

SHIRE OF WILLIAMS



The Northern Entry Statement, Albany Highway

ANNUAL REPORT

2009/2010

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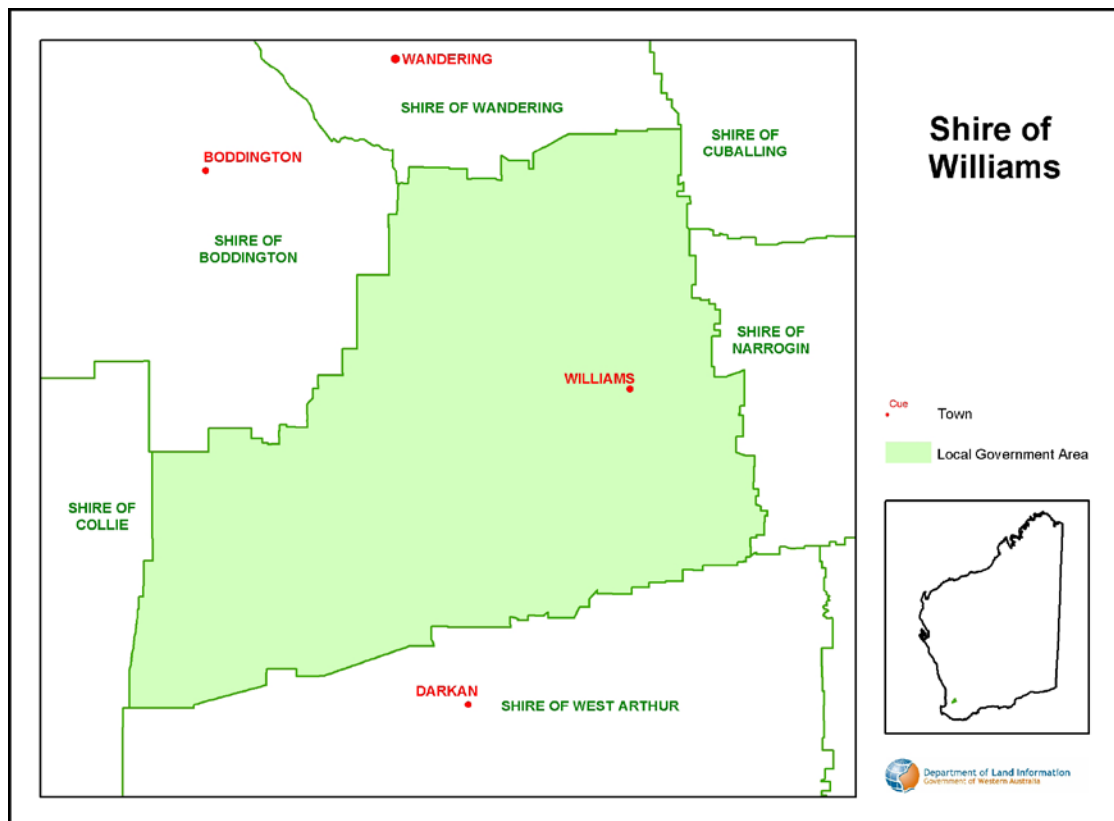
SHIRE OF WILLIAMS

Authority and Legislation

The Williams Shire Council is a statutory organisation responsible to the Minister for Local Government, the Hon. John Castrilli, MLA. It operates under the provisions of the Local Government Act 1995 (as amended).

Williams Shire Location

Shire Offices and Chambers:	Brooking Street, WILLIAMS
Postal Address:	PO Box 96, WILLIAMS 6391
Telephone:	(08) 9885 1005
Facsimile:	(08) 9885 1020
Email:	shire@williams.wa.gov.au
Website:	www.williams.wa.gov.au
Office Hours:	8:00am – 5:00pm Monday to Friday



The Shire of Williams covers an area of 2295 square kilometres in the Great Southern Region of Western Australia. Williams is the administrative centre of the Shire and lies 161 kilometres south east of Perth on the Albany Highway.

The map above shows the location of the Williams Shire situated at latitude 33°10' South, longitude 116°70' East.

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MISSION STATEMENT

Vision

To maintain a Country Lifestyle while harnessing community spirit to make the most of the opportunities both obvious and hidden to progress the Shire

Mission

Council will endeavor to maintain and improve the quality of life in the Shire of Williams.

The Council will strive for the recognition of a thriving community with an historical identity and encourage its future development.



Photo - Roses in Brooking Street, Williams

COUNCIL MEMBERS

JES (John) Cowcher – President

Elected to Office in 1993

Retiring 2011

Phone: 9885 6013

Fax: 9885 6067

DS (David) Earnshaw – Deputy President

Elected to Office in 2005

Retiring 2013

Phone: 9885 8070

Fax: 9885 8075

NA (Natalie) Major

Elected to Office in 2009

Retiring 2011

Phone: 9885 1021

Fax: 9885 1084

RF (Richard) Johnstone

Elected to Office in 2005

Retiring 2013

Phone: 9885 1113

Fax: 9885 1413

M (Moya) Carne

Elected to Office in 2003

Retiring 2011

Phone: 9885 1053

Fax: 9885 1053

JW (Jarrad) Logie

Elected to Office in 2009

Retiring 2013

Phone: 9885 1357

Fax: 9885 1357

GM (Greg) Cavanagh

Elected to Office in 2005

Retiring 2011

Phone: 9885 7092

Fax: 9885 7092

GH (Gilbert) Medlen

Elected to Office in 2007

Retiring 2011

Phone: 9885 8077

Fax: 9885 8077

PC (Peter) Paterson

Elected to Office in 2009

Retiring 2011

Phone: 9885 1130

Fax: 9885 1349



COUNCIL STAFF

NUMBER OF EMPLOYEES: 23 (FTE's)

CHIEF EXECUTIVE OFFICER: RN (Ryan) Duff

DEPUTY CHIEF EXECUTIVE OFFICE: IR (Ian) Ball

WORKS SUPERVISOR: AW (Tony) Kett

ADMINISTRATION OFFICER: SM (Sharon) Wilkie

ADMINISTRATION OFFICER: MC (Manuela) Lenehan

ENVIRONMENTAL HEALTH/BUILDING OFFICER: S (Steve) Friend

COMMUNITY DEVELOPMENT OFFICER: HJ (Heidi) Cowcher

SWIMMING POOL MANAGER: DC (Dennis) Valenta



SHIRE STATISTICS & INFORMATION

Distance from Perth (km)	161
Area (sq km)	2,295
Length sealed roads (km)	166
Length unsealed roads (km)	388
Population	1006
Councillors	9
Electors	718
Dwellings	455
Employees (FTE's)	23
Rates (2010)	\$ 1,186,089
Revenue (2010)	\$ 3,008,739

History of Shire:

The District of Williams was first explored in 1831 by Captain Bannister en route from Perth to King George 111 Sound (Albany). Williams has been a convenient stopping place for travellers on the same route since the 1850's. With the tendering of a reliable mail service around 1853, the road was upgraded and Williams became an important stop over point for passengers and changing of horses. It subsequently developed as the District Centre for Local Government, which was granted in 1877. The small town was subject to increasing floods due to the clearing of the land for intensive farming, therefore the town was relocated to the Perth side of the bridge. The town site was surveyed in 1905 and most of the buildings in the present town site were constructed after that time. Williams is still reliant on wool and coarse grains and caters for about 2,500 vehicles per day. The population has stabilised in the district to around 1,000 with about 400 in the town.

Economy:

The economic activity of the Shire is dominated by agricultural pursuits, including the growing of barley, lupins, peas, canola, wheat, oats, export hay, olives, wine grapes and the rearing of sheep, pigs and cattle. Local industries include grain pellet production, hay processing, holiday farm stays, engineering, retailing and servicing of farm machinery. The average size of agricultural holdings is 800ha and the area of public parks, gardens and play area is 20ha.

Climate:

The district enjoys a moderate climate characterised by warm dry summers and cool wet winters with average temperatures ranging from a minimum of 3° to a maximum of 25° in winter and a minimum of 20° to a maximum of 35° in summer. The warmest month is January and the average annual rainfall for the Shire of Williams is 550mm.

MANAGEMENT STRUCTURE

The Shire of Williams has developed its Management Structure to achieve greater efficiencies and to provide prompt and effective customer service.

The three line Managers have been vested with specific responsibilities, and enjoy a high level of autonomy in carrying out their functions. This is coupled with direct accountability for their respective areas of management. The Managers share a strong commitment towards ensuring efficient delivery of Local Government services.

COUNCIL

Nine (9) Councillors

Chief Executive Officer

Mr Ryan Duff

**Environmental Health Officer/
Building Surveyor
Mr Steve Friend**

**Deputy
Chief Executive Officer
Mr Ian Ball**

**Works Supervisor

Mr Tony Kett**

Responsible for:

Town Planning Functions
Health Administration and
Inspections
Building Applications
Swimming Pool
Refuse Site Management

Responsible for:

Community Service
Finance Administration
Accounting and Budgeting
Rents, Rates and Charges
Shire Housing
Library Management
Payroll
Asset and Stock Control
Grant Applications
Financial Reporting
Compliance Attending
Personnel Management
Statutory Obligations
Recreation Pavilion, Hall,
Public Buildings

Responsible for:

Road Construction
and Maintenance
Parks, Gardens
Ovals & Reserves
Street Cleaning
Private Works
Drainage
Footpaths
Street Trees

COUNCIL FACILITIES

Public Library:

The Library is open Monday to Friday from 9.00am to 5:00pm. The Library is situated in the Community Resource Centre, Brooking Street, Williams. Books may be returned during office hours.

