

**SHIRE OF LEONORA
ANNUAL REPORT**



**FOR THE YEAR ENDING
JUNE 2005**

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1.0 REPORT BY THE PRESIDENT

I have the pleasure in presenting this report on the Operations of the Shire of Leonora for the twelve months ended 30th June 2005.

MEMBERSHIP

This year saw Councillor Mr Dave Grills elected to Council for the first time and I extend a warm welcome and congratulations. Dave was elected to the South Ward at the annual elections replacing Cr John Heather. Councillors Taylor and Carter were re-elected unopposed to the North Ward and Cr Petersen was returned to the South Ward at the May elections. Cr Taylor was elected as my Deputy replacing Cr Johnson in this position.

I extend my congratulations to all concerned in this year's election and thank Cr Heather for his contribution over the past years.

Details of all the Councillors are:

	WARD	RETIREMENT YEAR	CONTACT NUMBER
<u>PRESIDENT</u>			
Mr GR Dawes Po Box 14 LEONORA WA 6438	South	2007	Wk: 08 9037 6110 Fax: 08 9037 7077 Mob: 0419 434 669 Email: leoroad1@bigpond.net.au
<u>DEPUTY PRESIDENT</u>			
Mr B S Taylor PO Box 278 LEINSTER WA 6437	North	2009	Hm: 08 9037 9310 Wk: 08 9037 4050 Fax: 08 9037 4450 Mob: 0417 985 312 Email: ben@northfieldcontracting.com.au
<u>COUNCILLORS</u>			
Mr NG Johnson Po Box 2 LEONORA WA 6438	South	2007	Hm: 08 9037 6131 Fax: 08 9037 6264 Mob: 0418 958 418
Mr T C Demasson Po Box 206 LEONORA WA 6438	South	2007	Hm: 08 9037 6559 Fax: 08 9037 6559 Mob: 0417 175 249
Mr J F Carter Po Box 85 LEONORA WA 6438	North	2009	Hm: 08 9037 6159 Fax: 08 9037 6159 Mob: 0417 981 016 Email: jcarter@bigpond.com
Mr G R Kemp Po Box 97 LEINSTER WA 6437	North	2007	Hm: 08 9037 9661 Fax: 08 90379663 Mob: 0409 379661 Email: minetrades@bigpond.com
Ms L R Petersen Po Box 69 LEONORA WA 6438	South	2009	Hm: 08 9037 6400 Fax: 08 9037 6404 Mob: 0419 177 232 Email: bustsonsbs@westnet.com.au

Mr P Craig
PO Box 118
LEINSTER WA 6437

North 2007

Hm: 08 9037 9191
Wk: 08 9037 9054
Fax: 08 9037 9192
Mob: 0418 950 572
Email: lercont@wn.com.au

Mr D Grills
Po Box 53
LEONORA WA 6438

South 2005

Wk: 08 9037 6100
Fax: 08 9037 6264
Mob: 0417 888 868

STAFF

Your Council has once again been served by a most efficient and professional team led by CEO Jim Epis.

I would like to take this opportunity on behalf of councillors and electors to thank all staff both inside and the outside crews for their continued loyal support.

ROAD WORKS

Contract grader operators have been utilised once again and along with Councils own crew have maintained our road network in a very good condition.

Major construction was carried out on the Leonora-Mount Ida road by councils own workforce. The Agnew-Vivien road was resealed at a cost of some \$160,000.00.

SWIMMING POOL

It gives me a great deal of pleasure to be able to report that Leonora's first ever Swimming Pool was substantially completed during this year and all will be in readiness for the ensuing summer opening.

GOLDFIELDS ESPERANCE DEVELOPMENT COMMISSION

The North Eastern Goldfields Branch continues to operate from Council's offices and residents are encouraged to contact project officer, Ms Janice Kendall.

FINANCIAL MANAGEMENT

I am proud to once again report council retained its debt free status which allows imposition of very minimal rate increases.

2005/2006 financial year will be one of consolidation after several years of large construction projects including airport runway sealing, the mainstreet beautification and of course the swimming pool. The next major project programmed is the construction of a Bowling Green and associated facilities.

LEONORA GOLDEN GIFT

On the long weekend in June Council once again in conjunction with sponsors conducted a very successful celebration culminating in the running of Australia's richest footraces. The weekend was considered a resounding success in the promotion of your town all over Australia and planning is already underway for the 2006 event. I must pass on Councils thanks to the local firm Hercules Crane Hire who once again have agreed to be the events major sponsor.

CONCLUSION

In presenting this Report I wish to sincerely thank my fellow Councillors for their support and co-operation during the period of my presidency.

May I conclude by wishing all Electors, Councillors and Staff a happy, rewarding and successful 2005/2006.

GRAHAM R DAWES JP
PRESIDENT

2.0 REPORT BY THE CHIEF EXECUTIVE OFFICER

FINANCE

The 2004/2005 financial year has seen Council maintain a sound financial position and remain debt free. The policy to fund major items from available revenue has continued and in addition a cash backed reserve was utilised for a swimming pool in Leonora. Reserve funds have been substantially depleted following three years of major construction projects.

MEMBERSHIP

One change occurred to the Council during the period as reported in the President's Report.

Councillor's attendance record at scheduled ordinary meetings during the period was:

COUNCILLOR	MEETING CONVENED	ATTENDED	% ATTENDANCE
G R Dawes	12	10	83
N G Johnson	12	9	75
B Taylor	12	12	100
J Heather	10	9	90
P J Craig	12	9	75
G R Kemp	12	8	66
J F Carter	12	8	66
T C Demasson	12	10	83
L R Petersen	12	12	100
D Grills	2	1	50

ROADWORKS

Maintenance of all gravel rural roads was continued utilising contract grader operators and Council's own workforce.

Major road works included improvements to the Golden Quest Trail roads as well as extensive Leonora townsite maintenance. The Agnew/Vivien road was resealed.

SWIMMING POOL

This project proceeded to near completion during the reporting period at a cost of around \$2.9 million. It is anticipated a further \$40,000.00 will be spent in 2005/06 and the Official Opening should be in November/December 2005.

PLANT REPLACEMENT

Council's policy was maintained with one truck, a Grader, Street Sweeper and various smaller vehicles replaced during the period.

STAFF

Staffing levels were maintained to a similar level to previous years and will continue at this level in 2005/2006.

The Recreation Centre Manager has been replaced and this position now becomes a dual purpose manager's job when the Swimming Pool project is complete.

