



2006 | 2007



Shire of Mukinbudin

Annual Report

Classic, Dry, Red



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Councillors

Shire President
Cr Gary Shadbolt
Lake Brown/
Dandanning Ward



Deputy Shire President
Cr Paul Jones
Town Ward



Councillor
Cr Chris Geraghty
Bonnie Rock Ward



Councillor
Cr David Gaunt
Town Ward



Councillor
Cr Dawn Lancaster
Town Ward



Councillor
Cr Steve Palm
Bonnie Rock Ward



Councillor
Cr Brendon Jones
Wilgoyne Ward



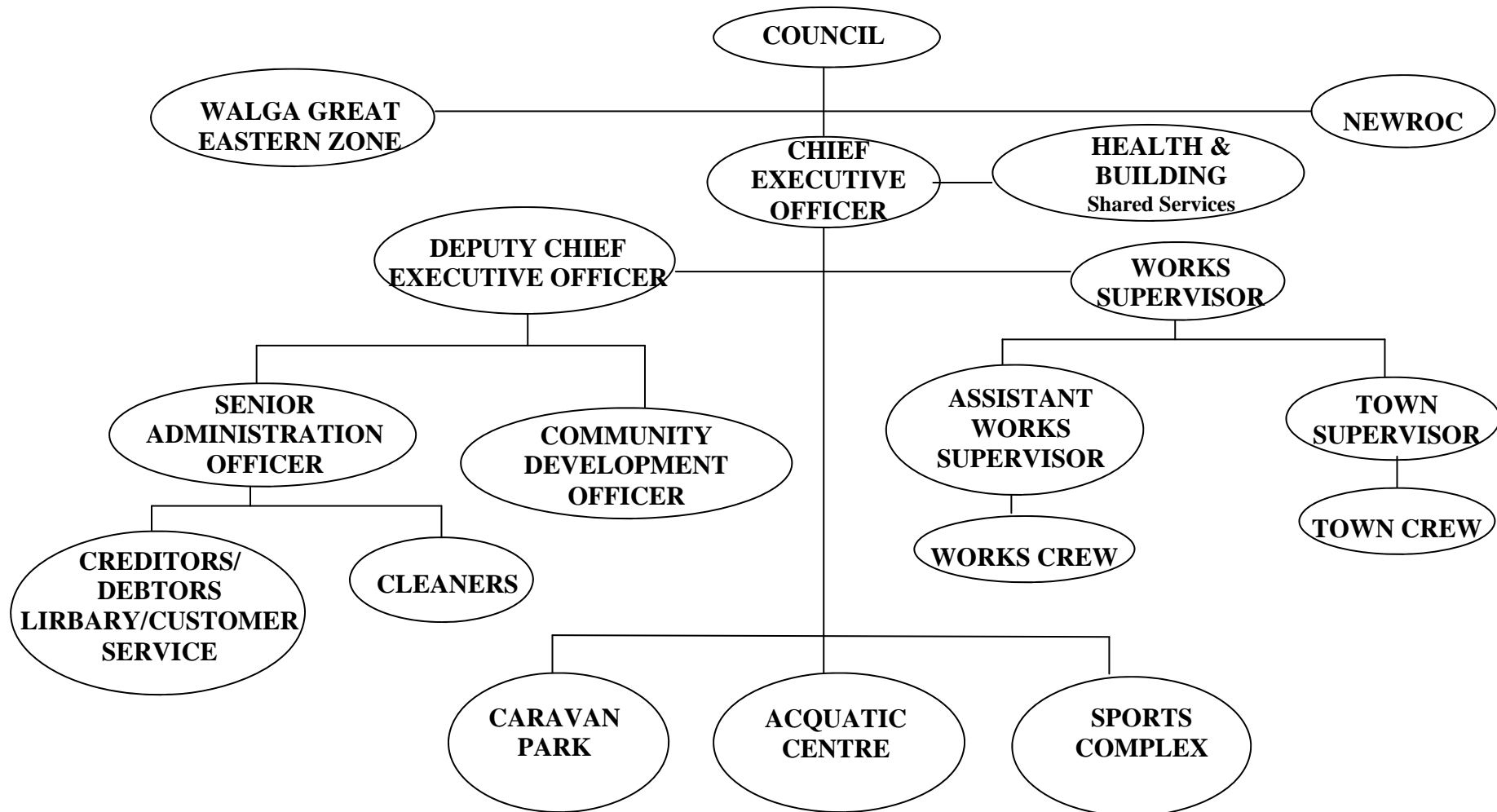
Councillor
Cr Ernie Ventris
Wattoning Ward



