

**Annual Report and Financial
Statement for year ended
30 June 2013**



ANNUAL ELECTORS MEETING

THURSDAY 5 JUNE 2014

COMMENCING AT 7.30PM

AT THE RESOURCE CENTRE CONFERENCE ROOM
LARKE CRESCENT, CORRIGIN

AGENDA

1. WELCOME BY PRESIDENT
2. CONFIRMATION OF MINUTES
3. BUSINESS ARISING FROM THE MINUTES
4. PRESIDENTS REPORT
5. CHIEF EXECUTIVE OFFICERS REPORT
6. ANNUAL STATEMENTS AND AUDITORS REPORT
7. GENERAL BUSINESS



Minutes of the Shire of Corrigin Annual Electors Meeting held in the Corrigin Community Resource Centre, Larke Crescent, Corrigin on Thursday 7 February 2013.

OPENING

The President, Cr Lynette Baker opened the meeting at 7.31pm.

ATTENDANCE

President	Cr Lynette Baker
Councillors	Cr Graeme Downing
	Cr Norm Talbot
	Cr David Bolt

Chief Executive Officer	Julian Murphy
Deputy Chief Executive Officer	Taryn Dayman
Public	Bob Jacobs
	Colin Larke
	Rob Baker
	Terry Pridham
	Brian Sturges
	Betty Sturges
	Bill Seimons
	Roger Brown
	Ian Smith
	Eric Johnson
	Peter Doyle
	Eric Jespersen

APOLOGIES

Cr Greg Johnson
Cr Des Hickey
Cr Mike Weguelin
David Abe

CONFIRMATION OF MINUTES

Moved – Ian Smith and Terry Pridham

That the Minutes of the Shire of Corrigin Annual Electors Meeting held on 7 December 2011, be confirmed as a true and accurate record.

Carried

BUSINESS ARISING

There was no business arising from the minutes of the previous electors meeting.

PRESIDENTS REPORT

The President, Cr Lynette Baker, tabled the Shire President's Report.

Moved – Colin Larke and Peter Doyle

That the President's Report for the year ended 30 June 2012, as presented, be received.

Carried

BUSINESS ARISING

There were no matters arising from the President's Report.

CHIEF EXECUTIVE OFFICER'S REPORT

The Chief Executive Officer, Mr Julian Murphy tabled the Chief Executive Officer's Report.

Moved – Norm Talbot and Graeme Downing

That the Chief Executive Officer's Report for the year ended 30 June 2012, as presented, be received.

Carried

BUSINESS ARISING

There were no matters arising from the Chief Executive Officer's Report.

AUDITORS REPORT AND FINANCIAL STATEMENT

The Deputy CEO, Taryn Dayman tabled the Audit Report and Financial Report.

Moved – Taryn Dayman and David Bolt

That the Audit Report and the Annual Financial Report for the Year Ended 30 June 2012, as presented, be received.

Carried

BUSINESS ARISING

Senior Citizens Reserve

Mr Bill Seimons made reference to the Senior Citizens Reserve balance of \$20,565 and asked if any funds had been allocated to the reserve in the 2012-2013 budget. The DCEO advised that \$10,000 had been allocated in the 2012-2013 budget to be transferred to the Senior Citizens Reserves. It is Council intention to set aside \$10,000 each financial year as required.

Grain Freight Route Funding

Mr Ian Smith questioned if the income received for the Grain Freight Route works program is covering council costs. The CEO advised that Council negotiated with Main Roads to ensure that adequate funding was allocated to cover Council costs as well as to ensure a high standard of works.

GENERAL BUSINESS

Grain Freight Route Road Works

Mr Ian Smith congratulated Council, in particular Work Supervisor Greg Tomlinson and Leading Hand Brad Hunt, on the high standard of works on the Bullaring Pingelly Road and Bulyee Road. Mr Smith also made comment that since the works have been completed on the Pingelly Road that he has seen an increase in traffic, including tourist with caravans.

Mr Smith commented that the Shire has a variety of roads where the pavements are aging and falling. The CEO gave an overview of Council's Road Works program and how Council is addressing this issue. The CEO advised that Council has also allocated funding under its road maintenance budget to reseal small sections of older narrow seal roads to extend the life of these sections.

Gravel Roads

Mr Colin Larke commented that attention also needs to be given to some gravel roads, with some roads in need of re-sheeting. The CEO advised that Council had programmed re-sheeting of a number of gravel roads in its Capital Road Works Program, however if there are any particular safety concerns with any gravel roads, please report them to the Shire Office for action.

Camm Street Traffic

Mr Terry Pridham queried if a No Through Road sign could be erected on Camm Street to inform drivers that the road leading up to the Tree Dump not a through road. Mr Pridham also commented that vehicles leaving the Tree Dump are speeding and using the gravel section of the road to cut up. Mr Pridham requested that the gravel section be sealed and/or speed humps be considered.

The CEO advised that Council could erect a No Through Road Sign on Camm Street and would investigate the use of speed humps and extending the bitumen. The CEO requested that driver behaviour be brought to the attention of the Police.

Road Works

Mr Peter Doyle congratulated Council on the high standard of completed road works. Mr Doyle commented that a section of Corrigin South Road needs to be resealed. The CEO advised that in is now Council's practice to reseal roads within 2-3 years of the first seal, however the section in question has been identified for works next year.

Off Road Vehicles/Trail Bikes

Mr Roger Brown raised concerns about the lack of places to ride trail bikes in Corrigin. Previously parents were able to take their kids to ride supervised at the speedway track. With Council leasing this property to a speedway club this is no longer an option. Mr Brown asked where in Corrigin could riders go.

The CEO explained that riders could not ride on any property, including bush and reserves, without the owners consent. The CEO suggested that residents with the same interest and concerns investigate options as a group, and suggested approaching private property owners.

The CEO explained that he had met with representatives from the Australian Speedway Drivers & Riders Association recently. They are anticipating commencing racing within 12 months and intent to have karts and kids racing soon after.

Mr Brown raised concerns of the possible costs of joining and racing with the Australian Speedway Drivers & Riders Association and explained that some riders want the option of being able to ride when they want to and not when an there is organised speedway activity.

Mr Brown asked if the land north of the Cemetery could be an option for riders. The CEO would investigate ownership of the land and provide details to Mr Brown.

Medical Services

Mr Seimons congratulated Council on its efforts in attracting a Doctor and raised his concerns about the preservation of the hospital. Mr Seimons requested that Council lobby to ensure the Corrigin hospital remains as a hospital and is not downgraded.

The President advised that it was recently announced that the Corrigin Hospital was allocated \$1,477,080 funding to upgrade critical infrastructure and it appears that there is backing from the State Government to retain Corrigin as a fully serviced hospital.

Caravan Park/Tourism

Mr Peter Doyle commented that the toilets and fencing needs to be upgraded at the Corrigin Caravan Park. The President advised that new toilets and fencing have been considered in the past number of

budgets, however due to budget restraints has had to be deferred. The CEO advised that they are currently considering the best option for the upgrade, including disabled toilets and laundry facilities.

The CEO noted that Council has a number of toilet facilities in need of upgrading. It has also received numerous requests for toilets at the Adventure Playground.

Mr Eric Jespersen commented that tourism and improvements to the Caravan Park was raised in the community engagement meetings that he had attended and that more needs to be done to promote Corrigin.

The CEO acknowledged the feedback from the community engagement meetings regarding tourism and that Council would take this under consideration while developing upcoming plans and budgets.

Mr Doyle commented that there is a need to increase the promotion of Corrigin, including increase in signage. The CEO informed the meeting that there are plans to redevelop the tourist bay and that Council continues to provide pamphlets to businesses and advertises in appropriate tourism booklets.

Community Bus

Mr Eric Jespersen noted that the Community Bus was being changed over and asked if the bus pays for itself. The CEO advised that the Bus was changed over at the start of the financial year and that income collected does not cover the full replacement cost. Council acknowledges that the provision of the Community Bus is important to the Corrigin community and Council does not expect a full cost recovery. The Community Bus was previously changed over every 2 years due to the high usage however it is now replaced every 5 years as it is used less often.

War Memorial Lookout

Mr Terry Pridham asked who was responsible for the maintenance of the War Memorial Lookout and commented that there were a number of trees fallen after the New Year day storm. The CEO advised that the Shire is responsible and that it was likely that this was the first report of any issues there. The CEO will organise clean-up of the site. Mr Pridham congratulated the Shire on the clean-up efforts after the New Year day storm.

Corrigin Abattoir

Mr Peter Doyle questioned why Council does not support the Corrigin Abattoirs and why Council does not supply the Corrigin Abattoirs with a Meat Inspector.

The CEO explained that Council has significantly underwritten the cost of employing a meat inspector for a number of years and never fully recovered the costs of the service from the Abattoir. Council's Meat Inspector recently resigned and recruiting a new employee has been difficult as there is generally a shortage of qualified meat inspectors throughout the State.

Since the Food Act 2008 came into force, the Abattoir is able to employ its own Meat Inspector. Discussions with the owners of the Abattoir and CEO have resulted in an agreement that the Abattoir will employ and train their own meat inspectors.

Recreation and Events Centre

The CEO gave an update on the progress of the Recreation and Events Centre, advising that Council has been successful in their application from Department of Sport and Recreation and has been awarded the amount of \$636,664. Funding has also been secured through Royalties for Regions.

MEETING CLOSURE

There being no further business to discuss, the President thanked everyone for their attendance and closed the meeting at 8.46pm.

PRESIDENTS REPORT

Electors, Ladies and Gentlemen

It is again my pleasure to bring to you my Annual President's Report for the year July 2012 to June 2013.

While works and purchases completed referred to in this report are relevant to that financial year, some of my comments also refer to the second half of 2013, such as Centenary celebrations etc.

The financial year in question was one of fairly small returns for many farmers and a consequent tightening of belts with ramifications for our whole community. Thankfully, at the time of writing, 2013 has proven to be a much more productive year for most – which will also have ramifications for our community. Good ones we would hope!



Cr Lynette Baker

Rates: Council has budgeted for a relatively small increase in rates revenue of 5% for the 2013-2014 year. Small increases each year allow for growth and also do away with the necessity to make a massive increase in any one year.

There have been no new loans raised, with Council ensuring that there will be plenty of room in the budget to allow for borrowings for the Recreation and Events Centre in 2013-14.

Roads: Our roads programme continues with the following works being carried out this year:

- Yealering-Bulyee Road – Grain Freight
- Rabbit Proof Fence Road – Regional Road Group
- Quairading Road – State Blackspot
- Corrigin-Narembeen Road – Roads to Recovery
- Dilling Railway Road – Council

Planned works for 2013-2014 are:

- Lomos South Road – Grain Freight
- Bullaring Pingelly Road – Grain Freight
- Bulyee Road – Grain Freight
- Rabbit Proof Fence Road – Regional Road Group
- Bendering Road – Council
- Corrigin-Narembeen Road – Roads to Recovery
- Dilling Railway Road – Council

Plant purchases: In keeping with Council's 10 year plant replacement programme the following purchases have occurred:

- Doctor's vehicle
- Community Bus
- Tipper – CR4
- Grader – CR11
- Turf Tractor
- Utility – CR565
- CEO Vehicle – CR1
- DCEO Vehicle – 2CR
- Automatic Swimming Pool Cleaner
- Swimming Pool Fence
- Pool Plant Fence
- Town Hall Ovens

Community Developments: Many upgrades and developments have also taken place - some completed in the early in the 2013-14 financial year:

- CWA gardens
- Medical Centre upgrade
- Resource Centre upgrade
- Emergency power supply to Council office

Future developments: Planned works and purchases for the 2013-14 year:

- Rotary Park Information Bay upgrade
- Refurbishment of Council Office reception
- Recreation and Events Centre
- Portable aquatic chair lift for the swimming pool (part funded by a donation from Rotary Club)
- Bunded Diesel tank and oil separator for works depot
- Water storage tanks
- Fence around Railway water tower

Corrigin Events and Recreation Centre: Early in the year Council asked for tenders for architectural services for the proposed new Centre. We were surprised to receive tenders from 20 architectural firms. After an exhaustive selection process Site Architecture Studio was finally selected. Site is based in Perth and has completed a wide range of projects throughout the state. Once the appointment was confirmed our Project Leader and his staff commenced a more detailed design based on the existing plan and with feedback from the Project Control Group (Shire CEO, Deputy CEO, Community Development Officer, Building Supervisor, Shire President and the Chair of the Recreation Planning Committee). At the time of writing, this process is yet to be completed but is progressing well. All of our funding applications have been approved and community support is still forthcoming. It is pleasing to note that once again the take-up of the voluntary levy, within the rates notices, has been around about 70%.