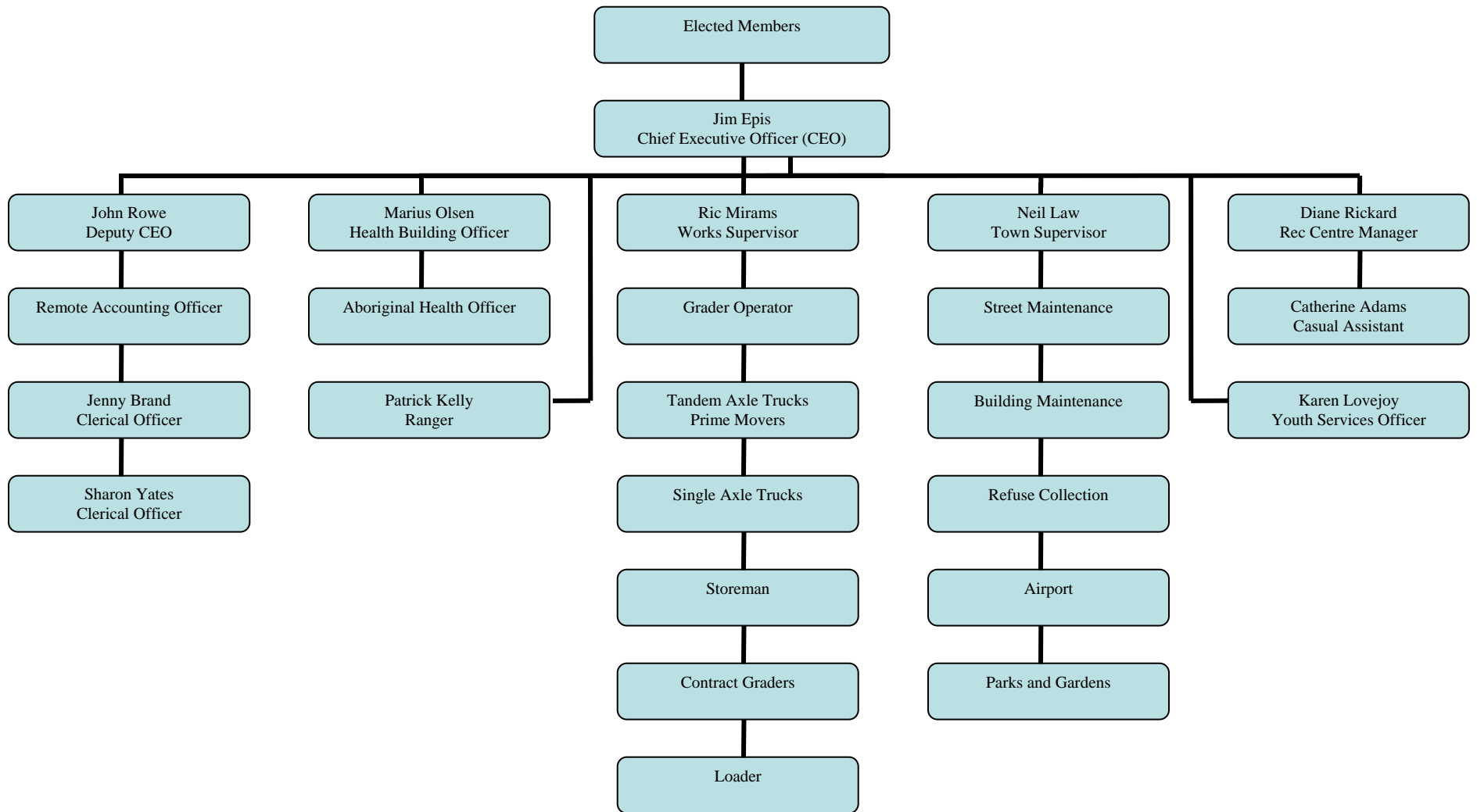
I would take this opportunity to thank all my staff both inside and outside for their efforts during the past year.

Current senior staff are:

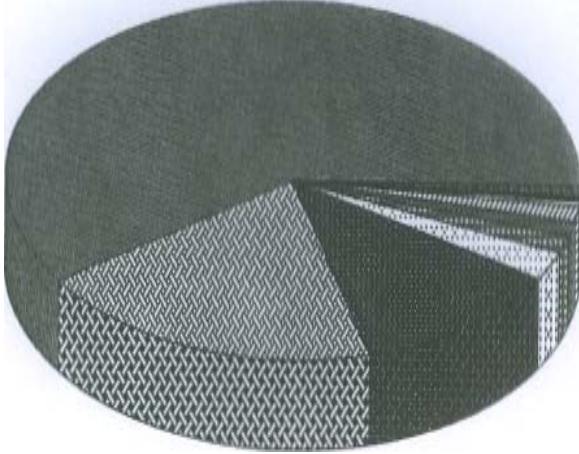
Chief Executive Officer	Jim Epis	A/h: 08 9037 6195 Mob: 0418 118 220
Deputy Chief Executive Officer	John Rowe	A/h: 08 9037 6672 Mob: 0418 118 229
Health / Building Officer	Marius Olsen	A/h: 08 9037 7118 Mob: 0408 022 010
Works Foreman (Roads)	Ric Mirams	N/A
Town Foreman (Airport/Parks)	Neil Law	A/h: 08 9037 6601

I wish to also thank all Councillors for their continued support and close this report by wishing Ratepayers, Councillors and Staff a successful and rewarding 2005/2006.

J G EPIS
CHIEF EXECUTIVE OFFICER

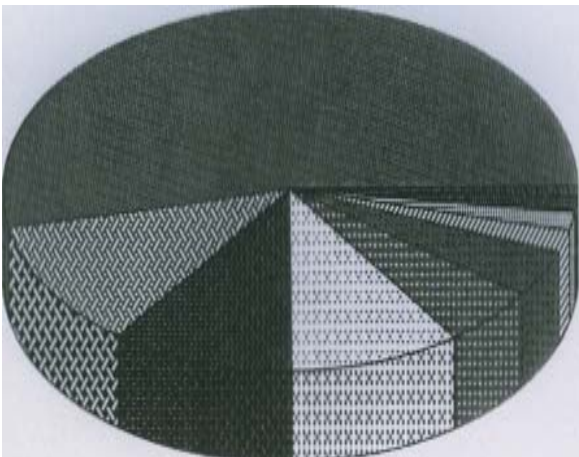


Income Summary
July 2004 through June 2005



By Account

Expense Summary
July 2004 through June 2005



By Account

SHIRE OF LEONORA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

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SHIRE OF LEONORA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Leonora being the annual financial report and other information for the financial year ended 30th June 2005 are in my opinion properly drawn up to present fairly the financial position of the Shire of Leonora at 30th June 2005 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under that Act.

Signed on the 26th day of October 2005.

J G Epis
Chief executive Officer

SHIRE OF LEONORA
OPERATING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2005

	NOTE	2005 \$	2005 Budget	2004 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		991	3,025	1,412
General Purpose Funding		3,320,822	3,294,417	3,174,010
Law, Order, Public Safety		25,307	9,464	17,377
Health		15,689	13,420	26,431
Education and Welfare		94,912	87,762	166,770
Housing		26,743	42,664	35,226
Community Amenities		81,655	85,806	57,025
Recreation and Culture		1,078,845	1,113,179	207,435
Transport		664,957	508,288	663,182
Economic Services		143,368	145,216	181,643
Other Property and Services		77,052	16,050	67,049
	2	5,530,341	5,319,291	4,597,560
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		211,856	210,378	209,653
General Purpose Funding		79,467	104,866	62,187
Law, Order, Public Safety		64,612	82,314	65,937
Health		386,707	373,170	326,940
Education and Welfare		4,699	5,750	1,750
Housing		3,456	22,653	0
Community Amenities		172,273	229,826	118,368
Recreation & Culture		415,965	616,214	388,305
Transport		2,137,274	2,443,365	1,892,034
Economic Services		463,759	554,886	422,242
Other Property and Services		59,554	-4,000	38,902
	2	3,999,622	4,639,422	3,526,318
NET RESULT		1,530,719	679,869	1,071,242

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

SHIRE OF LEONORA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2005

	NOTE	2005 \$	2004 \$
CURRENT ASSETS			
Cash Assets	3	68,795	1,798,345
Receivables	4	456,049	116,122
TOTAL CURRENT ASSETS		<u>524,844</u>	<u>1,914,467</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	7,961,243	4,686,737
Infrastructure	7	41,967,326	41,971,237
TOTAL NON-CURRENT ASSETS		<u>49,928,569</u>	<u>46,657,974</u>
TOTAL ASSETS		<u>50,453,413</u>	<u>48,572,441</u>
CURRENT LIABILITIES			
Payables	8	53,621	58,726
Interest-bearing Liabilities	9	287,851	0
Provisions	10	149,743	104,040
TOTAL CURRENT LIABILITIES		<u>491,215</u>	<u>162,766</u>
NON-CURRENT LIABILITIES			
Provisions	10	43,561	79,645
TOTAL NON-CURRENT LIABILITIES		<u>43,561</u>	<u>79,645</u>
TOTAL LIABILITIES		<u>534,776</u>	<u>242,411</u>
NET ASSETS		<u>49,918,637</u>	<u>48,330,030</u>
EQUITY			
Retained Surplus		28,950,913	26,534,282
Reserves - Cash Backed	11	67,595	953,507
Reserves - Asset Revaluation	12	20,900,131	20,842,241
TOTAL EQUITY		<u>49,918,639</u>	<u>48,330,030</u>