Councillor
Cr Steve Paterson
Town Ward



SHIRE OF MUKINBUDIN ORGANISATIONAL STRUCTURE



Shire President & Councillors
President – Chris Geraghty
Deputy President – Gary Shadbolt
Councillors – Paul Jones, David Gaunt, Brendon Jones, Dawn Lancaster,
Steve Palm Ernie Ventris Steve Paterson



Chief Executive Officer
Trevor Smith



Deputy Chief Executive Officer
Jamie Criddle

Works Supervisor
Bob Edwards

Environmental Health & Building Officer
Wendy Dallywater

Shire of Mukinbudin Contact Details

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President's Report

I am pleased to present my report on Council's activities for the 2006/2007 financial year.

Council

The Council elections that would normally have been held in May 2007 were delayed due to changes in the Local Government Act and are now held in October every second year. Consequently there were no changes in Councillors during the 2006/2007 year and I would like to thank all the current Councillors for their contributions to the governance of the Shire.

Being a Councillor is much more than one day a month in Chambers and involves representing the Shire on a range of external bodies and liaising with residents and ratepayers throughout the year. The Councillors of the Shire bring a diverse range of views to Council which ensures that all issues are thoroughly debated.

I would especially like to thank the previous Shire President Cr Chris Geraghty, not only for his leadership during the 2006/2007 year, but for guiding Council since 2000 when he was first elected as Shire President. Fortunately Chris's experience will not be lost to Council as he has elected to stay on as a Councillor.

Staff

The employees of the Shire have once again served Council most diligently and have worked hard to ensure that Council's projects are completed in a timely and cost effective manner.

I would like to thank Trevor Smith and the office staff and Bob Edwards and the Works Crew for responding to a range of challenges throughout the year. The response to the April floods was immediate and the safety of residents and travellers was paramount. The subsequent follow of over \$160,000 worth of restoration works was conducted in the most efficient way possible and the small disruption to the normal works program is a credit to the organisation.

There were some changes to staff during the 2006/2007 year and I would like to thank past employees Sharynn McCormack, Ralph English, Paul Mori, Bronwyn Scott, Verity Spark and Dawn Fraser for their efforts and wish them all the best for the future.

I would like to welcome Janelle and Mark Jones to the Caravan Park, Shahan Hobson in the new role of NEWROC Club Development Officer and Will Jenkin to the outdoor crew.

Major Projects

As usual road works formed the main area of Council's expenditure with capital improvements totalling \$

Major expenditure occurred on:

| | |
|-------------------------|------------|
| Koorda - Bullfinch Road | \$ 469,000 |
| North-East Road | \$ 96,000 |
| Beringbooding Road | \$ 68,000 |
| White Street | \$ 68,000 |

Other Projects

The Shire was also proactive in other community projects including the completion or commencement of the:

1950's Community Farm Shed;
Heritage Silo;
Botanical Walk Trail;
2 x 2 Aged Units;
Caravan Park Unit; and
attracting a new plumber to Mukinbudin.

I am also pleased to report that the relocation of the District Club to the Sports Complex has been a resounding success with members of all sporting groups benefitting from the improved facility.

Future Expenditure

Road Improvements – primarily the continuation of the Koorda - Bullfinch Road widening, completion of the Barbalin Black Spot project, and the commencement of the Heavy Vehicle Bypass project in conjunction with the CBH expansion.

New Fire Station – to house the current fire truck and provide much needed facilities for the Mukinbudin brigade.

Community Housing – the purchase or construction of a new house under the Country Housing Authority scheme to assist in providing houses to attract skilled workers and tradesmen to rural areas.

Complex Water Collection Project – Utilising Federal Government funding to harvest water from the complex reducing water bills and helping the environment.

Country Pathways – improving the network of footpaths and dual-use paths around the town improving safety for children and elderly by linking focal points in town.

New Subdivision – construction of 18 new residential lots to cater for the expansion of the town.