While we had hoped that demolition of the Cyril Box Pavilion would commence immediately after the Corrigin Agricultural Show, this will be delayed until March or April of 2014, with construction expected to take over 12 months.

This is a very exciting project and will have benefits for everyone in our community.

Regional Co-operation: As usual we continue to work co-operatively with our neighbours.

Bendering Waste Facility: Our shared waste facility is a great example of Regional Co-operation and the staff is currently examining ways to enhance this. The RoeROC shires – Kulin, Kondinin, Narembeen and Corrigin – already employing an Environmental Health Officer, have recently appointed a part-time Waste Officer who is undertaking this research.

Eastern Wheatbelt Primary Health Care Project: This project set out to design a new model of attracting General Practitioners to our region and has reached the point where we are ready to put our plan into action. Of the five Shires (Corrigin, Kulin, Narembeen, Kondinin and Lake Grace) ours is the only one at this stage to need to implement the new model. Recruitment and negotiations are continuing, to enable Corrigin to attract a doctor who will be a long term prospect.

The Shire of Corrigin continues to be a significant member of the Wheatbelt South Regional Road Group, the Small Business Centre Eastern Wheatbelt, the Wheatbelt Business Network, Roe Tourism, and the Central Country Zone of the West Australian Local Government Association, amongst other organisations.

Centenary Celebrations: With 2013 being Corrigin's 100th birthday a committee was formed some 3 years ago. This committee decided that, in order to get as many people as possible involved in this celebration that we would hold many events throughout the year, and that each club and organisation would be invited to participate. Many took the opportunity to do just that, with some holding special fixtures and inviting past players and members, others holding special functions.

A major event which took place was the annual Corrigin Agricultural Show in September which was a great day – although the weather tried to mess it up. My congratulations to the Agricultural Society Committee for once again giving us a day to make us proud to live in Corrigin.

The other most significant undertaking which took place was the launch of the photographic book "Moments in Time". This book, instigated by the Centenary Committee, was a labour of love for a dedicated band of volunteers who produced a book of great historical significance. I congratulate those people who gave so much of their time to prepare this gift to us.

Health and Welfare: I have referred to the recruitment of a new doctor, above. Dr Ayad left us after a few months and we have been searching ever since. Although we have not had a permanent, fulltime doctor, we have had great support from the Wheatbelt GP Network in ensuring that we have had locums most of the time, including a 6 month stint by Dr Susan Clark in the second half of 2013.

The extensions to the Medical Centre were finally completed early in the 2013-14 year and have given much more flexibility to the Practice.

We are fortunate that we have dentist Dr Sitaram Vij, physiotherapist Robyn West, occupational therapist Charmaine Rendell and chiropractor Mat Horner available to our residents. We are well serviced by these individuals.

Staff: Senior Staff has remained stable during this year with both the CEO and the Deputy CEO clocking up 6 or 7 years with us.

Tanya Ludlow left to take maternity leave and Anita Stone returned. Natalie Jackson and Kathryn Weguelin joined us and the rest of the administration and Resource Centre staff remained unchanged.

The outside staff has also remained relatively stable with Greg Tomlinson ably leading this workforce. It has been difficult to attract the "right" grader driver with a couple of false starts taking place.

In Conclusion I would like to acknowledge all members of the staff of the Shire of Corrigin for their dedication and the efficient way in which they carry out their responsibilities. They do a fantastic job for the Corrigin community.

Special mention must be made of the CEO Julian Murphy and the Deputy CEO Taryn Dayman. Both have put in another tremendous effort to ensure that our community runs smoothly. My very grateful thanks to all.

I would also like to thank my six Councillor colleagues for their work over the past 12 months, especially Deputy President Graeme Downing, whose support has been invaluable.

Cr Lynette Baker
Shire President.

CHIEF EXECUTIVE OFFICERS REPORT

I am pleased to present my report to the residents of Corrigin on the activities of the Shire for the year ended 30 June 2013.

ADMINISTRATION STAFF

During the past year there were a number of changes to the Shire's Finance and Administration Staff.

Rebecca Egerton-Warburton, Amanda Crombie and Karen Harley who were employed to cover parental leave have left the Shire Administration to pursue other opportunities.



Julian Murphy, CEO

We congratulate Tanya and Jason Ludlow on the safe arrival of their son Taylor. Tanya is currently on parental leave until early in the New Year.

This year we welcome Katherine Weguelin, who is filling the position of Finance Officer for 12 months to cover the period of maternity leave. In addition we welcome back Karen Wilkinson and Anita Stone who have both returned from maternity leave.

Pippa Davey, who was previously employed the Customer Service Officer has moved into the position of Executive Support Officer.

Council continues its successful trainee program at the Resource Centre and this year Natalie Jackson has joined the team splitting her time between the Shire Administration and the Corrigin Resource Centre. Natalie is completing a traineeship in Business Administration.

There has been a number of changes effecting local government and it has been a challenging year for our Staff. I would like to thank all our staff for their hard work and flexibility in meeting the challenges of the past year.

BUILDING SERVICES

There have been many challenges throughout the past year in balancing ongoing maintenance works with the need to complete major building projects including the extension of the Corrigin Medical Centre, upgrade to the Resource Centre reception area and Rotary Park Information Bay. Ben Hewett has once again provided good service to the Council over the past year and I thank him for his ongoing hard work and dedication in supervising the Shire's Building Services program.

OPERATIONAL STAFF

Greg Tomlinson continues to provide valuable service in his role as Works Supervisor. Council has seen a number of changes to staff over the past year.

This year saw Council complete a large number of road construction projects, including Grain Freight Route and Significant Road Network upgrades. I would like to take this opportunity to thank our operational workforce for an excellent year's work. I would particularly like to thank Council's Works Supervisor Greg Tomlinson for his leadership throughout the year.

COUNCIL

Council operates under a biennial election system with elections being held every second year. The next election is due to be held on the third Saturday in October 2013.

The Councillors at 30 June 2013 are as follows;

<u>President</u>	<u>Term Expires</u>	<u>Phone</u>	<u>Mobile</u>
Lyn Baker	2015	9065 7053	0427 097 141
<u>Deputy President</u>			
Graeme Downing	2013	9063 2565	0429 632 112
<u>Councilor</u>			
Norm Talbot	2015	9063 2232	0428 632 231
Greg Johnson	2013	9063 2065	0429 658 063
David Bolt	2013	9063 2397	0427 092 459
Des Hickey	2013	9063 2455	0428 751 024
Mike Weguelin	2015	9063 2843	0400 190 221



FINANCE

At the end of the financial year, the situation in relation to the reserve funds was as follows;

Employee Entitlement Reserve	\$	108,301
Community Bus Reserve	\$	1,619
Staff Housing Reserve	\$	94,340
Office Equipment Reserve	\$	821
Plant Replacement Reserve	\$	902,090
Swimming Pool Reserve	\$	884
Roadworks Reserve	\$	346,258
Land Subdivision Reserve	\$	43,798
Townscape Reserve	\$	2,229
Medical Reserve	\$	317
Senior Citizen Unit Reserve	\$	31,461
LGCHP Long Term Maintenance Reserve	\$	14,536
Community Development Reserve	\$	967,344
Rockview Land Reserve	\$	1,443
Royalties for Regions	\$	780,330
Centenary Celebration Reserve	\$	21,461
Financial Assistance Grant Reserve	\$	832,011
Town Hall Reserve	\$	35,436
Child Care Reserve	\$	51,179
	\$	4,236,856

Council's cash reserves balance remains healthy. In the past 12 months Council has used reserve funds to fund medical centre extension, which was regional GLGF funding previously set aside. Council has also received a large amount of grant funding which has been set aside in reserves. These funds will be utilised in 2013-2014 as expenditure occurs.

The Western Australian Local Government Association calculates a Local Government Cost Index (LGCI) as an alternative to the sole use of the Consumer Cost Index (CPI), commonly used in planning and budgeting processes. Using a combination of the CPI and the General Construction Index WA (70% and 30% respectively), the Local Government Cost Index offers an indication of those changes in the WA economy that relate more closely to the functions of Local Government. Along with CPI the Local Government Cost Index was used to assist Council in calculating increases in rates, fees and charges.

Large scheduled capital projects as well as increase in costs of operations, resulted in the need to increase in revenue from rates by 5% for the 2012/13 financial year in both the rural and the townsite areas, the average over the past 10 years has been 4.98% The increases in revenue from rates over the preceding 10 years are listed below:

2002/03	2.41%
2003/04	2.60%
2004/05	5.07%
2005/06	3.45%
2006/07	6.00%
2008/09	6.00%
2009/10	6.00%
2010/11	5.00%
2011/12	8.27%
2012/13	5.00%

The significant capital expenditure projects during the 2012/13 financial year included the Medical Center extensions, upgrade of the of the Resource Center reception, redevelopment of the CWA Gardens, Swimming Pool fencing and plant room, commencement of the upgrade Rotary Park Information bay.

Council undertook the following construction works as part of the works program for the 2012/13 financial year;

a) Rabbit Proof Fence – Regional Road Group Funding	\$ 476,278
b) Quairading Road – State Blackspot Funding	\$ 142,383
c) Corrigin Naremben Road – Roads to Recovery Funding	\$ 279,753
d) Dilling Railway Road – Roads to Recovery & Council Funded	\$ 224,524
e) Knight Court – Council Funded	\$ 188,019
f) Bulyee Road – Council Funded	\$ 15,874
g) Yealering – Bulyee Route – State Grain Freight Program	\$ 1,167,205

In addition to road construction jobs, Council undertook maintenance on rural and townsite roads to the value of \$487,386.

During 2013/14, Council will concentrate largely on the upgrade and maintenance of local roads with an extensive roadworks program which includes;

a) Rabbit Proof Fence Road – Regional Road Group Funding	\$ 378,200
b) Bending Road – Council Funding	\$ 255,895
c) Corrigin Naremben Road – Roads to Recovery Funding	\$ 55,732
d) Dilling Railway Road – Roads to Recovery & Council Funding	\$ 64,109
e) Grain Freight Route – State Funding	\$ 1,085,670



PLANT

The Plant Hire rates for Private Works are as follows (GST Inclusive);

<u>Plant Item</u>	<u>Hire Charges per Hour</u>
Graders	\$140
13 Tonne Truck	\$ 97
6 Tonne Truck	\$ 69
Mack Prime Mover and Tipping Trailer	\$134
Cement Truck	\$112
Road Train	\$183
Water Truck	\$117
Large Loaders	\$134
Small Loaders	\$123
Caterpillar Backhoe	\$145
Caterpillar Dozer	\$178
Multi Wheel Roller	\$ 85
Caterpillar Multi Wheel Roller	\$103
Pannell Vibratory Roller	\$112
Excavator	\$ 91
Cherry Picker	\$ 84
Kerbing Machine	\$ 52
Skid Steel Loader	\$ 91
Caterpillar Forklift	\$135
Iseki Tractor Mower	\$ 59
Tractor	\$135
Post Hole Digger and Tractor	\$117
Pedestrian Roller	\$ 59



RESIDENTIAL LAND

Granite Rise Estate Subdivision

Council has completed the Granite Rise Estate Subdivision. The subdivision consists of 33 fully service residential lots. Granite Rise is conveniently located in the Corrigin townsite close to sporting facilities, parks, shops and school. Lots range in size from 715sqm to 1517sqm. Lots are fully serviced with water, power, sewerage, telecommunications, street lighting, sealed roads and kerbs. Price starts at \$49,500 for traditional size lots up to \$103,800 for larger lots.

Further information is available by contacting the Shire of Corrigin on 9063 2203 or email shire@corrigin.wa.gov.au.



MEDICAL SERVICES

Council continues with its commitment to ensure that the community receives adequate medical services and facilities and has a contract with Wheatbelt GP Network to provide general practice services to Corrigin. This provision of general practice services costs Council in excess of \$100,000 per annum. Council also provides a vehicle and housing for the doctor as well as underwriting any losses that the practice experiences.

There is a current shortage of doctors in rural Western Australia; however the Shire of Corrigin has made every effort to attract the right doctor for Corrigin. Over the past year there have been a number of locums servicing Corrigin, as well as Dr Petrus Van Maarseveen who was the resident Doctor for the majority of the year. Dr Van Maarseveen has since moved on and Dr Mina Ayad took over as the resident Doctor for Corrigin.

