



Shire of Kent – Annual Report 2012/2013

# Shire of Kent



**Annual Report 2012/13**



## Shire of Kent – Annual Report 2012/2013

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## Shire of Kent – Annual Report 2012/2013

### 1. INTRODUCTION

The Shire of Kent is pleased to present the Annual Report for the 2012/2013 financial year.

This report will provide an overview of the Shire's financial position, achievements attained and an indication of some future directions of Council.

The Annual Report is designed to encourage an understanding of Council's aims, objectives and activities to provide a better environment for residents to live and work in.

### 2. AUTHORITY AND LEGISLATION

The Shire of Kent is a statutory organisation responsible to the Minister for Local Government, The Hon G M (Tony) Simpson MLA. The Shire of Kent operates under the provision of the Local Government Act 1995 (as amended).

#### SHIRE OFFICE LOCATIONS

Administration Centre: Richmond Street, Nyabing  
Postal Address: PO Box 15, NYABING WA 6341  
Telephone: (08) 98291051  
Facsimile: (08) 98291083  
Email: [admin@kent.wa.gov.au](mailto:admin@kent.wa.gov.au)  
Office Hours: 8.30am to 4.30pm, Monday to Friday

Pingrup Library: Sanderson Street, Pingrup (Pingrup CRC)  
Nyabing Library: Administration Centre, Nyabing

#### SHIRE STATISTICS

<b>Area</b>	6552sq km	<b>Average Min Temp</b>	4.5(C)
<b>Position</b>	320km SE of Perth	<b>Wool Clip</b>	1,961,000kg
<b>Population</b>	540	<b>Wheat Produced</b>	103,839 tonnes
<b>Length of Roads</b>	224km sealed 1206km gravel	<b>Barley Produced</b>	42,709 tonnes
<b>Rateable Assessments</b>	480	<b>Number of Sheep</b>	347,200
<b>Average Rainfall</b>	383mm	<b>Number of Pigs</b>	700
<b>Average Max Temp</b>	29.9(C)		

(The above agricultural statistics are supplied by the Australian Bureau of Statistics)

#### SUBURBS AND LOCALITIES

Pingrup; Nyabing

#### SIGNIFICANT LOCAL EVENTS

Pingrup Races – March each year

#### FULL COUNCIL MEETING

Meets third Wednesday of each month except for January

#### TOURIST ATTRACTIONS

Nampup Soak; Hollands Track; Pink Lakes; Holland Rocks; Lake Bryde; Wildflowers

#### LOCAL INDUSTRIES

Wheat; other grains; sheep; associated support businesses



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### 3. SHIRE PRESIDENTS REPORT

It is with pleasure that I report on the activities of the Shire of Kent for the period 1 July 2012 to 30 June 2013. The Council finished the year with a surplus of \$427,785. The surplus was understated due to Country Local Government Fund income (Royalties for Regions), which is as yet unpaid by the State Government. The projects associated with this funding were time specific and so the Council continued with the works prior to receipt of the funds. The result is nonetheless a healthy one and sees the continuation of prudent financial management of the Council's resources.

Council has continued to endeavour to maintain a vibrant rural community and pursue the objectives of the Strategic Plan 2010 – 2015 and the new Community Strategic Plan.

This year has seen further progress on Memorial Park and Burston Street Park which are funded from Royalties for Regions Program and, with further funding from this program, both parks will be completed during 2013/14. We also saw the commencement of the Nyabing Bowling Green resurfacing project where the Nyabing Bowling and Sports clubs made significant cash contributions.

The funding for these works comes from sources specific to these types of projects and while it would be nice to spend these funds on roads or other projects unfortunately it is just not possible. Council staff will continue to source funding where available to take on such projects so that ratepayer's contributions to these "soft" projects is kept to an absolute minimum.

Ordinary Council Elections were held in October and only three of the four vacancies were filled at that time. Crs Tuffley, Stephens and Browne were returned unopposed and Cr Jury retired. I would like to congratulate those members and offer my thanks to Cr Jury for her tireless work through the Pingrup CRC and other local committees, she has been a great asset during her stay with us.

Telecommunications, roads, water to a lesser degree and local government reform continue to be major issues for the council and staff. In addition to the reform process there is a much greater compliance regime through long term planning and asset management provisions of the revised Local Government Act now in place. While several of the plans are not yet complete, they will come to finalisation and full integration in the near future.

It has been another challenging year, with a number of large projects being undertaken and with a lot of uncertainty on the horizon. Our CEO and staff continue to look for opportunities to enhance services, and access funds to help maintain and improve services to our communities.

In conclusion, I would like to thank Peter, all staff members and Councillors (past and present) for their dedication throughout the year. Also thanks goes to Cr Mark Stephens for his support as Deputy Shire President.

**CR CATHY CROSBY**  
**SHIRE PRESIDENT**



## Shire of Kent – Annual Report 2012/2013

### 4. CHIEF EXECUTIVE OFFICERS REPORT

It is with great pleasure that I present my report for the 2012/2013 financial year, a year that has had a focus on future planning and has provided many challenges for our small workforce.

#### **Integrated Planning**

Council embraced the Integrated Planning and Reporting requirements and embarked on the development of its Community Strategic Plan and Workforce Plan. After engaging with the community and consulting with our stakeholders to develop both Plans they were adopted in June 2013. Other informing documents, an Asset Management Plan, Long Term Financial Plan and Corporate Plan are still in development following problems with the changes to fair value accounting for assets, in particular the valuation of assets. The development of these documents is providing an opportunity for both Councillors and staff to have a close look at the community owned assets and to also gain a better understanding of where our future direction lies.

The Community Strategic Plan must be reviewed every 4 years while the Corporate Plan will be reviewed annually. The Shire of Kent received no financial assistance with the development of this plan however many councils, particularly those that have committed to Regional Transition Groups through the local government reform process, have had significant funding for the many new planning tasks ascribed to local government. The Strategic Community Plan is available on Councils website [www.kent.wa.gov.au](http://www.kent.wa.gov.au)

#### **Financial Performance**

The Shire of Kent continued to maintain a strong financial position throughout the 2012-2013 financial year. Some of the highlights are as follows:

- The year finished with \$1,630,344 in cash backed reserves. These cash backed reserves are set aside for specific future purposes and there are restrictions on how the funds can be spent. Council budgets on an annual basis to place funds in these reserves to assist in meeting the future needs of the community.
- The 2012-2013 year saw Council raise no new loans.

#### **Financial Ratios**

As part of the annual financial reporting process a local government is required to report on a number of financial ratios which provide a “snapshot” of the local government’s financial strength. This year saw the introduction of new ratios and In this regard the Shire of Kent has the following outcomes for the 2012-13 year:-

- **Current ratio** – (indicates the Shire’s ability to meet short term debt obligations) Council’s ratio is 1.785 where the standard is met if the ratio is greater than 1.0. Thus we finished in a very strong position.
- **Asset Sustainability Ratio** – (indicates that the Shire is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out) Council’s ratio is 1.806 where the standard is met if the ratio is greater than 0.9. Again Council finished in a very strong position.
- **Debt ratio** – (indicates the Shire’s ability to repay its debt including lease payments). Our ratio is 13.496 where a basic standard is met if the ratio is greater than or equal to 2. An advanced standard is met if the ratio is greater than 5. Again we are in a very strong position.
- **Operating Surplus Ratio** – (indicates the Shire’s ability to cover its operational costs and have revenues available for capital funding or other purposes). Our ratio is (0.058) where a basic standard is met if the ratio is between 0.01 and 0.15. Council meets the basic standard.



