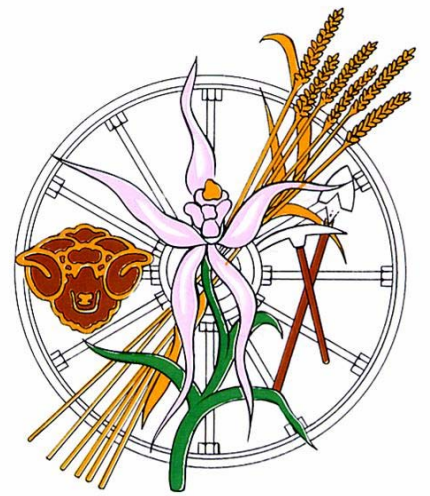




SHIRE OF WESTONIA



ANNUAL REPORT

2008 – 2009



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2008-2009 FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

Front Cover:
Banners in the Terrace 2009 Entry

SHIRE OF WESTONIA STATISTICS

Shire Office, Wolfram Street, Westonia WA 6423
 Telephone: (08) 9046 7063 Facsimile: (08) 9046 7001
 Email: shire@westonia.wa.gov.au Web: www.westonia.wa.gov.au

President: Louis Geier
Deputy President: Gordon Howard
Councillors-
North Ward John Corsini (2011), Russell Crook (2009)
Central Ward Leon Guest (2011), Gordon Howard (2009)
South Ward Ross Wahlsten (2011), John Jefferys (2009)
Town Ward Peter Antonio (2011), Louis Geier (2009)

Note: Year in brackets denotes expiry of election term

Chief Executive Officer	Bill Price
Senior Finance Officer	Kay Geier
Administration Officers	Jasmine Geier
	Stephanie Price
Trainee	Ivan Paust
NRM Officer	Kara Hatch
Swimming Pool Manager	Gary Angwin
Environmental Health/Building Officer	Wendy Dallywater
Works Supervisor	Kevin Paust
Grader Operator	David Hamilton
Plant Operators	Grant Donovan, Adrian Townrow, Ross Crews, Graeme Bright
Gardener	Kathy Paust
Cleaners	Myra Vaughan, Pam White, Judy Lindley
Caravan Park Caretaker	Ron Wootton

Shire Statistics	
Distance from Perth	316km
Area	3,268km ²
Length of Sealed Roads	121km
Length of Unsealed Roads	764km
Population	265
Number of Dwellings	128
Total Rates	\$ 430,000
Total Revenue	\$5,795,547
Number of Employees	19

Shire Attractions
Westonia Facades, Boodalin Soak
Sandford Rocks, Enda May Gold Mine
Elachbutting Rock, Baldjie Rock
Wild Flowers, Woodlands
Granite Outcrops, Westonia Common
Historic Edna May Tavern
Rabbit Proof Fence
Golden Pipeline Drive Trail
Old Miners Hall
Wanderers Sports Stadium

Local Industries
Wheat, grain and sheep farming
Gold Mining, Dolomite Mining, Earth Moving, Timber Milling, Heavy Transport

Localities
Westonia, Walgoolan, Carrabin
Warralakin, Elachbutting

Council Meets on the third Thursday of each month, except January

COUNCIL



Front L-R: Cr Gordon Howard, Cr Joseph Settineri, Cr Louis Geier, Cr John Della Bosca, Cr Leon Guest.

Back: L-R: Mr Bill Price, Cr Peter Antonio, Cr Ross Wahlsten, Cr John Jefferys, Cr Russell Crook, Mrs Kay Geier

NOTE: Cr John Della Bosca retired in October 2007 replaced by Cr John Corsini *Absent and Cr Joe Settineri retired in 2008

STAFF



L-R: Don Campbell (resigned in February 2009), David Hamilton, Kevin Paust, Graeme Bright, Kathy Paust, Adrian Townrow, Grant Donovan and Ross Crews absent



L-R: Ivan Paust, Kara Hatch, Stephanie Price, Kay Geier & Bill Price

PRESIDENT'S REPORT

The year under review again was extremely busy and saw a number of challenges for Council which consumed a great deal of Council time and resources.