Council has completed the extensions to the Corrigin Medical Centre which included two new consulting rooms, one new office and a unisex disabled toilet and shower. The extension provided improved access to the building, new staff parking and a revised layout for the administration area.

Corrigin is serviced by a visiting physiotherapist, occupational therapist and Chiropractor. Dr Sitaram Vij provides dental services to the community two days every week.

COMMUNITY DEVELOPMENT OFFICER

Heather Talbot is currently employed as the Community Development Officer on a part time basis two days per week.

The role provides assistance to community organisations with their information needs in regards to funding opportunities as well as working on various Shire projects.

The following is a summary of some of the major Community Development Projects undertaken in the past twelve months:

Bikeweek

Hosted a Community Bike rally as part of Bikeweek in April, a small grant and giveaways were provided by the Department of Transport. The event was a great family day out with 28 people in attendance.

Corrigin Centenary 2013

The Shire continued with preparations for the Corrigin Centenary in 2013. The steering committee which was formed in 2009 with members of the Historical Society, Shire representatives, and Agricultural Society and community members continued in preparation for a year of celebrations. The year finally arrived and all the preparations meant events have run smoothly all year. The year started with the Old Time Dance at the Town Hall, Australia Day celebrations including the opening of the Time Capsule. Other events have included the Back to Gorge Rock Barbie, the Bowling Club Sundowner and Anzac Day breakfast. More events are to be held later in the year, culminating in a Centenary weekend in conjunction with the annual Corrigin Show.

One of the main Centenary projects is the Photo History Book. To assist in this project funding was received from Lotterywest for an A3 Scanner which has been used to scan photos and compile an archival library of historical photos.

Glass Recycling

Last year the Shire of Corrigin with assistance from the Australian Food and Grocery Council's Packaging Stewardship Forum (PSF), the Australian Packaging Covenant (APC), the Western Australian Waste Authority and the three other RoeROC councils of Kulin, Kondinin and Narembeen the Shire purchased a Mobile Glass Crusher. The main aim of the project was to increase glass recycling rates in the region by processing glass

bottles and jars collected from households and businesses. The recovered glass (known as RCG) will then be used locally in civil construction applications diverting tonnes of glass from landfill.

The Shire has been working with the School with assistance from a Keep Australia Beautiful Beverage Container Recycling Grant to educate the children on recycling and arrange collection of separated glass on a fortnightly basis. The funding provided blue recycling tubs that community members can collect from either the Shire Office or School. These tubs can be used to separate out glass material from other recyclables which can then be delivered to the large bins at the School or Transfer station.

Sport and Recreation Facilities

The Shire is continuing with plans to develop a new Recreation and Events Centre to replace the aging Cyril Box Pavilion. The concept plan includes indoor courts/events area, squash courts, football change rooms, female change rooms, additional toilets and storage facilities, gymnasium, offices, meeting room, first aid room, large kitchen and conference/function area. Council appointed a new architect during the year after the tender process was completed. Site Architecture Studio was appointed and will provide detailed plans and drawings ready for the Building Tender Process commences. The estimated cost of the project is \$6,000,000. Some funding has already been provided by Royalties for Regions and Council as such has committed to building stage 1 and 2 of the concept which includes football change rooms, toilets and storage facilities, gym, offices and meeting room, first aid room, umpires room and a large kitchen and conference/function area, female change rooms, squash court and extra storage areas. Demolition of the Cyril Box Pavilion will commence in early 2014 with building to follow.

The Shire has been successful in attracting funding of \$636,364 from the Department of Sport and Recreation, \$500,000 from the Federal Government Regional Australia Development Fund, Funding applications are still be assessed by Lotterywest and Royalties for Regions. Council has continued to set aside funds for this project including voluntary levies collected.

Council will be working closely with the community and sporting clubs to ensure the final design meets the needs of the entire Corrigin community.

Swap It Don't Stop It – Corrigin 2012

Funding was received through the Australian Federal Government Swap It Don't Stop It campaign to run a health program in Corrigin. Over October and November 2012 the Shire hosted a number of free events including a Community Walk, Cooking classes with Christine Hill, Dietician classes including cooking classes and outdoor fitness circuit training sessions. The events were well attended.

The Community Development Officer also provided assistance to a number of community organisations with their funding applications, including the Corrigin Tennis Club for the Tennis court resurfacing and Giggle Pots Day Care for their successful application to Lotterywest for a new building.

Council will be working closely with the community and sporting clubs to ensure the final design meets the needs of the entire Corrigin community.

The Community Development Officer also provided assistance to a number of community organisations with their funding applications, including the Tidy Towns Committee and Golf Club with Volunteer small equipment grants and Giggle Pots Day Care with Lotterywest applications for a new building.

TOWN PLANNING SCHEME NO. 2

Council has adopted a Town Planning Scheme that controls what development can occur within the townsite and rural areas. It controls the activities that can be conducted in various parts of town as well as building setbacks from various boundaries and many other matters. Council has made a commitment to prepare a consolidation of the Shire of Corrigin Town Planning Scheme No.2.

The consolidation of TPS No.2 will provide for the orderly and proper planning and development of all land within the Shire over the next five (5) year period based upon contemporary town planning principles and standards and satisfies the Shire's obligations under the Planning and Development Act 2005 as this relates to the required review of TPS No.2.

A copy of the planning scheme is available for your perusal in the Shire Office.

WASTE DISPOSAL

Council engages the services of Avon Waste to collect the kerbside waste every Monday morning. The Corrigin Waste Disposal Site has changed from a Tip Site to a Waste Transfer Station. Patrons are encouraged to separate recyclable from general household waste. Bins have been provided for general household waste, bulk cardboard and co-mingled recyclables including aluminum, plastic, paper and glass. The majority of waste disposed at the site will be transferred to a regional waste site or sent to Perth for recycling.

Asbestos, liquid salvage and bulk waste will be accepted by prior arrangement. Steel, timber, batteries and waste oil will still be accepted as before. Green waste must still be taken to the tree dump in Camm Street.

The current kerbside waste and recycling pickups will remain unchanged however there will be an improved facility for accepting recyclables at the Corrigin site.

Council employs a Tip Attendant to manage the disposal of waste and only opens the Waste Transfer Station on certain days. Mr John Reynolds is employed as the Tip Attendant, he controls where the different types of rubbish are deposited and removes anything that can be recycled. This is expected to extend the life of the current tip. The tip is open on the following days;

Monday	10am to 3pm
Wednesday	10am to 3pm
Friday	10am to 4pm
Saturday	10am to 3pm

Council contracts Avon Waste to collect fortnightly recycling in the town of Corrigin. Households are provided with a 240 litre recycling bin at each household and a 140 litre rubbish bin. The recycling program is working well with great community support. Recycling Bins are collected every 2nd Monday and people can only place the following items into the bins:

Glass:	Clean Bottles and Jars (lids removed)
Plastic:	Empty bottles and containers with 1,2 or 3 printed on the bottom (lids removed)
Paper:	Clean, untied newspapers, papers, Magazines, Telephone books, envelopes
Cardboard:	Clean, flattened boxes and cartons
Aluminum & Steel:	Cans, tins, clean foil, aerosol cans
Liquid Paperboard:	Milk, juice & laundry detergent cartons

All recycling must be placed loose in your recycling bin. Please do not place any plastic bags in your bin.

Non-Recyclable Materials: Do NOT place the following in your recycling bin.

Green Waste	Lawn Clippings	Plastic Bags
Food Scraps	Liquids	Nappies / Sanitary Items
Polystyrene	Glossy Magazines	Appliances
Toys	Clothing	Tools

Council also has plans to provide a hard waste verge side pickup in early 2014.

REGIONAL WASTE SERVICES

Council has worked with the Shires of Kulin, Kondinin and Narembeen to develop shared Regional Waste Services. A site in Bendinger has been developed and licensed as a waste disposal site. A joint contract for the collection of kerbside waste and recycling, site management and collection of waste from local waste sites is provided by Avon Waste. The Bendinger Waste Site is not open to the public but receives all waste collected from the four participating Shires.

HEALTH AND BUILDING

Council works closely with the Roe Regional Organisation of Councils (RoeROC) consisting of the Shires of Corrigin, Kondinin, Kulin and Narembeen, to provide environmental health and building control services to the communities within the Roe Region. The Shire of Corrigin provides the services of an environmental health officer to the other members of RoeROC. Building services are provided through a resource sharing arrangement with the Shire of Kalamunda.

CHEMICAL CONTAINERS

Council has continued to be involved in the DrumMuster program. This involves the Shire accessing a pool of funds raised by the National Container Levy to collect and arrange for the reprocessing of eligible triple rinsed farm chemical containers that normally would be either buried or just left to accumulate on farms.

This program is coordinated by the Shire and run by the Corrigin Apex Club. The club will use the monies received for worthwhile community projects/charities.

Two collections are held in the year, the first in March and the second in September/October based on a pre-booking system for chemical users throughout the shire.

VERGE MAINTENANCE

Council continues to address the issue of trees and small shrubs growing in table drains and overhanging Council roads. Council engages contractors to conduct regular roadside verge maintenance and spraying.

Council also controls plants declared by the Department of Agriculture and Food, such as Paterson's Curse, Bridal Creeper and Cape Tulip.

In the 2013/14 financial year Council has budgeted for roads to be maintained, by spraying and verge clearing.

TOWNSITE SALINITY

Council continues with the monitoring of the water levels under the Corrigin Townsite and maintains a number of bores equipped with pumps within the town. These bores enable Council to supply good quality water to the Corrigin Caravan Park, Wogerlin House, Corrigin District High School and Corrigin Bowling Club, whilst ensuring ground water levels do not adversely affect buildings and roads within the business district.



INTEGRATED PLANNING

In accordance with the Local Government (Administration) Regulations 1996 the Shire has adopted the new Integrated Planning and Reporting (IPR) framework.

Integrated planning ensures that Councils Strategic Plans reflect the community aspirations, visions and priorities of the district.

The Shire consulted widely with the community to produce the Strategic Community Plan. Through the consultation with the community four key areas were identified

- Economic Development
- Developing Leadership
- Social Development
- Environmental Development

Council's Corporate Business Plan has been developed to align with its Strategic Community Plan and contains Council's affordable priorities, actions and responsibilities over the next four years to progress the community's priorities.

As part of the IPR framework, Council has also developed a number of informing strategies including, a Long Term Financial Plan, Asset Management Plan and a Workforce Plan.

Copies of the Strategic Community Plan and Corporate Business Plan are available from our website www.corrigin.wa.gov.au



SHIRE OF CORRIGIN

CAPITAL ROADWORKS PROGRAM

2013-2014

Funding	Road	Details		Budget
State GF	Bulyee Rd	Capital Upgrade	Reconstruct, widen and seal (6km)	1,085,670
State RRG	Rabbit Proof Fence Rd	Capital Renewal	Reseal (8.5km)	378,200
Federal R2R	Bendering Rd	Capital Upgrade	Widen Shoulders (17km)	255,895
Federal R2R	Corrigin Narembeen Rd	Capital Upgrade	Completion of Shoulder Widening	55,732
Council	Dilling Railway Road	Capital Upgrade		64,109
				<u>1,839,606</u>

2014-2015

Funding	Road	Details		Budget
State RRG	Rabbit Proof Fence Rd	Capital Upgrade	Reconstruct and Widen Crests to 8m (3km)	375,000
State GF	Wickein Corrigin Rd	Capital Upgrade	Widen and Seal (11km)	718,000
Federal R2R	Babakin Corrigin Rd	Capital Upgrade	Reconstruct to 7m (3km)	300,000
Council	Jose Street	Capital Upgrade	Reconstruct failed pavement, kerbing, drains and footpaths	200,000
				<u>1,593,000</u>

2015-2016

Funding	Road	Details		Budget
State RRG	Rabbit Proof Fence Rd	Capital Upgrade	Reconstruct and Widen Crests to 8m (3km)	375,000
Council	Babakin Corrigin Rd	Capital Upgrade	Reconstruct to 7m (3km)	300,000
Council	Gill Rd	Capital Upgrade	Widen Shoulders (8km)	144,000
Council	Rendell St	Capital Renewal	Reseal and kerb	70,000
				<u>989,000</u>

2016-17

Funding	Road	Details		Budget
State RRG	Corrigin Narembeen Rd	Capital Upgrade	Reconstruct to 7m (3km)	375,000
Federal R2R	Boyd St	Capital Renewal	Reseal and kerb	70,000
Council	Bilbarin Quairading Rd	Capital Upgrade	Widen Shoulders (7km)	126,000
Council	Bullaring Pingelly Rd	Capital Upgrade	Reconstruct to 7m (2km)	200,000
Council	Dry Well Rd	Capital Upgrade	Resheet (7km)	119,000
				<u>890,000</u>

2017-18

Funding	Road	Details		Budget
State RRG	Corrigin Narembeen Rd	Capital Upgrade	Reconstruct to 7m (3km)	375,000
Council	Goyder St	Capital Upgrade	Reconstruct failed pavement, kerbing, drains and footpaths	100,000
Council	Bilbarin Quairading Rd	Capital Upgrade	Resheet 6km	102,000
Council	Dry Well Rd	Capital Upgrade	Resheet (7.1km)	121,000
				<u>698,000</u>

2018-19

Funding	Road	Details		Budget
State RRG	Corrigin Narembeen Rd	Capital Upgrade	Reconstruct to 7m (3km)	375,000
Federal R2R	Bendering Road	Capital Upgrade	Reconstruct to 7m (2km)	200,000
Council	Bilbarin Quairading Rd	Capital Upgrade	Widen Shoulders (7km)	126,000
				<u>701,000</u>

This forward roads program is indicative only and may be subject to change.