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- **Own Source Revenue Coverage Ratio** – (indicates the Shire’s ability to cover its costs through its own revenue effort). This year the ratio is 0.484 where the standard is met if the ratio is between 0.4 and 0.6. Council meets the basic standard.
- **Asset Consumption Ratio** – (measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost). Council’s ratio is 0.662 where the standard is met if the ratio is 0.5 or greater. Council does not meet the basic standard with this ratio.
- **Asset Renewal Funding Ratio** – (measures the ability of the Shire to fund its projected asset renewal/replacements in the future). This year the Council is unable to provide this ratio due to the information not being available. The standard is met if the ratio is between 0.75 and 0.95. The standard is improving if the ratio is between 0.95 and 1.05.

### Projects

#### Road Projects

The 2012-2013 budget was adopted by Council on 19 July 2012 and included an overall rate increase of 4.0%. With the assistance of funding through Roads to Recovery and the Regional Road Group program Council completed the following major road projects:-

- North Needilup Road – (Gravel *Re-sheet*)
- Dumbleyung Road – (Various *Black spot*)
- Ongerup Road – (*widen and seal*)
- Newdegate/Tranter Road – (*Widen slip lane construction & reseal*)
- South Fence Road – (Gravel *Re-sheet*)
- Warren Road – (Gravel *Re-sheet*)
- Manual Road – (Gravel *Re-sheet*)
- Nyabing South Road – (Gravel *Re-sheet*)
- Peterson Road – (Gravel *Re-sheet*)
- Rasmussen Road – (Gravel *Re-sheet*)
- North Kuringup Road – (Gravel *Re-sheet*)
- Ryan Road – (Gravel *Re-Sheet*)
- East Road – (Gravel *Re-sheet*)
- 

#### Royalties for Regions – Country Local Government Fund

##### Nyabing Bowling Green Surface Replacement

\$116,000 was allocated to this project. The total project cost is \$265,000 with the balance of funds coming from contributions from the Sports Club, The Bowling Club and the CSRFF Fund. Additional works were added to the original project which will be funded from a combination of bowling club and Council contributions.

##### Memorial Park and Burston Street Park

\$266,994 was allocated for the continued park projects. This includes some carry over funds from the previous year’s program.

#### Regional Component

Council has invested its regional component into the Regional Waste project along with the Shires of Jerramungup, Gnowangerup, Ravensthorpe and Katanning. The project will deliver two regional waste sites to Ravensthorpe and Katanning. The reason for investing heavily in this project is that the Nyabing waste site is nearing the end of its viable life and the Department of Environment and Conservation has refused all alternative sites within the Shire. This means that an external site, in this case Katanning, has been an imperative.



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### Other Projects

#### **Purpose-built Education Department House.**

Council had agreed to construct a purpose built house for a teacher/principal's residence in Nyabing. \$450,000 was set aside to come from loan funding for this project however in early 2013 the Government Regional Officers Housing area of the Department of Housing asked that Council postpone the project. At this time it is believed that the project has been shelved indefinitely.

#### **Coates Close Subdivision**

The land at Coates Close has been vested in the Shire of Kent for residential purposes and the Council can now move to freehold these lots for housing. One lot is earmarked as a future senior staff house, and another for well aged accommodation.

#### **Other**

Local Government Reform still features prominently in the lives of Local Government Councillors and staff. Over the past twelve months the Council has continued to work hard to ensure that the Shire continues to deliver the best services that it can and to also be in a good position to meet the demands being placed on it in relation to the State Government initiated reform process. The Metropolitan Review has resulted in the announcement of proposed amalgamations across the 30 metropolitan Local Governments. It is anticipated that the rural areas will follow at a later date. Overall given the environment of constant change that we find ourselves in, the Shire of Kent can confidently claim to have achieved another successful year. In conclusion I would like to thank the President and Councillors for their support during the year and the staff for their ongoing support, loyalty and dedication to their roles. Thank you all.

**PETER BENTLEY**  
**CHIEF EXECUTIVE OFFICER**



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5. SHIRE OF KENT COUNCIL MEMBERS - 2012/2013

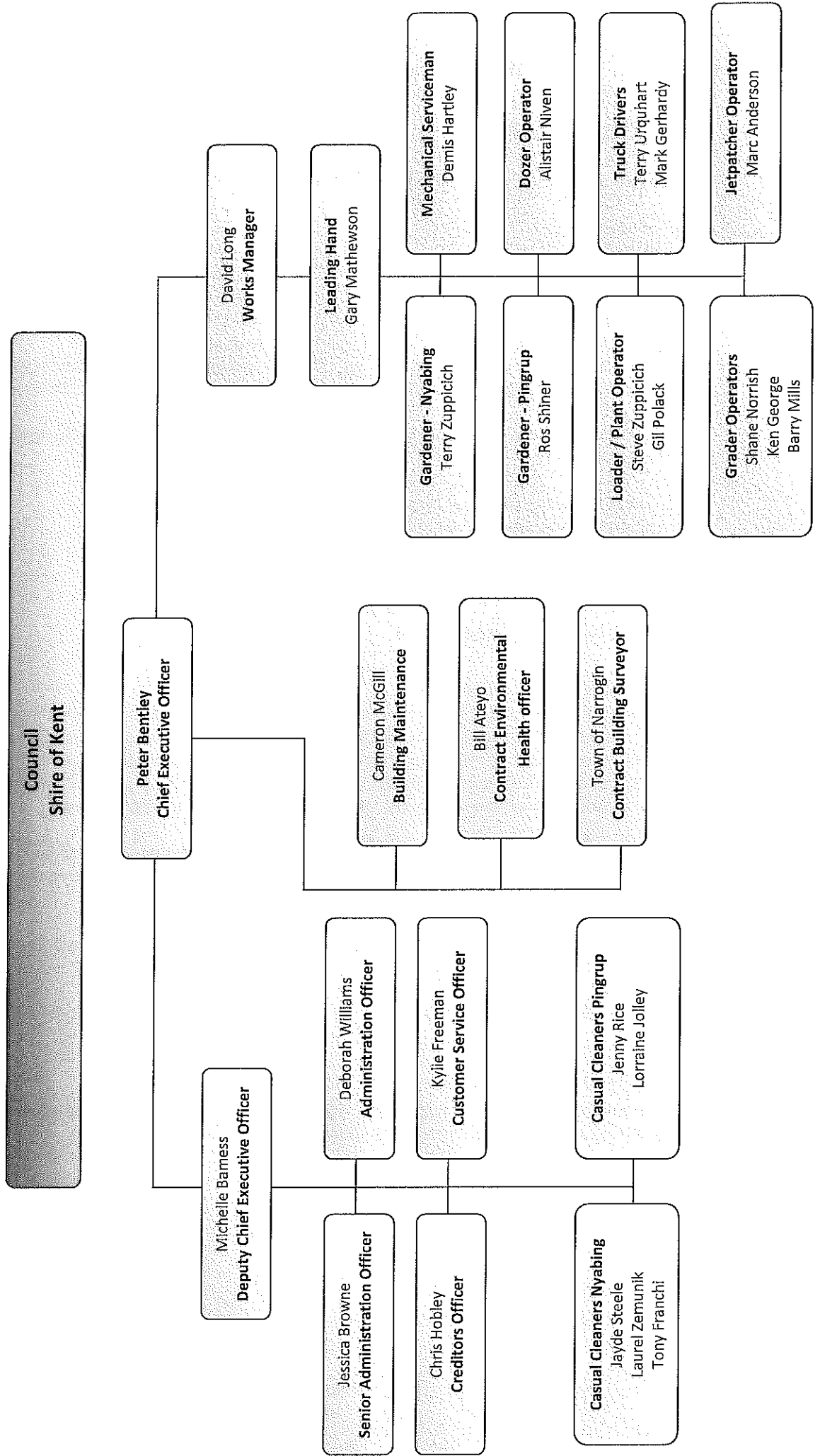


Back Row – Cr Grant Collins, Cr Mark Stephens (Deputy President), Cr Alan Smith, Cr Gordon Browne, Cr Bruce Altham  
 Front Row – Cr Renae Jury, Cr Cathy Crosby (Shire President), Cr Megan Tuffley