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

SHIRE OF LEONORA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2005

	NOTE	2005 \$	2004 \$
RETAINED SURPLUS			
Balance as at 1 July 2004		26,534,282	26,358,084
Net Result		1,530,719	1,071,242
Transfer from/(to) Reserves		885,912	-895,044
Balance as at 30 June 2005		<u>28,950,913</u>	<u>26,534,282</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2004		953,507	58,463
Amount Transferred (to)/from Retained Surplus		<u>-885,912</u>	<u>895,044</u>
Balance as at 30 June 2005	11	<u>67,595</u>	<u>953,507</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2004		20,842,241	20,742,245
Revaluation Increment		57,890	99,996
Revaluation Decrement		<u>0</u>	<u>0</u>
Balance as at 30 June 2005	12	<u>20,900,131</u>	<u>20,842,241</u>
TOTAL EQUITY		<u><u>49,918,639</u></u>	<u><u>48,330,030</u></u>

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

SHIRE OF LEONORA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2005

	NOTE	2005 \$	2005 Budget \$	2004 \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,303,167	2,327,237	2,138,625
Grants and Subsidies - operating		728,617	1,046,762	1,213,036
Contributions, Reimbursements & Donations		150,239	117,835	145,687
Fees and Charges		228,739	340,172	565,637
Interest Earnings		94,668	51,260	77,367
Goods and Services Tax		599,185	250,000	207,242
Other		31,931	2,000	1,962
		<u>4,136,546</u>	<u>4,135,266</u>	<u>4,349,556</u>
Payments				
Employee Costs		(1,007,369)	(1,150,000)	(1,050,291)
Materials and Contracts		(1,927,842)	(1,915,833)	(1,404,291)
Utilities (gas, electricity, water, etc)		(119,149)	(110,000)	(93,930)
Insurance		(54,581)	(110,112)	(107,686)
Goods and Services Tax		(606,005)	(250,000)	(223,480)
Other		(50,045)	(32,953)	(77,878)
		<u>(3,764,991)</u>	<u>(3,568,898)</u>	<u>(2,957,556)</u>
Net Cash Provided By (Used In)				
Operating Activities	13(b)	<u>371,555</u>	<u>566,368</u>	<u>1,392,000</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(4,000,949)	(3,463,156)	(572,883)
Payments for Construction of Infrastructure		(309,195)	(588,915)	(570)
Grants/Contributions for the Development of Assets		1,473,875	1,416,365	643,499
Proceeds from Sale of Plant & Equipment		447,313	342,000	300,144
		<u>447,313</u>	<u>342,000</u>	<u>300,144</u>
Net Cash Provided By (Used In)				
Investing Activities		<u>(2,388,956)</u>	<u>(2,293,706)</u>	<u>370,190</u>
Net Increase (Decrease) in Cash Held		(2,017,401)	(1,727,338)	1,762,190
Cash at Beginning of Year		1,798,345	1,798,345	392,809
Cash at End of Year	13(a)	<u><u>(219,056)</u></u>	<u><u>71,007</u></u>	<u><u>2,154,999</u></u>

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards and the Local Government Act 1995 (as amended) and the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The report has also been prepared on the accrual basis under the convention of historical cost accounting.

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

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

(d) Fixed Assets

Property, plant and equipment and infrastructure assets are brought to account at cost or independent or management valuation less, where applicable, any accumulated depreciation or amortisation.

The value of all infrastructure assets (other than land under roads) has been recorded in the Statement of Financial Position. Bridges and land under roads are excluded from infrastructure in accordance with legislative requirements.

As of 1 July 2001, Council elected to revert to the cost basis for measuring land and buildings and all infrastructure assets (other than roads) that were being carried at a revalued amount at the immediately preceding reporting date being 30 June, 2001.

This was achieved by deeming the carrying amount of the non-current assets comprising the particular class to be their cost and complied with the requirements on first application of the Accounting Standard AASB 1041 'Revaluation of Non-Current Assets'.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Land Held for Resale

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

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

(f) Depreciation of Non-Current Assets

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

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

Buildings	30-50 years
Furniture and Equipment	2-15 years
Plant and Equipment	5-15 years
Motor Vehicles	5-15 years

Council does not consider trees, gardens, street signs and street lighting as significant enough to warrant recognition as infrastructure assets. Infrastructure assets over \$5,000 that have been capitalised are depreciated over a straight line basis over the useful life of the asset.

Major infrastructure useful life periods are:

Road Seal - Aggregate	25 years
Roads (unsealed) - Gravel	15 years
Roads (unsealed) - unformed	100 years
Drains/Sewers	75 years
Airfield – Runways	12 years

(g) 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 Shire, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Investments

All investments are valued at cost and interest on those investments is recognised when accrued.

(i) Joint Venture

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

(j) Employee Benefits

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

(i) Wages, Salaries and Annual Leave

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

(ii) Long Service Leave

The provision for employees' benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' service to balance date.

(k) Rates, Grants, Donations and Other Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(e). 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.

(l) Superannuation

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

(m) Interest Rate Risk

The Shire's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is considered negligible for all financial instruments other than borrowings. Information on interest rate risk as it applies to borrowings is disclosed in Note 22(e).

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial report. The Shire does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Shire.

(o) Net Fair Values

The net fair value of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Council intends to hold these assets to maturity.

The aggregate net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial report.

(p) Rounding Off Figures

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

(q) Comparative Figures

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

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

2. REVENUES AND EXPENSES	2005	2004
	\$	\$
(a) Result from Ordinary Activities		
The Result from Ordinary Activities includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit	4,598	4,447
- Other Services	0	0
Depreciation		
Buildings	120,515	117,276
Furniture and Equipment	25,782	22,677
Plant and Equipment	265,239	272,977
Roads	261,742	262,324
Other Infrastructure	109,254	108,681
	<u>782,532</u>	<u>783,935</u>
(ii) Crediting as Revenue:	2005	2005
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	40,060	2,260
- Other Funds	54,608	49,000
	<u>94,668</u>	<u>51,260</u>
	<u>94,668</u>	<u>77,367</u>

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

2. REVENUES AND EXPENSES (Continued)

(b) Revenues and Expenses from Ordinary Activities Classified According to Nature and Type	2005 \$	2004 \$
Revenues from Ordinary Activities		
Rates (refer note 23)	2,316,049	2,138,625
Grants and Subsidies - operating (refer note 29)	1,028,617	1,213,036
Grants and Subsidies - non-operating (refer note 29)	1,473,875	643,499
Contributions Reimbursements and Donations	150,239	145,687
Profit on Asset Disposals (refer note 20)	185,997	5,725
Fees and Charges (refer note 28)	248,963	371,659
Interest Earnings (refer note 2(a))	94,668	77,367
Other Revenue	31,933	1,962
	<u>5,530,341</u>	<u>4,597,560</u>
Expenses from Ordinary Activities		
Employee Costs	1,016,988	1,073,764
Materials and Contracts	1,922,737	1,367,361
Utilities (gas, electricity, water, etc)	119,149	93,930
Depreciation on Non-current Assets (refer note 2(a))	782,532	783,935
Loss on Asset Disposals (refer note 20)	53,591	21,764
Insurance	54,581	107,686
Other	50,044	77,878
	<u>3,999,622</u>	<u>3,526,318</u>

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

2. REVENUES AND EXPENSES (Continued)

(c) Statement of Objective

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

GOVERNANCE

Includes costs and revenues associated with the President and Councillors in the exercise of their obligations as a governing body. Items of expenditure include conference, travel, meeting attendance fees, presidential allowance, receptions, donations, subscriptions and phone rentals. Costs of advertising and conducting elections are also included. Revenues include election nomination fees and reimbursements by members for private expenses.