DISABILITY ACCESS AND INCLUSION PLAN

The Disability Services Act 1993 was amended in December 2004, creating a requirement for public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These plans had to be fully developed by July 2007, and replaced and built on the achievements of Disability Service Plans (DSPs).

Council adopted a DAIP in June 2007 for implementation in July 2007. Council is required to report on our present activities as they relate to the six desired DAIP outcomes.

1. Council is continually adapting our existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organised by the Shire.
2. Council also continues with improvement to buildings and footpath infrastructure to assist both wheelchair and gopher access.
3. Wherever possible people with disabilities can receive information from the Shire in a format that will enable them to access the information as readily as other people are able to access it. This includes a comprehensive website and the ability to change documents to large font size.
4. The staff are always encouraged to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive. We are also working with our contractors to ensure they are aware of their responsibilities.
5. People with disabilities have the same opportunities as other people to make complaints to the staff, this can be via written letters, email, SMS or verbally.
6. Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances community members may have regarding the services available to the disabled.

RECORD KEEPING PLAN

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner.

Principle 6 – Compliance: Government organisations ensure their employees comply with the record keeping plan.

Rationale:

An organisation and its employees must comply with the organisation's record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Minimum Compliance Requirements:

The record keeping plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.
2. The organisation conducts a record keeping training program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

The Shire has complied with items 1 to 4.

NATIONAL COMPETITION POLICY

In respect to Council's responsibilities in relation to National Competition Policy the Shire reports as follows: No business enterprise of the Shire has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.

Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period. No allegations of non-compliance with the competitive neutrality principles have been made by any private entity. The principles of competitive neutrality will be implemented in respect of any relevant activity undertaken during the 2010/11 year.

FREEDOM OF INFORMATION

Part 5 of the *Freedom of Information Act 1992* requires an agency such as Local Government to prepare and publish an information statement.

The Shire of Corrigin has produced an Information Statement which can be inspected via Council's website or by contacting the Shire Office.

The Information Statement contains information on the type of documents available to the public and how to access those documents.

PUBLIC INTEREST DISCLOSURES

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

The Chief Executive Officer has complied with all obligations under the Act including:

Appointing the Deputy Chief Executive Officer as the PID Officer for the organisation and publishing an internal procedure relating to the Shire's obligations.

Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

EMPLOYEES' REMUNERATION

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

Salary Range	2012	2011
\$		
100,000 - 109,999		
110,000 - 119,999		
120,000 - 129,999	1	1

Julian Murphy
Chief Executive Officer

SHIRE OF CORRIGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

TABLE OF CONTENTS

Statement by Chief Executive Officer	26
Statement of Comprehensive Income by Nature or Type	27
Statement of Comprehensive Income by Program	28
Statement of Financial Position	29
Statement of Changes in Equity	30
Statement of Cash Flows	31
Rate Setting Statement	32
Notes to and Forming Part of the Financial Report	33 to 86
Independent Audit Report	87 to 89
Supplementary Ratio Information	90


SHIRE OF CORRIGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Corrigin being the annual financial report and supporting notes and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Corrigin at 30th June 2013 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 as authorisation of issue on the *14th* day of *APRIL* 2014



Julian Murphy
Chief Executive Officer

SHIRE OF CORRIGIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Rates	22	1,881,594	1,879,321	1,739,442
Operating Grants, Subsidies and Contributions	28	2,090,802	1,249,619	2,359,874
Fees and Charges	27	511,382	694,126	529,424
Interest Earnings	2(a)	144,233	144,914	125,765
Other Revenue		57,731	5,100	37,116
		<u>4,685,742</u>	<u>3,973,080</u>	<u>4,791,621</u>
Expenses				
Employee Costs		(1,508,701)	(1,769,295)	(1,551,147)
Materials and Contracts		(1,089,253)	(1,483,757)	(807,284)
Utility Charges		(300,388)	(304,166)	(246,968)
Depreciation on Non-Current Assets	2(a)	(1,626,581)	(1,585,868)	(1,512,426)
Interest Expenses	2(a)	(38,248)	(40,801)	(50,227)
Insurance Expenses		(238,199)	(241,204)	(216,383)
Other Expenditure		(63,615)	(123,486)	(64,264)
		<u>(4,864,985)</u>	<u>(5,548,577)</u>	<u>(4,448,699)</u>
		(179,244)	(1,575,497)	342,922
Non-Operating Grants, Subsidies and Contributions	28	2,710,027	2,075,770	2,874,711
or loss	2(a)			
Profit on Asset Disposals	20	98,287	130,548	5,772
Loss on Asset Disposal	20	(69,628)	(83,740)	(54,202)
		<u>2,559,442</u>	<u>547,081</u>	<u>3,169,203</u>
Net Result				
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	578,660		
		<u>578,660</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income				
		<u>578,660</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income				
		<u><u>3,138,102</u></u>	<u><u>547,081</u></u>	<u><u>3,169,203</u></u>

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

SHIRE OF CORRIGIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Governance		4,155	1,500	1,011
General Purpose Funding		3,626,026	2,787,261	3,726,658
Law, Order, Public Safety		31,514	31,199	35,170
Health		109,478	253,591	247,444
Education and Welfare		178,848	173,640	159,425
Housing		91,444	93,371	90,003
Community Amenities		157,554	179,078	150,664
Recreation and Culture		92,818	37,995	55,279
Transport		145,924	144,335	134,532
Economic Services		58,869	64,400	52,148
Other Property and Services		189,113	206,710	139,287
	2(a)	<u>4,685,743</u>	<u>3,973,080</u>	<u>4,791,621</u>
Expenses				
Governance		(611,383)	(672,843)	(437,489)
General Purpose Funding		(39,954)	(42,424)	(39,728)
Law, Order, Public Safety		(102,926)	(106,383)	(92,739)
Health		(434,705)	(623,752)	(485,803)
Education and Welfare		(224,362)	(347,451)	(199,198)
Housing		(135,684)	(144,790)	(80,185)
Community Amenities		(457,708)	(475,827)	(402,146)
Recreation and Culture		(757,262)	(827,631)	(686,705)
Transport		(1,684,994)	(1,818,511)	(1,696,454)
Economic Services		(247,750)	(306,704)	(207,526)
Other Property and Services		(130,010)	(143,658)	(70,499)
	2(a)	<u>(4,826,738)</u>	<u>(5,509,974)</u>	<u>(4,398,472)</u>
Finance Costs				
Education and Welfare		(2,009)	0	(3,508)
Housing		(5,839)	(6,217)	(10,076)
Community Amenities		(30,400)	(32,386)	(36,643)
	2(a)	<u>(38,248)</u>	<u>(38,603)</u>	<u>(50,227)</u>
Fair Value Adjustments to Financial Assets at Fair Value through Profit or Loss				
General Purpose Funding		0	0	0
Non-Operating Grants, Subsidies and Contributions				
General Purpose Funding		376,608	0	1,055,033
Education and Welfare		37,286	50,000	10,000
Recreation & Culture		0	25,000	3,636
Community Amenities		2,063	0	89,813
Economic Services		5,455	6,000	6,000
Transport		2,288,615	1,994,770	1,710,229
Other Property and Services		0	0	0
		<u>2,710,027</u>	<u>2,075,770</u>	<u>2,874,711</u>
Profit/(Loss) on Disposal of Assets				
Health		(10,738)	(13,029)	(26,837)
Community Amenities		17,910	19,265	0
Transport		51,312	51,993	(1,429)
Other Property and Services		(29,826)	(11,421)	(20,164)
		<u>28,658</u>	<u>46,808</u>	<u>(48,430)</u>
Net Result		<u>2,559,442</u>	<u>547,081</u>	<u>3,169,203</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	578,660	0	0
Total Other Comprehensive Income		<u>578,660</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>3,138,102</u></u>	<u><u>547,081</u></u>	<u><u>3,169,203</u></u>

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

**SHIRE OF CORRIGIN
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2013**

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	4,557,429	3,718,991
Trade and Other Receivables	4	234,476	292,294
Inventories	5	119,405	135,879
TOTAL CURRENT ASSETS		<u>4,911,310</u>	<u>4,147,164</u>
NON-CURRENT ASSETS			
Other Receivables	4	7,530	7,530
Inventories	5	1,774,539	1,774,539
Property, Plant and Equipment	6	11,234,056	10,412,544
Infrastructure	7	15,085,224	13,557,301
TOTAL NON-CURRENT ASSETS		<u>28,101,349</u>	<u>25,751,914</u>
TOTAL ASSETS		<u>33,012,659</u>	<u>29,899,078</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	223,060	110,847
Long Term Borrowings	9	149,128	164,971
Provisions	10	333,665	300,901
TOTAL CURRENT LIABILITIES		<u>705,853</u>	<u>576,719</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	388,846	537,973
Provisions	10	26,379	30,907
TOTAL NON-CURRENT LIABILITIES		<u>415,225</u>	<u>568,880</u>
TOTAL LIABILITIES		<u>1,121,078</u>	<u>1,145,599</u>
NET ASSETS		<u>31,891,581</u>	<u>28,753,479</u>
EQUITY			
Retained Surplus		27,076,065	25,239,099
Reserves - Cash Backed	11	4,236,856	3,514,380
Revaluation Surplus	12	578,660	0
TOTAL EQUITY		<u>31,891,581</u>	<u>28,753,479</u>

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

**SHIRE OF CORRIGIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		23,740,321	1,843,955	0	25,584,276
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Restated Balance		23,740,321	1,843,955	0	25,584,276
Comprehensive Income					
Net Result		3,169,203	0	0	3,169,203
Changes on Revaluation of Non-Current Assets	12	0	0	0	0
Total Comprehensive Income		<hr/> 3,169,203	<hr/> 0	<hr/> 0	<hr/> 3,169,203
Reserve Transfers		(1,670,425)	1,670,425	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2012		25,239,099	3,514,380	0	28,753,479
Comprehensive Income					
Net Result		2,559,442	0	0	2,559,442
Changes on Revaluation of Non-Current Assets	12	0	0	578,660	578,660
Total Other Comprehensive Income		<hr/> 2,559,442	<hr/> 0	<hr/> 578,660	<hr/> 3,138,102
Reserve Transfers		(722,476)	722,476	0	0
		<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2013		<u>27,076,065</u>	<u>4,236,856</u>	<u>578,660</u>	<u>31,891,581</u>

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

**SHIRE OF CORRIGIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,859,896	1,879,321	1,736,095
Operating Grants, Subsidies and Contributions		2,090,802	1,249,619	2,359,874
Fees and Charges		617,703	971,143	486,663
Interest Earnings		144,233	144,914	125,765
Goods and Services Tax		334,885	100,000	398,856
Other Revenue		57,731	5,100	37,116
		<u>5,105,250</u>	<u>4,350,097</u>	<u>5,144,369</u>
Payments				
Employee Costs		(1,478,630)	(1,769,295)	(1,506,471)
Materials and Contracts		(1,021,311)	(1,794,603)	(778,853)
Utility Charges		(300,388)	(304,166)	(246,968)
Insurance Expenses		(238,199)	(241,204)	(216,383)
Interest expenses		(40,802)	(40,801)	(52,775)
Goods and Services Tax		(300,226)	(100,000)	(390,288)
Other Expenditure		(63,614)	(123,487)	(64,263)
		<u>(3,443,170)</u>	<u>(4,373,556)</u>	<u>(3,256,001)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>1,662,080</u>	<u>(23,459)</u>	<u>1,888,368</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(1,212,330)	(1,785,512)	(1,310,165)
Payments for Construction of Infrastructure		(2,384,579)	(2,143,909)	(1,959,444)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions		2,710,027	2,075,770	2,874,711
Proceeds from Sale of Plant & Equipment		228,210	502,559	145,582
		<u>228,210</u>	<u>502,559</u>	<u>145,582</u>
Net Cash Provided By (Used In) Investing Activities		(658,672)	(1,351,092)	(249,316)
Cash Flows from Financing Activities				
Repayment of Debentures		(164,970)	(164,971)	(207,980)
Net Cash Provided By (Used In) Financing Activities		(164,970)	(164,971)	(207,980)
Net Increase (Decrease) in Cash Held		838,438	(1,539,522)	1,431,072
Cash at Beginning of Year		3,718,991	3,718,991	2,287,919
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>4,557,429</u></u>	<u><u>2,179,469</u></u>	<u><u>3,718,991</u></u>

