MURCHISON REGIONAL VERMIN COUNCIL

BUDGET

FOR THE YEAR ENDED 30TH JUNE 2011

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MURCHISON REGIONAL VERMIN COUNCIL

BUDGET FOR THE YEAR 2010/2011

Operating Revenue/Expenditure

	2009/10 BUDGET	2009/10 Actual	2009/10 BUDGET
Revenues			
Precepts Member Councils	(29,000.00)	(31,728.57)	(29,000.00)
Fence Rents - Raised	(5,900.00)	(5,802.70)	(5,900.00)
Subsidy - Agriculture WA	(28,000.00)	(28,000.00)	(28,000.00)
Interest	(250.00)	(4.50)	(1,000.00)
Council Contributions - R4R	(100,000.00)	(90,909.09)	(100,000.00)
Additional Grant Funding	(300,000.00)	-	-
	(463,150.00)	(156,444.86)	(163,900.00)
Expenditure - General Purposes			
Administration			
Administration Fees	6,000.00	6,000.00	5,000.00
Audit Fees	2,500.00	6,000.00	1,500.00
Bank Fees	165.00	147.50	165.00
Chairman's Allowance	-	500.00	500.00
Communication Expenses	1,200.00	1,091.02	800.00
Consultants Fee - Finances	3,500.00	6,018.86	1,300.00
Meeting Expenses	750.00	727.36	700.00
Members Meeting Fees	5,600.00	5,120.00	2,000.00
Sundry	1,000.00	1,378.65	-
	20,715.00	26,983.40	11,965
Fence Maintenance Expenses			
Inspections & Maintenance	60,000.00	44,168.18	40,000.00
Bait Contractors	-	-	3,000.00
Materials	2,000.00	2,020.82	2,000.00
Freight	1,200.00	195.18	1,200.00
	63,200.00	46,384.18	46,200
Depreciation Expense			
Depreciation-Infrastructure-Fence	60,000.00	61,297.00	60,000.00
Depreciation - Plant & Equipment	-	-	-
	60,000.00	61,297.00	60,000.00
Net Income	(319,235.00)	(21,780.28)	(45,735.00)
Depreciation-Infrastructure-Fence	(60,000.00)	(61,297.00)	(60,000.00)
Cash Position	(379,235.00)	**(83,077.28)**	(105,735.00)
Capital Expenditure			
Fence Works	400,000.00	78,160.00	100,000.00
Opening Cash Position	**(23,479.28)**	**(18,562.00)**	**(18,562.00)**
Closing Cash Position	**(2,714.28)**	**(23,479.28)**	**(24,297.00)**

MURCHISON REGIONAL VERMIN COUNCIL

INCOME STATEMENT

BY NATURE OR TYPE

FOR THE YEAR ENDED 30TH JUNE 2011

	NOTE	2010/11 Budget	2009/10 Actual	2009/10 Budget
REVENUES FROM ORDINARY ACTIVITIES				
Precepts		29,000	31,729	29,000
Subsidy-Agriculture WA	24	28,000	28,000	28,000
Fees and Charges	23(c)	5,900	5,803	5,900
Interest Earnings	2(a)	250	5	1,000
Other Revenue		400,000	90,909	100,000
		463,150	156,445	163,900
EXPENSES FROM ORDINARY ACTIVITIES				
Materials and Contracts		(83,915)	(73,368)	(58,165)
Depreciation	2(a)	(60,000)	(61,297)	(60,000)
		(143,915)	(134,665)	(118,165)
NET RESULT		319,235	21,780	45,735

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

MURCHISON REGIONAL VERMIN COUNCIL

INCOME STATEMENT

BY PROGRAM

FOR THE YEAR ENDED 30TH JUNE 2011

	NOTE	2010/11 Budget	2009/10 Actual $	2009/10 Budget
REVENUES FROM ORDINARY ACTIVITIES				
General Purpose Funding		-	-	-
Economic Services		463,150	156,445	163,900
	2 (a)	463,150	156,445	163,900
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		(35,979)	(33,666)	(29,541)
Economic Services		(107,936)	(100,998)	(88,624)
	2 (a)	(143,915)	(134,665)	(118,165)
NET RESULT		319,235	21,780	45,735

