22,590.00 | 87,000.00 | 64,411.43 | 22,588.57 |
| 61103 | Mitsubishi Trip Truck (DB1149) | Plant and Equipment | 88,000.00 | 5,000.00 | 83,000.00 | 83,874.18 | 5,000.00 | 78,874.18 |
| 61158 | Ford Crew Cab Utility (DB112) | Plant and Equipment | 19,620.00 | 18,660.00 | 960.00 | 19,090.91 | 18,110.40 | 980.51 |
| 61152 | Kubota Ride on Mower (DB898) | Plant and Equipment | 8,000.00 | 13,140.00 | (5,140.00) | 7,000.00 | 13,336.62 | (6,336.62) |
| 50410 | Combi Hedgetrimmer | Plant and Equipment | 0.00 | 0.00 | 0.00 | 136.36 | 386.38 | (250.02) |
| 50351 | FS200 Brushcutter | Plant and Equipment | 0.00 | 0.00 | 0.00 | 136.36 | 0.00 | 136.36 |
| 50330 | FS200 Brushcutter | Plant and Equipment | 0.00 | 0.00 # | 0.00 | 136.36 | 26.80 | 109.56 |
| 50360 | 372XP Husqvarna Chainsaw | Plant and Equipment | 0.00 | 0.00 | 0.00 | 454.55 | 0.00 | 454.55 |
| 50204 | Stihl Pressure Cleaner | Plant and Equipment | 0.00 | 0.00 | 0.00 | 140.91 | 0.00 | 140.91 |
| 50358 | Wacker UHP 18" Compactor | Plant and Equipment | 0.00 | 0.00 | 0.00 | 545.45 | 461.18 | 84.27 |
| 50365 | Laser Level | Plant and Equipment | 0.00 | 0.00 | 0.00 | 790.91 | 938.71 | (147.80) |
| | | | **202,620.00** | **101,210.00** | **101,410.00** | **199,305.99** | **102,671.52** | **96,634.47** |
| **ECONOMIC SERVICES** | | | | | | | | |
| **Building Control** | | | | | | | | |
| 61171 | MDES Vehicle (DB15) | Plant and Equipment | 17,500.00 | 20,100.00 | (2,600.00) | 18,534.55 | 23,773.34 | (5,238.79) |
| **Other Economic Service** | | | | | | | | |
| | Lot 491 Cnr Marmion & Mead Street | Land | 300,000.00 | 21,500.00 | 278,500.00 | 0.00 | 0.00 | 0.00 |
| | | | **317,500.00** | **41,600.00** | **275,900.00** | **18,534.55** | **23,773.34** | **(5,238.79)** |
| | | | **628,756.00** | **247,600.00** | **381,156.00** | **343,116.07** | **249,801.76** | **93,314.31** |