Staff changes included; Kara Hatch NRM Facilitator starting Jan 2009 replacing Sara Bright who resigned her position as NRM Facilitator in January 2009, Ivan Paust Administration Trainee commencing January 2009, Don Campbell resigned his position as Plant Operator in February 2009 and was replaced by Ross Crews.



Cr Louis Geier

Council again finished the year in a sound financial position and continues to maintain good equity in infrastructure assets, plant & machinery. Our rate collection raised a total of \$ 423,280 representing a 99% collection rate. Council finished the year with a cash carry-over of \$ 1,358,678 in the Municipal Fund and \$ 1,078,265 invested in cash backed reserve funds. This healthy cash financial position has been achievable due to diligent financial management and unused Royalties for Regions grant monies which will be allocated to the Lifestyle Village project 09/10.

Some major achievements for Council during the year included:

- Purchase of new Prime Mover (Iveco) replacing International
- Old Miners Hall restoration Stage 3
- Bowling green and Stadium completed
- Depot shed completed
- Road Construction Projects

Warralakin Road	\$ 96,160
M040 Floodway	\$ 182,142
Walgoolan South Road	\$ 42,896
Elachbutting Road	\$ 63,054
Boodarockin Nth Road	\$ 5,235
Koalin Street	\$ 81,199
Rabbit Proof Fence	\$ 55,356
Cement Street	\$ 114,456
Daddow Road	\$ 1,723
All Council Roads	\$ 299,571
Boodarockin Blackspot	\$ 122,999
General Road Maintenance	\$ 59,551

Total Road Expenditure	\$1,124,346
-------------------------------	--------------------

Projects in Progress:

- Airport upgrade
- Cement Street project

Council have also been working through the Structural Reform process and have entered into a Memorandum of Understanding (MOU) with our closest neighbour Yilgarn. Council will be developing greater resource sharing arrangements under the MOU that will hopefully have benefits for both communities.

After 15 years of service to Council Joe Settineri resigned, his excellent service to the Westonia Council and community will be missed.

It is also very pleasing to see there are two more new residences in Pyrite Street, one under construction and one a transportable, this being part of the Conditional Land Release Program initiated by Council at the end of 2007.

I look forward to ensuring that the community continues to progress through the coming year and extend my appreciation to all those Councillors, Staff and members of the Community that have supported the Shire of Westonia throughout the year.

Louis Geier
PRESIDENT

CHIEF EXECUTIVE OFFICER'S REPORT

During the past year Council and its employees have been working extremely hard in delivering services to the community and completing the extensive range of works proposed in the 2008/09 budget.



Whilst the year under review has generated many great achievements for the Council and the community, particularly with the completion of major projects that have had a real positive impact locally, I have found the year to be the hardest and most dissatisfying during my career. Without trying to be too negative, the Structural Reform Process that has been enforced on the Council during the year has been nothing short of difficult, stressful and emotionally draining. It has been extremely hard on the Council and staff who have been forced to plan the 'downfall' of the Westonia Council as we currently know it. Looking through all the gloom though, I believe Council have made the correct decision to voluntarily merge with the Yilgarn Shire, as we have similar structures that could be synergized for the long term benefit of both parties.

Major Projects

Council are pleased to report that the following major projects have been completed which has provided new and exciting amenity to the community.

- Wanderers Stadium – the new club house now provides a spectacular venue for our sporting and social groups with visitors to the town being totally impressed. I would like to express my appreciation to Peter Antonio & Des O'Rafferty who did a magnificent job in constructing the Stadium and ironing out all of the hurdles that eventuated during the project. Also special mention to Dave Guest for his design work of the Stadium.
- Synthetic Bowling Greens – were also completed during the year which has had a superlative impact on the community. Apart from complimenting the surrounding facilities as part of the recreational precinct the social impact the bowling greens have had on the community will be unprecedented.
- Council Depot – has been a project in the planning for a number of years and it is extremely satisfying that the project is now complete and is an invaluable asset to the Council.