<i>COUNCILLORS</i>	<i>PHONE</i>	<i>FAX</i>
C (Cathy) Crosby	98291061	
BM (Bruce) Altham	9820 1064	9820 1040
A (Alan) Smith	9820 1046	9820 1003
G (Grant) Collins	9829 6016	9829 6029
GD (Gordon) Browne	9829 1014	9829 1141
M (Mark) Stephens	9829 1114	9829 1048
MJ (Megan) Tuffley	9829 1076	9829 1076
RA (Renae) Jury	9820 1080	9820 1007



## 6. ORGANISATIONAL STRUCTURE





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### 7. COUNCIL DOCUMENTS

There are various documents available for inspection by members of the public. These include:

Council Agendas	Council Minutes
Annual Budgets	Policy Manual
Annual Financial Statements	Local Laws
Forward Planning Budget	Delegations Register
Town Planning Scheme	Rates Assessment Book
Electoral Roll	Community Strategic Plan
Customer Service Charter (Sewerage)	Sewerage Asset Management Plan
Code of Conduct – Members and Staff	Freedom of Information Statement

In addition to the above documents, Council provides information through the following outlets as a service to the public:

Shire Notes – Nyabing News and Pingrup Post  
Community Telephone and Information Directory  
Bushfire Information Booklet  
Leaflet Drops to Ratepayers

### 8. ADDITIONAL INFORMATION

#### NATIONAL COMPETITION POLICY

This policy has been introduced by the Commonwealth Government so as to promote competition for the benefit of business, consumers and the economy by removing unnecessary protection of monopolies of markets where competition can be enhanced. It affects local governments as factors such as exemption from company and income tax or possible local regulations and laws may give local government a potential advantage over private contractors. In respect to competitive neutrality, the Shire of Broomehill-Tambellup reports:

- ❖ The Shire of Kent during 2012-2013 did not engage in any significant business activities which generated in excess of \$200,000 annual income. Therefore, the introduction of competitive neutrality under Clause 7 of the policy was not required.
- ❖ There is no indication that the Council will become involved in any significant business activities during the next financial reporting period.
- ❖ There have been no allegations received by the Council of non-compliance with the neutrality principles.

#### DISCLOSURE OF ANNUAL SALARY

The Local Government (Administration) Regulations 1996 – Regulation 19B requires that the annual report for a Local Government for a financial year is to contain the following information:

- ❖ The number of employees of the local government entitled to an annual salary of \$100,000 or more.

The Shire of Kent has one employee entitled to an annual salary of \$100,000 or more.

#### SECTION 5.121 REPORT

Section 5.121 of the Local Government Act 1995 requires Annual Reports to contain details of entries made in the Complaints Register regarding complaints made about elected members.

There were no complaints lodged against elected members in the year under review.



## Shire of Kent – Annual Report 2012/2013

### ADOPTION OF LOCAL LAWS

The Shire of Kent did not adopt any local laws during the reporting period.

### SHIRE OF KENT – COMMUNITY STRATEGIC PLAN

Following a public consultation process the Council adopted the “Shire of Kent Community Strategic Plan 2013-2023” document in June 2013.

This document has five main strategic objectives:-

- ❖ Building a sense of community;
- ❖ Preserving and sustaining our natural environment;
- ❖ Enhanced lifestyle choices; and
- ❖ Maximise business and employment opportunities; and
- ❖ Strengthen shire leadership.

The document is available for public viewing at the Nyabing office. A Workforce Plan was also adopted at the June 2013 meeting by the Council and this too will be an important part of the future planning process.

State Government initiated changes to legislation has seen the development of this plan which will replace the 2010 – 2014 Shire of Kent Strategic Plan and a Corporate Business Plan, Asset Management Plan, and a Long Term Financial Plan are in development.

These plans have been and will be developed with community consultation and input and represent the community aspirations for the district. It is a requirement that these new plans are reported against each year in the Annual Report.

### FREEDOM OF INFORMATION

The Shire of Kent welcomes any enquiries for information held by Council. If information cannot be accessed by less formal means, a freedom of information request can be made by contacting the Chief Executive Officer. It should be noted that some documents are for viewing only and documents cannot be copied which would breach the Copyright Act. No enquiries were received during the 2012-2013 period however and no formal application for information was received. Council’s Information Statement is reviewed annually and a copy made available at its Nyabing office for perusal, as required under the *Freedom of Information Act 1992*.

### STATE RECORDS ACT 2000

*State Records Commission Standard 2 (Record Keeping Plan) Principle 6 (Compliance) states that government organisations, including local government, should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities under their Record Keeping Plan. Council is required to report its progress with complying with this Principle in its Annual Report.*

Staff development in the area of Record Keeping compliance has continued through the year, with new staff members receiving a basic introduction to Records as part of their induction into the organisation. This training provides an overview of the responsibilities of individual officers, and Councils obligations under the State Records Act 2000. Elected members received information on what constitutes a record from a Councillor perspective, and their responsibility to ensure relevant information is captured into Council’s record system.

### DISABILITY SERVICES PLAN

Section 29(m) of the *Disability Services Act 1993* requires the Shire to report on the following six outcomes in its approach to assisting disabled people within the Shire:

1. **People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the relevant public authority.**



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Council-organised community events are held in appropriate venues with facilities which allow for ease of access by people with a disability. In 2012-13 improvements to footpaths, in both townsites, have included disabled access. Our Library services cater for those with a disability through the provision of large print and audio books.

- 2. People with disabilities have the same opportunities as other people to access the buildings and other facilities of the relevant public authority.**  
Council is committed to ensuring all Council buildings are able to be accessed by people with a disability.
- 3. People with disabilities receive information from the relevant public authority in a format that will enable them to access the information, as readily as other people are able to access it.**  
All Council publications are available in a variety of formats on request for people with specific needs. This information is conveyed through local newsletters and within each individual document.
- 4. People with disabilities receive the same level and quality of service from the staff of the relevant public authority.**  
Council maintains a commitment to providing a high standard of service to all customers of the Shire through all avenues of contact including in-person, over the telephone and through written correspondence. All staff are aware that customers have individual needs, including people with disabilities.
- 5. People with disabilities have the same opportunities as other people to make complaints to the relevant public authority.**  
A complaints mechanism has been implemented through the Shire Administration and is accessible for all members of the community including people with disabilities.
- 6. People with disabilities have the same opportunities as other people to participate in any public consultation by the relevant public authority.**  
Council has used the local newsletter and public advertising to advise residents of issues requiring public consultation. Staff have been available to assist residents with individual requirements as needed.