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

**SHIRE OF CORRIGIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenue				
Governance		4,155	1,500	1,011
General Purpose Funding		2,121,039	907,940	3,042,249
Law, Order, Public Safety		31,514	31,199	35,170
Health		109,478	253,591	247,444
Education and Welfare		216,134	223,640	169,425
Housing		91,444	93,371	90,003
Community Amenities		177,528	179,078	240,477
Recreation and Culture		92,818	62,995	58,915
Transport		2,514,915	2,222,606	1,850,533
Economic Services		64,324	89,665	58,148
Other Property and Services		189,113	234,492	139,288
		<u>5,612,462</u>	<u>4,300,077</u>	<u>5,932,663</u>
Expenses				
Governance		(611,383)	(672,843)	(437,489)
General Purpose Funding		(39,954)	(42,424)	(39,728)
Law, Order, Public Safety		(102,926)	(106,383)	(92,739)
Health		(445,443)	(636,781)	(512,640)
Education and Welfare		(226,371)	(347,451)	(202,706)
Housing		(141,523)	(151,007)	(90,261)
Community Amenities		(488,108)	(508,213)	(438,789)
Recreation and Culture		(757,262)	(827,631)	(686,705)
Transport		(1,714,058)	(1,850,019)	(1,703,655)
Economic Services		(247,750)	(306,704)	(207,526)
Other Property and Services		(159,837)	(182,862)	(90,663)
		<u>(4,934,615)</u>	<u>(5,632,318)</u>	<u>(4,502,901)</u>
Net Result Excluding Rates		677,847	(1,332,241)	1,429,762
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	20	(28,658)	(46,808)	48,430
Movement in Employee Benefit Provisions (Non-Current)		(4,528)	0	10,005
Depreciation and Amortisation on Assets	2(a)	1,626,581	1,585,868	1,512,426
Capital Expenditure and Revenue				
Purchase Land and Buildings		(369,373)	(367,310)	(805,530)
Purchase Infrastructure Assets - Roads		(2,345,506)	(2,083,418)	(1,772,626)
Purchase Infrastructure Assets - Other		(39,073)	(60,491)	(186,818)
Purchase Plant and Equipment		(833,227)	(1,407,202)	(494,816)
Purchase Furniture and Equipment		(9,730)	(11,000)	(9,819)
Proceeds from Disposal of Assets	20	228,210	502,559	145,582
Repayment of Debentures	21	(164,970)	(164,971)	(207,980)
Transfers to Reserves (Restricted Assets)	11	(1,859,185)	(174,313)	(1,899,699)
Transfers from Reserves (Restricted Assets)	11	1,136,709	1,509,224	229,274
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	159,631	170,782	421,999
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	56,321	0	159,631
Amount Required to be raised from Rates	22(a)	<u>(1,881,593)</u>	<u>(1,879,321)</u>	<u>(1,739,441)</u>

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

(a) Basis of Preparation

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO, is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

(e) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

(f) Inventories

General

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in the statement of comprehensive income at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at fair value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

In accordance with local Government (Financial Management) Regulation 16 (a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Initial Recognition

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

Revaluation

When performing a revaluation, the Council uses a mix of both independent and management revaluations using the following as a guide:

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases in the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised as profit or loss.

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

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 materially from that determined using fair value at reporting date.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** methodology section as detailed above.

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13 - Fair Value Measurement* have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

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 CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets

All non-current assets having a limited useful life (excluding freehold land) 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.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Formed roads formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

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

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

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

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(h) Intangible Assets

Easements

Due to legislative changes, Easements are required to be recognised as assets.

If significant, they are initially recognised at cost and have an indefinite useful life.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost.

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

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- (d) less any reduction for impairment.

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

(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. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

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

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to the asset previously recognised in other comprehensive income, is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continued involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(j) Impairment

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (eg AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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.

(k) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

(l) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

(m) Borrowing Costs

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Provisions

Provisions are recognised when:

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

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

(o) Leases

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

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

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

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

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

(p) Investments in Associates

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate entity. In addition, Council's share of the profit or loss of the associate entity is included in the Council's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Joint Venture

The Council'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 appropriate line items of the financial statement. Information about the joint venture is set out in Note 16.

The Council's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1(p) for details) in the financial report.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(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

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 a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

(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 the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on 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.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Comparative Figures

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

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

(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 CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncement that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows.

	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
	AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	September 2012	Deferred AASB 9 until 1 January 2015	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 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
	[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)			

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
<p>(iii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</p> <p>[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]</p>	December 2010	01 January 2013	<p>Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).</p>
<p>(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 -Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards</p> <p>[AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]</p>	August 2011	01 January 2013	<p>Nil - None of these, except for AASB 128 , are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.</p>

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

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 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.
(vi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2012-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard is not expected to significantly impact on the Council's financial statements.

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	01 January 2014	<p>This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact on the Council’s financial statements.</p>
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132, 134 and Interpretation 2]	June 2012	01 January 2013	<p>Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council’s financial statements.</p>
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	01 January 2013	<p>Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.</p>

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

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

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.

These new and revised standards were:

AASB 2010 – 8
AASB 2011 - 3
AASB 2011 - 13

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

The Council also chose to early adopt *AASB 13 – Fair Value Measurement* as allowed for in the standard. For further details with respect to this early adoption, refer to Note 1(g).

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES	2013 \$	2012 \$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit of the financial report	13,552	13,829
- Other	12,109	5,939
Depreciation		
Buildings	255,988	250,339
Furniture and Equipment	42,157	46,638
Plant and Equipment	471,781	419,404
Roads	799,927	749,397
Footpaths	12,391	11,494
Drainage	5,285	5,285
Parks and Ovals	39,052	29,869
	<u>1,626,581</u>	<u>1,512,426</u>
Interest Expenses (Finance Costs)		
Finance Lease Charges		
Debentures (<i>refer Note 21(a)</i>)	38,248	50,227
	<u>38,248</u>	<u>50,227</u>
Rental Charges		
- Operating Leases		
	<u></u>	<u></u>
(ii) Crediting as Revenue:		
Significant Revenue		
	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

This significant revenues relate to

	2013 \$	2013 Budget \$	2012 \$
Interest Earnings			
Investments			
- Reserve Funds	123,358	128,414	96,240
- Other Funds	10,886	12,000	22,667
Other Interest Revenue (<i>refer note 26</i>)	9,989	4,500	6,858
	<u>144,233</u>	<u>144,914</u>	<u>125,765</u>
	<u>144,233</u>	<u>144,914</u>	<u>125,765</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

GOVERNANCE

Administration and operation facilities and services to members of Council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Supervision of various by-laws, fire prevention, emergency services and animal control.

HEALTH

Food quality and pest control, meat inspection of abattoirs, and administration of the Eastern Districts Regional Health Scheme and provision of various medical facilities.

EDUCATION AND WELFARE

Contributions towards the operation of the Senior Citizens centre and Frail Care Facility , assistance to the Family Day Care Centre, Occasional Day Care Centre and Playgroup as well as donations to other voluntary services.

Also includes services provided by the Community Resource Centre.

HOUSING

Maintenance of staff and rental housing.

COMMUNITY AMENITIES

Rubbish collection services, operation of refuse disposal sites, noise control, administration of the town planning scheme, maintenance of the cemetery, maintenance of public conveniences and town water drainage, as well as the community bus.

RECREATION AND CULTURE

Maintenance of halls, swimming pool, recreation centres, various reserves and contracting of the library service.

TRANSPORT

Construction and maintenance of streets, roads, bridges, depot and airstrip, cleaning and lighting of streets, and the provision of police licensing services.

ECONOMIC SERVICES

Provision of tourism facilities, area promotion, building control, saleyards, noxious weed control, vermin control, screening plant, standpipes, Development Officer.

OTHER PROPERTY AND SERVICES

Private Works operations, plant repairs and operation costs.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening	Received (+)	Expended (#)	Closing	Received (+)	Expended (#)	Closing
Grant/Contribution	Function/ Activity	Balance (*) 1-Jul-11	2011/12	2011/12	Balance (*) 30-Jun-12	2012/13	2012/13	Balance 30-Jun-13
		\$	\$	\$	\$	\$	\$	\$
Financial Assistance Grant Advanced	GPF	367,988	770,398	(367,988)	770,398	1,568,255	(1,506,642)	832,011
RLCIP Funding	GPF	31,219	0	(31,219)	0	0	0	0
Royalties for Regions	GPF	0	1,055,033	(432,475)	622,558	376,608	(245,950)	753,216
Resource Centre - Infrastructure & Ed & Welfare		2,307	0	(2,307)	0	0	0	0
Resource Centre - Videoconferencing Ed & Welfare		0	0	0	0	0	0	0
Resource Centre - Rebanding Support Ed & Welfare		0	0	0	0	0	0	0
Dry Season Funding	Ed & Welfare	19,000	0	(19,000)	0	10,000	(9,000)	1,000
Auto Door Funding	OPS	9,193	0	(9,193)	0	0	0	0
Resource Centre - Reception Upgrade	Ed & Welfare	0	0	0	0	37,286	(27,526)	9,760
Roads to Recovery	Transport	0	0	0	0	465,387	(374,335)	91,052
Total		429,707	1,825,431	(862,182)	1,392,956	2,457,536	(2,163,453)	1,687,039

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.

The funds held for the above unspent grants have been restricted as follows

	2013	2012
Transfer to Reserves	\$ 1,658,281	\$ 1,392,956
Muni Funds Restricted @ Note 3	\$ 28,758	0
	<u>\$ 1,687,039</u>	<u>\$ 1,392,956</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2012 \$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	291,813	204,611
Restricted	4,265,616	3,514,380
	<u>4,557,429</u>	<u>3,718,991</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Employee Entitlement Reserve	108,301	103,781
Community Bus Reserve	1,619	73,767
Staff Housing Reserve	94,340	128,733
Office Equipment Reserve	821	787
Plant Replacement Reserve	902,090	808,670
Swimming Pool Reserve	884	847
Roadworks Reserve	346,258	5,772
Land Subdivision Reserve	43,798	41,970
Townscape Reserve	2,229	6,927
Medical Reserve	317	304
LGCHP Long Term Maintenance Reserve	14,536	13,929
Community Development Reserve	967,344	834,287
Rockview Land Reserve	1,443	520
Roayalties for Regions Reserve	780,330	622,558
Financial Assistance Grant Reserve	832,011	770,398
RLCIP Grant Reserve	(0)	0
Centenary Celebration Reserve	21,461	20,565
Senior Citizen Units Reserve	31,461	20,565
Town Hall Reserve	35,436	10,000
Child Care Reserve	52,179	50,000
Unspent Grants	28,758	0
	<u>4,265,616</u>	<u>3,514,380</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	35,551	13,853
Sundry Debtors	182,031	262,411
Provision for Deboutful Debts	(2,000)	(2,000)
GST Receivable	8,300	10,263
FBT Receivable	3,668	2,882
ESL Receivable	7,196	5,155
Monies Received in Advance	(270)	(270)
Loans - Clubs/Institutions	0	0
	<u>234,476</u>	<u>292,294</u>
Non-Current		
Rates Outstanding - Pensioners	7,530	7,530
Loans - Clubs/Institutions	0	0
	<u>7,530</u>	<u>7,530</u>

5. INVENTORIES

Current

Fuel and Materials	50,471	66,945
History Books	0	0
Land Held for Resale - Cost		
Cost of Acquisition	2,680	2,680
Development Costs	66,254	66,254
	<u>119,405</u>	<u>135,879</u>