An administration cost is also allocated which enables staff to process Council Meeting procedures, implement all government decisions and conduct Council meetings. Costs of conducting audit of Council books of accounts and procedures is also included under this heading.

GENERAL PURPOSE FUNDING

1 Rates

- (a) GRV (gross rental value) refers to property rates for Leonora, Gwalia, Leinster and Agnew townsites and operational mines and associated infrastructure.
- (b) UV (unimproved value) refers to mining properties or tenements (other than mines and other associated infrastructure) and includes prospecting licences, exploration licences and mining leases. It also refers to broad acre rural pastoral properties.
- (c) Additional rates and rates written back refer mainly to mining rates where tenements are granted or surrendered following the adoption of the budget.
- (d) Administration charge refers to the charge levied on ratepayers electing to make payment of rates on the offered instalment plan and is based on the actual cost involved in administering this process.
- (e) Administration costs allocated are the costs of maintaining records, levying and collecting all rates.

2 Grants

- (a) Grants Commission - a general purpose grant allocated annually by the Federal Government to all local governments. The amount is determined by various formula devised by the grants commission, with a significant component being based on population.
- (b) Road Grants - An untied road grant allocated by the Federal Government and again distributed by the grants commission utilising a pre-determined formula.
- (c) Administration costs allocated to grants refers to the costs associated in collection of Federal Government grants including provision and updating of data used in grants commission formula.

3 Interest from Investments

Includes interest received on surplus funds invested throughout the year from both operating and reserve accounts.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

2. OPERATING REVENUES AND EXPENSES (Continued)

(c) Statement of Objective (Continued)

LAW, ORDER, PUBLIC SAFETY

Costs and revenues associated with animal control within the Shire and also includes fire insurance, dog control and registration.

HEALTH

Costs and revenues associated with compliance with the Health Act including inspections and approvals, food quality control, mosquito control, septic tank inspection/control, food hygiene inspection/control, contribution to doctors expenses, royal flying doctor donation and notification of disease.

EDUCATION AND WELFARE

Provision of support for education and aged and disabled facilities within the district for the betterment of the residents.

HOUSING

Costs of maintaining Council owned accommodation units and collection of rentals paid by staff for use of those buildings. Costs that can be accurately attributed to other programs are allocated. Revenue associated with a State Government owned house by way of loan repayments to Council is also included.

Accommodation units include 3 houses, 2 duplexes and a single persons quarters.

COMMUNITY AMENITIES

Costs of collection and disposal of domestic and commercial refuse for the townsite of Leonora and Gwalia and maintenance of the landfill refuse site. Revenue collection by way of an annual fee for this service which is included on rate assessment notices.

Costs associated with review and administration of Council's Town Planning Scheme.

Operation of the Leonora Cemetery.

RECREATION AND CULTURE

Provision and maintenance of Council owned parks, gardens and grassed oval/recreation ground at Leonora and a contribution to similar facilities within Leinster townsite.

Costs of operation and maintenance of a purpose built recreation centre which includes indoor basketball court, two squash courts, kitchen, gymnasium and associated facilities and revenues collected from the public for use of these facilities.

Costs of maintenance of Council owned and provided television and radio re-transmission service which includes GWN, WIN and SBS Television and WAFM and ABC fine music radio.

Costs and revenues associated with the operation and maintenance of library facilities at Leonora in conjunction with the Library Board of Western Australia.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

2. OPERATING REVENUES AND EXPENSES (Continued)

TRANSPORT

Maintenance and improvements of 1300 kilometres of Council controlled unsealed roads, townsite footpaths and streets, drainage control, street cleaning and provision and maintenance of street trees. Costs of providing electricity for steel lights in the Leonora/Gwalia townsites and maintenance of Council's works depot and associated infrastructure.

Operation, maintenance and management of Leonora Aerodrome including runways, runway lighting, tarmac and terminal building and gardens. Purchase of aviation fuel for resale to aircraft operators.

Revenues by way of landing fees and Head Tax charges charged to all aircraft with the exception of the Royal Flying Doctor Service, lease/renting of building to all users of facilities and charges for fuel supplied to aircraft.

ECONOMIC SERVICES

Costs associated with Tourism promotion throughout the Shire.

Provision of Christmas decorations in Leonora Townsite.

Costs and revenues associated with building control under building regulations, including inspections and issuing building permits.

OTHER PROPERTY & SERVICES

Costs and revenues for private hire of Council machinery and operators for completion of private works for ratepayers and others.

Costing allocation pools including administration, overheads, plant operation costs and salaries and wages which are all individually detailed and then allocated throughout all previously mentioned operating activities, works and services.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005	2004
	\$	\$
(d) Conditions Over Contributions		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Childminding Centre	202,679	35,909
	<hr/>	<hr/>
	202,679	35,909
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Childminding Centre	0	166,770
Visitor Information Centre	193,715	0
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Childminding Centre	-202,679	0
Closing balances of unexpended grants	<u>193,715</u>	<u>202,679</u>
Comprises:		
Childminding Centre	0	202,679
Visitor Information Centre	193,715	0
	<hr/>	<hr/>
	<u>193,715</u>	<u>202,679</u>

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005	2004
	\$	\$
3. CASH ASSETS		
Unrestricted	1,200	642,159
Restricted	<u>67,595</u>	<u>1,156,186</u>
	<u><u>68,795</u></u>	<u><u>1,798,345</u></u>
<p>The following restrictions have been imposed by regulations or other externally imposed requirements:</p>		
Long Service Leave Reserve	61,974	58,693
Fire Disaster Reserve	5,621	4,372
Community Facility Reserve	0	890,442
Unspent Grants (For 2005 refer Note 9)	<u>0</u>	<u>202,679</u>
	<u><u>67,595</u></u>	<u><u>1,156,186</u></u>
4. RECEIVABLES		
Current		
Rates Outstanding	43,152	56,035
Sundry Debtors	406,077	43,849
GST Receivable	<u>6,820</u>	<u>16,238</u>
	<u><u>456,049</u></u>	<u><u>116,122</u></u>

5. INVENTORIES

The Shire of Leonora had no inventories on hand as at 30 June 2005 and 30 June 2004.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

6. PROPERTY, PLANT AND EQUIPMENT

Land and Buildings - Cost	7,333,424	4,161,702
Less Accumulated Depreciation	<u>-1,218,494</u>	<u>1,097,978</u>
	6,114,930	3,063,724
Furniture and Equipment - Cost	232,729	227,375
Less Accumulated Depreciation	<u>-168,297</u>	<u>-142,516</u>
	64,432	84,859
Plant and Equipment - Cost	3,042,925	2,898,506
Less Accumulated Depreciation	<u>-1,261,044</u>	<u>1,360,352</u>
	1,781,881	1,538,154
	<u>7,961,243</u>	<u>4,686,737</u>

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

This was in accordance with the requirements on first application of Accounting Standard AASB 1041 'Revaluation of Non-Current Assets'. These assets, along with all other property, plant and equipment asset classes, are now being carried at cost and are not subject to a policy of regular revaluation.

Valuations of Land and Buildings Measured at Cost Basis

In accordance with the requirements of AAS36 'Statement of Financial Position' the current valuation of land and buildings disclosed as at 30 June 2004 and measured on the cost basis was as follows:

Current Valuation: \$3,250,375.

The above valuation is a management valuation based on the written down replacement cost of all of Council's land and buildings as at 30 June 2004.