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

MURCHISON REGIONAL VERMIN COUNCIL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2011

	NOTE	2010/11 Budget	2009/10 Actual $	2009/10 Budget
Cash Flows From Operating Activities				
Receipts				
Grants and Subsidies - operating		28,000	28,000	28,000
Contributions, Reimbursements & Donations		29,000	31,729	29,000
Fees and Charges		5,900	5,803	5,900
Interest Earnings		250	5	1,000
Other Revenue		400,000	90,909	100,000
		463,150	156,445	163,900
Payments				
Materials and Contracts		(83,915)	(73,368)	(58,165)
		(83,915)	(73,368)	(58,165)
Net Cash Provided By (Used In) Operating Activities	12(b)	379,235	83,077	105,735
Cash Flows from Investing Activities				
Payments for Construction of Infrastructure		(400,000)	(78,160)	(100,000)
Net Cash Provided By (Used In) Investing Activities		(400,000)	(78,160)	(100,000)
Net Increase (Decrease) in Cash Held		(20,765)	4,917	5,735
Cash at Beginning of Year		23,479	18,562	18,562
Cash and Cash Equivalents at the End of the Year	12(a)	2,714	23,479	24,297

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

MURCHISON REGIONAL VERMIN COUNCIL

FEE SETTING STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2011

	2010/11 Budget	2009/10 Actual $	2009/10 Budget $
OPERATING REVENUES			
General Purpose Funding	-	-	-
Economic Services	463,150	156,445	163,900
	463,150	156,445	163,900
OPERATING EXPENSES			
Governance	(35,979)	(33,666)	(29,541)
Economic Services	(107,936)	(73,368)	(88,624)
	(143,915)	(107,034)	(118,165)
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
Depreciation on Assets	60,000	61,297	60,000
Movement in accruals	-	-	-
Capital Expenditure and Revenue			
Purchase Infrastructure Assets - Fencing	(400,000)	(78,160)	(100,000)
Funding required from retained earnings	(20,765)	32,548	5,735
Retained Funds			
Opening Funds	23,479	18,562	18,562
Less Closing Funds	(2,714)	(23,479)	(24,297)
	20,765	(4,917)	(5,735)

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

(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 Balance Sheet are stated inclusive of applicable GST.

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Costs include the cost of acquisition, development and interest incurred on the financing of that land during 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 Income Statement as at the time of signing a binding contract of sale.

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

(g) Fixed Assets

Initial Recognition

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

Revaluation

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

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

Land under Roads

Land under roads is excluded from infrastructure in accordance with the transition arrangements available under AASB 1045 and in accordance with legislative requirements.

(h) Depreciation of Non-Current Assets

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

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

Fencing	50 years
Plant and Equipment	10 years

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets

Classification

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

Recognition and derecognition

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (Continued)

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

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

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

(j) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

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

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

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

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

(l) Trade and Other Payables

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

(m) Employee Benefits

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

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

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

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

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

(n) Interest-bearing Loans and Borrowings

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing Costs

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

(o) Provisions

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

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

(p) Leases

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

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

(q) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Balance Sheet and Income Statement. Information about any joint ventures are set out in Note 15.

(r) Rates, Grants, Donations and Other Contributions

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

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

(s) Superannuation

The Murchison Regional Vermin Council does not contribute to any Superannuation Scheme nor to the Occupational Superannuation Fund.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Rounding Off Figures

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

(u) Comparative Figures

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

(v) Current and Non-Current Classification

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2008.