### **BUILDING MAINTENANCE AND CAPITAL IMPROVEMENT REPORT**

A significant amount of building maintenance and capital improvements was undertaken during the 2012-13 year to Council residential and public buildings. Some of the major projects are outlined below:

**Lot 20 Aspendale St** - New floor coverings to entry and kitchen passage

**Lot 100 Aspendale St** - New fly screen door frame fitted

**Lot 166 A Coates Close** - Bathroom renovations

**Lot 160 2 Coates Close** - Installation of a garden shed

**21C George St** - Replacement of blinds

**Lot 159 1 Coates Close** - Internal Paint

**Lot 74 Reid St** - Upgrade of kitchen, bathroom, laundry and toilet

**Lot 69 Reid St** - Lawn/Landscaping

**Nyabing Hall** - Paint & Patch Child Clinic and external painting

**Nyabing Pavilion** - Replacement of timber floor with vinyl and replacement of carpet

**Nyabing Depot** - Replace gutter on main shed, installation of water tanks, a lockable enclosure for tyres and a lean-to on the gardener's shed



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**Nyabing General Store** - Repairs to floors and replacement of foil ceiling

**Nyabing Brownie Hut** - Replacement of rotted veranda, windows stripped and re painted, secure panels and external repainted

**Pingrup Hall** - Repair/ replace eaves, barge flashing, upgrade of furniture (Child Health Centre) and replace stage curtain

**Pingrup Pavilion** - Security Lighting (race building)

**Pingrup Depot** - Installation of shade house, removal of asbestos toilet Not Yet Started

Inspections of buildings and required safety checks, including the servicing of fire related equipment, were conducted throughout all Shire buildings. General maintenance was attended to in all buildings as required.

### **COMMUNITY SERVICES UPDATE**

This year has again been a busy one, with a number of projects completed, and many more in progress. Funding has been sourced from a variety of agencies to enable projects and community programs to be implemented, and Council is appreciative of the support shown by these agencies.

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

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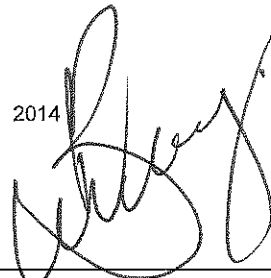
SHIRE OF KENT  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Kent being the annual financial report and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Shire of Kent at 30th June 2013 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the *25<sup>TH</sup>* day of *AUGUST* 2014



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JP Bentley  
Chief Executive Officer

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

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Rates	22	1,811,947	1,809,389	1,742,637
Operating Grants, Subsidies and Contributions	28	1,275,809	758,420	1,275,168
Fees and Charges	27	680,658	641,300	294,057
Service Charges	24	9,767	11,000	10,880
Interest Earnings	2(a)	101,595	117,650	140,804
Other Revenue		68,553	77,200	422,337
		<u>3,948,329</u>	<u>3,414,959</u>	<u>3,885,883</u>
<b>Expenses</b>				
Employee Costs		(1,332,852)	(1,263,614)	(904,885)
Materials and Contracts		(713,385)	(916,760)	(935,342)
Utility Charges		(124,838)	(120,250)	(92,182)
Depreciation on Non-Current Assets	2(a)	(1,316,434)	(1,039,983)	(1,284,729)
Interest Expenses	2(a)	(26,548)	(41,748)	(44,268)
Insurance Expenses		(120,634)	(118,065)	(100,163)
Other Expenditure		(399,807)	(553,385)	(712,622)
		<u>(4,034,498)</u>	<u>(4,053,805)</u>	<u>(4,074,191)</u>
		<b>(86,169)</b>	<b>(638,846)</b>	<b>(188,308)</b>
Non-Operating Grants, Subsidies and Contributions	28	520,490	1,316,301	1,468,844
Profit on Asset Disposals	20	12,998	192,700	49,308
Loss on Asset Disposal	20	(82,079)	(14,000)	(6,565)
		<u>365,240</u>	<u>856,155</u>	<u>1,323,279</u>
<b>Net Result</b>				
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	62,545	0	0
		<u>62,545</u>	<u>0</u>	<u>0</u>
<b>Total Other Comprehensive Income</b>				
		<u>62,545</u>	<u>0</u>	<u>0</u>
<b>Total Comprehensive Income</b>				
		<u>427,785</u>	<u>856,155</u>	<u>1,323,279</u>

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

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

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Revenue</b>				
Governance		9,752	15,500	10,669
General Purpose Funding		2,473,040	2,500,779	3,138,055
Law, Order, Public Safety		61,519	62,000	59,779
Education and Welfare		571	1,200	241
Housing		83,013	272,700	0
Community Amenities		58,969	60,000	55,338
Recreation and Culture		54,486	52,430	21,639
Transport		970,700	468,501	0
Economic Services		54,305	37,650	32,190
Other Property and Services		194,972	136,900	567,973
	<b>2(a)</b>	<b>3,961,327</b>	<b>3,607,660</b>	<b>3,885,884</b>
<b>Expenses</b>				
Governance		(324,388)	(163,560)	(245,512)
General Purpose Funding		(62,990)	(442,580)	(97,347)
Law, Order, Public Safety		(104,642)	(109,391)	(69,975)
Health		(7,542)	(23,112)	(16,558)
Education and Welfare		(12,721)	(16,748)	(15,676)
Housing		(259,546)	(163,633)	0
Community Amenities		(152,180)	(210,359)	(191,886)
Recreation and Culture		(593,214)	(629,486)	(730,839)
Transport		(2,303,584)	(1,917,053)	(1,749,011)
Economic Services		(138,858)	(222,156)	(203,789)
Other Property and Services		(61,285)	(111,460)	(709,330)
	<b>2(a)</b>	<b>(4,020,950)</b>	<b>(4,009,538)</b>	<b>(4,029,923)</b>
<b>Finance Costs</b>				
Community Amenities		(1,918)	(2,846)	(2,846)
Housing		(22,079)		
Other Property and Services		(2,551)	(41,422)	(41,422)
	<b>2(a)</b>	<b>(26,548)</b>	<b>(44,268)</b>	<b>(44,268)</b>
<b>Non-Operating Grants, Subsidies and Contributions</b>				
General Purpose Funding		0	658,995	710,986
Recreation and Culture		0	0	143,800
Transport		520,490	657,306	614,058
		<b>520,490</b>	<b>1,316,301</b>	<b>1,468,844</b>
<b>Profit/(Loss) on Disposal of Assets</b>				
Transport		(63,673)	(4,000)	44,867
Other Property and Services		(5,406)	(10,000)	(2,125)
		<b>(69,079)</b>	<b>(14,000)</b>	<b>42,742</b>
<b>Net Result</b>		<b>365,240</b>	<b>856,155</b>	<b>1,323,279</b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	<b>12</b>	62,545	0	0
<b>Total Other Comprehensive Income</b>		<b>62,545</b>	<b>0</b>	<b>0</b>
<b>Total Comprehensive Income</b>		<b>427,785</b>	<b>856,155</b>	<b>1,323,279</b>