It is not considered independent in nature.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at 1 July 2004	3,063,724	84,859	1,538,154	4,686,737
Additions	3,171,721	5,355	823,873	4,000,949
(Disposals)	0	0	-314,907	-314,907
Revaluation - Increments	0	0	0	0
- (Decrements)	0	0	0	0
Write-downs	0	0	0	0
Depreciation (Expense)	-120,515	-25,782	-265,239	-411,536
Other Movements	0	0	0	0
Balance as at 30 June 2005	<u>6,114,930</u>	<u>64,432</u>	<u>1,781,881</u>	<u>7,961,243</u>

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005 \$	2004 \$
7. INFRASTRUCTURE		
Roads - management valuation 2005	59,552,633	0
Roads - management valuation 2004	0	62,174,303
		-
Less Accumulated Depreciation	<u>-21,806,807</u>	<u>24,464,097</u>
	37,745,826	37,710,206
Other Infrastructure - Cost	4,729,588	4,659,865
Less Accumulated Depreciation	<u>-508,088</u>	<u>-398,834</u>
	4,221,500	4,261,031
	<u>41,967,326</u>	<u>41,971,237</u>

The valuations of the municipality's infrastructure were originally based on the written down replacement cost performed in accordance with Statement of Accounting Practice SAP 1 'Current Cost Accounting'.

Effective from 1 July 2001, Council deemed the carrying amount of all infrastructure assets, other than roads, previously carried at a revalued amount based on market value, to be their cost.

This was in accordance with the requirements on first application of Accounting Standard AASB 1041 'Revaluation of Non-Current Assets'. These assets, are now being carried at cost and are not subject to a policy of regular revaluation.

The valuations of the municipality's road infrastructure is based on the valuations supplied by BSD Consulting using the RoMans Inventory Programme.
The roads were revalued at 30 June 2005.

Council have adopted a policy of re-valuing roads with sufficient regularity to ensure the carrying amount of each road asset is fairly stated at reporting date. This policy accords with the requirements of AASB 1041.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	<u>Roads</u> \$	<u>Other</u> \$	<u>Total</u> \$
Balance as at 1 July 2004	37,710,206	4,261,031	41,971,237
Additions	239,472	69,723	309,195
(Disposals)	0	0	0
Revaluation - Increments	57,890	0	57,890
- (Decrements)	0	0	0
Write-downs	0	0	0
Depreciation (Expense)	-261,742	-109,254	-370,996
Other Movements	0	0	0
Balance as at 30 June 2005	<u>37,745,826</u>	<u>4,221,500</u>	<u>41,967,326</u>

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005	2004
	\$	\$
8. PAYABLES		
Current		
Sundry Creditors	53,621	16,459
Other Liabilities	0	24,385
Accrued Salaries and Wages	0	17,882
	<u>53,621</u>	<u>58,726</u>
9. INTEREST-BEARING LIABILITIES		
Current		
Unsecured		
Bank overdraft	287,851	0
Represented by:		
Unrestricted - Municipal bank overdraft	481,566	0
Restricted funds held	-193,715	0
	<u>287,851</u>	<u>0</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Unspent Grants (Refer Note 2(d))	<u>193,715</u>	<u>0</u>
10. PROVISIONS		
Current		
Provision for Annual Leave	102,203	52,151
Provision for Long Service Leave	47,540	51,889
	<u>149,743</u>	<u>104,040</u>
Non-Current		
Provision for Annual Leave	0	32,780
Provision for Long Service Leave	43,561	46,865
	<u>43,561</u>	<u>79,645</u>

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005 \$	2005 Budget \$	2004 \$
11. RESERVES - CASH BACKED			
(a) Long Service Leave Reserve			
Opening Balance	58,693	58,693	55,299
Amount Set Aside / Transfer to Reserve	3,281	2,365	3,394
Amount Used / Transfer from Reserve	0	0	0
	61,974	61,058	58,693
(b) Fire Disaster Reserve			
Opening Balance	4,372	4,372	3,164
Amount Set Aside / Transfer to Reserve	1,249	1,135	1,208
Amount Used / Transfer from Reserve	0	0	0
	5,621	5,507	4,372
(c) Community Reserve			
Opening Balance	890,442	890,442	0
Amount Set Aside / Transfer to Reserve	36,530	0	890,442
Amount Used / Transfer from Reserve	-926,972	-886,000	0
	0	4,442	890,442
TOTAL CASH BACKED RESERVES	67,595	71,007	953,507

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

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

Long Service Leave Reserve

- This reserve is to offset Council's leave liability to it's employees.

Community Reserve

- This reserve has been established to enable Council to fund community programmes

Fire Disaster Reserve

- This reserve will assist in the provision of emergency contingencies in the case of fire disaster.

The Long Service Leave and Fire Disaster Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised. The Community Reserve was utilised 2004/05.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

12. RESERVES - ASSET REVALUATION	2005	2004
	\$	\$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(a) Property, Plant & Equipment		
Balance as at 1 July 2004	223,721	223,721
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2005	<u>223,721</u>	<u>223,721</u>
(b) Roads		
Balance as at 1 July 2004	20,618,520	20,518,524
Revaluation Increment	57,890	99,996
Revaluation Decrement	0	0
Balance as at 30 June 2005	<u>20,676,410</u>	<u>20,618,520</u>
TOTAL ASSET REVALUATION RESERVES	<u><u>20,900,131</u></u>	<u><u>20,842,241</u></u>

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2005	2005	2004
	\$	Budget	\$
		\$	
Cash - Unrestricted (Note 3)	1,200	0	642,159
Cash - Restricted (Note 3)	67,595	71,007	1,156,186
Bank Overdraft (Note 9)	<u>(287,851)</u>	<u>0</u>	<u>0</u>
Cash Assets	<u><u>-219,056</u></u>	<u><u>71,007</u></u>	<u><u>1,798,345</u></u>

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

Net Result	1,530,719	679,869	1,071,242
Depreciation	782,532	1,252,739	783,935
(Increase)/Decrease in Receivables	-339,927	-49,440	177,740
(Profit)/Loss on Sale of Asset	-132,406	-9,262	16,039
(Increase)/Decrease in Inventories	0	-12,244	657
Increase/(Decrease) in Payables	-5,105	96,036	-37,587
Increase/(Decrease) in Employee Provisions	9,619	25,035	23,473
Grants/Contributions for the Development of Assets	<u>-1,473,875</u>	<u>-1,416,365</u>	<u>-643,499</u>
Net Cash from Operating Activities	<u><u>371,557</u></u>	<u><u>566,368</u></u>	<u><u>1,392,000</u></u>

(c) Credit Standby Arrangements

Bank Overdraft limit	0	150,000
Bank Overdraft at Balance Date (Refer Note 22(d))	-287,851	0
Credit Card limit	7,500	7,500
Credit Card Balance at Balance Date	<u>-1,624</u>	<u>-2,522</u>
Total Amount of Credit Unused	<u><u>-281,975</u></u>	<u><u>154,978</u></u>

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2005

	2005 \$	2004 \$
14. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
Payable:		
- not later than one year	0	0
- later than one year but not later than five years	0	0
- later than five years	0	0
Minimum Lease Payments	0	0
Less Future Finance Charges	0	0
Total Lease Liability	0	0
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	0	0
- later than one year but not later than five years	0	0
- later than five years	0	0
	0	0
(c) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	0	0
- plant & equipment purchases	0	0
Payable:		
- not later than one year	0	92,348
The capital expenditure project outstanding at the end of the current reporting period represents		
- Donovan Payne Architects		
Design and Contract Admin - Swimming Pool		92,348

15. CONTINGENT LIABILITIES

There were no known contingent liabilities at balance date.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

16. JOINT VENTURE

The Shire of Leonora together with the Shire of Laverton have an arrangement with the regard to the provision of an Environmental Health and Building Survey Service. There are no joint venture assets involved with the arrangement and the Shire of Leonora on-charges all of the Shire of Laverton's share of the costs.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2005	2004
	\$	\$
Governance	0	4,120
General Purpose Funding	45,628	56,269
Law, Order, Public Safety	0	35,704
Health	45,816	47,917
Education and Welfare	0	59,680
Housing	595,825	635,298
Community Amenities	3,351,590	125,805
Recreation and Culture	1,541,058	1,229,708
Transport	42,044,852	42,416,990
Economic Services	283,798	289,181
Other Property and Services	1,993,557	1,724,850
Unallocated	551,291	1,946,919
	<u>50,453,415</u>	<u>48,572,441</u>

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

18. FINANCIAL RATIOS	2005	2004	2003
Current Ratio	0.54	4.66	3.12
Untied Cash to Trade Creditors Ratio	0.02	39.02	4.07
Debt Ratio	0.01	0.01	0.01
Debt Service Ratio	0.00	0.00	0.00
Gross Debt to Revenue Ratio	0.10	0.05	0.06
Gross Debt to Economically Realisable Assets Ratio	0.06	0.04	0.05
Rate Coverage Ratio	0.42	0.47	0.49
Outstanding Rates Ratio	0.02	0.03	0.02

The above rates are calculated as follows:

Current Ratio	$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{Gross debt}}{\text{Total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{Gross debt}}{\text{Economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{Net rate revenue}}{\text{Operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{Rates outstanding}}{\text{Rates collectable}}$

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

19. TRUST FUNDS

Council does not hold any money in trust on behalf of third parties.