Non-Current

Land Held for Resale - Cost		
Cost of Acquisition	300,259	300,259
Development Costs	1,474,280	1,474,280
	<u>1,774,539</u>	<u>1,774,539</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Cost	<u>1,843,473</u>	<u>1,843,473</u>
	1,843,473	1,843,473
Independent valuation 2013	<u>0</u>	<u>0</u>
Total Land	1,843,473	1,843,473
Buildings at:		
- Cost	<u>10,432,408</u>	<u>10,050,793</u>
Less Accumulated Depreciation	<u>(4,953,766)</u>	<u>(4,685,536)</u>
Total Buildings	5,478,642	5,365,257
Total Land and Buildings	<u>7,322,115</u>	<u>7,208,730</u>
Furniture and Equipment	719,276	676,343
Less Accumulated Depreciation	<u>(630,228)</u>	<u>(560,475)</u>
	89,048	115,868
Plant and Equipment - Independent Valuation 2013	4,284,933	6,183,042
Less Accumulated Depreciation	<u>(462,040)</u>	<u>(3,095,096)</u>
	3,822,893	3,087,946
	<u>11,234,056</u>	<u>10,412,544</u>

Plant and Equipment:

The Shire's Plant and Equipment was revalued at 30 November 2012 by AVP Valuers. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall increase of \$578,660 in the net value of the Shire's Plant and Equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12 for further details) and was recognised as changes on Revaluations of non-current assets in the Statement of Comprehensive Income.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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 (Level 2) \$	Non- Specialised Buildings (Level 2) \$	Specialised Buildings (Level 3) \$	Total Buildings \$	Total Land and Buildings \$	Plant and Equipment (Level 2) \$	Furniture and Equipment (Level 3) \$	Total \$
Balance as at the beginning of the year	1,843,473	0	5,365,257	5,365,257	7,208,730	3,087,946	115,868	10,412,544
Change in Classification @ Cost	0	0	12,243	0	0	(149,390)	49,509	(99,881)
Change in Classification Accum	0	0	(12,243)	0	0	141,270	(41,389)	99,881
Additions	0	0	369,373	369,373	369,373	833,227	9,730	1,212,330
(Disposals)	0	0	0	0	0	(197,039)	(2,513)	(199,552)
Revaluation - Increments	0	0	0	0	0	578,660	0	578,660
- (Decrements)	0	0	0	0	0	0	0	0
Impairment - (Losses)	0	0	0	0	0	0	0	0
- Reversals	0	0	0	0	0	0	0	0
Initial Recognition of assets Due to Changes to Regulations	0	0	0	0	0	0	0	0
Depreciation (Expense)	0	0	(255,988)	(255,988)	(255,988)	(471,781)	(42,157)	(769,926)
Carrying amount at the end of year	<u>1,843,473</u>	<u>0</u>	<u>5,478,642</u>	<u>5,478,642</u>	<u>7,322,115</u>	<u>3,822,893</u>	<u>89,048</u>	<u>11,234,056</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
7. INFRASTRUCTURE		
Roads - Cost	30,407,233	28,061,727
Less Accumulated Depreciation	<u>(16,669,209)</u>	<u>(15,869,282)</u>
	13,738,024	12,192,445
Footpaths - Cost	601,432	601,432
Less Accumulated Depreciation	<u>(264,638)</u>	<u>(252,247)</u>
	336,794	349,185
Drainage - Cost	264,259	264,259
Less Accumulated Depreciation	<u>(129,472)</u>	<u>(124,187)</u>
	134,787	140,072
Parks & Ovals - Cost	1,115,012	988,302
Less Accumulated Depreciation	<u>(239,393)</u>	<u>(112,703)</u>
	875,619	875,599
	<u><u>15,085,224</u></u>	<u><u>13,557,301</u></u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads	Footpaths	Drainage	Parks and Ovals	Total
	\$	\$	\$	\$	\$
Balance at the beginning of the year	12,192,445	349,185	140,072	875,599	13,557,301
Change in Classification	0	0	0	87,638	87,638
Change in Classification Accum	0	0	0	(87,638)	(87,638)
Additions	2,345,506	0	0	39,073	2,384,579
(Disposals)	0	0	0	0	0
Revaluation - Increments	0	0	0	0	0
- (Decrements)	0	0	0	0	0
Impairment - (Losses)	0	0	0	0	0
- Reversals	0	0	0	0	0
Depreciation (Expense)	(799,927)	(12,391)	(5,285)	(39,052)	(856,655)
Carrying amount at the end of year	<u>13,738,024</u>	<u>336,794</u>	<u>134,787</u>	<u>875,620</u>	<u>15,085,225</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	84,155	24,636
PAYG Liability	61,113	27,632
Accrued Liabilities	58,370	38,437
Accrued Interest on Debentures	12,525	15,079
Accrued Salaries and Wages	6,897	5,063
	<u>223,060</u>	<u>110,847</u>

9. LONG-TERM BORROWINGS

Current

Secured by Floating Charge		
Debentures	149,128	164,971
Lease Liability	0	0
	<u>149,128</u>	<u>164,971</u>

Non-Current

Secured by Floating Charge		
Debentures	388,846	537,973
Lease Liability	0	0
	<u>388,846</u>	<u>537,973</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions

Current	333,665	300,901
Non-Current	26,379	30,907
	<u>360,044</u>	<u>331,808</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance as at 1 July 2012	191,090	140,718	331,808
Additional provisions	1,124	27,112	28,236
Amounts used	0	0	0
Used amounts reversed	0	0	0
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	0	0	0
Balance at 30 June 2013	<u>192,214</u>	<u>167,830</u>	<u>360,044</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED			
(a) Employee Entitlement Reserve			
Opening Balance	103,781	103,781	98,233
Amount Set Aside / Transfer to Reserve	4,520	5,810	5,548
Amount Used / Transfer from Reserve	0	0	0
	<u>108,301</u>	<u>109,591</u>	<u>103,781</u>
(b) Community Bus Reserve			
Opening Balance	73,767	73,767	65,091
Amount Set Aside / Transfer to Reserve	3,213	3,097	8,676
Amount Used / Transfer from Reserve	(75,361)	(75,361)	0
	<u>1,619</u>	<u>1,503</u>	<u>73,767</u>
(c) Staff Housing Reserve			
Opening Balance	128,733	128,733	288,089
Amount Set Aside / Transfer to Reserve	5,607	7,207	8,444
Amount Used / Transfer from Reserve	(40,000)	(40,000)	(167,800)
	<u>94,340</u>	<u>95,940</u>	<u>128,733</u>
(d) Office Equipment Reserve			
Opening Balance	787	787	745
Amount Set Aside / Transfer to Reserve	34	44	42
Amount Used / Transfer from Reserve	0	0	0
	<u>821</u>	<u>831</u>	<u>787</u>
(e) Plant Replacement Reserve			
Opening Balance	808,670	808,670	480,720
Amount Set Aside / Transfer to Reserve	93,420	32,731	327,950
Amount Used / Transfer from Reserve	0	(300,799)	0
	<u>902,090</u>	<u>540,602</u>	<u>808,670</u>
(f) Swimming Pool Reserve			
Opening Balance	847	847	5,553
Amount Set Aside / Transfer to Reserve	37	47	294
Amount Used / Transfer from Reserve	0	0	(5,000)
	<u>884</u>	<u>894</u>	<u>847</u>
(g) Roadworks Reserve			
Opening Balance	5,772	5,772	5,463
Amount Set Aside / Transfer to Reserve	340,486	323	309
Amount Used / Transfer from Reserve	0	0	0
	<u>346,258</u>	<u>6,095</u>	<u>5,772</u>
(h) Land Subdivision Reserve			
Opening Balance	41,970	41,970	39,726
Amount Set Aside / Transfer to Reserve	1,828	2,350	2,244
Amount Used / Transfer from Reserve	0	0	0
	<u>43,798</u>	<u>44,320</u>	<u>41,970</u>

(i) Townscape Reserve			
Opening Balance	6,927	6,927	21,786
Amount Set Aside / Transfer to Reserve	302	388	1,230
Amount Used / Transfer from Reserve	(5,000)	(5,000)	(16,089)
	<u>2,229</u>	<u>2,315</u>	<u>6,927</u>
(j) Medical Reserve			
Opening Balance	304	304	288
Amount Set Aside / Transfer to Reserve	13	17	16
Amount Used / Transfer from Reserve	0	0	0
	<u>317</u>	<u>321</u>	<u>304</u>
(k) LGCHP Housing Reserve			
Opening Balance	13,929	13,929	13,184
Amount Set Aside / Transfer to Reserve	607	780	745
Amount Used / Transfer from Reserve	0	0	0
	<u>14,536</u>	<u>14,709</u>	<u>13,929</u>
(l) Community Development Reserve			
Opening Balance	834,287	834,287	766,211
Amount Set Aside / Transfer to Reserve	133,057	71,710	68,076
Amount Used / Transfer from Reserve	0	0	0
	<u>967,344</u>	<u>905,997</u>	<u>834,287</u>
(m) Rockview Land Reserve			
Opening Balance	520	520	4,711
Amount Set Aside / Transfer to Reserve	923	929	249
Amount Used / Transfer from Reserve	0	0	(4,440)
	<u>1,443</u>	<u>1,449</u>	<u>520</u>
(n) Royalties for Regions Reserve			
Opening Balance	622,558	622,558	1,744
Amount Set Aside / Transfer to Reserve	403,722	24,599	622,649
Amount Used / Transfer from Reserve	(245,950)	(245,950)	(1,835)
	<u>780,330</u>	<u>401,207</u>	<u>622,558</u>
(o) Financial Assitance Grant Reserve			
Opening Balance	770,398	770,398	0
Amount Set Aside / Transfer to Reserve	832,011	0	770,398
Amount Used / Transfer from Reserve	(770,398)	(770,398)	0
	<u>832,011</u>	<u>0</u>	<u>770,398</u>
(p) RLCIP Reserve			
Opening Balance	0	0	32,411
Amount Set Aside / Transfer to Reserve	(0)	0	1,699
Amount Used / Transfer from Reserve	0	0	(34,110)
	<u>(0)</u>	<u>0</u>	<u>0</u>
(q) Centenary Celebration Reserve			
Opening Balance	20,565	20,565	10,000
Amount Set Aside / Transfer to Reserve	896	1,151	10,565
Amount Used / Transfer from Reserve	0	(21,716)	0
	<u>21,461</u>	<u>0</u>	<u>20,565</u>

(r) Senior Citizens Units Reserves			
Opening Balance	20,565	20,565	10,000
Amount Set Aside / Transfer to Reserve	10,896	11,151	10,565
Amount Used / Transfer from Reserve	0	0	0
	<u>31,461</u>	<u>31,716</u>	<u>20,565</u>
(s) Town Hall Reserve			
Opening Balance	10,000	10,000	0
Amount Set Aside / Transfer to Reserve	25,436	10,560	10,000
Amount Used / Transfer from Reserve	0	0	0
	<u>35,436</u>	<u>20,560</u>	<u>10,000</u>
(t) Child Care Reserve			
Opening Balance	50,000	50,000	0
Amount Set Aside / Transfer to Reserve	2,179	1,419	50,000
Amount Used / Transfer from Reserve	0	(50,000)	0
	<u>52,179</u>	<u>1,419</u>	<u>50,000</u>
TOTAL CASH BACKED RESERVES	<u>4,236,856</u>	<u>2,179,469</u>	<u>3,514,380</u>

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

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

Community Bus Reserve

- to be used to fund to continual purchase of a community bus.

Employee Entitlement Reserve

- To be used to fund Employee Leave Entitlement requirements.

Plant Replacement Reserve

- to be used for the purchase of major plant items.

Swimming Pool Reserve

- to be used for the constuction and maintenance of the swimming pool.

Office Equipment Reserve

- to be used for the purchase of office equipment.

Roadworks Reserve

- to be used to fund the construction of roads within the Shire of Corrigin.

Land Subdivision Reserve

- to be used to fund the installation of infrastructure in a land subdivision.

Staff Housing Reserve

- to be used for the construction and maintenance of the staff housing.

Townscape Reserve

- to be used for the continual upgrade of facilities as per the townscape plan.

Medical Reserve

- to be used for the continual upgrade of medical facilities within the Shire of Corrigin.

LGCHP Housing Reserve

- to be used to fund the long term maintenance of the joint venture housing the Shire of Corrigin

Community Development Reserve

- to be used for the continual upgrade of various community facilites in Corrigin.