- Old Miners Hall – stage 3 and final restoration has been completed by local builders Des & Pete which now makes the Old Miners Hall the towns showpiece.
- Cement Street Streetscape – has had a major impact on the aesthetic of the town and incorporates the recreational and main street precinct together. Council receives enormous amount of compliments from visitors to the town.
- Kevin and the outside works crew have again worked diligently to undertake and complete a vast range of projects including the completion of the Bowling Greens and Council depot whilst balancing the need to complete the extensive annual road program. Road construction projects completed during the year totaled over \$1.1m.



Finance

Council continues to maintain a sound financial position finishing with a healthy cash surplus at the end of the 2008/09 Financial Year. Council's financial statement was audited by Haines Norton Chartered Accountants in October 2009. A copy of the audited Financial Statement is included with the Annual Report.

Loan Borrowings

Council's loan liability as at 30 June 2009 was \$ 215,422 of which \$ 6,815 (3.16%) was self supporting loans financed from payments from third parties. Council's Debt Ratio is a very respectable 2.9%.

Reserves

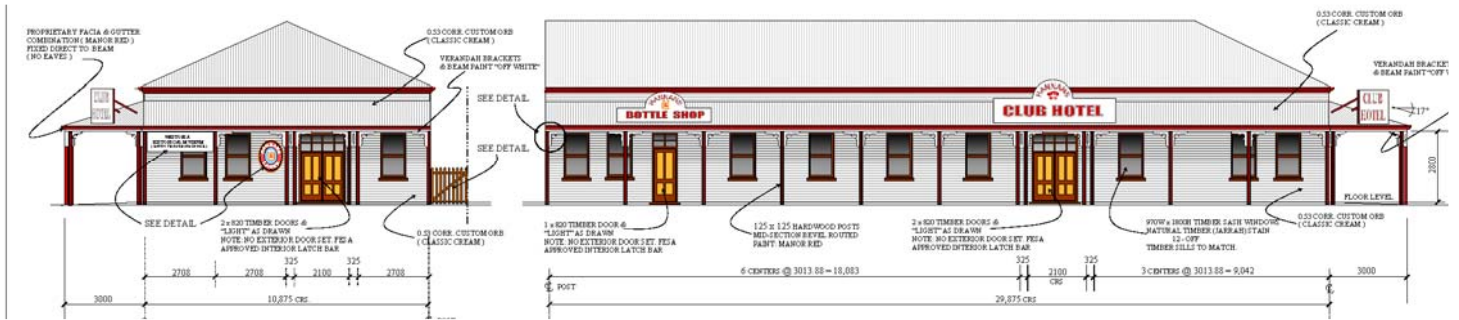
Council held \$ 1,078,266 in cash backed reserves as at 30 June 2009. The purposes of reserves and amounts transferred to reserves are detailed in the Financial Statement attached to this report

Future Projects

If we think 2008/09 has been busy, 2009/10 will again be challenging with the following exciting projects proposed for the new financial year

- Westonia Future Directions Plan 2009/2019,
- Old Club Hotel Museum Project,
- Westonia Airport Project.
- Townhouse Project.
- Conditional Land Release

FUTURE PROJECTS



Old Club Hotel Museum Project



Townhouse Project

Conclusion

I would like to thank Councillors and members of the community for the contributions and support given to the Shire of Westonia over the past year.

I cannot express enough my appreciation to all of the staff of the Council for their hard work and effort during the year, without which would not have made everything possible.

I look forward to the future developments that the new Mining Venture being undertaken by Catalpa Resources will generate and other challenges that will eventuate during the coming year.