20. DISPOSALS OF ASSETS - 2004/05 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Community Amenities						
Lot 50 Otterburn St	0	0	20,000	20,000	20,000	20,000
Recreation & Culture						
Ride on Mower	22,731	30,397	13,500	29,000	-9,231	-1,397
					0	0
Transport						
Sweeper	27,687	28,650	31,818	22,529	4,131	-6,121
Tipper	48,290	49,970	77,273	54,713	28,983	4,743
Ford Navara	3,683	3,811	1,545	1,094	-2,138	-2,717
Landcruiser	34,751	35,960	16,364	11,587	-18,387	-24,373
Grader	20,117	20,818	153,000	108,331	132,883	87,513
Rangers Ford PG Courier	28,248	29,230	10,455	7,402	-17,793	-21,828
BA XT Sedan 4L	22,764	23,555	21,915	15,517	-849	-8,038
Ford BA Falcon XT 4L	23,503	24,321	21,915	15,517	-1,588	-8,804
Ford BA Fairlane	37,664	38,975	36,608	25,920	-1,056	-13,055
Ford BAII Falcon	23,101	23,905	21,005	14,872	-2,096	-9,033
Falcon BA XT Sedan	22,368	23,146	21,915	15,518	-453	-7,628
	314,907	332,738	447,313	342,000	132,406	9,262

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

21. BUDGET COMPARISON

	2005	2005
	\$	Budget
		\$
(a) Non Operating Revenue and Expenditure		
<p>The following is a comparison of capital revenue and expenditure and movements to and from reserve accounts and the amounts contained in the Rate Setting Statement in the annual budget.</p>		
Non Operating Revenue		
Proceeds on sale of assets	447,313	342,000
Transfers from Reserves	926,972	886,000
Non Operating Expenditure		
Construction/Purchase of Assets		
Land and Buildings	3,171,722	2,675,272
Plant and Equipment	823,873	772,884
Infrastructure Assets - Roads	239,472	230,512
Infrastructure Assets - Other	69,723	358,403
Furniture and Equipment	5,354	15,000
Transfers to Reserves	41,060	3,500

(b) Current Position at 1st July 2004

The current position balance carried forward from the previous financial year for the purpose of the 2004/05 budget was \$879,190.

The actual current position balance shown in the audited financial report as at 30th June 2004 was \$647,404

This difference amounts to \$231,786 and results from end of year adjustments following the adoption of the budget.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

22. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Council has no loan repayments.

(b) New Debentures - 2004/05

Council has no new borrowings in the current financial year.

(c) Unspent Debentures

Not applicable.

(d) Overdraft

Council has no overdraft facility. However, a temporary facility did exist and although the bank account was not physically overdrawn as at 30 June 2004 or 30 June 2005 it did become overdrawn for a short period of time subsequent to year end.

(e) Interest Rate Risk

Council's exposure to interest rate risk as a result of borrowings is negligible as they do not have any borrowings.

Council's exposure to interest rate risk as a result of the bank overdraft was negligible as the bank account was only physically overdrawn for a very short period of time after year end as explained at Note 22(d) above.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

23. RATING INFORMATION - 2004/05 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV Uniform	0.0550	601	11,747,320	645,067	0	0	645,067	646,103	0	0	646,103
UV Mining	0.0925	849	16,235,262	1,466,145	55,579	0	1,521,724	1,501,762	42,000	0	1,543,762
UV Pastoral	0.0925	31	501,469	47,857	0	0	47,857	46,386	0	0	46,386
Sub-Totals		1,481	28,484,051	2,159,069	55,579	0	2,214,648	2,194,251	42,000	0	2,236,251
Minimum Rates	Minimum \$										
GRV Uniform	150.0000	48	36,422	7,050	0	0	7,050	7,200	0	0	7,200
UV Mining	150.0000	934	852,252	123,300	0	0	123,300	140,100	0	0	140,100
UV Pastoral	150.0000	2	994	600	0	0	600	300	0	0	300
Sub-Totals		984	889,668	130,950	0	0	130,950	147,600	0	0	147,600
Write offs							2,345,598 (29,549)				2,383,851 (49,490)
Discounts (refer note 26)							2,316,049				2,334,361
Totals							0				0
							2,316,049				2,334,361

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

24. SPECIFIED AREA RATE – 2004 / 05 FINANCIAL YEAR

Council did not levy a specified area rate.

25. SERVICE CHARGES – 2004 / 05 FINANCIAL YEAR

Council does not levy a service charge.

26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS

- 2004 / 05 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Landing Fees	Waiver	100	0	400
Housing Rental	Waiver	100	0	500
			0	900
Rate Assessment	Write-Off		49,490	0

Landing Fees

The Royal Flying Doctor Service (RFDS) has been granted a continuous waiver on landing fees at the airport. This waiver is in recognition of the valuable community service provided by the RFDS to the district.

Housing Rental

The Shire of Leonora provides housing to the local Doctor who resides in Leonora. For a period of approximately 2 months in the financial year, the Doctor is on leave and is replaced by a locum.

The waiver mentioned in the table above represents the period that the house is occupied by the locum.

Mining Tenements

Numerous mining tenements are raised by Council throughout the financial year. On occasions rates are raised for the whole year, but the tenement is surrendered within the year. This results in the necessity to write off tenement rates for the period when the tenement is surrendered to the end of the financial year.

Council does not offer a discount for the early payment of rates.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

27. INTEREST CHARGES AND INSTALMENTS - 2004/05 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Charges on Instalment Plan		30	1,440	3,881
			1,440	3,881

Ratepayers had the option of paying rates in four equal instalments, due on 3rd September 2004, 3rd November 2004, 3rd January 2005 and 3rd March 2005. Administration charges of \$30 applied for the final three instalments.

28. FEES & CHARGES	2005 \$	2004 \$
Governance	400	160
General Purpose Funding	1,560	2,040
Law, Order, Public Safety	12,736	14,227
Health	340	1,212
Education and Welfare	2,000	0
Housing	21,515	26,599
Community Amenities	57,655	57,025
Recreation & Culture	6,928	10,320
Transport	108,769	190,997
Economic Services	19,689	19,147
Other Property & Services	17,371	49,932
	<u>248,963</u>	<u>371,659</u>

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

29. GRANT REVENUE

By Nature and Type:

Grants and Subsidies - operating	1,028,617	1,213,036
Grants and Subsidies - non-operating	1,473,875	643,499
	<u>2,502,492</u>	<u>1,856,535</u>

By Program:

General Purpose Funding	908,544	955,978
Law, Order, Public Safety	11,200	0
Education and Welfare	92,762	166,770
Community Amenities	4,000	0
Recreation and Culture	1,071,917	196,888
Transport	388,069	471,245
Economic Services	26,000	65,654
	<u>2,502,492</u>	<u>1,856,535</u>

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

30. COUNCILLORS' REMUNERATION	2005	2005	2004
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	8,450	14,000	14,020
President's Allowance	7,000	7,000	7,000
Deputy President's Allowance	1,000	1,000	1,000
Travelling Expenses	6,161	6,000	6,297
Telecommunications Allowance	2,540	4,800	2,940
	<u>25,151</u>	<u>32,800</u>	<u>31,257</u>

31.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	2005	2004
\$		
100,000 - 109,999	1	1

32.EMPLOYEE NUMBERS

The number of full-time equivalent Employees at balance date

2005	2004
19	20

33. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is disclosed in Note 29.