Challenges

In the past year there has been a lot of discussion about the future of local government in Western Australia and the best method of delivering services to communities. It is the strong belief of Council that our communities are best served by locally based Councils with single communities of interest rather than regionally based Councils with multiple communities.

The Shire of Mukinbudin is working with other Councils in NEWROC (North East Wheatbelt Regional Organisation of Councils) to develop more efficient service delivery through resource sharing and combining services. In this manner the Shires all retain the ability to make decisions for their own communities while benefiting from cost savings in sharing some resources and services. While Council is under no illusions that the threat of amalgamations will be removed by these measures, if significant savings can be generated then the economic arguments for amalgamations is negated.

In Conclusion

The past year, as with the years before, has seen the Shire of Mukinbudin commence or complete a number of major capital works and improvements. While these projects were made possible by the provision of Council money and support and successful grant applications, the catalyst for these projects continues to come from organisations and individuals in the community with vision and drive and an unwavering commitment to Mukinbudin.

I would like to thank everyone for the opportunity to lead Council and during my term as Shire President I look forward to working with the community, my fellow Councillors and staff to achieve an even brighter future for Mukinbudin.

Cr Gary Shadbolt
Shire President

Chief Executive Officer's Report

I am very pleased to be writing this report for the 2006/2007 financial year for the Shire of Mukinbudin. This is my third year in Mukinbudin and the enthusiasm and energy from employees and the community continues to challenge with the range of projects and ideas for the improvement of the town and the district.

The Mukinbudin 1950's Community Farm Shed went from concept to reality in seemingly record time and will be a great addition to the town's infrastructure and over time will develop in to a real focal point for locals and tourists alike.

I continue to encourage residents to provide input to Council through discussions with Councillors and comment on the range of public documents that Council produces for public comment.

I would like to publicly thank the outdoor employees of the Shire led by Bob Edwards for their efforts in ensuring that Council's capital works and maintenance program progressed well despite some setbacks such as the April flood and the opening up and restoration works which subsequently occurred. The Shire's roads are its life lines for residents, school buses, grain trucks and tourists and the continued improvements through the capital works program and maintenance is vital. The town crew are also to be commended on the presentation of the town streets, recreation reserve and gardens. One of the most frequent comments from tourists and visitors is how green and tidy the town looks and this is a great reflection on the staff.

The Deputy Chief Executive Officer Jamie Criddle and the office staff are continually improving the level of service to the community and to Council. A new financial system has been introduced over the past year and with only a few minor problems has proven to be a valuable tool. The Shire cleaners are also to be commended on their presentation of all of the Shire's facilities, even those buildings that are past their prime.

The Shire of Mukinbudin is constantly striving to improve employee conditions and provide a flexible work place where training and multi-skilling is encouraged. Council is also working closely with our insurers to introduce more initiatives in occupational health and safety to better protect employees.

I look forward to the next year with great anticipation and thank Council for their continued support for myself and all Council staff.

Trevor J Smith
Chief Executive Officer

Statutory Reports

Policy Statement Addressing the Issue of Access for People with Disabilities, Their Families and Carers

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

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

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

Existing services are adopted to ensure they meet the needs of people with disabilities

Council will endeavour to be adaptable in responding to the barriers experienced by people with various disabilities, including people with physical, sensory, cognitive and psychiatric disabilities.

Access to building and facilities is improved

Council will undertake to incorporate the priorities regarding access for people with disabilities, identified during the consultations, into submissions of its capital works improvement program. Modifications will commence, as funds are made available. Council will undertake to liaise with developers to increase their awareness of the access requirements of people with disabilities.

Information about services is provided in formats which meet the communication requirements of people with disabilities

Council will produce all of its information on Council facilities, functions and services using clear and concise language. Council will advise the community that, upon request, information about Council functions and services can be made available in alternative formats, such as large print and audio cassettes.

Advice and services are delivered by staff who are aware of and understand the needs of people with disabilities

Improve staff awareness regarding the needs of people with disabilities and provide relevant training to deliver an appropriate service. Council will undertake to ensure that staff are aware of the key access needs of residents with disabilities and people with disabilities who visit the local government area to access provision of all services. When required, Council will seek expert advice from people in the disability field on how to meet the access needs of people with disabilities.