Sports Pavilion:

Situated at the Williams sports ground. Bookings may be made through the Shire Office. This facility accommodates a variety of sports including basketball, tennis, netball, football, hockey, cricket, touch rugby and inter-school sports. The grassed oval is equipped with lighting. The centre also provides a venue for cabarets, discos, weddings, general meetings and a variety of social gatherings.

Town Hall and RSL Hall:

Situated on the corner of Brooking Street and Growse Street. Bookings may be made through the Shire Office. Trestles, chairs, cutlery and crockery are available for hire from this facility. The Hall is also used for concerts, theatre and music evenings.

Aquatic Centre:

Telephone No. (08) 9885 1096. Situated at the entrance to the Recreation Ground, Pinjarra/ Williams Road. Open for general public use from approximately November to April when the Manager is in attendance. Season and family tickets are available and may be purchased from the Shire Office.

Tourist Information Bay:

Situated at the Lions Park near the bridge on Albany Highway. Information on the board includes Shire and town site maps.

Aged Persons' Facilities:

Situated on New Street and Growse Street, Williams. 4 x 1 bedroom units and 2 x 2 bedroom units are available for accredited senior citizens.

Single Persons' Units:

Situated in Growse Street, Williams. Sandalwood Court houses 4 x 2 bedroom units for accredited single persons.

Chemical Container Compound:

Situated inside the Works Depot compound in which approved chemical containers may be deposited when inspectors are in attendance on a designated *DRUM MUSTER* day. All chemical containers must be thoroughly washed and drained before leaving at the compound.

Oil Recycling Depot:

Situated near the entrance to the Works Depot compound in which used oil may be placed for collection and recycling.

Recycling Depot:

Collection site for aluminium cans, newspapers and glass containers situated near the entrance to the Works Depot and at the Refuse Disposal Site. Additional recycling facilities including Cardboard collections are located at the Refuse site.

Refuse Disposal Site:

Situated off Narrogin Williams Road 2.5km east of town.

COUNCIL SERVICES

Private Works:

The Shire's range of modern plant and equipment, operated by trained staff, is available for private works hire. Current hire rates for graders, loaders, trucks, backhoe and other plant are available at the Shire Office.

Rubbish Removals:

Williams town removals are carried out every Tuesday by a Contractor. Kerbside recycling collections are carried out on the 2nd and 4th Tuesday of each month

Dog Registration:

Dog Registrations become due on 1st November each year.

Unsterilised Dog or Bitch	1 year	3 years
	\$30.00	\$75.00
Sterilised Dog or Bitch	1 year	3 years
	\$10.00	\$18.00

Dog used for tending stock: 25% of ordinary fee.

Dog belonging to pensioner: 50% of ordinary fee.

Dog Impoundments:

Dog owners have an obligation to keep their dogs under control at all times. Dogs wandering at large present a nuisance and a danger to the public. The Shire carries out dog patrols and responds to complaints. The Dog Act provides heavy penalties for owners whose dogs are impounded.

Drivers, Motor Vehicle, Boat and Firearm Renewals:

Drivers licenses, vehicle licenses, boat licenses and firearm licenses may all be renewed at the Shire Office. Licensing staff are also able to assist with registration of new vehicles, motor vehicle transfers and ordering of personalised number plates.

Health and Building Information:

The Environmental Health Officer incorporating Health, Building and Town Planning can be contacted at the Shire Office for any matters concerning Health and Building. The Environmental Health Officer is employed in a joint scheme with the Shires of Wagin and West Arthur. Williams' allocated day is Friday and alternate Wednesdays, however the EHO is available in special circumstances through arrangement with the Chief Executive Officer.

Mosquito Control:

To assist in controlling mosquitos the following preventative measures should be taken:-

- ◆ Ensure that all educt vents to plumbing installations are fitted with a mosquito proof cowl.
- ◆ Remove all rubbish, which may hold water from around the yard eg. old drums, tyres and disused containers.
- ◆ Ensure that all water tanks have properly fitted lids and treat water with paraffin oil or kerosene in sufficient quantity to provide a film of oil across the surface.

Council staff fogs the Williams Townsite on regular occasions when conditions are right and adult mosquitos are active.



PRESIDENT'S REPORT

Hard to believe that another year has come and gone, and once again I am proud to present my report to constituents on the achievements of Council over the last twelve months.

Amalgamations. Whilst this issue has gone quiet over the last six months, I believe that this still poses a considerable threat, with the Premier, Minister of Local Government and Regional Development and WALGA President all talking structural reform. In February, Council rejected any moves for the Shire of Williams to be involved in a Regional Transitional Group. The government's reform agenda has cost Shire's greatly in time and money but at this stage I believe we should continue to stand firm, reject structural reform based on amalgamations, and reiterate our Council and communities strong viewpoint that we wish to continue to stand alone whilst still working closely with neighbouring Shire's. We will continue to work with the 4WD VROC as this is a necessity to access future regional funding.

Royalties for Regions Country Local Government fund funding has enabled Council to financially support a number of projects in our community. These include the improvements to the amenities at the Williams Swimming Pool, the new Williams St John Ambulance Sub-Centre, cricket practice wickets, blinds for the Williams Ram Shed and resurfacing of three courts at the Williams Tennis Club.

In April, Council finally came to an agreement with a local landowner for the purchase of a parcel of land adjacent to the townsite that has been earmarked for future development into an industrial estate. With our proximity to Perth, Bunbury, Mandurah and Albany, this makes Williams the ideal location for light industry to be established to service our community and surrounds.

The long awaited kerbside recycling finally arrived in February. This has proved very popular and has made a significant impact at the refuse site. Recycling will no doubt become more important as Council's are forced to rationalise local refuse sites into transfer stations based around regional refuse sites. Council is appreciative of the time and energy Trevor Palframan puts into the refuse site, it is a credit to his hard work and dedication.

The resumption and subsequent compensation claim for the emergency services communication tower has been an ongoing issue during the year, with visits to the State Administrative Tribunal (SAT) in an attempt to resolve the issue favourably for our emergency services who rely on the tower for their communications. Despite the Minister for Emergency Service's word that he would not leave the Shire of Williams financially disadvantaged, we have received very little support from State government. At this stage, this continues to be unresolved.

New items of plant that have been purchased include a new oval mower which has significantly improved the oval surface, which has resulted in the hockey club being able to host home games again this season, where they lost them last year due to the poor surface; and the mosquito fogger which is used during periods of significant activity, which in time should make an impact on the number of mosquitos found in town during the warmer months.

In June, Council decided to appoint ABV Leisure Consultancies to oversee the development of a Recreation Plan for our Shire. This will assist Council in its future endeavours to source funding to further develop and enhance our sport and recreational facilities. It is hoped that this will be completed before the end of the year.

Council also appointed a Committee to investigate future aged housing needs for our community. These investigations will in time result in a strategy that will be developed to assist with planning for future needs.

Our new Council was sworn into office in October. I wish to take this opportunity to thank Council for their dedication and support over the last twelve months. Council is not a “half a day, once a month” commitment, but much more than that. Many of the Councillors also represent the Shire on local and regional committees and attend these meetings as part of their commitment to serving the community. I thank them for their efforts and extend my appreciation to their commitment, which is often above and beyond.

Over the last twelve months the works crew have been exceptionally busy, so much so that there was no time available to engage private works contracts. The team has seen the resignation of James Pickering, and the employment of Aaron Williams in his place. In addition, the works crew has been augmented at peak times with a number of casuals, including Peter Logie, Phil Haskard and Mick Bourden. The cleaning and management of all the Shire facilities is capably undertaken by Starr Gillett. On behalf of Council, I would like to extend our appreciation to the entire team, including Works Supervisor Tony Kett.

Administration staff are a credit to themselves and our community. Ryan Duff as CEO, leads a strong, dedicated team of Ian Ball as Deputy CEO, Sharon Wilkie as Senior Administration Officer, Manuela Lenehan as Administration Officer, Heidi Cowcher as Community Development Officer and Steve Friend as Environmental Health/Building Officer. On behalf of Council, I extend our appreciation to them and thank them for providing our community with excellent customer service.

Cr JES Cowcher
Shire President
14 September 2010





CHIEF EXECUTIVE OFFICER'S REPORT

It is with great pleasure that I present the Chief Executive Officer's report to the ratepayers of the Shire of Williams for the year ended 30th June 2010.

Financial Sustainability

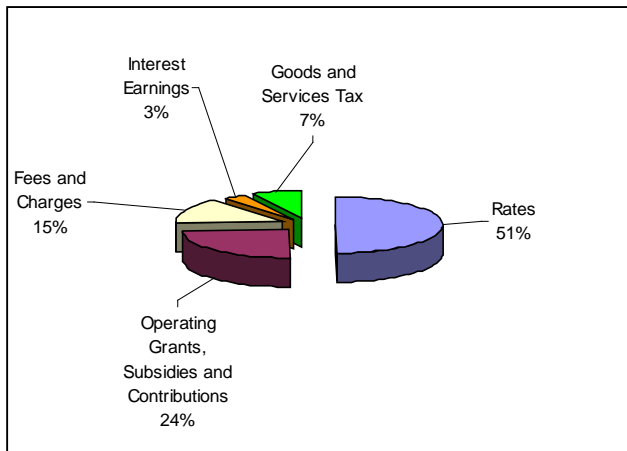
The Shire of Williams has been classified "**sustainable**" as a Council in a report compiled by Access Economics produced in June 2009 and based on Council balance sheets from June 2005 to June 2008. The report assessed Council's current financial position, current financial performance, infrastructure-related obligations and performance, financial capacity and financial sustainability.