**Shire of Donnybrook/Balingup**
**Notes To and Forming Part of the Budget**
**For the Year ended 30 June 2011**

**Appendix 5**

**Note 27 FEES AND CHARGES**

**Summary of revenue from Fees and Charges by Program**

| General Income | 2010/11 Actual | 2010/11 Budget | 2009/10 Actual |
|---|---|---|---|
| **GENERAL PURPOSE FUNDING** | | | |
| **General Purpose Funding** | | | |
| Rates Instalment Charges | 10,580 | 9,500 | 9,303 |
| Direct Debit Arrangement Fees | 1,200 | 1,500 | 1,685 |
| Charges Rural Property Numbering System | 464 | 500 | 518 |
| Rating Account Enquiry Charges | 8,355 | 10,500 | 10,530 |
| | **20,599** | **22,000** | **22,036** |
| **LAW, ORDER, PUBLIC SAFETY** | | | |
| **Fire Protection** | | | |
| Fines and Penalties | 4,750 | 7,000 | 7,030 |
| Bush Fire Permits etc. | 9 | 0 | 27 |
| Charges Water Usage from Standpipes | 6,999 | 2,000 | 1,766 |
| **Animal Control** | | | |
| Fines and Penalties | 1,315 | 1,000 | 1,070 |
| Cat Registration Fees | 1,237 | 1,400 | 1,405 |
| Dog Registration Fees | 10,518 | 11,000 | 11,352 |
| Impounding Fees | 2,849 | 3,500 | 3,618 |
| | **27,676** | **25,900** | **26,268** |
| **HEALTH** | | | |
| **Health Inspection and Adminstration** | | | |
| Fines and Penalties | 909 | 200 | 0 |
| Septic Tank Application Fees | 6,380 | 7,000 | 6,764 |
| Septic Tank Approval to Use | 5,940 | 7,000 | 6,764 |
| Food Registration and Assessment Fees | 7,784 | 16,000 | 0 |
| Health Licences | 3,515 | 2,000 | 1,834 |
| Swimming Pool Inspection fees | 1,364 | 1,250 | 1,263 |
| Water Sampling Charges | 0 | 330 | 0 |
| Account Enquiry Health | 75 | 0 | 0 |
| **Other Health** | | | |
| Doctor's Surgery Rental | 14,694 | 15,657 | 14,051 |
| Dental Surgery Rental | 28,502 | 25,262 | 22,047 |
| | **69,163** | **74,699** | **52,722** |
| **EDUCATION AND WELFARE** | | | |
| **Care of Families & Children** | | | |
| Lions Club Building Allnut Street | 1,421 | 774 | 0 |
| **Other Welfare** | | | |
| Tuia Lodge Rental | 394,435 | 350,000 | 349,897 |
| Minninup Cottages 1-4 Rental | 20,068 | 19,400 | 17,838 |
| Minninup Cottages 5-8 Rental | 18,612 | 19,400 | 12,614 |
| Minninup Cottages 9-12 Rental | 17,125 | 19,400 | 17,425 |
| Langley Villas 1-6 Rental | 28,908 | 29,100 | 28,444 |
| Langley Villas 7-9 Rental | 17,469 | 17,550 | 17,472 |
| Retirement Village Maintenance Fees | 18,977 | 20,400 | 20,969 |
| Retirement Village Administration Fees | 300 | 0 | 2,488 |
| Home & Community Care Client Fees | 47,919 | 52,935 | 43,525 |
| HACC Meals on Wheels | 11,036 | 10,000 | 15,038 |
| | **576,270** | **538,959** | **525,709** |

**Shire of Donnybrook/Balingup**
**Notes To and Forming Part of the Budget**
**For the Year ended 30 June 2011**

**Appendix 5**

**Note 27 FEES AND CHARGES**

**Summary of revenue from Fees and Charges by Program**

| General Income | 2010/11 Actual | 2010/11 Budget | 2009/10 Actual |
|---|---|---|---|
| **COMMUNITY AMENITIES** | | | |
| **Sanitation - Household Refuse** | | | |
| Refuse Removal Charges | 171,130 | 168,324 | 164,220 |
| Bulk Refuse Charges | 37,794 | 26,200 | 26,497 |
| Waste Management Levy | 380,662 | 379,000 | 361,397 |
| Recycling Charges | 59,638 | 56,257 | 51,841 |
| **Other Sanitation** | | | |
| Fines and Penalties | 0 | 400 | 400 |
| **Town Planning & Regional Development** | | | |
| Charges - Rezoning applications | 10,769 | 8,000 | 4,000 |
| Charges - Town Planning Approvals | 22,529 | 15,000 | 15,940 |
| **Other Community Amenities** | | | |
| Donnybrook Cemetery Fees | 10,132 | 10,000 | 8,918 |
| Balingup Cemetery Fees | 2,865 | 2,500 | 2,235 |
| Upper Preston Cemetery Fees | 137 | 1,500 | 4,795 |
| Hire of Community Bus | 2,512 | 3,000 | 3,003 |
| | **698,167** | **670,181** | **643,246** |
| **RECREATION AND CULTURE** | | | |
| **Halls** | | | |
| Donnybrook Hall Rental | 11,670 | 13,000 | 12,961 |
| Donnybrook Hall Equipment Hire | 54 | 250 | 271 |
| Balingup Hall Rental | 1,728 | 1,500 | 1,374 |
| **Other Recreation and Sport** | | | |
| Rental Balingup Physio Room | 2,418 | 1,850 | 1,850 |
| Balingup Recreation Centre Lease | 1,000 | 1,000 | 1,000 |
| Charges Egan Park | 1,881 | 2,139 | 2,363 |
| Charges Mitchell Park | 9,464 | 8,944 | 8,355 |
| Mitchell Park Tennis Club Water Charges | 1,422 | 2,690 | 3,403 |
| Charges Hire Other Reserves | 2,193 | 1,170 | 2,228 |
| Donnybrook Recreation Centre Charges | 154,896 | 143,850 | 134,953 |
| **Other Culture** | | | |
| Arts & Crafts (Lease Guide Hall) | 545 | 545 | 545 |
| | **187,271** | **176,938** | **169,303** |
| **TRANSPORT** | | | |
| **Road Maintenance** | | | |
| Charges Parking Infringements | 170 | 100 | 0 |
| Charges Issue Heavy Haulage Permits | 1,200 | 1,500 | 1,527 |
| **Private Works** | | | |
| Fees for Private Works undertaken by Council | 67,145 | 9,700 | 22,977 |
| | **68,515** | **11,300** | **24,504** |