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

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

Freedom of Information

The Shire of Mukinbudin will provide information to people requesting it from Council. Should a request not be met satisfactorily, then a Freedom of Information Application can be lodged with Council. During the year ended 30 June 2007, no Freedom of Information Applications were received.

Record Keeping Plan

The Shire of Mukinbudin is committed to accessible and efficient record keeping practices and complies with relevant legislation including the State Records Act 2000.

Council has established a Record Keeping Plan which was submitted and approved by the State Records Commission. In addition, Council has produced a Records Management Procedures Manual, which is utilised in Council's Induction Training for all new staff.

The Records Keeping Plan looks at the efficiency and effectiveness of the Shire's record keeping systems and includes sections on procedures, risk management and disaster recovery plans, retention and disposal of records, training of staff on record keeping practices and information on the Shire's compliance with the plan.

National Competition Policy Statement

The competition Principles Agreement is an Inter-government Agreement between the Commonwealth and State/Territory Governments that sets out how government will apply National Competition Policy principles to public sector organisations within their jurisdiction.

The State Government released a Policy Statement effective from July 1996 called the Clause 7 Statement, which forms part of the Competition Principles Agreement. The Clause 7 policy document sets out nominated principles from the Agreement that now apply to Local Government. The provisions of Clause 7

of the Competition Principles Agreement require local government to report annually as to the implementation, application and effects of the Competition Policy.

The Competition principles Agreement, under Clause 7, specifies three broad areas of reporting, they are:

1. Competitive Neutrality
2. Structural Review of Public Monopolies; and
Legislative Review

In accordance with the requirements of the National Competition Policy the Shire of Mukinbudin makes the following disclosure of 2006/2007.

Competitive Neutrality

The object of competitive neutrality is the elimination of resource allocation distortions arising out of local government ownership of significant business activities.

The Shire of Mukinbudin has assessed its operations and considers that it has no business activity that would be classes as significant under the current guidelines. Also the Shire of Mukinbudin does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise.

The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is: Zero (0)

During the reporting period the Shire of Mukinbudin did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Shire.

Structural Review of Public Monopolies

In relation to Structural review of public monopolies the Shire of Mukinbudin discloses the following:

Structural reform principles have been applied to the following number of activities in the reporting period: Zero (0)

Structural reform principles have been considered but not applied to the following number of activities in the reporting period: Zero (0)

As no structural reform has been applied to any activities the review requirements of principle SR.3 of Clause 7 of the Competition Policy Statement have not been undertaken.

Legislative Review

Parties to the national Competition Policy package agreed that legislation should not restrict competition unless:

There is an obligation on the Public Interest Disclosure Officer in the Public Interest.

The benefits of the restriction to the community as a whole outweigh the costs; and

The objectives of the legislation can only be achieved by restricting competition.

Accordingly, the Shire of Mukinbudin is required to implement a systematic review of all of its existing legislation to determine whether there are any direct or indirect effects on competition.

In relation to a Legislative Review the Shire of Mukinbudin discloses that:

As at the reporting date the number of by-laws and Local Laws which have been reviewed and reformed as a result of any legislative review is Zero (0).

As at the reporting date the number of by-laws and Local Laws which the application of any legislative review principles were considered but not applied is: Zero (0)/

Public Interest Disclosure

The Public Interest Disclosure Act was established by the Commissioner for the Public Sector Standards under Section 20 of the Public Interest Disclosure Act 2003.

One of the principles of the new legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also encourages a system of transparency and accountability in the way government or government officials act and utilise public monies.

Matters that fall into the category of public interest include the following:

- Improper Conduct (irregular or unauthorised use of public resources)
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public resources)

- Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment)

Matters that relate to the Shire of Mukinbudin should be referred to the Shire of Mukinbudin's Public Interest Disclosure Officer. Disclosures to the Public Interest Disclosure Officer can be made not just about officers of a local authority but also its elected officials.

Disclosure Act to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability, dismissal or breach of confidentiality.

The Shire of Mukinbudin had no Public Interest Disclosures during the reporting period ending 30 June 2007.

Information on Payments to Employees

For the purpose of Section 5.53(2) (g) the Annual Report of a Local Government for a financial year is to contain the following information:

The number of employees of the Local Government entitled to an annual salary of \$100,000 or more;

The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

The Shire of Mukinbudin does not have any employees who receive an annual Salary of \$100,000 or more.