Bill Price
CHIEF EXECUTIVE OFFICER

NATURAL RESOURCE MANAGEMENT

The 2008/09 has been an interesting year for Natural Resource Management. Many changes are afoot within the Natural Resource Management Industry, both on a local level and on a national level.

With a change in the funding structures, mostly due to the change in Federal Government, it has appeared that the NRM targeted funding is slowly drying up. The introduction of a new environmental funding structure "Caring for Our Country" has seen the funding change from a community perspective to a businesslike perspective, and therefore minimizing the amount of community focused NRM activities available.

Regional Partnerships are a strong aspect of the new Caring for Our Country priorities and as a result, the WEROC and NEWROC group have been successful in receiving funding under this program. Working together has proven to be beneficial when applying for funding at this level and it is of great benefit to the farmers within the Shire who make use of these opportunities.

Locally, the resignation of Sara Bright allowed for the Shire of Westonia and the Shire of Yilgarn to create a shared Natural Resource Management position, which is becoming commonplace in Wheatbelt Shires. This led to the employment of Kara Hatch who recently graduated from Edith Cowan University with a Bachelor of Environmental Science and has now moved to Westonia to live and work within the Shire.

Our Patch Project

This project was completed after the seeding of the Sandalwood plantation in early April 2009. This project allowed for the purchase of a new Chatfields Ezy Planter 2000, enhancement of the Woodlands and Wildflowers Heritage Walk Trail, the installation of traffic management bollards and revegetation at Boodalin Soak and the construction of a new fence on the eastern side of town to protect the bush from encroachment of industrial



areas. Thanks go to Greening Australia, NEWROC and the Avon Catchment Council for providing the funding and thankyou to the community and Shire Works Crew for assistance in implementing the projects over the three years which it was run.

GroWestonia Community Nursery

Nursery seeding was completed in January 2009. Success rate was not so good, however, the reason for this was because seeding occurred too late, heavy frosts were encountered and large problems were had with heavy moss growing in the cell trays. It is anticipated that the 09-10 growing season will be much more successful.



Tidy Towns

On the 31st of July, Westonia submitted a 57 page submission for the Tidy Towns competition. A big thanks to those who have helped make the town look its best, particularly the Shire Works Crew who spent many hours mowing vacant blocks, installing the new entry statements and weeding. This initiative really was a community effort and all those who participated should be congratulated on their efforts.



Caring for Our Country 08-09

"Adopting Innovative Practices to Improve Resilience of Farming Systems in the Northern and Eastern Wheatbelt of Western Australia"

This \$300,000 Federal Government funded project was a great success for the WEROC and NEWROC NRMO Groups and demonstrated a great capacity for the NRMO network to work together and achieve on-ground works. Two farmers within the Westonia Shire successfully carried out planting activities as a direct result of this project. The project is expected to be completed by December 2009, with final reporting occurring to the Federal Government.

CWA Woolworths Grant

This grant provided funding to purchase two new drinking water fountains for the Wessy Wanderers Pavillion. A big thankyou to the Country Womens Association and Woolworths for providing the funding. These are now being enjoyed by the bowlers and tennis players.

Declared Rare Species Translocation Sites

Historically, the Shire staff worked closely with Westonia Mines to establish a Declared Rare Flora translocation site for the *Eremophila resinosa*, a locally endemic species. This site was established initially as a trial, however, due to plans to restart the Edna May Gold mine in the 08/09 financial year, two new sites were added as part of Catalpa Resources (formerly Westonia Mines) environmental approvals. Following the success of



the first site, it is anticipated that the two new sites will also be a great success, not only for the plant involved, but also for the partnerships being maintained between the Shire of Westonia, Catalpa Resources, Kings Park and Botanic Gardens and the Department of Environment and Conservation.

Community Events



The NRM Program ran many community events in the 08/09 financial year. This included Clean Up Australia Day on Kaolin Street, a showing of "The Spirit of Australia" for Conservation Week, a Community Sandalwood Planting Day and a school



holiday walk trail activity.