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

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB-I 12 Service Concession Arrangements, AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 12, revised UIG 4 Determining whether an Arrangement contains a Lease and revised UIG 129 Service Concession Arrangements:	February 2007	1 January 2008	Nil – Council is not party to any Service Concession Arrangements.
(ii)	AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(iii)	Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising form AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007	1 January 2009	Nil – The revised Standard has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Council as the council already capitalises borrowing costs relating to qualifying assets.
(iv)	AASB-I 13 Customer Loyalty Programmes	August 2007	1 July 2008	Nil – Council has no Customer Loyalty Programmes.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations (Continued)

	Title and Topic	Issued	Applicable (*)	Impact
(v)	AASB-I 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	August 2007	1 January 2008	Nil – The Interpretation provides guidance on the maximum amount that may be recognised as an asset in defined benefit plans. Council does not currently contribute to any defined benefit plans. Consequently, there is not expected to be any impact on the financial statements.
(vi)	Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of financial position), being as at the beginning of the comparative period.
(vii)	AASB 1049 Whole of Government and General Government Sector Financial Reporting	October 2007	1 July 2008**(+)**	Nil – The Standard is not applicable to Local Governments.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations (Continued)

	Title and Topic	Issued	Applicable (*)	Impact
(viii)	AASB 1050 Administered Items: AASB 1051 Land Under Roads, AASB 1052 Disaggregated Disclosures, revised AASB 1004 Contributions, AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31 and revised interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities	December 2007	1 July 2008**(+)**	•AASB 2007-09 will have significant impact on the shire's financial statements as it has the effect of withdrawing AAS 27. AAS 27 is effectively replaced by existing replaced by existing topic based standards and new standards as detailed here. •AASB 1050 is only applicable to Government departments and will have no impact on Council. • AASB 1051 will allow Council to recognise or not recognise land under roads acquired before 30 June 2008. Land under roads acquired after 30 June 2008 must be recognised. • AASB 1052 requires disclosure of financial information by function or activity. Council already provides this information so there will be no additional impact on the financial statements. • AASB 1004 requires contributions made to Council to be recognised at fair value when they are controlled and to be appropriately disclosed. Council already accounts for contributions in this manner so there will be no additional impact on the financial statements.

Notes:
(*) - Applicable to reporting periods commencing on or after the given date.
(+) - Applicable to not-for-profit and/or public sector entities only.

2. REVENUES AND EXPENSES

(a) Result from Ordinary Activities

The Result from Ordinary Activities includes:

(i) Charging as an Expense:

	2010/11 $	2009/10 $
Auditors Remuneration		
- Audit	2,500	6,000
- Other Services	-	-
	2,500	6,000
Depreciation -		
Plant and Equipment	-	-
Infrastructure - Fencing	60,000	61,297
	60,000	61,297

(ii) Crediting as Revenue:

	2010/11 $	2009/10 $
Interest Earnings		
Investments		
- Other Funds	250	5
	250	5

(b) Statement of Objective

The Murchison Vermin Council is dedicated to providing high quality services to the community through the maintenance and upgrading of vermin proof fencing in the region.

GOVERNANCE
Administration and operations of facilties and services to members of council. Includes fees, expenses and allowances paid to elected members, subscriptions, council meeting expenses and support staff.

ECONOMIC SERVICES
Provision of Vermin Control in rural areas through the maintenance and upgrade of vermin control fencing.

3. CASH AND CASH EQUIVALENTS

	2010/11 $	2009/10 $
Unrestricted - Cash at Bank	9,285	16,447
	9,285	16,447

4. TRADE AND OTHER RECEIVABLES

	2009/10 $	2008/09 $
Current		
Fees Outstanding	14,319	-
GST Receivable	1,264	2,915
	15,583	2,915

5. INVENTORIES

	2009/10 $	2008/09 $
Current		
Fencing Material	5,076	14,469
	5,076	14,469

6. PROPERTY, PLANT AND EQUIPMENT

	2009/10 $	2008/09 $
Property, Plant, & Equipment	4,939	4,939
Less Accumulated Depreciation	(4,939)	(4,939)
	-	-

Movements in Carrying Amounts

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

	Plant & Equipment $	Total $
Balance as at 1 July 2009	-	-
Additions	-	-
(Disposals)	-	-
Depreciation (Expense)	-	-
Balance as at 30 June 2010	-	-

7. INFRASTRUCTURE

	2009/10 $	2008/09 $
Fencing - At Cost	3,127,393	3,049,233
Less Accumulated Depreciation	(2,950,798)	(2,889,502)
	176,595	159,731

Movements in Carrying Amounts

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

	Fencing $	Total $
Balance as at 1 July 2009	159,731	159,731
Additions	78,160	78,160
(Disposals)	-	-
Depreciation (Expense)	(61,597)	(61,597)
Balance as at 30 June 2010	176,294	176,294

MURCHISON REGIONAL VERMIN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2011

	2,010 $	2,009 $
8 TRADE AND OTHER PAYABLES		
Current		
Trade creditors	10,990	-
	10,990	-

9 RESERVES - CASH BACKED

The Regional Council did not have any reserves during the last 2 financial years.