Plan for the Future

Summary of Future Activities

| | Year ended 30 June | | | |
|--|--------------------|------------------|------------------|------------------|
| | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
| Estimated Expenditure | | | | |
| House & Land | 710,000 | 470,000 | 550,000 | 80,000 |
| Road Asset Management | 1,063,500 | 1,086,000 | 889,000 | 998,000 |
| Facilities Management | 175,000 | 487,000 | 155,000 | 64,000 |
| Waste Collection & Disposal | 28,500 | 28,500 | 32,500 | 28,500 |
| Plant Replacement | 274,000 | 553,000 | 464,000 | 338,000 |
| Total Estimated Expenditure | 2,251,000 | 2,624,500 | 2,090,500 | 1,558,500 |
| Estimated Income | | | | |
| House & Land | 648,500 | 428,500 | 508,500 | 58,500 |
| Road Asset Management | 1,014,833 | 1,048,833 | 905,833 | 829,500 |
| Facilities Management | 129,000 | 414,500 | 126,000 | 33,400 |
| Waste Collection & Disposal | 27,500 | 27,500 | 27,500 | 27,500 |
| Plant Replacement | 329,000 | 391,000 | 431,000 | 316,000 |
| Total Estimated Income | 2,148,833 | 2,310,333 | 1,998,833 | 1,264,900 |
| Estimated General Purpose Income Required | | | | |
| House & Land | 61,500 | 41,500 | 41,500 | 21,500 |
| Road Asset Management | 48,667 | 37,167 | -16,833 | 168,500 |
| Facilities Management | 46,000 | 72,500 | 29,000 | 30,600 |
| Waste Collection & Disposal | 1,000 | 1,000 | 5,000 | 1,000 |
| Plant Replacement | -55,000 | 162,000 | 33,000 | 72,000 |
| Amount Required from General Purpose Income | 102,167 | 314,167 | 91,667 | 293,600 |

SHIRE OF MUKINBUDIN
INCOME STATEMENT
BY NATURE OR TYPE

FOR THE YEAR ENDED 30TH JUNE 2007

| | NOTE | 2007 \$ | 2007 Budget \$ | 2006 \$ |
|---|------|--------------------|----------------------|--------------------|
| REVENUES FROM ORDINARY ACTIVITIES | | | | |
| Rates | 22 | 617,426 | 627,670 | 604,926 |
| Grants and Subsidies | 28 | 896,791 | 288,042 | 801,095 |
| Contributions Reimbursements and Donations | | 263,361 | 240,000 | 82,147 |
| Service Charges | 24 | 7,488 | 6,450 | 7,332 |
| Fees and Charges | 27 | 223,725 | 190,300 | 218,312 |
| Interest Earnings | 2(a) | 39,691 | 20,000 | - |
| Other Revenue | | 192,782 | 481,125 | 38,857 |
| | | <u>2,241,264</u> | <u>1,853,587</u> | <u>1,752,669</u> |
| EXPENSES FROM ORDINARY ACTIVITIES | | | | |
| Employee Costs | | (642,321) | (630,000) | (638,586) |
| Materials and Contracts | | (142,603) | (140,000) | (146,875) |
| Utilities | | (138,635) | (105,000) | (116,025) |
| Depreciation | 2(a) | - | (784,950) | - |
| Interest Expenses | 2(a) | - | (31,658) | - |
| Insurance | | (95,756) | (80,000) | (77,898) |
| Other Expenditure | | (673,337) | (410,000) | (408,582) |
| | | <u>(1,692,652)</u> | <u>(2,181,608)</u> | <u>(1,387,966)</u> |
| | | 548,612 | (328,021) | 364,703 |
| Grants and Subsidies - non-operating | 28 | 1,183,026 | 1,341,000 | 982,675 |
| Contributions Reimbursements and Donations - non-operating | | - | - | - |
| Profit on Asset Disposals | 20 | 30,151 | 2,250 | - |
| Loss on Asset Disposals | 20 | (4,834) | (30,344) | (43,876) |
| NET RESULT | | <u>1,756,955</u> | <u>984,885</u> | <u>1,303,502</u> |