**Shire of Donnybrook/Balingup**
**Notes To and Forming Part of the Budget**
**For the Year ended 30 June 2011**

**Appendix 5**

**Note 27 FEES AND CHARGES**

**Summary of revenue from Fees and Charges by Program**

| General Income | 2010/11 Actual | 2010/11 Budget | 2009/10 Actual |
|---|---|---|---|
| **ECONOMIC SERVICES** | | | |
| **Tourism & Area Promotion** | | | |
| Donnybrook Transit Park | 19,545 | 19,000 | 18,794 |
| Balingup Transit Park | 8,275 | 4,500 | 5,678 |
| **Building Control** | | | |
| Fines and Penalties | 0 | 100 | 0 |
| Building Permit Fees | 52,538 | 75,000 | 74,814 |
| Other Building Fees and charges | 141 | 500 | 455 |
| **Other Economic Services** | | | |
| Vehicle Examination Fees | 78 | 500 | 0 |
| Bank Building Rental | 26,319 | 26,483 | 25,936 |
| Rental Storage Units | 24,150 | 25,000 | 25,681 |
| Extractive Industry Licences | 12,276 | 11,000 | 10,900 |
| | **143,321** | **162,083** | **162,258** |
| **TOTAL REVENUE FROM FEES AND CHARGES** | **1,790,982** | **1,682,060** | **1,626,046** |

**SHIRE OF DONNYBROOK/BALINGUP**
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**
**FOR THE YEAR ENDED 30TH JUNE 2011**

APPENDIX 6

CAPITAL

| RECEIVABLE FROM | PURPOSE | 2010/2011 ACTUAL | 2010/2011 BUDGET |
|---|---|---|---|
| GRANTS | | | |
| General Purpose Funding | | | |
| Grants Commission | Bridge Upgrades | 100,000.00 | 150,000.00 |
| | | **100,000.00** | **150,000.00** |
| Law, Order & Public Safety | | | |
| Fire & Emergency Services | Grant for Fire Units supplied through ESL | 101,339.05 | 0.00 |
| Fire & Emergency Services | Grant for SES & Brigade Building Upgrades | 43,220.00 | 268,320.00 |
| Dept of Agriculture & Food | Dry Season Water Tank Assistance Grant | 10,172.73 | 0.00 |
| | | **154,731.78** | **268,320.00** |
| Health | | | |
| Regional Infrastructure Program | Donnybrook Medical Centre (RIF) | 850,000.00 | 850,000.00 |
| Dept Health & Ageing | Donnybrook Medical Centre (NRRHIF) | 175,000.00 | 175,000.00 |
| | | **1,025,000.00** | **1,025,000.00** |
| Recreation and Culture | | | |
| Dept Sport & Recreation | CSRFF Grant for Lighting of Balingup Ova | 0.00 | 50,000.00 |
| Dept Sport & Recreation | CSRFF Grant for Skatepark in Donnybrook | 0.00 | 50,000.00 |
| Dept Sport & Recreation | CSRFF Grant for Electronic Pool Blanket | 0.00 | 10,000.00 |
| Lotterywest | Indigenous Sculpture Park | 25,000.00 | 25,000.00 |
| Lotterywest | Goods Shed Conservation Works | 0.00 | 30,000.00 |
| | | **25,000.00** | **165,000.00** |
| Transport | | | |
| Main Roads WA | Federal & State Blackspot Funding | 35,520.00 | 44,400.00 |
| Main Roads WA | TIRES Road Funding Program | 200,000.00 | 200,000.00 |
| Main Roads WA | Regional Road Group | 250,676.00 | 334,066.00 |
| Main Roads WA | State Direct Road Grant | 89,894.00 | 89,894.00 |
| Federal Road Funding | Roads to Recovery Program | 887,788.00 | 887,788.00 |
| Public Transport Authority | Cycleway Grants | 24,149.20 | 23,250.00 |
| South West Development Comm. | Upgrade Balingup Main Street | 62,500.00 | 145,000.00 |
| | | **1,550,527.20** | **1,724,398.00** |
| | | **2,855,258.98** | **3,332,718.00** |