10 BORROWINGS

The Regional Council does not have long-term debt or overdraft arrangements.

11 TRADING ACTIVITIES

The Regional Council does not operate trading or land transactions under the LG Act.

12 NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	2011 Budget $	2010 Actual $
Cash and Cash Equivalents	23,604	26,480

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

Net Result	319,235	21,780
Depreciation	60,000	61,297
(Increase)/Decrease in Receivables	-	-
(Increase)/Decrease in Inventories	-	-
Increase/(Decrease) in GST	-	-
Increase/(Decrease) in Payables	-	-
Net Cash from Operating Activities	379,235	83,077

13 CONTINGENT LIABILITIES

The Regional Council did not have any contingent liabilities as at 30 June 2010.

10 CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

The Regional Council has no finance lease commitments as at 30 June 2010.

(b) Operating Lease Commitments

The Regional Council has no operating lease commitments as at 30 June 2010.

(c) Capital Expenditure Commitments

The Regional Council has no capital expenditure commitments as at 30 June 2010.

14 JOINT VENTURE

The Regional Council is not involved in any joint venture as at 30 June 2010.

15 TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2010	2,009
	$	$
Economic Services	176,294	193,529
	176,294	193,529

16 TRUST FUNDS

The Regional Council does not have any trust funds as at 30 June 2010.

17 SPECIFIED AREA RATES

The Regional Council did not impose any such rate or charges

18 SERVICE CHARGES

The Regional Council did not impose any service charges under the provisions of the Local Government Act

20. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2008/09 FINANCIAL YEAR

The Regional Council did not provide any discounts, incentives, or concessions.

21. INTEREST CHARGES AND INSTALMENTS

The Regional Vermin Council did not impose any such charges.

22. COUNCILLORS' REMUNERATION

	Actual 2010 $	Actual 2009 $
The following fees, expenses and allowances were paid to council members and/or the president.		
Meeting Fees	5,120	0
Chairman's Allowance	500	0
	5,620	0

23. FEES & CHARGES

		2010 Actual	2010 Budget	2009 Actual
(a)	***Fence rents***			
	No 1 fence - East side	$7.294 per mile	$7.294 per mile	$7.294 per mile
	No 1 fence - West side	$12.504 per mile	$12.504 per mile	$12.504 per mile
	No 2 fence - North side	$7.294 per mile	$7.294 per mile	$7.294 per mile
	No 2 fence - South side	$12.504 per mile	$12.504 per mile	$12.504 per mile
	Yields	5,900		5,803
(b)	***Precepts***	2.7813c in $UV	2.7813c in $UV	2.7813c in $UV
	Yields	31,729		29,495

(c) ***Fees & Charges - By Function***	2010 $	2009 $
Economic Services	5,900	5,803

24. Contributions/Grants

	2010 $	2009 $
Operational Grants		
Subsidy - Agriculture WA	28,000	28,000

25. EMPLOYEE NUMBERS

	2010	2009
The number of full-time equivalent employees at balance date	-	-

26. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2010	2009	2010	2009
	$	$	$	$
Financial Assets				
Cash and cash equivalents	23,604	16,447	23,604	16,447
Receivables		-	-	-
	23,604	16,447	23,604	16,447
Financial Liabilities				
Payables	-	-	-	-
	-	-	-	-

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.

26. FINANCIAL RISK MANAGEMENT (Continued)
(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council.

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

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

Council manages these risks by diversifying its portfolio. Council also seeks advice from independent advisers (where applicable) before placing any cash.

	30-Jun-09 **$**	**30-Jun-08** **$**
Impact of a 1% **(*)** movement in interest rates on cash:		
- Equity	150	152
- Income Statement	150	152