34. MAJOR LAND TRANSACTIONS

No major land transactions occurred during the 2004/05 financial year.

35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2004/05 financial year.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

36. IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRSs)

For reporting periods commencing on or after 1 January 2005, the Shire of Leonora will be required to prepare its annual financial report using Australian equivalents to International Financial Reporting Standards and their related pronouncements (AIFRSs) as issued by the Australian Accounting Standards Board (AASB).

As the AASB has prohibited the early adoption of the AIFRSs, the Shire of Leonora will report for the first time in compliance with AIFRSs in the annual financial report for the year ended 30 June 2006 (that is, the year commencing 1 July 2005).

The Shire of Leonora is required to prepare an opening balance sheet in accordance with AIFRSs as at 1 July 2004. Most adjustments required on transition to AIFRSs will be made retrospectively against opening retained earnings on 1 July 2004 in accordance with AIFRSs. Transitional adjustments relating to those standards for which comparatives are not required will only be made with effect from 1 July 2005.

The transition to AIFRSs has been managed via a process of education which includes technical training and liaison with the Shire's auditors and industry groups. This has included a review of AIFRSs to determine the effect on the Shire's existing accounting policies and treatments.

The annual financial report for the year ended 30 June 2005 will be prepared in accordance with Australian Accounting Standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and AIFRSs identified to date as potentially having a significant effect on the Shire of Leonora are summarised below.

Property, Plant and Equipment

AIFRSs provides an option to value each class of property, plant and equipment at either cost or fair value. At the transition date, an election is available under AIFRSs transition rules to use cost, fair value or deemed costs as the opening carrying value. It is the current intention of the Shire to:

- value property, plant and equipment and other infrastructure on the cost basis, adjusted for any accumulated impairment balances.
- use fair value for the Shire's road infrastructure network and revalued with sufficient regularity to ensure carrying amounts are not materially different from their fair value at reporting date.

It is not anticipated any adjustments to carrying values will result from the above approach. If they do, they will be recognised against opening retained earnings or past revaluation reserves in the opening balance sheet.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

36. IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRSs) (Continued)

Employee Benefits

AIFRSs require all long term employee benefits to be measured at present value. This treatment remains unchanged for the measurement of non current long service leave entitlements under current Australian GAAP. However, non current annual leave entitlements are currently measured at the amount the Shire expects to pay and not at present value.

It is not anticipated any such adjustment will be significant. However, adjustments to provisions, if any, will be made against opening retained earnings in the opening balance sheet and the effect on the year ended 30 June 2005 will also be adjusted via the operating statement for comparison purposes in the Shire's first AIFRSs financial report.

Impairment of Assets

Currently, assets are written down to recoverable amount when the asset's carrying amount exceeds recoverable amount. In determining recoverable amount, expected future cash flows are currently not discounted to their present value.

Under AIFRSs, both current and non current assets are tested for impairment on an individual basis. If this is not possible, the Shire is required to test for impairment at the "Cash Generating Unit" (CGU) level.

It is anticipated the Shire's material assets will be able to be tested for impairment on an individual basis and the CGU level will not apply.

Assets are tested for impairment where an impairment trigger (per AIFRSs) has occurred. Intangibles with indefinite useful lives will be tested annually for impairment (or more frequently if events or circumstances indicate).

To the extent any impairment is determined, this will be recognised immediately in the operating statement.

Assets may be considered impaired in one reporting period and not in subsequent periods. Therefore, it is not practicable to determine the impact of the change in accounting policy for future financial reports as any impairment or reversal thereof will be affected by future conditions.

Notwithstanding this it is not anticipated, based upon reviews conducted to date, the Shire has any impairment losses which require adjustments.

Intangibles

AIFRSs now requires the recognition of intangibles not currently required under current Australian GAAP.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

36. IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRSs) (Continued)

Intangibles identified will be recognised against opening retained earnings.

Intangibles with indefinite useful lives will be subject to impairment testing annually (or more frequently if events or circumstances indicate it might be impaired). Impairment losses will be recognised immediately in the operating statement as they occur.

This change in policy may result in increased volatility of future results if intangibles are recognised and impairment losses occur.

Based upon reviews conducted to date, the Shire is unaware of any intangibles.

Financial Assets and Financial Liabilities

Under current Australian GAAP, financial assets and financial liabilities are recognised at cost, at fair value, or at net market value.

On adoption of AIFRSs, the Shire will be required to classify these financial instruments into various specified categories (being either of trading assets, held to maturity investments, loans and receivables or available for sale financial assets). The classification of the instrument determines the instrument's subsequent measurement.

It is anticipated, based on definitions contained within AIFRSs, the Shire's financial assets and liabilities will be classified in the loans and receivables category and will be measured at their initial recognition amount.

Based on reviews performed to date, it is not anticipated any such adjustments will be required and if they are they will not be significant.

However, in accordance with AIFRSs, such financial assets will be subject to annual impairment testing and to the extent any impairment testing is determined, it will be recognised immediately in the operating statement.

Assets may be considered impaired in one reporting period and not in subsequent periods. Therefore, it is not practicable to determine the impact of the change in accounting policy for future financial reports as any impairment or reversal thereof will be affected by future conditions.

SHIRE OF LEONORA

INDEPENDENT AUDIT REPORT

TO THE ELECTORS OF THE SHIRE OF LEONORA

SCOPE

We have audited the financial report of the Shire of Leonora for the year ended 30 June 2005. The Council is responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Shire of Leonora.

Our audit has been conducted in accordance with Australian Auditing Standards to provide a reasonable level of assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of Local Government Act, the Local Government Financial Management Regulations and Australian Accounting Standards and other mandatory professional reporting requirements so as to present a view of the Council which is consistent with our understanding of its financial position and the results of its operations and cashflows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the financial report presents fairly the financial position of the Shire of Leonora as at 30 June 2005 and the results of its operations and cashflows for the year then ended in accordance with the requirements of the Local Government Act, the Local Government Financial Management Regulations, applicable Accounting Standards and other mandatory professional reporting requirements.

STATUTORY COMPLIANCE

We did not, during the course of our audit, become aware of any instances where the Council did not comply with the requirements of the Local Government Act and the Local Government Financial Management Regulations.

Gregory Froomes Wyllie
Certified Practising Accountants

G Wyllie CPA
Partner
31 October 2005
PERTH WA

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6.2 Principal Activity Summary - Forward Projection to 30th June 2009

Principal Activity				
	2005-06	2006-07	2007-08	2008-09
Estimated Expenditure				
Approvals and Inspections	(201,831)	(223,997)	(197,219)	(240,000)
Sanitation Facilities & Collection	(95,542)	(97,407)	(191,249)	(114,305)
Road Management	(2,406,337)	(2,415,869)	(2,563,054)	(2,526,790)
Other Asset Acquisition and Replacement	(528,000)	(851,540)	(918,864)	(458,000)
Combined Sports Club	0	0	0	(800,740)
Aerodrome Maintenance	(332,269)	(341,965)	(178,548)	(184,800)
Staff Housing	(356,947)	(78,486)	(81,657)	(77,500)
Total Estimated Expenditure	(3,920,926)	(4,009,264)	(4,130,592)	(4,402,135)
Estimated Funding (Excluding General Subsidy)				
Approvals and Inspections	45,573	75,727	46,038	76,240
Sanitation Facilities & Collection	57,178	57,299	87,544	60,000
Road Management	100,440	137,481	82,565	100,000
Other Asset Acquisition and Replacement	250,000	448,000	420,000	383,000
Combined Sports Club	0	0	0	320,000
Aerodrome Seal and Maintenance	299,386	282,559	200,525	194,600
Staff Housing	38,388	38,772	39,552	41,700
<i>Estimated Subsidy from General Revenue</i>	<i>2,829,960</i>	<i>2,669,426</i>	<i>2,954,368</i>	<i>2,726,595</i>
Total Estimated Funding	3,620,926	3,709,264	3,830,592	3,902,135

6.0 NATIONAL COMPETITION POLICY STATEMENT

The Competition Principals Agreement is an Inter-government Agreement between the Commonwealth and State/Territory Governments that sets out how government will apply National Competition Policy principle 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:

- Competitive Neutrality
- Structural Review of Public Monopolies; and
- Legislative Review

In accordance with the requirements of the National Competition Policy the Shire of Leonora makes the following disclosure for 200342005.