**SHIRE OF DONNYBROOK/BALINGUP**
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**
**FOR THE YEAR ENDED 30TH JUNE 2011**

APPENDIX 6

| RECEIVABLE FROM | PURPOSE | 2010/2011 ACTUAL | 2010/2011 BUDGET |
|---|---|---|---|
| CAPITAL CONTRIBUTIONS | | | |
| | | | |
| Community Amenities | | | |
| Lions Club of Doonybrook | Contribution to Materials Recycling Facility | 22,500.00 | 20,000.00 |
| | | **22,500.00** | **20,000.00** |
| Recreation and Culture | | | |
| Shire of Donnybrook-Balingup | Transfer POS funds from Shire Trust Account | 90,100.40 | 100,000.00 |
| Donnybrook Cricket Club | Contrib to Building extension | 52,631.91 | 44,000.00 |
| Unidentified | Grant for purchase of new Rollerblades | 0.00 | 3,000.00 |
| Bunbury Port Authority | Indigenous Sculpture Park | 0.00 | 5,000.00 |
| Western Power | Refund of Headworks Charges | 6,994.80 | 0.00 |
| | | **149,727.11** | **152,000.00** |
| Transport | | | |
| Various Developers | Road Assets gifted through subdivision | 0.00 | 800,000.00 |
| Various Developers | Subdivisional / Road Contributions | 29,387.53 | 27,000.00 |
| | | **29,387.53** | **827,000.00** |
| | | | |
| | | **201,614.64** | **999,000.00** |

**SHIRE OF DONNYBROOK/BALINGUP**
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**
**FOR THE YEAR ENDED 30TH JUNE 2011**

APPENDIX 6

OPERATING GRANTS

| RECEIVABLE FROM | PURPOSE | 2010/2011 ACTUAL | 2010/2011 BUDGET |
|---|---|---|---|
| GRANTS | | | |
| General Purpose Funding | | | |
| Grants Commission | General Purpose Grant | 1,453,201.00 | 1,176,713.00 |
| State Royalties for Regions | Royalties for Regions (Infrastructure Projects) | 0.00 | 736,148.00 |
| Department of Local Government | Development of Long Term Financial Plan | 25,000.00 | 0.00 |
| Federal Government | Community Infrastructure Program | 79,000.00 | 79,000.00 |
| Treasury | Deferred Rates Interest | 1,573.95 | 1,600.00 |
| | | **1,558,774.95** | **1,993,461.00** |
| Governance | | | |
| Office of Seniors Interests | Stay on your Feet Week | 863.64 | 950.00 |
| Department of Health | Seniors Week Grant | 0.00 | 1,000.00 |
| Department for Communities | Thank a Volunteer Day Grant | 1,000.00 | 1,000.00 |
| | | **1,863.64** | **2,950.00** |
| Health | | | |
| Healthways | Healthy Community Initiative | 0.00 | 10,000.00 |
| | | **0.00** | **10,000.00** |
| Education & Welfare | | | |
| Unidentified | Proposed grants for Youth related activities | 0.00 | 3,000.00 |
| Dept of Regional Development | Name change Community Centre | 0.00 | 2,500.00 |
| Health & Family Services | Tuia Lodge Operating Subsidy | 1,089,022.42 | 1,065,300.00 |
| Dept of Health | Home & Community Care Non Recurrent Grants | 438,765.70 | 453,100.00 |
| | | **1,527,788.12** | **1,523,900.00** |
| Law, Order & Public Safety | | | |
| Office of Crime Prevention | Graffiti Cleanup Grant | 4,091.00 | 0.00 |
| Fire & Emergency Services | Emergency Services Levy Funding | 81,020.00 | 95,020.00 |
| | | **85,111.00** | **95,020.00** |
| Community Amenities | | | |
| South West Catchments Council | Groundworks SW | 11,960.00 | 0.00 |
| South West Catchments Council | Fox & Rabbit Control - Balingup Racecourse Res. | 1,000.00 | 0.00 |
| South West Catchments Council | Blackberry Control along Balingup Brook | 2,990.00 | 0.00 |
| | | **15,950.00** | **0.00** |
| Recreation and Culture | | | |
| Dept of Sport & Recreation | CSRFF Grant for Donnybrook Walk Trails Project | 0.00 | 15,000.00 |
| Dept of Sport & Rec/Lotterywest | Grant for development of Trails Master Plan | 0.00 | 17,500.00 |
| Regional Development Aust SW | Preparation of Business case - Apple Funpark | 1,200.00 | 0.00 |
| Treasury | Swimming Pool Operating Subsidy | 3,000.00 | 3,000.00 |
| Unidentified | Grant for Event signage equipment | 0.00 | 1,000.00 |
| Department of Agriculture & Food | Grant to support community events | 20,000.00 | 10,000.00 |
| Office of Heritage | Local Heritage Inventory Review | 0.00 | 20,000.00 |
| State Library | Library resources grant | 0.00 | 16,500.00 |
| Dept Regional Development | Name change Donnybrook Community Library | 5,500.00 | 6,500.00 |
| | | **29,700.00** | **89,500.00** |
| | | **3,219,187.71** | **3,714,831.00** |