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

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

	NOTE	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	2,157,522	2,685,760
Trade and Other Receivables	4	161,542	338,378
Inventories	5	55,706	57,840
<b>TOTAL CURRENT ASSETS</b>		<b><u>2,374,770</u></b>	<b><u>3,081,978</u></b>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	5,002	4,142
Property, Plant and Equipment	6	4,978,917	5,483,953
Infrastructure	7	31,878,158	30,444,766
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>36,862,077</u></b>	<b><u>35,932,861</u></b>
<b>TOTAL ASSETS</b>		<b><u>39,236,847</u></b>	<b><u>39,014,839</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	101,730	281,600
Long Term Borrowings	9	39,701	61,186
Provisions	10	275,517	258,480
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>416,948</u></b>	<b><u>601,266</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9	556,617	596,587
Provisions	10	37,478	18,968
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b><u>594,095</u></b>	<b><u>615,555</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>1,011,043</u></b>	<b><u>1,216,821</u></b>
<b>NET ASSETS</b>		<b><u>38,225,804</u></b>	<b><u>37,798,018</u></b>
<b>EQUITY</b>			
Retained Surplus		25,425,289	25,164,757
Reserves - Cash Backed	11	1,630,334	1,525,625
Revaluation Reserve	12	11,170,181	11,107,636
<b>TOTAL EQUITY</b>		<b><u>38,225,804</u></b>	<b><u>37,798,018</u></b>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		23,867,892	1,499,211	11,107,636	36,474,739
Comprehensive Income					
Net Result		1,323,279	0	0	1,323,279
Changes on Revaluation of Non-Current Assets	12	0	0	0	0
Total Comprehensive Income		<u>1,323,279</u>	<u>0</u>	<u>0</u>	<u>1,323,279</u>
Reserve Transfers		(26,414)	26,414	0	0
<b>Balance as at 30 June 2012</b>		<b><u>25,164,757</u></b>	<b><u>1,525,625</u></b>	<b><u>11,107,636</u></b>	<b><u>37,798,018</u></b>
Comprehensive Income					
Net Result		365,240	0	0	365,240
Changes on Revaluation of Non-Current Assets	12	0	0	62,545	62,545
Total Other Comprehensive Income		<u>365,240</u>	<u>0</u>	<u>62,545</u>	<u>427,785</u>
Reserve Transfers		(104,708)	104,709	0	1
<b>Balance as at 30 June 2013</b>		<b><u>25,425,289</u></b>	<b><u>1,630,334</u></b>	<b><u>11,170,181</u></b>	<b><u>38,225,804</u></b>

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

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

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		1,814,205	1,907,907	1,730,316
Operating Grants, Subsidies and Contributions		1,275,809	758,420	1,275,168
Fees and Charges		850,234	641,300	88,838
Service Charges		9,767	11,000	10,880
Interest Earnings		101,595	117,650	130,347
Goods and Services Tax		4,143	0	(39,518)
Other Revenue		68,554	77,200	422,337
		<u>4,124,307</u>	<u>3,513,477</u>	<u>3,618,368</u>
<b>Payments</b>				
Employee Costs		(1,265,749)	(1,245,999)	(882,832)
Materials and Contracts		(950,683)	(758,852)	(703,668)
Utility Charges		(124,838)	(120,250)	(92,182)
Insurance Expenses		(120,634)	(118,065)	(100,163)
Interest expenses		(27,509)	(41,748)	(45,314)
Goods and Services Tax		28,967	0	1,240
Other Expenditure		(399,808)	(553,385)	(712,622)
		<u>(2,860,254)</u>	<u>(2,838,299)</u>	<u>(2,535,541)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>13(b)</b>	<u><b>1,264,053</b></u>	<u><b>675,178</b></u>	<u><b>1,082,827</b></u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(421,796)	(1,645,865)	(703,233)
Payments for Construction of Infrastructure		(1,956,010)	(2,206,009)	(1,540,792)
Non-Operating Grants, Subsidies and Contributions		520,490	1,316,301	1,468,844
Proceeds from Sale of Plant & Equipment		126,480	290,000	234,773
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u><b>(1,730,836)</b></u>	<u><b>(2,245,573)</b></u>	<u><b>(540,408)</b></u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(61,455)	(61,456)	(57,927)
Proceeds from New Debentures		0	750,000	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u><b>(61,455)</b></u>	<u><b>688,544</b></u>	<u><b>(57,927)</b></u>
<b>Net Increase (Decrease) in Cash Held</b>		<u><b>(528,238)</b></u>	<u><b>(881,851)</b></u>	<u><b>484,492</b></u>
Cash at Beginning of Year		2,685,760	2,681,391	2,201,268
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>13(a)</b>	<u><u><b>2,157,522</b></u></u>	<u><u><b>1,799,540</b></u></u>	<u><u><b>2,685,760</b></u></u>

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

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

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
<b>Revenue</b>				
Governance		9,752	15,500	10,669
General Purpose Funding		1,181,583	1,350,385	2,106,404
Law, Order, Public Safety		61,519	62,000	59,779
Health		0	0	0
Education and Welfare		571	1,200	241
Housing		83,013	272,700	0
Community Amenities		58,969	60,000	55,338
Recreation and Culture		54,486	52,430	165,439
Transport		970,700	1,125,806	663,366
Economic Services		54,305	37,650	32,190
Other Property and Services		194,972	136,900	567,974
		<b>2,669,870</b>	<b>3,114,571</b>	<b>3,661,400</b>
<b>Expenses</b>				
Governance		(324,388)	(442,580)	(245,512)
General Purpose Funding		(62,990)	(163,560)	(97,347)
Law, Order, Public Safety		(104,643)	(109,390)	(69,975)
Health		(7,542)	(23,112)	(16,558)
Education and Welfare		(12,721)	(16,748)	(15,676)
Housing		(281,625)	(163,633)	0
Community Amenities		(154,098)	(213,205)	(194,732)
Recreation and Culture		(593,214)	(629,486)	(730,839)
Transport		(2,367,256)	(1,931,053)	(1,753,452)
Economic Services		(138,858)	(222,156)	(203,789)
Other Property and Services		(69,242)	(152,882)	(752,878)
		<b>(4,116,577)</b>	<b>(4,067,805)</b>	<b>(4,080,758)</b>
<b>Net Result Excluding Rates</b>		<b>(1,446,707)</b>	<b>(953,234)</b>	<b>(419,358)</b>
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	<b>20</b>	69,081	(178,700)	(42,743)
Movement in Deferred Pensioner Rates (Non-Current)		(859)	0	(974)
Movement in Accrued Interest		0	0	(1,046)
Movement in Salaries and Wages		0	0	(21,727)
Movement in Employee Benefit Provisions (Non-Current)		20,268	0	43,780
Depreciation and Amortisation on Assets	<b>2(a)</b>	1,316,434	1,039,983	1,284,729
<b>Capital Expenditure and Revenue</b>				
Purchase Land and Buildings		(23,437)	(1,190,000)	(136,578)
Purchase Infrastructure Assets - Roads		(1,542,796)	(1,666,009)	(954,574)
Purchase Infrastructure Assets - Parks and Reserves		(413,215)	(540,000)	(586,218)
Purchase Plant and Equipment		(397,478)	(454,000)	(555,981)
Purchase Furniture and Equipment		(880)	(1,865)	(10,671)
Proceeds from Disposal of Assets	<b>20</b>	126,480	290,000	234,773
Repayment of Debentures	<b>21</b>	(61,454)	(61,456)	(57,929)
Proceeds from New Debentures	<b>21</b>	0	750,000	0
Self-Supporting Loan Principal Income		0	0	0
Transfers to Reserves (Restricted Assets)	<b>11</b>	(296,859)	(427,000)	(332,114)
Transfers from Reserves (Restricted Assets)	<b>11</b>	192,150	295,700	305,700
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	<b>22(b)</b>	1,290,031	1,287,192	798,325
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	<b>22(b)</b>	642,707	0	1,290,031
<b>Total Amount Raised from General Rate</b>	<b>22(a)</b>	<b>(1,811,947)</b>	<b>(1,809,389)</b>	<b>(1,742,637)</b>

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Preparation**

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

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

**Critical Accounting Estimates**

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

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

**(b) The Local Government Reporting Entity**

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

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

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

**(c) Goods and Services Tax (GST)**

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

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

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

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks,

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Cash and Cash Equivalents (Continued)**

other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

**(e) Trade and Other Receivables**

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

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

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

**(f) Inventories**

***General***

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

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

***Land Held for Resale***

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

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

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

**(g) Fixed Assets**

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

***Mandatory Requirement to Revalue Non-Current Assets***

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Mandatory Requirement to Revalue Non-Current Assets (Continued)***

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

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

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

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

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

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

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

***Land Under Control***

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

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

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

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2013.