6.1 COMPETITIVE NEUTRALITY

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

The Shire of Leonora has assessed its operations and considers that it does not have a business activity that would be classed as significant under the current guidelines. Also the Shire of Leonora 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 applied in the reporting period is: NIL.

The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is: NIL.

Under the implementation timetable required by the National Competition Policy Statement the Shire of Leonora was required to undertake a cost benefit analysis to determine which significant business activities would be subject to competitive neutrality principles by June 1, 1997. This analysis was not undertaken by the Shire as no significant activities have been identified as part of its operations.

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

6.2 STRUCTURAL REVIEW OF PUBLIC MONOPOLIES

In relation to Structural Review of Public Monopolies the Shire of Leonora discloses the following:

Structural reform principles have been applied to the following number of activities in the reporting period: NIL.

Structural reform principles have been considered but not applied to the following number of activities in the reporting period: NIL.

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.

6.3 LEGISLATIVE REVIEW

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

- 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 Leonora has to implement a systematic review of all its existing legislation to determine whether there are any direct or indirect effects on competition.

In relation to a Legislative Review the Shire of Leonora 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: NIL.

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: NIL.

In accordance with the Shire's review and reform strategy it is intended to comply with all the legislative review principles in Clause 7 of the Competition Policy Statement.

The Shire of Leonora's review and reform strategy to comply with principle LR.6 of the statement is summarised below:

Legislative review and reform strategy;

- The Shire of Leonora has commenced with its review plans and has made solid progress. Although no Local Laws were reformed during the reporting period a review was undertaken which was completed in 1998/99. The following Local Laws have been repealed or replaced by a single Local Law relating to "General Provisions" which was adopted by Council during 1998/99.

Local Law relating to:-

- (i) "Long Service Leave" GG 20/08/54
- (ii) "Prevention of damage to Streets" GG 04/10/62
- (iii) "Old Refrigerators and Cabinets" GG 29/08/63
- (iv) "Removal and Disposal of Obstructing Vehicles" GG 29/04/63
- (v) "Signs Hoardings and Bill Posting" GG 18/08/71
- (vi) "Sick Leave" GG 19/02/69
- (vii) "Street Lawns and Gardens" GG30/10/63
- (viii) "Caravan Parks and Camping Grounds" GG12/09/80

- The Shire of Leonora Local Law "Standing Orders" was reviewed and adopted during the 1999/2000 year.
- The Shire of Leonora Local Laws "Dogs" and "Parking" were reviewed and adopted during the 1999/2000 year.

7.0 PRINCIPAL ACTIVITIES

(A) Principal Activities commenced or continued during the reporting period were:

- (i) Approvals and Inspections – Continued
- (ii) Sanitation Facilities and Collection – Continued
- (iii) Recreation Facilities – Swimming Pool Constructed
- (iv) Road Management – Continued
- (v) Aerodrome Maintenance – Continued
- (vi) Asset Replacement – Continued as per policy

(B) Assessment of performance in relation to Principal Activities during the reporting period:

- (i) Approvals and Inspections

Activity objectives were considered adequate with Local Governments participating in the Group Scheme indicating satisfaction with minimal valid complaints from customers being received.

- (ii) Sanitation Facilities and Collection

The average cost of this collection of this service was \$188.00 in 1998/99, \$242.00 in 1999/2000, \$265.00 in 2001/2002, \$246.00 in 2002/2003, \$242.00 in 2003/2004 and \$215.00 in 2004/2005. The increases are entirely attributable to rubbish site maintenance costs increasing. Council now has to spend considerably more time in maintaining its tip facility due to stringent requirements imposed by the Environmental Protection Authority.

No complaints were received during the reporting period.

A new Rubbish Collection Vehicle was acquired in 2000/2001 and due to be replaced in early 2005/2006.

- (iii) Recreation Facilities

A full survey of customers was conducted as part of Council's strategic planning process resulting in a generally satisfactory result.

Inspection and review of the adequacy and quality of the services provided were carried out.

- (iv) Road Management

Regular surveys of elected members to establish the extent of complaints or comments on the quality of road surfaces were carried out with results being considered excellent. The annual inspection by the CEO and elected members also confirmed this rating.

Comparisons of costing of this activity show the following results for Road Maintenance Projects:

2000/2001	\$1,676,927.00
2001/2002	\$1,496,251.00
2002/2003	\$1,939,131.00
2003/2004	\$1,699,587.00
2004/2005	\$1,951,412.00

Comparisons of Road Construction Projects show the following results:

2000/2001	\$ 639,899.00
2001/2002	\$1,037,070.00
2002/2003	\$1,675,102.00
2003/2004	\$ 356,664.00
2004/2005	\$ 239,472.00

2001/2002 and 2002/2003 includes the major upgrade of the Leonora CBD

(v) Aerodrome Maintenance

The Civil Aviation Audit on safety and facilities inspection resulted in the continuance of a CAA licence to operate as an aerodrome remaining current. An independent consultant's report on the safety and operation also proved extremely satisfactory.

Comparisons of operating costs and income show the following:

2000/2001	COSTS \$252,404	INCOME	\$230,300
2001/2002	COSTS \$230,039	INCOME	\$292,651
2002/2003	COSTS \$220,965	INCOME	\$217,468
2003/2004	COSTS \$192,447	INCOME	\$190,997
2003/2004	COSTS \$185,862	INCOME	\$108,769

(C) Overview of Principal Activities proposed to commence or continue in 2005/2006 financial year.

(i) All activities that were continued in 2004/2005 (as in (7) (A) i to v above) will be continued in 2005/2006.

(II) The swimming pool will be completed in early 2005/2006.

8.0 DISABILITY SERVICES PLAN

- (A) The Shire of Leonora is required to comply with the State Government imposed Disability Services Act (1993).
- (B) A Disability Services Plan has been adopted with the following principal intent.
 - (i) Existing services are adapted to ensure they meet the needs of people with disabilities.
 - (ii) Access to buildings and facilities are improved.
- (C) The following delivery of services was implemented in the reporting year.
NIL

9.0 RECORD KEEPING PLAN

STATE RECORDS ACT 2000

- (A) The Shire of Leonora is required to comply with the abovementioned State Government imposed Legislation.
- (B) A Record Keeping Plan has been produced and approved by the State Records Commission for a period of 3years to the 30th June, 2007.
- (C) In accordance with minimum compliance requirements of Principle 6 of the State Records Commission – Standard 2, the following has been implemented:
 - 1. The efficiency and effectiveness of Councils Record Keeping Systems is evaluated not less than once every three years.
 - 2. The Council 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 Council's induction program addresses employee roles and responsibilities in regard to their compliance with Council's Record Keeping Plan.

10.0 ANNUAL SALARIES

In accordance with Regulation 19B of the Local Government (Administration) Regulation 1996 the following information is disclosed:

- a) The number of employees entitled to an annual salary of \$100,000 or more is one (1).
- b) The annual salary entitlement for this employee is between \$120,000 and \$130,000.