A big thank you to Terri at the Telecentre for helping to promote and organize these events. Thank you also to the Shire Works Crew for their valuable help with the Sandalwood planting day and Clean Up Australia Day. Thank you

also to those community members who participated in these events!

A view to the Future

Things are really ramping up in the NRM Program with the beginning of the GroWestonia Community Nursery Volunteer Program, the new aspect of farm visits and trips to the Yilgarn Shire frequently and a new four year \$700,000 Caring for Our Country Grant. 09/10 is sure to be a busy but rewarding year!

PAYMENTS TO EMPLOYEES

The Local Government (Administration) Regulations 1996, regulation 19B requires each local government to provide information in its annual report on the following:

- (a) The number of employees of the local government entitled to an annual salary of \$100,000 or more;
- (b) The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

No employees of the Shire of Westonia are entitled to an annual salary of \$100,000 or more.

NATIONAL COMPETITION POLICY STATEMENT

Local Government is bound by the principles set out in the National Competition Policy.

Competitive neutrality relates to the removal of benefits and costs associated with government activities and costs associated with public ownership. Local government is required to test its neutrality for each activity that generates income greater than \$200,000.

The Shire of Westonia does not have an activity that generates more than \$200,000.

Legislation review relates to legislation that may conflict with the principles of National Competition Policy. Local governments are able to make local laws and are required to test local laws against the National Competition Policy.

The Shire of Westonia's local laws comply with the requirements of the National Competition Policy.

FREEDOM OF INFORMATION STATEMENT

The Shire of Westonia is responsible for the good governance of the district and carries out functions as required including statutory compliance and provision of facilities and services.

The Council consists of nine elected members. The Council meets once each month except January to make decisions relating to the policy and direction of the Shire. All meetings are open to the public and the meeting dates and venues are advertised to the public. Members of the public are able to ask questions during public question time at the commencement of each meeting.

Council maintains records relating to each property within the Shire and also records relating to the function and administration of the Shire including minutes of meetings, financial interests register, register of delegations, rates book, electoral roll, financial statements and local laws.

These documents can be inspected at the Shire Office, Wolfram Street, Westonia, Monday to Friday between the hours of 8.30am and 5.00pm.

Changes to personal information should be made in writing.

Requests for information under the Freedom of Information Act can be sent to the Chief Executive Officer, Shire of Westonia, Wolfram Street, Westonia WA 6423.

DISABILITY SERVICES STATEMENT

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

People with disabilities who live in country areas should be given the support to remain in the community of their own choice. The Shire of Westonia is committed to consulting with people with disabilities, their families and their carers to ensure that the barriers to access are addressed appropriately.

STATE RECORDS ACT 2000

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

Standard 2, 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.

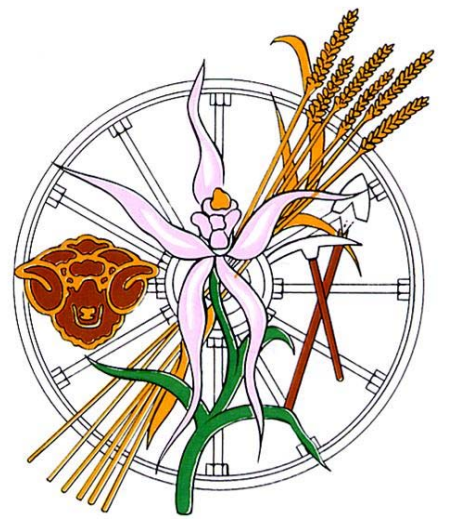
Minimum Compliance Requirements:

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 of Westonia has complied with items 1 to 4.

SHIRE OF WESTONIA



FINANCIAL REPORT

FOR YEAR ENDED
30 JUNE 2009



SHIRE OF WESTONIA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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SHIRE OF WESTONIA

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Westonia being the annual financial report and other information for the financial year ended 30th June 2009 are in my opinion properly drawn up to present fairly the financial position of the Shire of Westonia at 30th June 2009 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 6th day of November 2009.