***Initial Recognition***

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

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

***Revaluation***

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

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Revaluation (Continued)***

an orderly transaction between market participants at the measurement date.

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

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

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

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

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

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

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

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

***Transitional Arrangement***

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

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

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

***Early Adoption of AASB 13 - Fair Value Measurement***

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

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

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

***Land under Roads***

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

***Depreciation of Non-Current Assets***

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

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

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Depreciation of Non-Current Assets (Continued)***

Water supply piping and drainage systems 75 years

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

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

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

***Capitalisation Threshold***

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

**(h) Intangible Assets**

***Easements***

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

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

It has been deemed that all easements in the control of the Council have a nil value as at the financial year ended 30 June 2013.

**(i) Financial Instruments**

***Initial Recognition and Measurement***

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

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

***Classification and Subsequent Measurement***

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

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

Amortised cost is calculated as:

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

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including

fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments (Continued)**

***Classification and Subsequent Measurement (Continued)***

be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

***Classification and Subsequent Measurement (Continued)***

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

*(iv) Available-for-sale financial assets*

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

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

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

*(v) Financial liabilities*

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

***Impairment***

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments (Continued)**

*Impairment (Continued)*

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

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

***Derecognition***

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

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

**(j) Impairment**

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

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

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

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

**(k) Trade and Other Payables**

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

**(l) Employee Benefits**

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments (Continued)**

**(l) Employee Benefits (Continued)**

benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

**(m) Borrowing Costs**

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

**(n) Provisions**

Provisions are recognised when:

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

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

**(o) Leases**

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

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

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

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

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

**(p) Joint Venture**

The Shire of Kent has not been involved in any joint ventures in the statement period.

**(q) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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

**(r) Superannuation**

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

**(s) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(s) Current and Non-Current Classification (Continued)**

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

**(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.

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

**(v) Budget Comparative Figures**

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(i) AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	September 2012	Deferred AASB 9 until 1 January 2015	
(ii) AASB 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(x) Adoption of New and Revised Accounting Standards**

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations.

These new and revised standards were:

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

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

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

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

**2. REVENUE AND EXPENSES**

**2013**  
\$                      **2012**  
\$

**(a) Net Result**

The Net Result includes:

(i) Charging as an Expense:

**Auditors Remuneration**

- Audit of the financial report	16,365	13,025
- Financial Management Review		
- Assistance with the finalisation of the annual financial report		

**Depreciation**

Buildings	120,423	108,140
Furniture and Equipment	16,506	41,322
Plant and Equipment	326,741	317,074
Roads	807,872	798,799
Parks and Reserves	44,891	19,394

	<b>1,316,434</b>	<b>1,284,729</b>
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**Interest Expenses (Finance Costs)**

Debentures ( <i>refer Note 21(a)</i> )	26,548	44,268
	<b>26,548</b>	<b>44,268</b>

**Rental Charges**

- Operating Leases	0	0
	<b>0</b>	<b>0</b>

(ii) Crediting as Revenue:

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	\$	Budget	\$
		\$	

**Interest Earnings**

Investments			
- Reserve Funds	65,858	64,500	80,114
- Other Funds	30,288	41,400	50,233
Other Interest Revenue ( <i>refer note 26</i> )	5,449	11,750	10,457
	<b>101,595</b>	<b>117,650</b>	<b>140,804</b>

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

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective**

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

**GOVERNANCE**

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

**GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

**HEALTH**

Food quality and pest control, immunisation services, operation of child health clinic.

**EDUCATION AND WELFARE**

Operation of Pre-school facilities, assistance to playgroups and other voluntary services.

**COMMUNITY AMENITIES**

Rubbish collection services, operation of tips, administration of the town planning scheme, maintenance of cemeteries and townsite sewerage schemes.

**RECREATION AND CULTURE**

Maintenance of halls, recreation centres and various reserves; operation of library.

**TRANSPORT**

Construction and maintenance of streets, roads; cleaning and lighting of streets, depot maintenance.

**ECONOMIC SERVICES**

The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control and standpipes.

**OTHER PROPERTY AND SERVICES**

Private works operations, plant repairs and operation costs.

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

**2. REVENUE AND EXPENSES (Continued)**

<b>(c) Conditions Over Grants/Contributions</b>		<b>Opening</b>		<b>Received (+)</b>		<b>Expended (#)</b>		<b>Closing</b>	
		<b>Balance (*)</b>	<b>1-Jul-11</b>	<b>2011/12</b>	<b>2011/12</b>	<b>2011/12</b>	<b>2011/12</b>	<b>Balance (*)</b>	<b>30-Jun-12</b>
<b>Grant/Contribution</b>	<b>Function/ Activity</b>		\$	\$	\$	\$	\$	\$	\$
Royalties for Regions 65% Non Op	3	(66,235)	694,706	(536,500)	91,971	0	(440,588)	(348,617)	
Forward Capital Works Plan	4	0	16,280	0	16,280	0	(16,280)	0	
RLCIP Federal Grant	10	30,000	0	0	30,000	0	0	30,000	
Zero Waste Project (Phase 2)	10	27,522	0	0	27,522	0	0	27,522	
Park Upgrade Pingrup (RLCIP/2)	11	646	0	0	646	0	0	646	
Park Upgrade Nyabing (RLCIP/2)	11	3,719	0	0	3,719	0	0	3,719	
Town Enhancement Program	11	0	143,800	(143,800)	0	0	0	0	
MRWA Direct Grant	12	0	101,387	(101,387)	0	116,901	(116,901)	0	
Regional Road Group	12	120,214	127,920	(177,982)	70,152	178,566	(384,080)	(135,362)	
Roads to Recovery	12	261,654	347,231	(438,256)	170,629	281,816	(325,813)	126,632	
2011/12 Black Spot	12	0	37,520	(37,520)	0	60,108	(72,721)	(12,613)	
<b>Total</b>		<b>377,520</b>	<b>1,468,844</b>	<b>(1,435,445)</b>	<b>410,919</b>	<b>637,391</b>	<b>(1,356,383)</b>	<b>(308,073)</b>	

**Notes:**

- (\*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (+) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (#) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

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

	2013 \$	2012 \$
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	527,188	749,217
Restricted	1,630,334	1,936,543
	<u>2,157,522</u>	<u>2,685,760</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Employee Entitlements Reserve	148,088	141,964
Plant Reserve	355,898	288,454
Building Reserve	276,659	265,218
Nyabing Recreation Reserve	27,789	44,854
Pingrup Recreation Reserve	18,172	7,791
Cemetery Reserve	16,217	15,546
Water Supply Reserve	26,215	25,131
Sewerage Reserve	119,203	104,687
Computer Equipment Reserve	1,539	1,475
Administration Vehicles Reserve	30,801	45,968
Refuse Disposal Facilities Reserve	97,322	93,297
Road Reserve	512,431	491,239
Unspent Grants	0	410,919
	<u>1,630,334</u>	<u>1,936,543</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	24,082	27,199
Sundry Debtors	89,596	259,172
GST Receivable	47,864	52,007
	<u>161,542</u>	<u>338,378</u>
<b>Non-Current</b>		
Rates Outstanding - Pensioners	5,002	4,143
	<u>5,002</u>	<u>4,143</u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	55,706	57,840
	<u>55,706</u>	<u>57,840</u>