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

**SHIRE OF MUKINBUDIN
INCOME STATEMENT
BY PROGRAM**

FOR THE YEAR ENDED 30TH JUNE 2007

| | NOTE | 2007 \$ | 2007 Budget \$ | 2006 \$ |
|--|-------|-------------|----------------------|-------------|
| REVENUES FROM ORDINARY ACTIVITIES | | | | |
| Governance | | 1,235 | 100 | 40 |
| General Purpose Funding | | 1,152,461 | 1,137,567 | 1,100,390 |
| Law, Order, Public Safety | | 25,167 | 21,450 | 32,731 |
| Health | | 172 | 100 | 90 |
| Education and Welfare | | 16,065 | 193,964 | 182,500 |
| Housing | | 216,253 | 320,040 | 64,954 |
| Community Amenities | | 50,476 | 50,650 | 54,435 |
| Recreation and Culture | | 269,693 | 286,430 | 195,954 |
| Transport | | 1,378,406 | 1,035,686 | 969,795 |
| Economic Services | | 271,456 | 138,500 | 148,496 |
| Other Property and Services | | 73,057 | 12,350 | 12,657 |
| | 2 (a) | 3,454,441 | 3,196,837 | 2,762,042 |
| EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE | | | | |
| Governance | | (260,495) | (183,493) | (161,396) |
| General Purpose Funding | | (75,953) | (79,999) | (55,979) |
| Law, Order, Public Safety | | (66,654) | (68,520) | (69,500) |
| Health | | (32,946) | (39,433) | (21,330) |
| Education and Welfare | | (78,478) | (34,442) | (30,176) |
| Housing | | (76,378) | (99,640) | (75,957) |
| Community Amenities | | (95,957) | (101,263) | (82,969) |
| Recreation & Culture | | (465,545) | (381,249) | (413,137) |
| Transport | | (1,053,255) | (896,618) | (992,673) |
| Economic Services | | (315,175) | (272,795) | (282,648) |
| Other Property and Services | | (38,795) | (7,000) | (35,529) |
| | 2 (a) | (2,559,631) | (2,164,452) | (2,221,294) |
| BORROWING COSTS EXPENSE | | | | |
| Governance | | (6,258) | (6,258) | (6,989) |
| Housing | | (18,494) | (18,460) | (17,702) |
| Education | | (4,273) | (4,229) | - |
| Recreation & Culture | | (12,182) | (12,057) | (937) |
| Transport | | (1,097) | (1,097) | (2,493) |
| Economic Services | | (5,422) | (5,399) | (3,536) |
| | 2 (a) | (47,726) | (47,500) | (31,657) |
| NET RESULT | | 847,084 | 984,885 | 509,091 |

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

**SHIRE OF MUKINBUDIN
BALANCE SHEET
AS AT 30TH JUNE 2007**

| | NOTE | 2007 \$ | 2006 \$ |
|--------------------------------------|------|-------------------|-------------------|
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 3 | 491,040 | 266,713 |
| Trade and Other Receivables | 4 | 197,817 | 51,592 |
| TOTAL CURRENT ASSETS | | <u>688,857</u> | <u>318,305</u> |
| NON-CURRENT ASSETS | | | |
| Other Receivables | 4 | 3,074 | 3,104 |
| Inventories | 5 | 36,000 | 36,000 |
| Property, Plant and Equipment | 6 | 5,276,435 | 5,120,737 |
| Infrastructure | 7 | 32,210,625 | 31,972,511 |
| TOTAL NON-CURRENT ASSETS | | <u>37,526,134</u> | <u>37,132,352</u> |
| TOTAL ASSETS | | <u>38,214,991</u> | <u>37,450,657</u> |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 8 | 41,845 | 19,108 |
| Short Term Borrowings | 9 | 50,508 | 72,439 |
| Long Term Borrowings | 9 | 88,983 | 114,302 |
| Provisions | 10 | 116,766 | 83,131 |
| TOTAL CURRENT LIABILITIES | | <u>298,102</u> | <u>288,980</u> |
| NON-CURRENT LIABILITIES | | | |
| Long Term Borrowings | 9 | 611,366 | 700,349 |
| Provisions | 10 | 18,401 | 21,290 |
| TOTAL NON-CURRENT LIABILITIES | | <u>629,767</u> | <u>721,639</u> |
| TOTAL LIABILITIES | | <u>927,869</u> | <u>1,010,619</u> |
| NET ASSETS | | <u>37,287,122</u> | <u>36,440,038</u> |
| EQUITY | | | |
| Retained Surplus | | 23,329,494 | 22,706,737 |
| Reserves - Cash Backed | 11 | 490,600 | 266,273 |
| Reserves - Asset Revaluation | 12 | 13,467,028 | 13,467,028 |
| TOTAL EQUITY | | <u>37,287,122</u> | <u>36,440,038</u> |