Operating Result

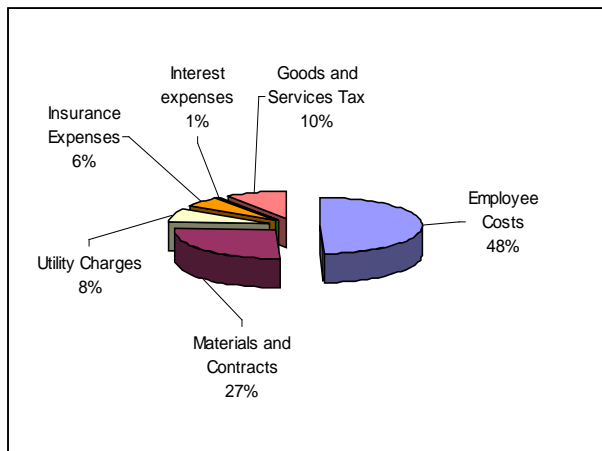
The operating surplus reported for 2009/2010 is \$738,642. This was \$477,098 less than the 2008/2009 actual result and \$548,567 more than the 2008/2009 Budget.

The diagrams below show the break up of revenue and expenditure.

Operating Revenue



Operating Expenditure



Summary	Actual 2009/2010	Budget 2009/2010	Actual 2008/2009
Total Operating Revenues	\$ 3,008,739	\$ 2,534,233	\$ 3,570,813
Total Operating Expenditure	\$ 2,265,370	\$ 2,337,078	\$ 2,414,233
Net gain/(loss) on disposal of assets	\$ (4,727)	\$ (7,080)	\$ 59,160
Net Operating Result	\$ 738,642	\$ 190,075	\$ 1,215,740

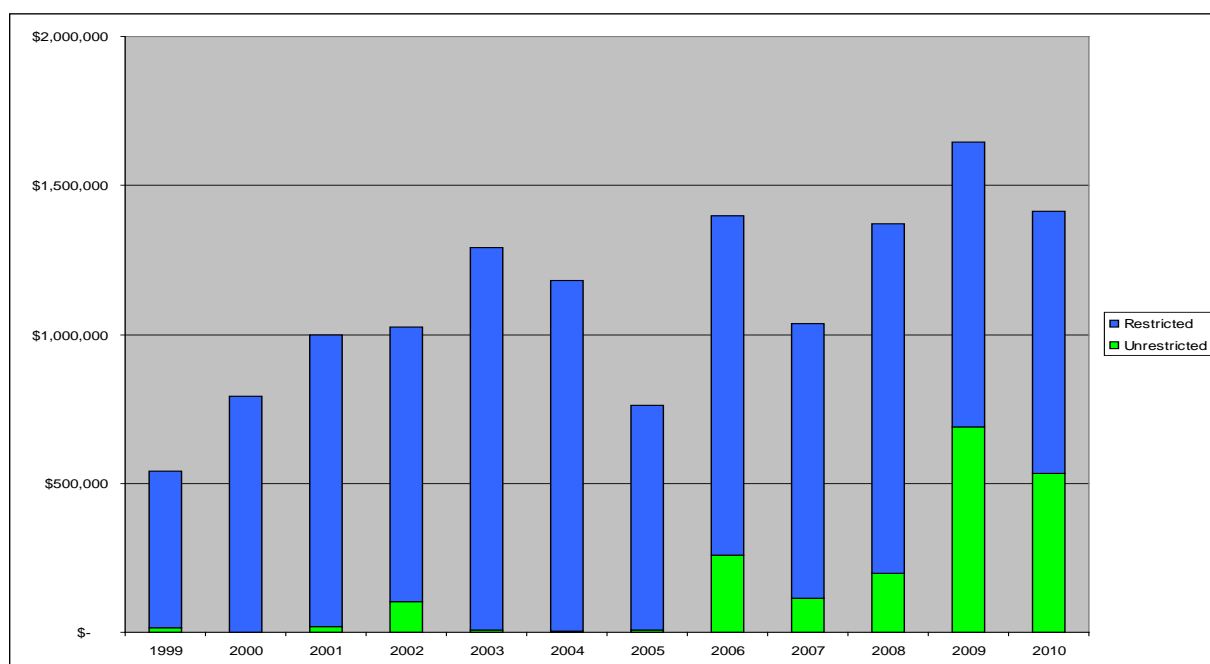
Capital Expenditure

Council capital expenditure for 2009/10 is listed below:

	Actual	Budget	
CEO Vehicle	36,311	36,000	
CEO Residence	3,342	0	
Admin Building Upgrade	0	20,000	
Computer Equipment	11,714	15,000	
Transportable Radar Speed Display	866	0	
Ambulance Training Centre	63,982	50,000	Royalties for Regions & St Johns
High Frequency Discillator (Medical Centre)	3,299	0	Friends of Medical Centre
Bottle Water Cooler (Medical Centre)	651	0	Friends of Medical Centre
ECG Machine (Medical Centre)	2,909	0	Friends of Medical Centre
Mosquito Fogger	4,700	0	
Oval Mower	37,500	36,000	
Tarwonga Tennis Courts Resurfacing	0	132,000	Royalties for Regions & Tarwonga Royalties for Regions & Cricket Association
Cricket Practice Wickets	8,313	12,000	
Swimming Pool Amenities Upgrade	339,486	571,920	Royalties for Regions - CSRFF - RCLIP
Ram Pavilion	6,566	0	Royalties for Regions
Recreation Ground Shade Sails (Lighting)	2,587	0	
Williams Tennis Courts Resurfacing	66,424	0	Royalties for Regions & Tennis Club
Fuel Trailer	13,605	12,000	
4 X 4 Utility	29,331	30,000	
Road Construction	1,229,115	584,130	
	<u>1,860,701</u>	<u>1,499,050</u>	

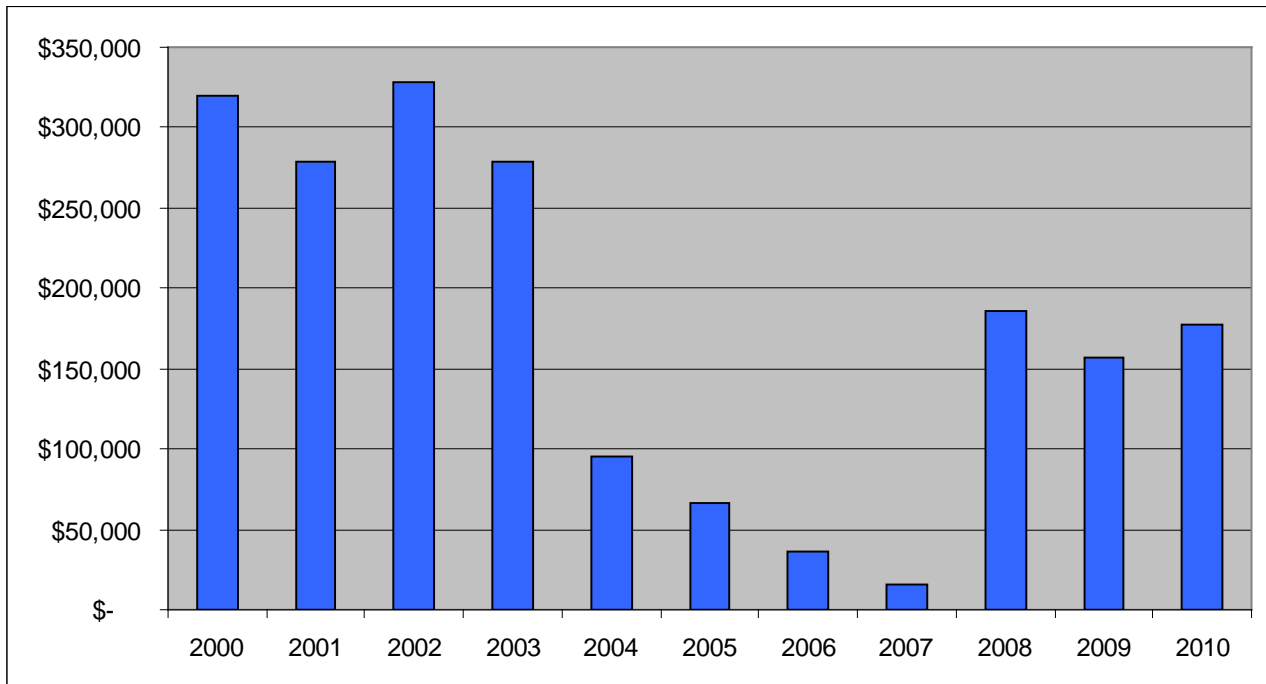
Cash and Reserves

Council had cash holdings of \$1.414 million as at the 30th June 2010.