Bill Price
Chief Executive Officer

**SHIRE OF WESTONIA
INCOME STATEMENT
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	22	427,401	421,140	399,362
Operating Grants, Subsidies and Contributions	28	1,198,407	1,053,400	1,137,957
Fees and Charges	27	138,119	133,650	204,937
Service Charges	24	4,840	4,700	4,620
Interest Earnings	2(a)	105,358	111,200	95,524
Other Revenue		66,494	10,100	1,400
		<u>1,940,619</u>	<u>1,734,190</u>	<u>1,843,800</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(296,521)	(558,950)	(445,514)
Materials and Contracts		(318,029)	(133,370)	(297,353)
Utility Charges		(86,635)	(96,750)	(87,775)
Depreciation on Non-Current Assets	2(a)	(1,150,488)	(1,069,300)	(1,075,932)
Interest Expenses	2(a)	(16,957)	(17,250)	(5,464)
Insurance Expenses		(73,756)	(89,500)	(81,722)
Other Expenditure		(407)	0	(93,937)
		<u>(1,942,793)</u>	<u>(1,965,120)</u>	<u>(2,087,697)</u>
		(2,174)	(230,930)	(243,897)
Non-Operating Grants, Subsidies and Contributions	28	1,340,950	780,950	572,190
Profit on Asset Disposals	20	138,708	71,325	286,061
Loss on Asset Disposal	20	<u>(85,791)</u>	<u>(100,615)</u>	<u>(17,296)</u>
NET RESULT		<u>1,391,693</u>	<u>520,730</u>	<u>597,058</u>

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

**SHIRE OF WESTONIA
INCOME STATEMENT
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		2,203	3,050	3,994
General Purpose Funding		1,630,447	1,398,240	1,309,452
Law, Order, Public Safety		86,321	32,830	55,297
Health		1,135	1,300	1,050
Education and Welfare		0	200	0
Housing		695,168	89,325	107,341
Community Amenities		4,610	5,400	4,723
Recreation and Culture		263,434	236,100	288,399
Transport		592,947	661,550	445,319
Economic Services		54,970	62,970	164,429
Other Property and Services		89,042	95,500	322,047
	2 (a)	<u>3,420,277</u>	<u>2,586,465</u>	<u>2,702,051</u>
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		(189,706)	(199,990)	(213,951)
General Purpose Funding		(34,716)	(24,210)	(24,557)
Law, Order, Public Safety		(51,586)	(49,830)	(64,368)
Health		(13,326)	(15,805)	(14,011)
Education and Welfare		(8,963)	(10,405)	(8,724)
Housing		(67,245)	(60,160)	(65,788)
Community Amenities		(23,063)	(37,810)	(25,318)
Recreation & Culture		(253,175)	(270,530)	(335,460)
Transport		(1,146,058)	(1,123,915)	(1,014,798)
Economic Services		(175,058)	(209,130)	(239,116)
Other Property and Services		(48,731)	(46,700)	(93,438)
	2 (a)	<u>(2,011,627)</u>	<u>(2,048,485)</u>	<u>(2,099,529)</u>
BORROWING COSTS EXPENSE				
Governance		0	0	(90)
Housing		(2,751)	(3,045)	(3,337)
Transport		(13,036)	(13,035)	0
Economic Services		(1,170)	(1,170)	(2,037)
	2 (a)	<u>(16,957)</u>	<u>(17,250)</u>	<u>(5,464)</u>
NET RESULT		<u>1,391,693</u>	<u>520,730</u>	<u>597,058</u>