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

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

| | NOTE | 2007 \$ | 2006 \$ |
|--|------|--------------------------|--------------------------|
| RETAINED SURPLUS | | | |
| Balance as at 1 July 2006 | | 22,706,737 | 22,051,161 |
| Net Result | | 847,084 | 509,091 |
| Transfer from/(to) Reserves | | (224,327) | 146,485 |
| Balance as at 30 June 2007 | | <u>23,329,494</u> | <u>22,706,737</u> |
| RESERVES - CASH BACKED | | | |
| Balance as at 1 July 2006 | | 266,273 | 412,758 |
| Amount Transferred (to)/from Retained Surplus | | 224,327 | (146,485) |
| Balance as at 30 June 2007 | 11 | <u>490,600</u> | <u>266,273</u> |
| RESERVES - ASSET REVALUATION | | | |
| Balance as at 1 July 2006 | | 13,467,028 | 13,467,028 |
| Revaluation Increment | | - | - |
| Revaluation Decrement | | - | - |
| Balance as at 30 June 2007 | 12 | <u>13,467,028</u> | <u>13,467,028</u> |
| TOTAL EQUITY | | <u><u>37,287,122</u></u> | <u><u>36,440,038</u></u> |

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

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

| | NOTE | 2007 \$ | 2007 Budget \$ | 2006 \$ |
|---|-------|--------------------|----------------------|--------------------|
| Cash Flows From Operating Activities | | | | |
| Receipts | | | | |
| Rates | | 471,231 | 627,670 | 597,546 |
| Grants and Subsidies - operating | | 896,791 | 288,042 | 801,095 |
| Contributions, Reimbursements & Donations | | 263,361 | 240,000 | 189,788 |
| Service Charges | | 7,488 | 6,450 | 7,332 |
| Fees and Charges | | 223,725 | 190,300 | 159,252 |
| Interest Earnings | | 39,691 | 20,000 | 26,698 |
| Goods and Services Tax | | 188,216 | 110,000 | 164,100 |
| Other | | 192,783 | 365,000 | 50,145 |
| | | <u>2,283,286</u> | <u>1,847,462</u> | <u>1,995,956</u> |
| Payments | | | | |
| Employee Costs | | (611,576) | (630,000) | (638,586) |
| Materials and Contracts | | (119,867) | (140,000) | (177,175) |
| Utilities (gas, electricity, water, etc) | | (138,635) | (105,000) | (116,025) |
| Insurance | | (95,756) | (80,000) | (77,898) |
| Interest | | (47,726) | (78,101) | (26,501) |
| Goods and Services Tax | | (188,216) | (125,000) | (163,500) |
| Other | | (673,337) | (260,120) | (404,591) |
| | | <u>(1,875,113)</u> | <u>(1,418,221)</u> | <u>(1,604,276)</u> |
| Net Cash Provided By (Used In) | | | | |
| Operating Activities | 13(b) | <u>408,173</u> | <u>429,241</u> | <u>391,680</u> |
| Cash Flows from Investing Activities | | | | |
| Payments for Development of Land Held for Resale | | - | - | - |
| Payments for Purchase of Property, Plant & Equipment | | (647,989) | (1,351,000) | (1,248,811) |
| Payments for Construction of Infrastructure | | (816,508) | (771,000) | (775,185) |
| Advances to Community Groups | | - | - | - |
| Grants/Contributions for the Development of Assets | | 1,183,026 | 1,341,000 | 982,675 |
| Proceeds from Sale of Plant & Equipment | | 233,857 | 291,000 | 126,136 |
| Proceeds from Advances | | - | - | - |
| | | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Cash Provided By (Used In) | | | | |
| Investing Activities | | (47,614) | (490,000) | (915,185) |
| Cash Flows from Financing Activities | | | | |
| Repayment of Debentures | | (114,301) | (114,302) | (93,710) |
| Repayment of Finance Leases | | - | - | - |
| Proceeds from Self Supporting Loans | | - | - | - |
| Proceeds from New Debentures | | - | 150,000 | 388,000 |
| | | <u>-</u> | <u>150,000</u> | <u>388,000</u> |
| Net Cash Provided By (Used In) | | | | |
| Financing Activities | | (114,301) | 35,698 | 294,290 |
| Net Increase (Decrease) in Cash Held | | 246,258 | (25,061) | (229,215) |
| Cash at Beginning of Year | | 194,274 | 194,274 | 423,489 |
| Cash and Cash Equivalents | | | | |
| at the End of the Year | 13(a) | <u>440,532</u> | <u>169,213</u> | <u>194,274</u> |