Loans

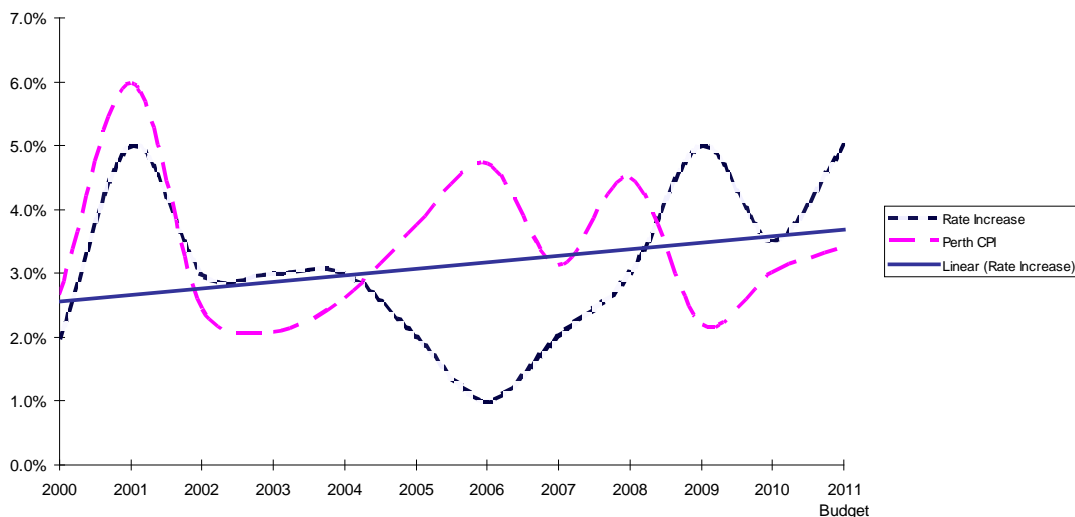
Council loan liability for the year ended 30th June 2010 was \$177,265 repayable at an interest rate of 6.73%. The Shire of Williams has extremely low external debt and has additional scope for appropriate borrowings to finance long-lived infrastructure assets.



Rates

Council adopted a 3.5% general rate increase in 2009/10. This resulted in a total rate collection of \$1,186,089 compared to \$1,127,825 the previous year. Although the increase this financial year is slightly higher than previous years, the average rate increase since 2000 has been 2.95% which is slightly below the average CPI increase for the same period.

Historic Rate Increases 2000 to 2011



Volunteers

There are many ways that people volunteer their time for the betterment of the community, many who go unrecognised or unnoticed. Whether it is junior sport, umpiring, coaching, Tidy Towns, St Johns, Bushfire Brigades, charities and many others, you all make our community a better place to live.

Councillors and Staff

Once again I would like to record my utmost appreciation to my fellow staff for their hard work and support during the year. A big thank you also to our dedicated and competent Councillors for their efforts in continuing to provide the community with leadership and direction.

RN Duff

Chief Executive Officer

14 September 2010



Report on National Competition Policy

The National Competition Policy is a set of competition enhancing principles agreed by all State Governments and the Federal Government:

The intention of the policy is to promote competition for the benefit of businesses, consumers and the economy by eliminating any advantage received by government as a result of public sector ownership.

Theoretically this should result in a more “level playing field” between the public and private sector.

COMPETITIVE NEUTRALITY

All Local Governments with significant business activities with an annual user pays net income of more than \$200,000 must assess these activities and if considered necessary, introduce measures to eliminate any net advantages that arise out of public sector ownership.

In 2009/2010 the Shire of Williams had no significant business activity; some private works were carried out for Main Roads WA and private resources.

In order to ensure competitive neutrality Council conducts price sampling of other service providers and pursues a practice of deliberately setting its fees at the same level or slightly higher than private service providers providing the same services. Therefore where other service providers are present and willing to provide the required services Council could not be seen to exercise a competitive advantage arising from its public sector ownership. As a result of these deliberately high pricing practices, Council is not always successful in its bids for private works.

Council has made full use of the principles of Activity Based Costing in the preparation of its financial information to ensure that all costs that can be reliably attributed to Private Works have been included as expenses.

While it can feasibly be argued that Council has a competitive cost advantage in the provision of private works by virtue of its public sector ownership, examination of available information reveals that Council is charging more for its services than they would cost if Council’s advantage via public sector ownership was removed. Therefore it is Council’s belief that competitive neutrality has been implemented fully in the business activity private works for 2009/2010.

Council’s policy of performing private works on request in order to gain full utilisation of existing plant and human resources, coupled with competitively neutral pricing practices, will ensure that competitive neutrality will be maintained in future years. Council believes that the implementation and continuation of competitive neutrality in this activity is in the public interest to ensure the opportunity for private service providers to enter the market if they choose to. Such market entry would expand the local private economy and be positive for the economic wellbeing of the community.

No complaints were received regarding Council carrying out private work during 2009/2010.

LEGISLATIVE REVIEW

The Shire of Williams has not identified any current local laws that may restrict competition in accordance with National Competition Policy. The latest comprehensive review of all by laws was completed in 1997 in accordance with the provisions of the Local Government Act. At that time all current by-laws were considered to be not inconsistent with National Competition Policy. Council will continue to review existing by-laws as required.

The Clause 7 requirements of National Competition Policy Legislative review have been complied with and the Shire of Williams undertakes to review any proposed local laws in light of the Clause 7 requirements.

STRUCTURAL REFORM

The Shire of Williams did not privatise any activities in 2009/2010. As a result there were no obligations for structural reform under National Competition Policy.

RN Duff
Chief Executive Officer
14 September 2010



Report on Disability Access and Inclusion Plan

Planning for better access

The Western Australia Disability Services Act requires all local Governments to develop and implement a Disability Access and Inclusion Plan (DAIP) to ensure that people with disabilities have equal access to its facilities and services.

It is well recognised that people with disabilities and their families and carers have the same rights as other people to access the services within the community. These rights are protected by both State and Commonwealth legislation which make it illegal to discriminate against people with a disability.

Public authorities in WA have been required to have a disability service plan (DSP) since 1993, and local governments have made a great deal of progress to ensuring that their services, buildings and information are accessible to people with disabilities, their careers and families.

Other legislation that supports this access and inclusion requirements include the Western Australian Equal Opportunity Act (1984) and the Commonwealth Disability Discrimination Act 1992 (DDA), both of which make discrimination on the basis of a person's disability unlawful.

The Disability Service Act (1993) was amended in 2004, and now requires public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). The requirements of DAIPs build on those of DSPs, so that people with disabilities can access services provided by public authorities in WA in a way that facilitates increased independence, opportunities and inclusion within the community.

Progress since 1995

The Shire of Williams is committed to facilitating the inclusion of people with disabilities through the improvement of access to its information, facilities and services. In achieving this goal the Shire prepared and adopted its first Disability Service Plan in 1995. The Plan included the following:

- Information on council's functions, facilities and services – both in-house and contracted;
- A policy statement about council's commitment to addressing the issue of access for people with disabilities, their families and careers;
- A description of the process used to consult with people with disabilities, their families, careers, disability organisations and relevant community groups;
- The identification of objectives and strategies to overcome barriers that people with disabilities identified during the consultation process;
- Dates and the identification of the process responsible for the proposed strategies; and
- Information about how the plan is being communicated to staff and people with disabilities.

Since the adoption of the initial DSP in 1995, the Shire has continually implemented best management practice in terms of addressing disability related access issues and has made significant progress towards ensuring better access for all community members. Some of these initiatives are listed in Appendix 1.

Access and Inclusion Plan

The Shire of Williams is committed to ensuring that the community is accessible for and inclusive of people with disabilities, their families and careers.

The Shire of Williams interprets an accessible and inclusive community as one in which all council functions, facilities and services (both in-house and contracted) are open, available and accessible to people with disabilities, providing them with the same opportunities, rights and responsibilities as other people in the community.

The Shire of Williams believes that people with disabilities, their families and careers who live in country areas should be supported to remain in the community of their choice.

The Shire of Williams is committed to consulting with people with disabilities, their families and careers and where required disability organisations to ensure that barriers to access are addresses appropriately.

The Shire of Williams is committed to achieving the following outcomes:

Outcome 1

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

- Council will endeavour to be adaptable in responding to the barriers experienced by people with various disabilities, including people with physical, sensory, cognitive and psychiatric disabilities.
- Council will ensure that all policies and practices that govern the operation of council facilities, functions and services are consistent with Council's policy on access.

Outcome 2

Access to building and facilities is improved.

- Council will undertake to incorporate the priorities regarding access for people with disabilities, identified during public consultation, into its capital works program where practical. Further modifications will be made as funds are made available.
- Council will undertake to liaise with developers to increase their awareness of the access requirements of people with disabilities.

Outcome 3

Information about functions, facilities and services is provided in formats, functions which meet the communication requirements of people with disabilities.

- Council will produce all of its information on Council facilities, functions and services using clear, concise language.
- Council will advise the community that, subject to demand, information about functions, facilities and services can be made available in alternative formats, such as large print, electronically, audio and email.

Outcome 4

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

- Council will undertake to ensure that all staff are aware of the key access needs of residents with disabilities and people who visit the local government area in relation to the provision of all services.

- Where required, council will seek expert advice from the relevant disability service organisations on how to meet the access needs of people with disabilities.

Outcome 5

Opportunities for people with disabilities to participate in public consultations, grievance mechanisms and decision making processes are provided.

- Council will ensure that information is available in clear, concise language on how residents can participate in decision making processes, public consultations and grievance mechanisms.
- Council will advise the community that the information can be made in alternative formats on request.
- Council will also undertake to support people with disabilities to attend meetings of Council.

RN Duff
Chief Executive Officer
14 September 2010



Report on Record Keeping Plan

As required under the State Records Act 2000 Council adopted a Record Keeping Plan in February 2004. Principle 6 requires Council to ensure that employees comply with the Record Keeping Plan. The following activities have been undertaken to ensure staff awareness and compliance:

1. Presentations of the record keeping program to staff on a regular basis
2. In house and external training has been conducted for staff
3. Staff information sessions have been held as required.
4. No induction programs were required as there was no staff turnover.