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

**SHIRE OF WESTONIA
BALANCE SHEET
AS AT 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,240,086	1,413,938
Trade and Other Receivables	4	138,069	183,455
Inventories	5	40,570	52,752
TOTAL CURRENT ASSETS		<u>2,418,725</u>	<u>1,650,145</u>
NON-CURRENT ASSETS			
Other Receivables	4	0	6,815
Property, Plant and Equipment	6	5,298,966	4,906,262
Infrastructure	7	7,016,366	6,800,010
TOTAL NON-CURRENT ASSETS		<u>12,315,332</u>	<u>11,713,087</u>
TOTAL ASSETS		<u>14,734,057</u>	<u>13,363,232</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	121,469	107,495
Current Portion of Long Term Borrowings	9	31,617	36,137
Provisions	10	85,448	88,116
TOTAL CURRENT LIABILITIES		<u>238,534</u>	<u>231,748</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	183,802	215,420
Provisions	10	9,287	5,323
TOTAL NON-CURRENT LIABILITIES		<u>193,089</u>	<u>220,743</u>
TOTAL LIABILITIES		<u>431,623</u>	<u>452,491</u>
NET ASSETS		<u>14,302,434</u>	<u>12,910,741</u>
EQUITY			
Retained Surplus		11,754,039	10,409,144
Reserves - Cash Backed	11	1,078,266	1,031,468
Reserves - Asset Revaluation	12	1,470,129	1,470,129
TOTAL EQUITY		<u>14,302,434</u>	<u>12,910,741</u>

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

**SHIRE OF WESTONIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
RETAINED SURPLUS			
Balance as at 1 July 2008		10,409,144	10,303,208
Net Result		1,391,693	597,058
Transfer from/(to) Reserves		<u>(46,798)</u>	<u>(491,122)</u>
Balance as at 30 June 2009		<u>11,754,039</u>	<u>10,409,144</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2008		1,031,468	540,346
Amount Transferred (to)/from Retained Surplus		<u>46,798</u>	<u>491,122</u>
Balance as at 30 June 2009	11	<u>1,078,266</u>	<u>1,031,468</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2008		1,470,129	1,470,129
Revaluation Increment		0	0
Revaluation Decrement		<u>0</u>	<u>0</u>
Balance as at 30 June 2009	12	<u>1,470,129</u>	<u>1,470,129</u>
TOTAL EQUITY		<u>14,302,434</u>	<u>12,910,741</u>

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

**SHIRE OF WESTONIA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
Cash Flows From Operating Activities				
Receipts				
Rates		428,545	421,140	395,337
Operating Grants, Subsidies and Contributions		1,198,407	1,053,400	1,137,957
Fees and Charges		138,119	279,053	204,276
Service Charges		4,840	4,700	4,620
Interest Earnings		105,358	111,200	95,524
Goods and Services Tax		222,614	198,713	154,276
Other Revenue		88,860	10,100	1,400
		<u>2,186,743</u>	<u>2,078,306</u>	<u>1,993,390</u>
Payments				
Employee Costs		(290,863)	(564,566)	(428,013)
Materials and Contracts		(302,703)	(147,858)	(284,876)
Utility Charges		(86,635)	(96,750)	(87,775)
Insurance Expenses		(73,756)	(89,500)	(81,722)
Interest expenses		(16,957)	(17,250)	(5,876)
Goods and Services Tax		(206,462)	(190,000)	(185,392)
Other Expenditure		(704)	0	(435)
		<u>(978,080)</u>	<u>(1,105,924)</u>	<u>(1,074,089)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>1,208,663</u>	<u>972,382</u>	<u>919,301</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	(5,000)	0
Payments for Purchase of Property, Plant & Equipment		(1,015,818)	(772,500)	(888,102)
Payments for Construction of Infrastructure		(1,111,663)	(1,434,410)	(879,450)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,340,950	780,950	572,190
Proceeds from Self Supporting Loans		12,940	12,940	12,073
Proceeds from Sale of Plant & Equipment		427,214	342,000	598,329
		<u>427,214</u>	<u>342,000</u>	<u>598,329</u>
Net Cash Provided By (Used In) Investing Activities		<u>(346,377)</u>	<u>(1,076,020)</u>	<u>(584,960)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(36,138)	(36,135)	(27,325)
Proceeds from New Debentures		0	0	180,000
		<u>0</u>	<u>0</u>	<u>180,000</u>
Net Cash Provided By (Used In) Financing Activities		<u>(36,138)</u>	<u>(36,135)</u>	<u>152,675</u>
Net Increase (Decrease) in Cash Held		826,148	(139,773)	487,016
Cash at Beginning of Year		1,413,938	1,413,937	926,922
Cash and Cash Equivalents at the End of the Year	13(a)	<u>2,240,086</u>	<u>1,274,164</u>	<u>1,413,938</u>