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

SHIRE OF MUKINBUDIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2007

| | NOTE | 2007 \$ | 2007 Budget \$ | |
|--|--|-------------|----------------------|--|
| REVENUES | | | | |
| Governance | | 1,235 | 100 | |
| General Purpose Funding | | 535,035 | 509,897 | |
| Law, Order, Public Safety | | 25,167 | 21,450 | |
| Health | | 172 | 270,000 | |
| Education and Welfare | | 16,065 | 100 | |
| Housing | | 216,253 | 320,040 | |
| Community Amenities | | 50,476 | 50,650 | |
| Recreation and Culture | | 269,693 | 286,430 | |
| Transport | | 1,378,406 | 1,035,686 | |
| Economic Services | | 271,456 | 138,500 | |
| Other Property and Services | | 73,057 | 12,350 | |
| | | 2,837,015 | 2,645,203 | |
| EXPENSES | | | | |
| Governance | | (266,753) | (189,751) | |
| General Purpose Funding | | (75,953) | (79,999) | |
| Law, Order, Public Safety | | (66,654) | (68,520) | |
| Health | | (32,946) | (39,433) | |
| Education and Welfare | | (82,751) | (38,671) | |
| Housing | | (94,872) | (118,100) | |
| Community Amenities | | (95,957) | (101,263) | |
| Recreation & Culture | | (477,727) | (393,306) | |
| Transport | | (1,054,352) | (973,751) | |
| Economic Services | | (320,597) | (278,194) | |
| Other Property and Services | | (38,796) | (7,000) | |
| | | (2,607,358) | (2,287,988) | |
| Adjustments for Cash Budget Requirements: | | | | |
| Non-Cash Expenditure and Revenue | | | | |
| (Profit)/Loss on Asset Disposals | | (25,317) | (28,094) | |
| Movement in Accrued Interest | | 7,158 | - | |
| Movement in Accrued Salaries and Wages | | 397 | - | |
| Movement in Employee Benefit Provisions | | 30,746 | - | |
| Depreciation and Amortisation on Assets | | 862,145 | 784,950 | |
| Capital Expenditure and Revenue | | | | |
| Purchase Land Held for Resale | | - | - | |
| Purchase Land and Buildings | | (233,193) | (796,000) | |
| Purchase Infrastructure Assets - Roads | | (816,508) | (771,000) | |
| Purchase Plant and Equipment | | (384,795) | (461,000) | |
| Purchase Furniture and Equipment | | (30,001) | (94,000) | |
| Proceeds from Disposal of Assets | | 233,857 | 291,000 | |
| Repayment of Debentures | | (114,301) | (114,302) | |
| Proceeds from New Debentures | | - | 150,000 | |
| Self-Supporting Loan Principal Income | | - | 4,897 | |
| Transfers to Reserves (Restricted Assets) | | (458,117) | (11,205) | |
| Transfers from Reserves (Restricted Assets) | | 233,790 | 60,000 | |
| ADD | Estimated Surplus/(Deficit) July 1 B/Fwd | 9,602 | - | |
| LESS | Estimated Surplus/(Deficit) June 30 C/Fwd | 162,546 | - | |
| | Amount Required to be Raised from Rates | (617,426) | (627,539) | |

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

Report on the Financial Report

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

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

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

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

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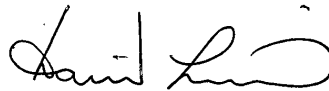
**INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF THE SHIRE OF MUKINBUDIN (continued)**

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) There were no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Date: 26 November 2007
Perth, WA

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