In June 2007 Council was granted a five year approval. A fully revised plan will be provided to the State Records Commission before 15th September 2012.

RN Duff
Chief Executive Officer
14 September 2010



Photo – Williams Resource Centre

Report on Plan for the Future

The Local Government Act 1995 requires Councils to prepare a Plan for the Future for a minimum of two (2) year period. Council has continued with a five (5) year plan in a similar format to the previous Principal Activities Plan.

Submissions are invited from residents/local organisations around March/April each year for consideration by Council in conjunction with preparation and review of the plan.

Following is a summary of activities and outcomes for the 2009/2010 year:

ACTIVITY:	OUTCOME:
Council/Community Interaction	<ul style="list-style-type: none"> - News and Views published in "The Williams" - Hosting of the ANZAC Day Service and Australia Day Community Breakfast - Councillor's profiles on website - Monthly Radio interviews
Corporate Management	<ul style="list-style-type: none"> - Staff performance appraisals conducted annually - Insurances reviewed annually
Administration	<ul style="list-style-type: none"> - Council website: www.williams.wa.gov.au updated regularly - Computer software program upgraded - Records kept and maintained as per Record Keeping Plan
Plant Replacement Program	<ul style="list-style-type: none"> - Plant purchased: Nil.
Works Program	<ul style="list-style-type: none"> - Marradong Rd – widening and sealing of 2.0km completed - Quindanning Darkan Rd – widening and sealing of 2.0km completed
Community Welfare	<ul style="list-style-type: none"> - No Action
Staff Housing	<ul style="list-style-type: none"> - Continued Maintenance of Staff Houses
Community Amenities	<ul style="list-style-type: none"> - Recycling service continued
Recreation & Culture	<ul style="list-style-type: none"> - Completion of the upgrade to the Swimming pool amenities building
Townscape	<ul style="list-style-type: none"> - Town signage improved



Photo – New Pool Blankets – Williams Swimming Pool

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

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SHIRE OF WILLIAMS

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 31st day of August 2010.

Ryan Duff
Chief Executive Officer

SHIRE OF WILLIAMS
STATEMENT OF COMPEREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2010

	NOTE	2010 \$	2010 Budget \$	2009 \$
REVENUE				
Rates	22	1,186,089	1,183,953	1,136,677
Operating Grants, Subsidies and Contributions	28	579,973	437,770	583,400
Fees and Charges	27	307,230	357,710	785,812
Service Charges	24	0	0	0
Interest Earnings	2(a)	78,166	77,600	84,806
Other Revenue		18,570		54,685
		<u>2,170,028</u>	<u>2,057,033</u>	<u>2,645,380</u>
EXPENSES				
Employee Costs		-855,547	-981,402	-882,746
Materials and Contracts		-589,011	-558,827	-735,803
Utility Charges		-139,790	-125,000	-124,461
Depreciation on Non-Current Assets	2(a)	-555,540	-549,080	-545,093
Interest Expenses	2(a)	-11,421	-11,144	-13,528
Insurance Expenses		-99,826	-93,625	-87,059
Other Expenditure		-14,235	-18,000	-25,543
		<u>-2,265,370</u>	<u>-2,337,078</u>	<u>-2,414,233</u>
		-95,342	-280,045	231,147
Non-Operating Grants, Subsidies and Contributions	28	838,711	477,200	925,433
Profit on Asset Disposals	20	0	0	59,160
Loss on Asset Disposal	20	-4,727	-7,080	0
NET RESULT		738,642	190,075	1,215,740
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		<u>738,642</u>	<u>190,075</u>	<u>1,215,740</u>

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

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

	NOTE	2010 \$	2010 Budget \$	2009 \$
REVENUE				
Governance		61,566	21,000	90,660
General Purpose Funding		1,583,167	1,516,215	1,620,914
Law, Order, Public Safety		27,710	26,580	51,497
Health		8,270	1,100	50,930
Education and Welfare		49,125	47,420	51,092
Housing		60,830	61,100	61,422
Community Amenities		220,437	107,850	159,451
Recreation and Culture		219,479	258,240	558,949
Transport		702,785	372,970	411,650
Economic Services		20,440	33,260	49,876
Other Property and Services		54,930	88,500	523,532
	2 (a)	<u>3,008,739</u>	<u>2,534,235</u>	<u>3,629,973</u>
EXPENSES EXCLUDING FINANCE COSTS				
Governance		-171,339	-165,960	-217,968
General Purpose Funding		-18,341	-20,750	-10,024
Law, Order, Public Safety		-57,125	-86,350	-44,184
Health		-55,127	-49,950	-46,586
Education and Welfare		-91,828	-91,600	-88,787
Housing		-67,764	-56,160	-48,541
Community Amenities		-224,258	-188,780	-217,564
Recreation & Culture		-581,428	-558,270	-503,464
Transport		-838,853	-951,175	-958,356
Economic Services		-91,025	-89,730	-86,343
Other Property and Services		-62,177	-74,290	-180,093
	2 (a)	<u>-2,259,265</u>	<u>-2,333,015</u>	<u>-2,401,910</u>
FINANCE COSTS				
General Purpose Funding		-877	-600	-687
Health		-238	0	0
Recreation & Culture		0	0	-33
Transport		-9,717	-10,545	-11,445
Economic Services		0	0	-158
	2 (a)	<u>-10,832</u>	<u>-11,145</u>	<u>-12,323</u>
NET RESULT		738,642	190,075	1,215,740
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		<u>738,642</u>	<u>190,075</u>	<u>1,215,740</u>

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

SHIRE OF WILLIAMS
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2010

	NOTE	2010 \$	2009 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,414,573	1,645,864
Trade and Other Receivables	4	82,334	97,990
Inventories	5	23,002	11,514
TOTAL CURRENT ASSETS		<u>1,519,909</u>	<u>1,755,368</u>
NON-CURRENT ASSETS			
Other Receivables	4	42,705	0
Inventories	5	0	0
Property, Plant and Equipment	6	6,118,674	5,873,276
Infrastructure	7	8,019,334	6,972,298
TOTAL NON-CURRENT ASSETS		<u>14,180,713</u>	<u>12,845,574</u>
TOTAL ASSETS		<u>15,700,622</u>	<u>14,600,942</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	446,111	101,459
Long Term Borrowings	9	29,367	24,280
Provisions	10	135,548	109,453
TOTAL CURRENT LIABILITIES		<u>611,026</u>	<u>235,192</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	147,898	132,265
Provisions	10	12,857	43,286
TOTAL NON-CURRENT LIABILITIES		<u>160,755</u>	<u>175,551</u>
TOTAL LIABILITIES		<u>771,781</u>	<u>410,743</u>
NET ASSETS		<u>14,928,841</u>	<u>14,190,199</u>
EQUITY			
Retained Surplus		13,134,439	12,318,579
Reserves - Cash Backed	11	880,815	958,033
Reserves - Asset Revaluation	12	913,587	913,587
TOTAL EQUITY		<u>14,928,841</u>	<u>14,190,199</u>

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

**SHIRE OF WILLIAMS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2008		10,888,413	1,172,459	913,587	12,974,459
Changes in Accounting Policy					0
Correction of Errors					0
Restated Balance		10,888,413	1,172,459	913,587	12,974,459
Net Result		1,215,740	0	0	1,215,740
Total Other Comprehensive Income					0
Reserve Transfers		214,426	-214,426	0	0
Balance as at 30 June 2009		12,318,579	958,033	913,587	14,190,199
Net Result		738,642	0	0	738,642
Total Other Comprehensive Income					0
Reserve Transfers		77,218	-77,218	0	0
Balance as at 30 June 2010		13,134,439	880,815	913,587	14,928,841

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

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

	NOTE	2010 \$	2010 Budget \$	2009 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,172,013	1,178,753	1,120,019
Operating Grants, Subsidies and Contributions		571,734	452,970	608,885
Fees and Charges		356,454	395,203	743,265
Service Charges		0	0	0
Interest Earnings		78,166	77,600	81,727
Goods and Services Tax		174,097	150,000	171,655
Other Revenue		0	0	0
		<u>2,352,464</u>	<u>2,254,526</u>	<u>2,725,551</u>
Payments				
Employee Costs		(890,533)	(981,402)	(891,755)
Materials and Contracts		(483,039)	(559,093)	(686,498)
Utility Charges		(144,352)	(123,500)	(120,565)
Insurance Expenses		(99,826)	(93,625)	(87,059)
Interest expenses		(11,421)	(11,144)	(12,830)
Goods and Services Tax		(174,097)	(170,000)	(171,655)
Other Expenditure		0	0	0
		<u>(1,803,268)</u>	<u>(1,938,764)</u>	<u>(1,970,362)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>549,196</u>	<u>315,762</u>	<u>755,189</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(548,262)	(770,920)	(559,962)
Payments for Construction of Infrastructure		(1,085,505)	(746,132)	(910,548)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		824,561	477,200	925,433
Proceeds from Sale of Plant & Equipment		8,000	8,000	90,032
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In) Investing Activities		(801,206)	(1,031,852)	(455,045)
Cash Flows from Financing Activities				
Repayment of Debentures		(24,280)	(24,280)	(29,275)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	5,258
Proceeds from New Debentures		45,000	0	0
		<u>20,720</u>	<u>(24,280)</u>	<u>(24,017)</u>
Net Increase (Decrease) in Cash Held		(231,290)	(740,370)	276,127
Cash at Beginning of Year		1,645,864	1,645,384	1,369,737
Cash and Cash Equivalents at the End of the Year	13(a)	<u>1,414,574</u>	<u>905,014</u>	<u>1,645,864</u>