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

**SHIRE OF WESTONIA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$
REVENUES			
Governance		2,203	3,050
General Purpose Funding		1,203,046	977,100
Law, Order, Public Safety		86,321	32,830
Health		1,135	1,300
Education and Welfare		0	200
Housing		695,168	89,325
Community Amenities		4,610	5,400
Recreation and Culture		263,434	236,100
Transport		592,947	661,550
Economic Services		54,970	62,970
Other Property and Services		89,042	95,500
		<u>2,992,876</u>	<u>2,165,325</u>
EXPENSES			
Governance		(189,706)	(199,990)
General Purpose Funding		(34,716)	(24,210)
Law, Order, Public Safety		(51,586)	(49,830)
Health		(13,326)	(15,805)
Education and Welfare		(8,963)	(10,405)
Housing		(69,996)	(63,205)
Community Amenities		(23,063)	(37,810)
Recreation & Culture		(253,175)	(270,530)
Transport		(1,159,094)	(1,136,950)
Economic Services		(176,228)	(210,300)
Other Property and Services		(48,731)	(46,700)
		<u>(2,028,584)</u>	<u>(2,065,735)</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		(52,917)	29,290
Movement in Employee Benefit Provisions		3,964	0
Depreciation and Amortisation on Assets		1,150,488	1,069,300
Capital Expenditure and Revenue			
Purchase Land Held for Resale		0	(5,000)
Purchase Land and Buildings		(590,607)	(443,500)
Purchase Infrastructure Assets - Roads		(1,111,663)	(1,069,410)
Purchase Infrastructure Assets - Parks		0	(365,000)
Purchase Plant and Equipment		(417,291)	(329,000)
Purchase Furniture and Equipment		(7,920)	0
Proceeds from Disposal of Assets		427,214	342,000
Repayment of Debentures		(36,138)	(36,135)
Self-Supporting Loan Principal Income		12,940	12,940
Transfers to Reserves (Restricted Assets)		(76,798)	(86,200)
Transfers from Reserves (Restricted Assets)		30,000	30,000
ADD Surplus/(Deficit) July 1 B/Fwd		389,177	410,169
LESS Surplus/(Deficit) June 30 C/Fwd		1,112,142	80,184
Amount Required to be Raised from Rates	22	<u>(427,401)</u>	<u>(421,140)</u>

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

**INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF THE SHIRE OF WESTONIA**

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Westonia, which comprises the balance sheet as at 30 June 2009 and the income statement by nature or type, income statement by program, statement of changes in equity, cash flow statement and rate setting statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

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

- a giving a true and fair view of the Shire's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF THE SHIRE OF WESTONIA (Continued)**

Statutory Compliance

During the course of our audit we became aware of the following instance where the Council did not comply with the Local Government Act 1995 (as amended).

Budget Deficiency

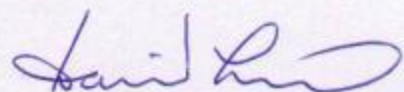
Council did not obtain Ministerial approval for budgeted income from general rates of more than 110% of the amount of the budgeted deficiency prior to approval of the 2008/09 budget as required by Section 6.34 of the Act.

Other Matters

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

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

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Address: Perth, WA
Date: 6 November 2009

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