Royalties for Regions Reserve

- to be used to fund indentified Royalties for Regions projects as adopted.

Financial Assistance Grant Reserve

- to be used in accordance to the Local Government Grants Commission for funding of operating

RLCIP Reserve

- to be used to fund identified RLCIP funded projects.

Rockview Land Reserve

- to be used for the development of the Rockview Land Project.

Senior Citizen Units Reserve

- to be used to fund the construction of Senior Citizen Units.

Centenary Celebration

- To be used to fund future projects in conjunction of Corrigin Centenary Celebration.

Town Hall Reserve

- To be used for the maintenance and upgrade of the Corrigin Town Hall building, fixtures and fittings

Child Care Reserve

- To be used for the provision of child care facilities and services

With the exception of the Centenary Celebration, Financial Assistance Funds and Child Care Reserve, all reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

12. REVALUATION SURPLUS

2013
\$

2012
\$

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

(b) **Plant and Equipment**

Opening Balance	0	0
Revaluation Increment	578,660	0
Revaluation Decrement	0	0
	<u>578,660</u>	<u>0</u>

TOTAL ASSET REVALUATION SURPLUS

578,660

0

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash 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:

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>4,557,429</u>	<u>2,179,469</u>	<u>3,718,991</u>

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

Net Result	2,559,442	547,081	3,169,203
Amortisation	0	0	0
Depreciation	1,626,581	1,585,868	1,512,426
(Profit)/Loss on Sale of Asset	(28,659)	(46,808)	48,430
(Increase)/Decrease in Receivables	83,759	267,436	(36,794)
(Increase)/Decrease in Inventories	16,474	9,581	(28,018)
Increase/(Decrease) in Payables	86,273	(310,847)	55,640
Increase/(Decrease) in Employee Provisions	28,237	0	42,192
Grants/Contributions for the Development of Assets	(2,710,027)	(2,075,770)	(2,874,711)
Non-Current Assets recognised due to changes in legislative requirements	0	0	0
Net Cash from Operating Activities	<u>1,662,080</u>	<u>(23,459)</u>	<u>1,888,368</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	15,000	15,000
Credit Card Balance at Balance Date	(5,478)	(1,834)
Total Amount of Credit Unused	<u>109,522</u>	<u>113,166</u>

Loan Facilities

Loan Facilities - Current	149,128	164,971
Loan Facilities - Non-Current	388,846	537,973
Total Facilities in Use at Balance Date	<u>537,974</u>	<u>702,944</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
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**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

14. CONTINGENT LIABILITIES

There are no known contingent liabilities at balance date.

	2013	2012
	\$	\$
15. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
The Shire has no finance lease commitments		
(b) Operating Lease Commitments		
The Shire has no operating lease commitments		
(c) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	0	0
- plant & equipment purchases	0	649,465
Payable:		
- not later than one year	0	649,465

The capital expenditure project outstanding at the end of the current reporting period represents (the prior year commitment was for the purchase of a Tipper Truck, Grader, Tractor and Bus)

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

16. JOINT VENTURE

The Shire together with the Shires of Narembeen, Kulin and Kondinin have a joint venture arrangement with regard to the provision of an Environmental Health and Building Surveying Service. The only assets are a motor vehicle and miscellaneous equipment.

	2013	2012
	\$	\$
Non-Current Assets		
Motor Vehicle	33,067	33,067
Plant & Equipment	7,614	7,614
Less: Accumulated Depreciation	<u>(6,993)</u>	<u>(6,617)</u>
	<u><u>33,688</u></u>	<u><u>34,064</u></u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	151,972	158,498
General Purpose Funding	817,756	647,241
Law, Order, Public Safety	385,833	363,276
Health	648,687	382,418
Education and Welfare	448,664	420,184
Housing	2,102,430	2,198,335
Community Amenities	887,252	811,984
Recreation and Culture	4,388,837	4,293,126
Transport	16,866,556	14,431,634
Economic Services	150,663	209,768
Other Property and Services	2,333,073	2,756,275
Unallocated	<u>3,804,997</u>	<u>3,226,339</u>
	<u><u>32,986,718</u></u>	<u><u>29,899,078</u></u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

18. FINANCIAL RATIOS	2013	2012	2011
Current Ratio	1.081	1.338	1.200
Asset Sustainability Ratio	1.880	1.629	1.325
Debt Service Cover Ratio	7.310	7.380	6.059
Operating Surplus Ratio	(0.061)	0.127	0.02
Own Source Revenue Coverage Ratio	0.602	0.608	1.282

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 57 of this document.

These items form part of operating revenue and have been included in the calculations above.

These items of significant revenue are considered to be "one-off" and are non-cash in nature and, if they were ignored, the calculations disclosed in the 2013 column above would be as follows:

	2013
Debt Service Cover Ratio	7.310
Operating Surplus Ratio	(0.04)

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

19. TRUST FUNDS

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

	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
B.C.I.T.F	0	1,857	(1,857)	0
BRB	(70)	1,134	(1,134)	(70)
Bus Ticketing	115	3,476	(3,448)	143
Police Licensing	2,583	626,192	(624,545)	4,230
Single Persons Units - Bonds	308	0	0	308
Corrigin Community Development Fund	11,820	613	(613)	11,820
Friends of the Cemetery	2,510	0	0	2,510
Edna Stevenson Educational Trust	885,098	23,635	(2,134)	906,599
Corrigin Disaster Fund	10,929	0	0	10,929
Facility Bonds	100	2,400	(600)	1,900
Council Nomination Bonds	0	0	0	0
	<u>913,393</u>			<u>938,370</u>

20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Health						
EDRHS Vehicle	0	33,067	0	28,000	0	(5,067)
Doctor Vehicle	23,962	23,962	13,224	16,000	(10,738)	(7,962)
Economic Services						
Community Bus	26,589	29,685	44,500	48,950	17,911	19,265
Transport						
Hino Tipper - CR4	0	0	11,091	10,909	11,091	10,909
Crew Cab - CR18	0	20,778	0	25,000	0	4,222
Caterpillar 12G - CR11	0	0	62,000	62,000	62,000	62,000
Fastrac Tractor - CR12	17,715	18,630	25,000	25,000	7,285	6,370
Loader - CR14	0	116,508	0	85,000	0	(31,508)
Other Property & Services						
Utility - CR168	0	21,125	0	12,500	0	(8,625)
Utility - CR24	0	18,705	0	12,500	0	(6,205)
Utility - CR565	16,629	17,479	16,032	17,500	(597)	21
Small Plant	0	494	0	200	0	(294)
Vehicle - 1CR	48,941	48,941	38,182	40,000	(10,759)	(8,941)
Vehicle - 2CR	34,138	34,138	18,182	19,000	(15,957)	(15,138)
Photocopier	2,513	0	0	0	(2,513)	0
Sale of Land	0	72,239	0	100,000	0	27,761
Tennant 265 Street Sweeper C	0	0	0	0	0	0
Hino FC Single Axle Truck	0	0	0	0	0	0
Makita Cut off saw	0	0	0	0	0	0
Rover Scott Bonnar Gang Mow	0	0	0	0	0	0
M.E.Y. 2" Reel Mower	0	0	0	0	0	0
Ryobi Bower Vac Petrol	0	0	0	0	0	0
Aqua Max Pool Cleaner	0	0	0	0	0	0
Massey Ferguson Tractor CR12	0	0	0	0	0	0
Stick Welder	0	0	0	0	0	0
Kew High Pressure Cleaner	0	0	0	0	0	0
High Pressure Cleaner	0	0	0	0	0	0
Blackl Poly Tank for Bulyee	0	0	0	0	0	0
Fuel Tank & Hose	0	0	0	0	0	0
Rubber 6mm Insert	0	0	0	0	0	0
Expanda Mesh Conveyor	0	0	0	0	0	0
Battery & Battery Cable	0	0	0	0	0	0
30m Road Tube	0	0	0	0	0	0
Air Reel Hose	0	0	0	0	0	0
Small Tools - Portascreen	18	0	0	0	(18)	0
Step Ladder	35	0	0	0	(35)	0
Cement Screed Small Plant Pu	49	0	0	0	(49)	0
Digital Camera	50	0	0	0	(50)	0
Truck Pallett	57	0	0	0	(57)	0
20 AMP BATTERY CHARGER	58	0	0	0	(58)	0
Dolmar Whipper Snippers	71	0	0	0	(71)	0
LIMESTONE LIFTER	101	0	0	0	(101)	0
RUBBER HOSE	116	0	0	0	(116)	0
Creepy Crawly	617	0	0	0	(617)	0
Regional Development Vehicle	1,099	0	0	0	(1,099)	0
Holden Rodeo Ute 4x2 CR17	2,197	0	0	0	(2,197)	0
Ford Courier	24,596	0	0	0	(24,596)	0
	199,552	455,751	228,210	502,559	28,659	46,808

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-12 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-13 \$
		0	0	0	0
		0	0	0	0

(d) Overdraft

Council established an overdraft facility of \$100,000 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2012 and 30 June 2013 was \$Nil.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR

(a) Rates

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											
Non Rateable		144	155,143	0	0	0	0		0	0	0
GRV Value	0.098396	413	3,309,562	325,647	(149)	0	325,498	325,647	0	0	325,647
UV	0.01205	343	133,815,905	1,612,482	(603)	618	1,612,497	1,612,482	0	0	1,612,482
											0
Sub-Totals		900	137,280,610	1,938,129	(752)	618	1,937,995	1,938,129	0	0	1,938,129
Minimum Rates	Minimum \$										
GRV - Corrigin	325	46	79,260	14,950	0	0	14,950	13,650	0	0	13,650
GRV - Other	150	13	3,038	1,950	0	0	1,950	1,950	0	0	1,950
UV	325	15	63,562	4,875	0	0	4,875	6,175	0	0	6,175
Sub-Totals		74	145,860	21,775	0	0	21,775	21,775	0	0	21,775
							1,959,770				1,959,904
Discounts (refer note 25)							(78,176)				(80,583)
Total Amount Raised from General Rate							1,881,594				1,879,321
Specified Area Rate (refer note 23)							0				0
Total Rates							1,881,594				1,879,321

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward	2013 (30 June 2013 Carried Forward) \$	2013 (1 July 2012 Brought Forward) \$	2012 (30 June 2012 Carried Forward) \$
Surplus/(Deficit) - Rate Setting Statement	<u>116,306</u>	<u>159,632</u>	<u>159,632</u>
Comprises:			
Cash - Unrestricted	310,813	204,611	204,611
Cash - Restricted	4,246,616	3,514,380	3,514,380
Investments - Restricted			
Rates - Current	41,082	19,383	19,383
Sundry Debtors	166,953	270,448	270,448
GST Receivable	8,300	10,263	10,263
Unclaimed Monies	(270)	(270)	(270)
Inventories			
- Fuel and Materials	50,471	66,945	66,945
- History Books			
Less:			
Reserves - Restricted Cash			
- Employee Entitlement Reserve	(108,301)	(103,781)	(103,781)
- Community Bus Reserve	(1,619)	(73,767)	(73,767)
- Staff Housing Reserve	(94,340)	(128,733)	(128,733)
- Office Equipment Reserve	(821)	(787)	(787)
- Plant Replacement Reserve	(902,090)	(808,670)	(808,670)
- Swimming Pool Reserve	(884)	(847)	(847)
- Roadworks Reserve	(346,258)	(5,772)	(5,771)
- Land Subdivision Reserve	(43,798)	(41,970)	(41,970)
- Townscapre Reserve	(2,229)	(6,927)	(6,927)
- Medical Reserve	(317)	(304)	(304)
- LGCHP Housing Reserve Reserve	(14,536)	(13,929)	(13,929)
- Community Development Reserve	(967,344)	(834,287)	(834,287)
- Rockview Land Reserve	(1,443)	(520)	(520)
- Royalties for Regions Reserve	(780,330)	(622,558)	(622,558)
- Financial Assistance Grant Reserve	(832,011)	(770,398)	(770,398)
- RLCIP Reserve	0	0	0
- Centenary Celebration Reserve	(21,461)	(20,565)	(20,565)
- Senior Citizens Units Reserve	(31,461)	(20,565)	(20,565)
- Town Hall Reserve	(35,436)	(10,000)	(10,000)
- Child Care Reserve	(52,179)	(50,000)	(50,000)
Reserves - Restricted Investments			
- Building Reserve			
Sundry Creditors	(58,216)	(24,636)	(24,637)
Accrued Liabilities	(58,370)	(38,437)	(38,437)
Tax Payable	(61,113)	(27,632)	(27,632)
Accrued Interest on Debentures	(12,525)	(15,079)	(15,079)
Accrued Salaries and Wages	(6,897)	(5,063)	(5,063)
Current Employee Benefits Provision	(333,665)	(300,901)	(300,901)
Surplus/(Deficit)	<u>56,321</u>	<u>159,632</u>	<u>159,632</u>

Difference:

There was no difference between the Surplus/(Deficit) 1 July 2012 Brought Forward position used in the 2013 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2012 audited financial report.