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

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

	NOTE	2010 \$	2010 Budget \$
REVENUE			
Governance		61,566	21,000
General Purpose Funding		397,078	347,460
Law, Order, Public Safety		27,710	26,580
Health		8,270	1,100
Education and Welfare		49,125	47,420
Housing		60,830	61,100
Community Amenities		220,437	107,850
Recreation and Culture		219,479	258,240
Transport		702,785	372,970
Economic Services		20,440	33,260
Other Property and Services		54,930	88,500
		<u>1,822,650</u>	<u>1,365,480</u>
EXPENSES			
Governance		-171,339	-158,880
General Purpose Funding		-19,218	-21,350
Law, Order, Public Safety		-57,125	-86,350
Health		-55,365	-49,950
Education and Welfare		-91,828	-91,600
Housing		-67,764	-56,160
Community Amenities		-224,258	-188,780
Recreation & Culture		-581,428	-558,270
Transport		-848,570	-968,800
Economic Services		-91,025	-89,730
Other Property and Services		-62,177	-74,290
		<u>-2,270,097</u>	<u>-2,344,160</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		4,727	7,080
Movement in Accrued Interest		589	0
Movement in Deferred Pensioner Rates (Non-Current)		0	0
Movement in Accrued Salaries and Wages		34,986	0
Movement in Employee Benefit Provisions		4,334	0
Depreciation and Amortisation on Assets		555,540	549,080
Capital Expenditure and Revenue			
Purchase Land Held for Resale		0	0
Purchase Land and Buildings		-415,962	-641,920
Purchase Infrastructure Assets - Roads		-1,229,115	-584,130
Purchase Infrastructure Assets - Parks		-74,737	-144,000
Purchase Plant and Equipment		-122,314	-114,000
Purchase Furniture and Equipment		-18,573	-15,000
Proceeds from Disposal of Assets		8,000	8,000
Repayment of Debentures		-24,280	-24,280
Proceeds from New Debentures		45,000	0
Self-Supporting Loan Principal Income		0	0
Transfers to Reserves (Restricted Assets)		-39,125	-43,100
Transfers from Reserves (Restricted Assets)		116,343	116,000
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		718,925	706,197
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		302,980	10,000
Amount Required to be Raised from Rates	22	<u><u>-1,186,089</u></u>	<u><u>-1,168,753</u></u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

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

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

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

Land Held for Resale

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

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

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

(g) Fixed Assets

Initial Recognition

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

Revaluation

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

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

Land under Roads

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation of Non-Current Assets

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

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

Buildings	2% Straight Line Method
Sewerage piping	2% Straight Line Method
Furniture and Equipment	
Electronic	20% Straight Line Method
Other	5% Straight Line Method
Motor Vehicles	
Light Vehicles	10% Reducing Balance Method
Trucks	12% Reducing Balance Method
Graders and Loaders	9% Reducing Balance Method
Other Licensed Plant	5% Reducing Balance Method
Other Minor Plant	5% Reducing Balance Method
Infrastructure	
Bridges	1.3% Straight Line Method
Major Culverts	2.0% Straight Line Method
Dams	2% Straight Line Method
Drains	1.3% Straight Line Method
Gardens	1.3% Straight Line Method
Irrigation	0.0% Straight Line Method
Kerbs and Channels	2.0% Straight Line Method
Median Strips	2.0% Straight Line Method

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets

Classification

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

Recognition and derecognition

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (Continued)

Subsequent measurement

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

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

Impairment

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

(j) Estimation of Fair Value

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

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

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

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

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

(l) Trade and Other Payables

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

(m) Employee Benefits

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

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

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

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

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

(n) Interest-bearing Loans and Borrowings

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

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

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

Borrowing Costs

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions

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

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

(p) Leases

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

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

(q) Joint Venture

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

(r) Rates, Grants, Donations and Other Contributions

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

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

(s) Superannuation

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

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

(u) Rounding Off Figures

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

(v) Comparative Figures

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

(w) Budget Comparative Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Notes:

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Adoption of New and Revised Accounting Standards

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

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

AASB 101: Presentation of Financial Statements

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

Disclosure Impact

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

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

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

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

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

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

2. REVENUE AND EXPENSES	2010	2009
	\$	\$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit	3,300	5,400
- Other Services	342	45
Depreciation		
Buildings	93,606	90,853
Furniture and Equipment	14,577	15,703
Plant and Equipment	185,512	182,944
Roads	230,000	230,000
Parks & Reserves	31,845	25,593
	<u>555,540</u>	<u>545,093</u>
Interest Expenses (Finance Costs)		
Overdraft Interest	877	687
Debentures (<i>refer Note 21(a)</i>)	10,544	12,841
	<u>11,421</u>	<u>13,528</u>
Rental Charges		
- Operating Leases	0	0
	<u>0</u>	<u>0</u>
(ii) Crediting as Revenue:	2010	2010
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	39,125	34,600
- Other Funds	27,677	35,000
Other Interest Revenue (<i>refer note 26</i>)	11,364	10,694
	<u>78,166</u>	<u>80,294</u>
	<u>78,166</u>	<u>84,806</u>

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective: To provide services to ensure a safer community.

Activities: Supervision and enforcement of local laws, fire prevention and suppression activities and animal control.

HEALTH

Objective: To provide an operational framework for good community health.

Activities: Health inspection and advisory services, analytical services, mosquito control and collection agent for Williams St John Ambulance subscriptions.

EDUCATION AND WELFARE

Objective: To provide a framework that enables community needs in these areas to be met.

Activities: Provision and maintenance of premises for Williams Telecentre, payroll administration Williams Telecentre, provision of scholarships, sponsorship and administration of Williams Community Aged Care Packages.

HOUSING

Objective: To help ensure availability of adequate housing for community needs.

Activities: Management, administration and maintenance of Williams Community Homes and Sandalwood Court.

COMMUNITY AMENITIES

Objective: Provision of amenities required by the community.

Activities: Refuse management, maintenance and administration of sewage system, protection of environment, maintenance of cemeteries and public conveniences. Administrative support to Williams - Narrogin Community Landcare Coordinator.

RECREATION & CULTURE

Objective: To establish and manage efficiently infrastructure and resources which will meet the recreational and cultural needs of the community.

Activities: Maintenance of hall, recreational facilities and reserves, operation of library, compilation of and maintenance of local heritage register.

TRANSPORT

Objective: To provide effective and efficient transport services to the community.

Activities: Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, depot maintenance and on-line agent for Department of Transport collections.

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

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

ECONOMIC SERVICES

Objective: Promotion of Williams and improvement of the economic wellbeing of the district and it's inhabitants.

Activities: Tourism services, area promotion, implementation of building controls, provision of standpipe water, maintenance and management of Williams Stud Breeders pavilion.

OTHER PROPERTY & SERVICES

Objective: Efficient utilisation of Council resources, plant repairs and operations, management of Williams Town Planning Scheme.

Activities: Provision of private works to public, maintenance of Council plant, approvals and monitoring of town planning activities.

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening Balance (*) 1-Jul-08	Received (+) 2008/09	Expended (#) 2008/09	Closing Balance (*) 30-Jun-09	Received (+) 2009/10	Expended (#) 2009/10	Closing Balance 30-Jun-10
Grant/Contribution	Function/ Activity	\$	\$	\$	\$	\$	\$	\$
Roads to Recovery	Transport	60,287		-60,287	0	143,059	-135,715	7,344
Australian Government Enviro	Community	18,260		-18,260	0			0
Country Local Government	Recreation		469,371	0	469,371		-255,717	213,654
RLCIP	Recreation		100,000	-23,644	76,356	30,000	-76,356	30,000
Waste Authority	Community				0	9,226	0	9,226
Department of Agriculture	Community				0	29,100	-16,365	12,735
Department of Regional Dev.	Governance				0	35,000	0	35,000
					0			0
					0			0
					0			0
					0			0
					0			0
					0			0
					0			0
					0			0
Total		78,547	569,371	-102,191	545,727	246,385	-484,153	307,959

Notes:

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

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

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

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

	2010	2009
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	225,799	687,831
Restricted	1,188,774	958,033
	<u>1,414,573</u>	<u>1,645,864</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	25,205	24,131
Plant Reserve	44,562	150,006
Building Reserve	581,707	556,907
Joint Venture Housing Reserve	160,999	154,135
Recreation Facilities Reserve	46,906	52,333
Sewerage Reserve	12,933	12,381
Art Acquisition Reserve	8,503	8,140
Industrial Land Development Reserve	0	0
Unspent Grants	307,959	545,727
	<u>1,188,774</u>	<u>1,503,760</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	45,266	31,190
Provision for Doubtful Debts	-15,267	-15,267
Sundry Debtors	34,081	81,281
GST Receivable	14,879	786
Loans - Clubs/Institutions	3,375	0
	<u>82,334</u>	<u>97,990</u>
Non-Current		
Rates Outstanding - Pensioners	1,080	0
Loans - Clubs/Institutions	41,625	0
	<u>42,705</u>	<u>0</u>
5. INVENTORIES		
Current		
Fuel and Materials	22,816	11,310
History Books	186	204
	<u>23,002</u>	<u>11,514</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>0</u>	<u>0</u>