**SHIRE OF DONNYBROOK/BALINGUP**
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**
**FOR THE YEAR ENDED 30TH JUNE 2011**

APPENDIX 6

| RECEIVABLE FROM | PURPOSE | 2010/2011 ACTUAL | 2010/2011 BUDGET |
|---|---|---|---|
| OPERATING CONTRIBUTIONS | | | |
| General Purpose Funding | | | |
| Various | Legal Costs Rates Recovery | 20,051.30 | 2,000.00 |
| | | **20,051.30** | **2,000.00** |
| Governance | | | |
| Dept Education Emp. W/Place Rel. | Incentive for Employment of Trainee | 1,250.00 | 1,250.00 |
| Lions Club of Donnybrook | Reimbursements Leewin Ship Adventure | 450.00 | 1,800.00 |
| Various | Contributions towards Conference / Training Exp. | 489.77 | 200.00 |
| WALGA & MIBS | Insurance & Advertising Rebates | 25,066.91 | 19,000.00 |
| Various Staff | Telephone Reimbursements | 677.42 | 500.00 |
| Various Staff | Staff Uniform | 729.00 | 300.00 |
| Various | Minor Contributions & Reimbursements | 497.06 | 100.00 |
| | | **29,160.16** | **23,150.00** |
| Law, Order & Public Safety | | | |
| Various Developers | Subdivision Clearance Fees (Fire Control) | 924.55 | 1,000.00 |
| Various | Fire Permits, Ranger Services, Prescribed burning | 1,693.44 | 100.00 |
| | | **2,617.99** | **1,100.00** |
| Health | | | |
| Local Govt Insurance Services | Insurance Reimbursement Medical Centre | 644.63 | 0.00 |
| Donnybrook Dental | Reimbursements Dental Surgery lease | 2,806.69 | 0.00 |
| Employee Contribution | Employee Contribution to Vehicle & Uniforms | 472.71 | 200.00 |
| | | **3,924.03** | **200.00** |
| Education and Welfare | | | |
| Donnybrook Community Centre | Reimbursement of various operating costs | 90.55 | 300.00 |
| Various | Aged Housing Bonds Retained | 112,786.94 | 125,000.00 |
| Home & Community Care | Administration Contributions | 14,000.00 | 14,000.00 |
| Shire Trust Funds | Transfer from HACC Reserves | 2,413.21 | 0.00 |
| Local Govt Insurance Services | Workers Compensation Reimbursements HACC | 8,231.22 | 0.00 |
| Tuia Lodge / Well Aged Housing | Administration Contributions | 11,150.00 | 11,150.00 |
| Local Govt Insurance Services | Insurance Reimbursements Preston Village | 2,885.24 | 0.00 |
| Preston Retirement Village | Miscellaneous contributions & reimbursements | 220.00 | 0.00 |
| Preston Retirement Village | Accrued contributions from Leasees | 30,518.00 | 0.00 |
| Various | Various reimbursements - Tuia Lodge | 1,249.82 | 0.00 |
| Preston Retirement Village | Interest contribution on Loan for project construc | 0.00 | 14,375.00 |
| Balingup Vintage | Interest contribution Self Supporting Loar | 5,726.41 | 5,204.00 |
| Balingup Vintage | Reimbursments relating to Units in Balingup | 1,260.86 | 1,250.00 |
| Various | Minor reimbursments - Youth programs | 145.00 | 0.00 |
| | | **190,677.25** | **171,279.00** |