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

23. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

The Shire has no specified area rates.

24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

The Shire has no service charges

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2012/13 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates & Minimum Rates	Discount	5.00%	78,176	80,583
			78,176	80,583
Photocopy Charge	Waiver		0	0
Rate Assessment	Write-Off		212	0

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

Photocopy Charges are waived for certain community groups such as the local newsletter, St John Ambulance and Volunteer Bush Fire Brigade. Council considers support of these groups necessary for the overall benefit of the community.

26. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		6,236	2,500
Interest on Instalments Plan	5.50%		3,753	2,000
Charges on Instalment Plan		10	3,300	2,500
			13,289	7,000

Ratepayers had the option of paying rates in four equal instalments, due on 4th October 2012, 3rd December 2012, 1st February 2013 and 2nd April 2013. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2013 \$	2012 \$
Governance	58	0
General Purpose Funding	24,274	21,102
Law, Order, Public Safety	6,685	6,850
Health	23,949	45,899
Education and Welfare	37,340	33,847
Housing	91,444	90,003
Community Amenities	150,165	150,664
Recreation and Culture	44,852	23,201
Transport	29,521	32,038
Economic Services	56,442	37,148
Other Property and Services	46,652	88,672
	<u>511,382</u>	<u>529,424</u>

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

28. GRANT REVENUE

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

	2013	2012
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	2,090,802	2,359,874
Non-Operating Grants, Subsidies and Contributions	<u>2,710,027</u>	<u>2,874,711</u>
	<u><u>4,800,829</u></u>	<u><u>5,234,585</u></u>
By Program:		
Governance	765	765
General Purpose Funding	1,952,532	2,895,381
Law, Order, Public Safety	24,829	28,320
Health	85,529	201,545
Education and Welfare	169,711	127,029
Housing	0	0
Community Amenities	9,452	89,812
Recreation and Culture	43,079	32,362
Transport	2,405,017	1,810,864
Economic Services	5,456	21,000
Other Property and Services	<u>104,459</u>	<u>27,507</u>
	<u><u>4,800,829</u></u>	<u><u>5,234,585</u></u>

29. ELECTED MEMBERS REMUNERATION

The following fees, expenses and allowances were paid to council members and/or the president.

	2013	2013	2012
	\$	Budget	\$
		\$	
Meeting Fees	20,400	20,400	21,818
President's Allowance	5,000	5,000	5,000
Deputy President's Allowance	1,250	1,250	1,250
Travelling Expenses	1,173	2,001	1,964
Telecommunications Allowance	0	0	0
	<u>27,823</u>	<u>28,651</u>	<u>30,032</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	2013	2012
	<u>28</u>	<u>29</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

31. MAJOR LAND TRANSACTIONS

Granite Rise Residential Subdivision

(a) Details

The land was acquired during 2006/07 for development into a residential sub-division of 33 lots.

(b) Current year transactions	2013 \$	2013 Budget \$	2012 \$
Operating Revenue			
- Profit on sale	0	27,761	0
Capital Revenue			
- Sale Proceeds	0	100,000	0
Capital Expenditure			
- Purchase of Land	0	0	0
- Development Costs	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>

The above capital expenditure is included in land held for resale as disclosed elsewhere in this financial report.

There are no liabilities in relation to this land transaction as at 30 June 2013.

(c) Expected Future Cash Flows

	2014 \$	2015 \$	2016 \$	2017 \$	2018 \$	Total \$
(Cash Outflows)						
- Development Costs	0	0	0	0	0	0
- Loan Repayments	(100,832)	(100,832)	(100,832)	(100,832)	(100,832)	(504,160)
	<u>(100,832)</u>	<u>(100,832)</u>	<u>(100,832)</u>	<u>(100,832)</u>	<u>(100,832)</u>	<u>(504,160)</u>
Cash Inflows						
- Loan Proceeds	0	0	0	0	0	0
- Sale Proceeds	100,000	120,000	120,000	120,000	120,000	580,000
	<u>100,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>580,000</u>
Net Cash Flows	<u>(832)</u>	<u>19,168</u>	<u>19,168</u>	<u>19,168</u>	<u>19,168</u>	<u>75,840</u>

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2012/13 financial year.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

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	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	4,557,429	3,718,991	4,557,429	3,718,991
Receivables	242,006	299,824	242,006	292,294
Investments				
	<u>4,799,435</u>	<u>4,018,815</u>	<u>4,799,435</u>	<u>4,011,285</u>
Financial Liabilities				
Payables	223,060	110,847	223,060	110,847
Borrowings	537,974	702,944	537,974	710,820
	<u>761,034</u>	<u>813,791</u>	<u>761,034</u>	<u>821,667</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

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.

	2013	2012
	\$	\$
Impact of a 10% (1) movement in price of investments:		
- Equity	455,710	371,900
- Statement of Comprehensive Income	0	0
Impact of a 1% (1) movement in interest rates on cash and investments:		
- Equity	45,571	37,190
- Statement of Comprehensive Income	45,571	37,190

Notes:

(1) 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 CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

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:

	2013	2012
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	0.00%	91.00%
- Overdue	100.00%	9.00%

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

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>2013</u>					
Payables	223,060	0	0	223,060	223,060
Borrowings	179,124	401,676	50,209	631,009	537,974
	<u>402,184</u>	<u>401,676</u>	<u>50,209</u>	<u>854,069</u>	<u>761,034</u>
<u>2012</u>					
Payables	110,847	0	0	110,847	110,847
Borrowings	205,358	480,381	150,628	836,367	702,944
	<u>316,205</u>	<u>480,381</u>	<u>150,628</u>	<u>947,214</u>	<u>813,791</u>

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

33. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
Borrowings (Continued)**

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

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

	<u><1 year</u>	<u>>1<2 years</u>	<u>>2<3 years</u>	<u>>3<4 years</u>	<u>>4<5 years</u>	<u>>5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year Ended 30 June 2013</u>								
Payables								
Borrowings								
Fixed Rate								
Debentures	19,651	56,697	0	0	0	461,625	537,974	6.22%
Weighted Average Effective Interest Rate	6.23%	6.10%	0.00%	0.00%	0.00%	6.23%		
<u>Year Ended 30 June 2012</u>								
Payables								
Borrowings								
Fixed Rate								
Debentures	0	0	172,874	0	0	530,070	702,944	6.21%
Weighted Average Effective Interest Rate	0.00%	0.00%	6.14%	0.00%	0.00%	6.23%		

PARTNERS

Clifton M Anderson FCA, JP	Stuart Fricker CPA, GAICD
Stephen FJ Down CA	Tim Partridge FCA, GAICD
Shaun G O'Callaghan CA	Maria Cavallo CA
Peter Manolas CPA, CTA (Master of Taxation Law)	Shane Kaurin CPA

14 April 2014

Cr Lynette Baker
President
Shire of Corrigin
PO Box 221
CORRIGIN WA 6375

Dear Lynette

SHIRE OF CORRIGIN - 30 JUNE 2013 MANAGEMENT REPORT

Following completion of our 30 June 2013 audit, we provide our Management Report and audit recommendations.

1.0 Our Audit Approach

The Australian Auditing Standards are the professional Standards applicable to all audit engagements. Accordingly, our audit was conducted in accordance with Australian Auditing Standards, with testing designed solely to enable the expression of an opinion on the financial report of the Shire of Corrigin ("the Shire"). This involved us making an assessment of the risk of material misstatement, whether due to fraud or error, and then using our professional judgement, applying audit procedures to mitigate that risk.

To assist Council in understanding our role as external auditor, we have previously detailed our audit responsibilities and scope of work to be performed to meet those responsibilities in our audit engagement letter.

Australian Auditing Standards require us to document and evaluate the Shire's system of internal control to establish the level of reliance on the internal control system in determining the nature, timing and extent of other auditing procedures necessary to enable us to complete our audit. This work is not primarily directed towards the discovery of weaknesses or the detection of fraud or other irregularities and should not, therefore, be taken to assume that no other weaknesses exist. Accordingly the comments within this letter refer only to those matters that have come to our attention during the course of our normal audit work and may not identify all possible improvements that an internal controls review may detect.

Our audit approach is based on a risk analysis methodology which relies upon our understanding of the Shire's operations, strategies and risks. We performed a review of applicable accounting systems and tested those during our audit. The level of testing performed by us is determined by the degree of reliance we place on the internal control systems in place which has a resulting impact on the amount of substantive testing required during our audit procedures. The level of testing performed is also aligned with what is required to form an overall opinion on the financial statements which may not coincide with what the Shire perceives should be tested.



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Our audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and judgements, as well as evaluating the overall presentation of the financial report. There were no areas of disagreement either in the accounting estimates or judgements or in the presentation and disclosures made in the financial report.

2.0 Assessment of Fraud and Error

The primary responsibility for the prevention and detection of fraud is that of Council and management. As a result, it is important that management with the oversight of Council place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and resulting consequences.

In accordance with Australian Auditing Standards we are required to obtain reasonable assurance that the financial report taken as a whole is free from material misstatement, whether caused by fraud or error. While our procedures are designed to identify material weaknesses and misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

We have confirmed that nothing has come to management's attention that may constitute an incident of fraud. In addition our audit procedures did not identify any instances of suspected or actual fraud. We take this opportunity to remind you that our audit is not designed to detect fraud and therefore our audit procedures are not designed for that purpose.

3.0 Significant Difficulties Encountered during the Audit

Clearance on the financial report was significantly delayed due to first time adoption of fair value accounting in respect to plant and equipment.

4.0 Audit Adjustments and Unadjusted Audit Differences

During the course of our audit, we did not identify any misstatements considered to be material at a financial report level and therefore no adjustment was required to be reflected within the final audited financial report.

5.0 Accounting Policies

We confirm to you that we are not aware of any changes to the accounting policies of the Shire since 30 June 2012 in respect of the preparation of the 30 June 2013 financial report other than those changes required under Australian Accounting Standards and the Local Government Act and Regulations which are adequately disclosed.

6.0 Commitments and Contingencies

On completion of our audit and subsequent discussions with management, we did not identify any additional commitments or contingencies that required disclosure within the financial report of the Shire, apart from those already disclosed.

7.0 Subsequent Events

We did not identify any additional subsequent events up until the date of this report that required disclosure within the financial report of the Shire, apart from those already disclosed.

8.0 Other Matters

In accordance with the terms of our engagement letter, we have a responsibility to provide an opinion in respect to the Shire's annual financial report as to whether it is free from material misstatement. Our audit report for 30 June 2013 is unqualified with our opinion stating the financial report presents fairly the financial position of the Shire, as at and for the year ending 30 June 2013.

Our audit indicated procedures and controls in respect to the Shire's internal processes, procedures and financial reporting framework are adequately designed for a Council of the Shire's size and have been maintained to adequate standards throughout the audit period.

Local Government Act Compliance Measures

In conjunction with our review of the financial statements, we also perform a review of the Shire's compliance with the Local Government Act.

Our review of compliance with the Local Government Act and Financial Management Regulations did not indicate any issues of non-compliance which required reporting.

Please refer to Appendix 1 for our audit recommendations in relation to the 30 June 2013 audit. We provide these comments and recommendations to suggest improvements to the Shire's internal controls and procedures.

Our management report is on an exception basis, and therefore we have not commented on the various internal controls in place within your accounting systems.

We would like to take this opportunity to thank Taryn and the finance team for the assistance provided to us during our audit.

Should you have any questions concerning the above or would like to discuss any other aspect of our audit, please do not hesitate to contact me.

Yours sincerely

AMD Chartered Accountants

A handwritten signature in black ink, appearing to read 'M Cavallo', with a horizontal line underneath.

MARIA CAVALLO CA
Partner

cc Julian Murphy
 Chief Executive Officer

**SHIRE OF CORRIGIN
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2013**

RATIO INFORMATION

The following information relates to these ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report.

	2013	2012	2011
Asset Consumption Ratio	0.444	N/A	N/A
Asset Renewal Funding Ratio	0.377	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio $\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$

Asset Renewal Funding Ratio $\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

N/A -In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.