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

	2010	2009
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	5,315,265	4,899,302
Less Accumulated Depreciation	<u>-1,072,208</u>	<u>-973,572</u>
	4,243,057	3,925,730
 Furniture and Equipment - Cost	 382,410	 363,837
Less Accumulated Depreciation	<u>-254,864</u>	<u>-240,287</u>
	127,546	123,550
 Plant and Equipment - Cost	 2,720,604	 2,622,069
Less Accumulated Depreciation	<u>-972,533</u>	<u>-798,073</u>
	1,748,071	1,823,996
	<u><u>6,118,674</u></u>	<u><u>5,873,276</u></u>

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at 1 July 2009	3,925,730	123,550	1,823,996	5,873,276
Additions	415,962	18,573	122,314	556,849
(Disposals)			-12,727	-12,727
Revaluation - Increments				0
- (Decrements)				0
Impairment - (losses)				0
- reversals				0
Depreciation (Expense)	-98,635	-14,577	-185,512	-298,724
Other Movements				0
Balance as at 30 June 2010	<u>4,243,057</u>	<u>127,546</u>	<u>1,748,071</u>	<u>6,118,674</u>

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

	2010	2009
	\$	\$
7. INFRASTRUCTURE		
Roads - management valuation 2010		
Roads - management valuation 2009		
Roads - Cost	13,622,137	12,393,022
Less Accumulated Depreciation	<u>-6,341,192</u>	<u>-6,111,192</u>
	7,280,945	6,281,830
Parks, Gardens, Reserves - Cost	1,053,403	978,666
Less Accumulated Depreciation	<u>-315,014</u>	<u>-288,198</u>
	738,389	690,468
	<u><u>8,019,334</u></u>	<u><u>6,972,298</u></u>

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

This policy accords with the requirements of AASB 116.

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

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Roads	Parks, Gardens, Reserves	Drainage	Total
	\$	\$	\$	\$
Balance as at 1 July 2009	6,281,830	690,468		6,972,298
Additions	1,229,115	74,737		1,303,852
(Disposals)				0
Revaluation - Increments				0
- (Decrements)				0
Impairment - (losses)				0
- reversals				0
Depreciation (Expense)	-230,000	-26,816		-256,816
Other Movements				0
Balance as at 30 June 2010	<u>7,280,945</u>	<u>738,389</u>	<u>0</u>	<u>8,019,334</u>

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

	2010	2009
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	441,312	61,084
Accrued Interest on Debentures	4,799	5,389
Accrued Salaries and Wages	0	34,986
	<u>446,111</u>	<u>101,459</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	29,367	24,280
Lease Liability	0	0
	<u>29,367</u>	<u>24,280</u>
Non-Current		
Secured by Floating Charge		
Debentures	147,898	132,265
Lease Liability	0	0
	<u>147,898</u>	<u>132,265</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	68,882	80,501
Provision for Long Service Leave	66,666	28,952
	<u>135,548</u>	<u>109,453</u>
Non-Current		
Provision for Long Service Leave	12,857	43,286
	<u>12,857</u>	<u>43,286</u>

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

	2010 \$	2010 Budget \$	2009 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	24,131	24,131	79,985
Amount Set Aside / Transfer to Reserve	1,074	900	3,146
Amount Used / Transfer from Reserve	0	0	-59,000
	<u>25,205</u>	<u>25,031</u>	<u>24,131</u>
(b) Plant Reserve			
Opening Balance	150,006	150,006	181,032
Amount Set Aside / Transfer to Reserve	3,399	3,000	154,904
Amount Used / Transfer from Reserve	-108,843	-106,000	-185,930
	<u>44,562</u>	<u>47,006</u>	<u>150,006</u>
(c) Building Reserve			
Opening Balance	556,907	556,788	698,112
Amount Set Aside / Transfer to Reserve	24,800	22,000	31,095
Amount Used / Transfer from Reserve	0	0	-172,300
	<u>581,707</u>	<u>578,788</u>	<u>556,907</u>
(d) Joint Venture Housing Reserve			
Opening Balance	154,135	154,135	128,074
Amount Set Aside / Transfer to Reserve	6,864	10,500	26,061
Amount Used / Transfer from Reserve	0	0	0
	<u>160,999</u>	<u>164,635</u>	<u>154,135</u>
(e) Recreation Facilities Reserve			
Opening Balance	52,333	52,333	71,746
Amount Set Aside / Transfer to Reserve	2,073	6,000	33,643
Amount Used / Transfer from Reserve	-7,500	0	-53,056
	<u>46,906</u>	<u>58,333</u>	<u>52,333</u>
(f) Sewerage Facilities Reserve			
Opening Balance	12,381	12,381	11,778
Amount Set Aside / Transfer to Reserve	552	400	603
Amount Used / Transfer from Reserve	0	-10,000	0
	<u>12,933</u>	<u>2,781</u>	<u>12,381</u>
(g) Art Acquisition Reserve			
Opening Balance	8,140	8,140	1,732
Amount Set Aside / Transfer to Reserve	363	300	6,408
Amount Used / Transfer from Reserve	0	0	0
	<u>8,503</u>	<u>8,440</u>	<u>8,140</u>
TOTAL CASH BACKED RESERVES	<u><u>880,815</u></u>	<u><u>885,014</u></u>	<u><u>958,033</u></u>

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

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

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

Leave Reserve

- to be used to fund long service leave requirements.

Plant Reserve

- to be used for the purchase of plant items as per Council's Plant Replacement Program.

Building Reserve

- to be used for the construction and acquisition of buildings.

Heritage Reserve

- to be used to fund projects of a heritage nature.

Community Homes Reserve

- to be used to to finance the operation of the Williams Aged Persons Housing in New Street, Williams and to finance the construction of future Community Homes.

Joint Venture Housing Reserve

- to be used to finance long term maintenance requirements of Sandalwood Court and to finance new joint venture housing construction.

Recreation Facilities Reserve

- to be used to finance capital improvements of existing recreation facilities and to fund acquisition of future recreation facilities.

Sewerage Reserve

- to be used to finance construction and long term maintenance to the Williams Sewerage System.

Art Acquisition Reserve

- to be used for the purchase of art pieces for the Williams Art Collection.

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

12. RESERVES - ASSET REVALUATION	2010	2009
	\$	\$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(a) Land and Buildings		
Balance as at 1 July 2009	891,199	891,189
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2010	<u>891,199</u>	<u>891,189</u>
(b) Roads		
Balance as at 1 July 2009	22,398	22,398
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2010	<u>22,398</u>	<u>22,398</u>
TOTAL ASSET REVALUATION RESERVES	<u><u>913,597</u></u>	<u><u>913,587</u></u>

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

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2010 \$	2010 Budget \$	2009 \$
Cash and Cash Equivalents	<u>1,414,573</u>	<u>905,014</u>	<u>1,645,864</u>

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

Net Result	738,642	190,075	1,215,740
Depreciation	555,540	549,080	545,093
Impairment (Loss)/Reversal	0	0	0
(Profit)/Loss on Sale of Asset	4,727	7,080	-59,160
(Increase)/Decrease in Receivables	19,243	58,408	-22,920
(Increase)/Decrease in Inventories	-11,488	1,932	-1,233
Increase/(Decrease) in Payables	106,413	-31,613	-26,067
Increase/(Decrease) in Employee Provisions	-39,320	18,000	29,169
Grants/Contributions for the Development of Assets	-824,561	-477,200	-925,433
Net Cash from Operating Activities	<u>549,196</u>	<u>315,762</u>	<u>755,189</u>

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank Overdraft limit	100,000	100,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	20,000	20,000
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	<u>120,000</u>	<u>120,000</u>

Loan Facilities

Loan Facilities - Current	29,367	24,280
Loan Facilities - Non-Current	147,898	132,265
Total Facilities in Use at Balance Date	<u>177,265</u>	<u>156,545</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
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SHIRE OF WILLIAMS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

14. CONTINGENT LIABILITIES

A claim for damages for faulty road construction resulting in a motor vehicle injury has been against the Council. The action is being defended and advice provided by Council's solicitors indicate the likelihood of a judgement against Council is remote. The amount of the claim is \$50,000 excluding legal costs. Council is insured for all except the first \$10,000 of any successful claim.

15. CAPITAL AND LEASING COMMITMENTS

2010
\$

2009
\$

(a) Finance Lease Commitments

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

Minimum Lease Payments

Less Future Finance Charges

Total Lease Liability

0	0
0	0

(b) Operating Lease Commitments

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

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

0	0
---	---

(c) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

The capital expenditure project outstanding at the end of the current reporting period represents

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

16. JOINT VENTURE

The Shire has a joint venture arrangement with Homeswest for the provision of housing at Sandalwood Court and Wandoo Cottages in Growse Street, Williams. The assets are land and 8 X 2 bedroom units. The ownership of the assets is determined by an equity agreement and Council's share of the assets are included in the Land & Buildings as follows. The Shire together with the Shire of Boddington has an arrangement for the supply of a vehicle for the medical service. The only assets are a motor vehicle. Council's share of the asset is included in Plant & Equipment as follows:

	2010	2009
	\$	\$
Non-Current Assets		
Land & Buildings	213,392	213,392
Plant & Equipment	8,074	8,074
Less: Accumulated Depreciation	-41,562	-32,623
	<u>179,904</u>	<u>188,843</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	1,607,148	1,571,854
General Purpose Funding	31,108	15,923
Law, Order, Public Safety	23,934	26,371
Health	150,089	31,684
Education and Welfare	693,295	709,109
Housing	425,052	425,370
Community Amenities	59,558	55,550
Recreation and Culture	2,743,794	2,382,265
Transport	9,084,474	8,314,228
Economic Services	304,543	303,102
Other Property and Services	43,869	77,655
Unallocated	533,758	687,831
	<u>15,700,622</u>	<u>14,600,942</u>