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

	2013	2012
	\$	\$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2013		
- Cost	4,273,002	4,272,839
	<u>4,273,002</u>	<u>4,272,839</u>
Less Accumulated Depreciation	<u>(1,586,385)</u>	<u>(1,503,879)</u>
Total Land and Buildings	<u>2,686,617</u>	<u>2,768,960</u>
Furniture and Equipment - Cost	0	608,620
Furniture and Equipment - Management Valuation 2013	5,000	0
Less Accumulated Depreciation	<u>0</u>	<u>(540,527)</u>
	<u>5,000</u>	<u>68,093</u>
Plant and Equipment - Cost	0	4,708,023
Plant and Equipment - Independent Valuation 2013	2,287,300	0
Less Accumulated Depreciation	<u>0</u>	<u>(2,061,123)</u>
	<u>2,287,300</u>	<u>2,646,900</u>
	<u>4,978,917</u>	<u>5,483,953</u>

**Plant and Equipment:**

The Shire's Plant and Equipment was revalued as at 30 June 2013 by Griffin Valuation Advisors. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy)

The revaluation resulted in an overall increase of \$84,652 in the net value of the Shire's plant and equipment. All of this increase was credited to the revaluation surplus in the Shire's equity (refer note 12 for further details) and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

**Furniture and Equipment:**

The Shire's Furniture and Equipment was revalued as at 30 June 2013 by Griffin Valuation Advisors. All of the valuations were made having regard for their current replacement costs, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (Level 3 inputs).

Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs.

Those Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower value measurement.

The revaluation resulted in an overall decrease of \$22,108 in the net value of Shire's Furniture and Equipment. All of this decrease was debited to the revaluation surplus in the Shire's equity and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

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

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Movements in Carrying Amounts**

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	<b>Land &amp; Buildings \$</b>	<b>Plant and Equipment (Level 2) \$</b>	<b>Furniture and Equipment (Level 3) \$</b>	<b>Total \$</b>
Balance as at the beginning of the year	2,768,960	2,646,900	68,093	5,483,953
Additions	23,437	397,478	880	421,795
(Disposals)	(2,107)	(166,133)	(27,205)	(195,445)
Revaluation - Increments/(Decrements)		84,652	(22,108)	62,544
Movement in Asset Class	16,750	(348,856)	1,846	(330,260)
Depreciation (Expense)	(120,423)	(326,741)	(16,506)	(463,671) 0
<b>Carrying amount at the end of year</b>	<b><u>2,686,617</u></b>	<b><u>2,287,300</u></b>	<b><u>5,000</u></b>	<b><u>4,978,917</u></b>

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	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>7. INFRASTRUCTURE</b>		
Roads - Cost	47,081,459	45,538,778
Less Accumulated Depreciation	<u>(16,734,401)</u>	<u>(15,926,529)</u>
	<b>30,347,058</b>	<b>29,612,249</b>
Infrastructre Other - Cost	2,016,980	1,103,748
Less Accumulated Depreciation	<u>(485,880)</u>	<u>(271,231)</u>
	<b>1,531,100</b>	<b>832,517</b>
	<b><u>31,878,158</u></b>	<b><u>30,444,766</u></b>

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**7. INFRASTRUCTURE (Continued)**

**Movements in Carrying Amounts**

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

	<u>Roads</u>	<u>Infrastructure</u>	<u>Total</u>
	\$	Other	\$
	\$	\$	\$
Balance at the beginning of the year	29,612,249	832,517	30,444,766
Additions	1,542,796	413,215	1,956,010
(Disposals)	(115)		(115)
Revaluation - Increments/(Decre)	0		0
Movement in asset class	0	330,260	330,260
Depreciation (Expense)	(807,872)	(44,891)	(852,763)
<b>Carrying amount at the end of year</b>	<b><u>30,347,058</u></b>	<b><u>1,531,100</u></b>	<b><u>31,878,158</u></b>

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	2013	2012
	\$	\$
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	24,730	249,337
PAYG Liability	22,429	10,546
Excess Rates Receipts	4,657	5,199
GST Payable	18,325	1,241
Accrued Interest on Debentures	(961)	14,279
Accrued Salaries and Wages	32,550	998
	<u>101,730</u>	<u>281,600</u>
<b>9. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge Debentures	<u>39,701</u>	<u>61,186</u>
	<u>39,701</u>	<u>61,186</u>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	<u>556,617</u>	<u>596,587</u>
	<u>556,617</u>	<u>596,587</u>

Additional detail on borrowings is provided in Note 21.

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<b>10. PROVISIONS</b>	<b>2013</b>	<b>2012</b>	
	<b>\$</b>	<b>\$</b>	
Analysis of Total Provisions			
<b>Current</b>			
Provision for Annual Leave	156,676	131,253	
Provision for Long Service Leave	118,843	127,227	
	<u><b>275,519</b></u>	<u><b>258,480</b></u>	
<b>Non-Current</b>			
Provision for Long Service Leave	37,478	18,968	
	<u><b>37,478</b></u>	<u><b>18,968</b></u>	
	<b>Provision for Annual Leave</b>	<b>Provision for Long Service Leave</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening balance as at 1 July 2012	131,253	146,195	277,448
Additional provisions	25,423	18,512	43,935
Amounts used	0	(8,384)	(8,384)
Used amounts reversed			0
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	0	0	0
Balance at 30 June 2013	<u><b>156,676</b></u>	<u><b>156,323</b></u>	<u><b>312,999</b></u>

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	2013 \$	2013 Budget \$	2012 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Employee Entitlements Reserve</b>			
Opening Balance	141,964	141,964	134,451
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	6,124	7,500	7,513
Amount Used / Transfer from Reserve	0	0	0
	<u><b>148,088</b></u>	<u><b>149,464</b></u>	<u><b>141,964</b></u>
<b>(b) Plant Reserve</b>			
Opening Balance	288,454	288,454	264,955
Amount Set Aside / Transfer to Reserve	175,000	175,000	170,000
Transfer of Interest to Reserve	12,444	10,500	13,499
Amount Used / Transfer from Reserve	(120,000)	(120,000)	(160,000)
	<u><b>355,898</b></u>	<u><b>353,954</b></u>	<u><b>288,454</b></u>
<b>(c) Land and Building Reserve</b>			
Opening Balance	265,218	265,218	274,860
Amount Set Aside / Transfer to Reserve	0	200,000	25,000
Transfer of Interest to Reserve	11,441	11,000	15,358
Amount Used / Transfer from Reserve	0	(125,000)	(50,000)
	<u><b>276,659</b></u>	<u><b>351,218</b></u>	<u><b>265,218</b></u>
<b>(d) Nyabing Recreation Reserve</b>			
Opening Balance	44,854	44,854	36,798
Amount Set Aside / Transfer to Reserve	6,000	6,000	6,000
Transfer of Interest to Reserve	1,935	1,500	2,056
Amount Used / Transfer from Reserve	(25,000)	0	0
	<u><b>27,789</b></u>	<u><b>52,354</b></u>	<u><b>44,854</b></u>
<b>(e) Pingrup Recreation Reserve</b>			
Opening Balance	7,792	7,791	45,305
Amount Set Aside / Transfer to Reserve	10,000	6,000	6,000
Transfer of Interest to Reserve	380	700	1,487
Amount Used / Transfer from Reserve	0	0	(45,000)
	<u><b>18,172</b></u>	<u><b>14,491</b></u>	<u><b>7,792</b></u>
<b>(f) Cemetery Reserve</b>			
Opening Balance	15,546	15,546	14,723
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	671	700	823
Amount Used / Transfer from Reserve	0	0	0
	<u><b>16,217</b></u>	<u><b>16,246</b></u>	<u><b>15,546</b></u>
<b>(g) Water Supply Reserve</b>			
Opening Balance	25,131	25,131	23,801
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	1,084	1,000	1,330
Amount Used / Transfer from Reserve	0	0	0
	<u><b>26,215</b></u>	<u><b>26,131</b></u>	<u><b>25,131</b></u>