**SHIRE OF DONNYBROOK/BALINGUP**
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**
**FOR THE YEAR ENDED 30TH JUNE 2011**

APPENDIX 6

| RECEIVABLE FROM | PURPOSE | 2010/2011 ACTUAL | 2010/2011 BUDGET |
|---|---|---|---|
| CONTRIBUTIONS CONTINUED | | | |
| Community Amenities | | | |
| Aust Mobile Telecommunications | Mobilemuster E-Waste Grant | 750.00 | 0.00 |
| Dept Environment & Conservation | Rebate Scheme Used Oil Collection | 358.18 | 0.00 |
| Drum Muster | Drum Muster Scheme Reimbursements | 538.23 | 1,000.00 |
| Shire of Dardanup | Landcare residual bushcare funds | 4,700.00 | 0.00 |
| Various | Town Planning Recovered Costs | 122.73 | 13,000.00 |
| Employee Contribution | Employee Contribution to Vehicle Operating | 1,181.70 | 1,100.00 |
| | | **7,650.84** | **15,100.00** |
| Recreation and Culture | | | |
| Newlands Social Club | Donations towards building repairs | 1,000.00 | 0.00 |
| Donnybrook Marathon Committee | Donations towards equipment purchase | 2,945.45 | 5,500.00 |
| Local Govt Insurance Services | Insurance Claim Reimbursements | 7,446.17 | 0.00 |
| Various | Community contributions for Apple Funpark | 7,211.20 | 0.00 |
| Various | Reimbursements Lost/Damaged Library Books | 378.27 | 350.00 |
| Donnybrook Resource Centre | Various reimbursments Telephone etc | 4,655.36 | 4,450.00 |
| Donnybrook Country Club | Reimburse Interest on Self Supporting Loan | 2,380.41 | 2,352.00 |
| Shire Trust Funds | Transfer doantions received for E-Readers | 2,090.91 | 5,000.00 |
| Various | Minor Reimbursments | 18.18 | 0.00 |
| Donnybrook Packing Company | Reimbursements Drainage system | 1,850.00 | 0.00 |
| | | **29,975.95** | **17,652.00** |
| Transport | | | |
| Various | Various reimbursments relating to Engineering | 18,675.67 | 23,500.00 |
| Various | Contribution to Works - various | 2,133.89 | 0.00 |
| Various | Reimbursement for Road signs | 0.00 | 500.00 |
| | | **20,809.56** | **24,000.00** |
| Economic Services | | | |
| Various Community Groups | Council costs relating to Events reimbursed | 0.00 | 1,000.00 |
| Dbk Visitor Information Centre | Reimbursements employment VIC Staff member | 8,651.44 | 5,728.00 |
| Dept Planning & Infrastructure | Reimbursements Vehicle Licensing (Training etc. | 2,356.93 | 1,500.00 |
| Bendigo Bank | Reimbursement for Bank Outgoings | 10,672.64 | 12,000.00 |
| Employee Contribution | Employee Contribution to Vehicle Operating | 1,527.10 | 1,090.00 |
| Shire of Dardanup | Contrib to employee long service leave | 9,355.07 | 9,355.00 |
| Uniting Church | Reimbursement of Feature Survey costs | 745.00 | 745.00 |
| | | **33,308.18** | **31,418.00** |

**SHIRE OF DONNYBROOK/BALINGUP**
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**
**FOR THE YEAR ENDED 30TH JUNE 2011**

APPENDIX 6

| RECEIVABLE FROM | PURPOSE | 2010/2011 ACTUAL | 2010/2011 BUDGET |
|---|---|---|---|
| CONTRIBUTIONS CONTINUED | | | |
| | | | |
| Other Property & Services | | | |
| Australian Taxation Office | Diesel Fuel Rebate | 16,749.00 | 15,000.00 |
| Various | Engineering Services | 0.00 | 20,000.00 |
| Dept Education Emp. W/Place Rel. | Contributions to Staff Training | 1,500.00 | 0.00 |
| Shies of Esperence & Broome | Contribution to employee Long Service Leave | 10,203.59 | 0.00 |
| Local Govt Insurance Services | Insurance Claim reimbursements | 0.00 | 500.00 |
| Local Govt Insurance Services | Workers Compensation Reimbursements | 47,550.02 | 10,000.00 |
| | | **76,002.61** | **45,500.00** |
| | | | |
| | | **414,177.87** | **331,399.00** |