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

	2010	2009	2008
18. FINANCIAL RATIOS			
Current Ratio	0.5992	1.0697	0.6818
Untied Cash to Unpaid Trade Creditors Ratio	0.5120	11.2604	2.2628
Debt Ratio	0.0492	0.0281	0.0354
Debt Service Ratio	0.0163	0.0158	0.0117
Gross Debt to Revenue Ratio	0.0812	0.0579	0.0773
Gross Debt to Economically Realisable Assets Ratio	0.0231	0.0205	0.0263
Rate Coverage Ratio	0.0400	0.3167	0.4103
Outstanding Rates Ratio	0.0367	0.0266	0.0185

The above ratios are calculated as follows:

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

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

19. TRUST FUNDS

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

	Balance 1-Jul-09 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-10 \$
Housing Deposits	9,068	1,616	-2,626	8,058
Building Retention	2,012	0	0	2,012
Sale of Land for Rates	60,008	0	0	60,008
Subdivision Bond	49,178	0	0	49,178
Public Open Space Contribution	0	20,000	0	20,000
Williams Medical Centre	3,448	3,183	-6,631	0
Nomination Deposits	0	560	-560	0
				0
	<u>123,714</u>			<u>139,256</u>

20. DISPOSALS OF ASSETS - 2009/10 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Administration						
Ford Falcon BA Sedan	12,727	15,080	8,000	8,000	-4,727	-7,080
	12,727	15,080	8,000	8,000	-4,727	-7,080

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

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-09 \$	New Loans \$	Principal Repayments		Principal 30-Jun-10		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Health								
(*) Loan #64 St John Ambulance		45,000	0	0	45,000	0	0	0
Transport								
Loan #63 Plant	156,545		24,280	24,280	132,265	132,265	10,544	10,544
	156,545	45,000	24,280	24,280	177,265	132,265	10,544	10,544

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

(b) New Debentures - 2009/10

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Health										
Loan #64 St John Ambulance	45,000	0	Treasury	Debenture	10	16,173	6.15%	45,000	0	0

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

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-09 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-10 \$
		0	0	0	0

(d) Overdraft

Council established an overdraft facility of \$150,000 in 2006 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2009 and 30 June 2010 was \$Nil.

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

22. RATING INFORMATION - 2009/10 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV - Residential	7.4600	56	396,708	29,478			29,478	28,128			28,128
GRV - Industrial/Commercial	6.6450	17	499,340	33,181			33,181	33,180			33,180
UV - Rural	0.4920	293	204,733,500	1,007,289			1,007,289	1,008,675			1,008,675
UV - Mining	0.4920						0	0			0
Sub-Totals		366	205,629,548	1,069,948	0	0	1,069,948	1,069,983	0	0	1,069,983
Minimum Rates	Minimum \$										
GRV - Townsites	415	231	677,613	95,865			95,865	93,790			93,790
UV - Rural	415	10	413,200	4,150			4,150	4,150			4,150
UV - Mining	415	2	80,064	830			830	830			830
							0	0			0
Sub-Totals		243	1,170,877	100,845	0	0	100,845	98,770	0	0	98,770
Ex-Gratia Rates							1,170,793				1,168,753
Specified Area Rate (refer note 23)							15,296				15,200
							0				0
							1,186,089				1,183,953
Discounts (refer note 25)							0				0
Totals							1,186,089				1,183,953

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

23. SPECIFIED AREA RATE - 2009/10 FINANCIAL YEAR

The Shire of Williams did not raise specified area rates for 2009/2010.

24. SERVICE CHARGES - 2009/10 FINANCIAL YEAR

The Shire of Williams did not raise any service charges for 2009/2010.

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount		0	0
Minimum Rate	Discount		0	0
			0	0
Photocopy Charge	Waiver		0	0
Rate Assessment	Write-Off		0	0

The Shire of Williams did not grant any discount on rates, waiver or write off charges for 2009/2010.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		6,405	4,000
Interest on Instalments Plan	5.50%		4,958	4,000
Charges on Instalment Plan		20	2,400	2,000
			13,763	10,000

Ratepayers had the option of paying rates in four equal instalments, due on 4th September 2009, 6th November 2009, 8th January 2010 and 5th March 2010. Administration charges and interest applied for the final three instalments.

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

27. FEES & CHARGES	2010	2009
	\$	\$
Governance	15,542	8,469
General Purpose Funding	3,078	2,599
Law, Order, Public Safety	975	975
Health	1,120	930
Education and Welfare	12,139	16,886
Housing	60,830	61,215
Community Amenities	104,496	91,798
Recreation and Culture	30,383	21,953
Transport	32,608	36,803
Economic Services	9,031	34,842
Other Property and Services	37,028	509,342
	<u>307,230</u>	<u>785,812</u>

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

28. GRANT REVENUE	2010	2009
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	579,973	583,400
Non-Operating Grants, Subsidies and Contributions	838,711	925,433
	<u>1,418,684</u>	<u>1,508,833</u>
By Program:		
Governance	42,951	27,937
General Purpose Funding	315,833	396,859
Law, Order, Public Safety	26,735	50,522
Health	7,150	50,000
Education and Welfare	34,989	33,749
Housing	0	207
Community Amenities	115,725	67,653
Recreation and Culture	184,279	536,996
Transport	661,711	315,687
Economic Services	11,409	15,033
Other Property and Services	17,902	14,190
	<u>1,418,684</u>	<u>1,508,833</u>

29. COUNCILLORS' REMUNERATION	2010	2010	2009
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	13,150	14,600	11,812
President's Allowance	2,596	2,590	2,400
Deputy President's Allowance	0	0	0
Travelling Expenses	2,639	3,500	2,777
Telecommunications Allowance	0	0	0
	<u>18,385</u>	<u>20,690</u>	<u>16,989</u>

30. EMPLOYEE NUMBERS	2010	2009
The number of full-time equivalent employees at balance date	<u>19</u>	<u>19</u>

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

31. MAJOR LAND TRANSACTIONS

The Shire of Williams has not been involved in any major land transactions in the 2008/2009 financial year or the 2009/2010 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

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

33. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2010	2009	2010	2009
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1,414,574	1,645,864	1,414,574	1,645,864
Receivables	95,307	97,990	95,307	97,990
	<u>1,509,881</u>	<u>1,743,854</u>	<u>1,509,881</u>	<u>1,743,854</u>
Financial Liabilities				
Payables	441,312	101,459	441,312	101,459
Borrowings	177,265	156,545	177,265	156,545
	<u>618,577</u>	<u>258,004</u>	<u>618,577</u>	<u>258,004</u>

Fair value is determined as follows:

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

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

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

	30-Jun-10 \$	30-Jun-09 \$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity		
- Income Statement		

Notes:

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

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

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	30-Jun-10	30-Jun-09
Percentage of Rates and Annual Charges		
- Current	42.99%	30.26%
- Overdue	57.01%	64.74%
Percentage of Other Receivables		
- Current	43.07%	11.24%
- Overdue	56.93%	88.76%

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2010</u>					
Payables	438,259			438,259	438,259
Borrowings	29,367	122,016	25,882	177,265	177,265
	<u>467,626</u>	<u>122,016</u>	<u>25,882</u>	<u>615,524</u>	<u>615,524</u>
<u>2009</u>					
Payables	101,459	0	0	101,459	101,459
Borrowings	24,280	132,265		156,545	156,545
	<u>125,739</u>	<u>132,265</u>	<u>0</u>	<u>258,004</u>	<u>258,004</u>

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

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Borrowings (Continued)

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

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<u>Year Ended 30 June 2010</u>								
Borrowings								
Fixed Rate								
Debentures					132,265	45,000	177,265	6.732%
Weighted Average Effective Interest Rate					6.93%	6.15%		
<u>Year Ended 30 June 2009</u>								
Borrowings								
Fixed Rate								
Debentures					156,545		156,545	6.930%
Weighted Average Effective Interest Rate					6.93%			

SHIRE OF WILLIAMS

INDEPENDENT AUDIT REPORT

TO THE ELECTORS OF THE SHIRE OF WILLIAMS

I have audited the accompanying financial report of the **Shire of Williams** which comprises the balance sheet, income statements, cash flow statement, rate setting statement and supporting notes for the year ended **30 June 2010**.

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council and the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit I have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

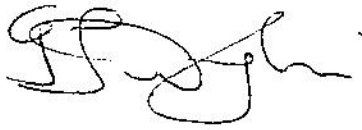
In my opinion the financial report of the **Shire of Williams** is in accordance with the Act and the Regulations including giving a true and fair view of the shire's financial position as at **30 June 2010** and the results of its operations for the year ended on that date and complying with Australian Accounting Standards.

Other Matters

In accordance with the Regulations I report that in my opinion,

A significant adverse trend became apparent in the financial position of the Shire of Williams at 30 June 2010. This was measured by a Current Ratio of .54 and an Untied Cash to Trade Creditors Ratio of .51. Both ratios were less than one and indicated a short term funding and cash flow problem at 30 June 2010.

- (a) There were no other matters that indicated a significant adverse trend in the financial position or the financial management practices of the shire,
- (b) There were no material matters noted by me indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls in any other written law,
- (c) All necessary information and explanations were obtained by me and
- (d) All audit procedures were satisfactorily completed in conducting my audit.



Gregory Froomes Wyllie CPA
Perth, Western Australia
6 September 2010