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<b>(h) Sewerage Reserve</b>			
Opening Balance	104,687	104,687	99,147
Amount Set Aside / Transfer to Reserve	10,000	10,000	0
Transfer of Interest to Reserve	4,516	4,000	5,540
Amount Used / Transfer from Reserve	0	0	0
	<u>119,203</u>	<u>118,687</u>	<u>104,687</u>
<b>(i) Computer Equipment Reserve</b>			
Opening Balance	1,475	1,475	1,396
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	64	0	79
Amount Used / Transfer from Reserve	0	0	0
	<u>1,539</u>	<u>1,475</u>	<u>1,475</u>
<b>(j) Administration Vehicles Reserve</b>			
Opening Balance	45,968	45,967	50,171
Amount Set Aside / Transfer to Reserve	30,000	30,000	45,000
Transfer of Interest to Reserve	1,983	2,500	1,497
Amount Used / Transfer from Reserve	(47,150)	(50,700)	(50,700)
	<u>30,801</u>	<u>27,767</u>	<u>45,968</u>
<b>(k) Refuse Disposal Facility Reserve</b>			
Opening Balance	93,297	93,297	88,360
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	4,025	4,000	4,937
Amount Used / Transfer from Reserve	0	0	0
	<u>97,322</u>	<u>97,297</u>	<u>93,297</u>
<b>(l) Road Reserve</b>			
Opening Balance	491,239	491,239	465,243
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	21,192	23,000	25,996
Amount Used / Transfer from Reserve	0	0	0
	<u>512,431</u>	<u>514,239</u>	<u>491,239</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u><u>1,630,334</u></u>	<u><u>1,723,323</u></u>	<u><u>1,525,625</u></u>

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

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

**Employee Entitlements Reserve**

- to be used to fund employee leave entitlements.

**Plant Reserve**

- to be used for the purchase of major plant

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**Building Reserve**

- to be used for the construction and/or capital maintenance of building infrastructure development and for land acquisition.

**Nyabing Recreation Ground**

- to be used for the upgrading of sporting facilities in Nyabing.

**Pingrup Recreation Ground**

- to be used for the upgrading of sporting facilities in Nyabing.

**Cemetery Reserve**

- to be used for the upgrading of the Nyabing and Pingrup Cemeteries.

**Water Supply Reserve**

- to be used for providing water services to rural areas of the Shire.

**Sewerage Reserve**

- to be used for the upgrading and/or major maintenance of town site sewerage schemes.

**Computer Equipment Reserve**

- to be used for upgrading the main administration computer system and software.

**Refuse Disposal Facilities Reserve**

- to be used for a transfer disposal station to be placed at the Pingrup rubbish site.

**Road Reserve**

- to be used for capital works on roads within the Shire of Kent for future years.

The Employee Entitlements, Plant, Building, Nyabing Recreation, Pingrup Recreation, Cemetery, Water Supply, Sewerage, Administration Vehicles, Refuse Disposal Facilities and Roads Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

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<b>12. RESERVES - ASSET REVALUATION</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
<b>(a) Plant and Equipment</b>		
Opening balance	0	0
Revaluation Increment	457,245	0
Revaluation Decrement	(394,700)	0
	<u><b>62,545</b></u>	<u><b>0</b></u>
<b>(b) Roads</b>		
Opening Balance	11,107,636	11,107,636
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u><b>11,107,636</b></u>	<u><b>11,107,636</b></u>
<b>TOTAL ASSET REVALUATION RESERVES</b>	<u><u><b>11,170,181</b></u></u>	<u><u><b>11,107,636</b></u></u>

**SHIRE OF KENT**  
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**13. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Cash and Cash Equivalents	<u><u>2,157,522</u></u>	<u><u>1,799,540</u></u>	<u><u>2,685,760</u></u>

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

<b>Net Result</b>	<b>365,240</b>	<b>856,155</b>	<b>1,323,279</b>
Depreciation	1,316,434	1,039,983	1,284,729
(Profit)/Loss on Sale of Asset	69,081	(178,700)	(42,742)
(Increase)/Decrease in Receivables	175,977	98,518	(267,515)
(Increase)/Decrease in Inventories	2,134	17,840	(4,413)
Increase/(Decrease) in Payables	(179,870)	140,068	215,552
Increase/(Decrease) in Employee Provisions	35,547	17,615	42,781
Grants/Contributions for the Development of Assets	(520,490)	(1,316,301)	(1,468,844)
<b>Net Cash from Operating Activities</b>	<u><u>1,264,053</u></u>	<u><u>675,178</u></u>	<u><u>1,082,827</u></u>

**(c) Undrawn Borrowing Facilities**  
**Credit Standby Arrangements**

Bank Overdraft limit	100,000	100,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	8,000	8,000
Credit Card Balance at Balance Date	0	0
<b>Total Amount of Credit Unused</b>	<u><u>108,000</u></u>	<u><u>108,000</u></u>

**Loan Facilities**

Loan Facilities - Current	39,701	61,186
Loan Facilities - Non-Current	556,617	596,587
<b>Total Facilities in Use at Balance Date</b>	<u><u>596,318</u></u>	<u><u>657,773</u></u>

**Unused Loan Facilities at Balance Date**

<u><u>0</u></u>	<u><u>0</u></u>
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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. CONTINGENT LIABILITIES**

The Shire of Kent has no contingent assets and contingent liabilities as at 30 June 2013

**15. CAPITAL AND LEASING COMMITMENTS**

The Shire of Kent has no finance and operating lease commitments as at 30 June 2013,

**16. JOINT VENTURE**

The Shire of Kent has no joint venture arrangements as at 30 June 2013.

**17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Governance	1,164	568
Law, Order, Public Safety	118,134	89,404
Health	0	4,242
Housing	1,244,526	0
Community Amenities	554,815	577,897
Recreation and Culture	1,688,244	1,354,571
Transport	30,625,602	29,613,150
Economic Services	268,637	263,021
Other Property and Services	2,387,970	3,639,288
Unallocated	2,347,755	3,472,698
	<b><u>39,236,847</u></b>	<b><u>39,014,839</u></b>

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	2013	2012	2011
<b>18. FINANCIAL RATIOS</b>			
Current Ratio	1.785	2.494	1.086
Asset Sustainability Ratio	1.806	NA	NA
Debt Service Cover Ratio	13.496	0.026	0.031
Operating Surplus Ratio	(0.058)	NA	NA
Own Source Revenue Coverage Ratio	0.652	NA	NA

The above ratios are calculated as follows:

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

**Notes:**

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 58 of this document.

Two of the 2013 ratios disclosed above are distorted by items of significant revenue totalling \$1,235,000 relating to the initial recognition of Easements and Land under the Shire's control in accordance with amendments to the Financial Management Regulations (refer to Notes 1(g), 1(h) and 2(a)(ii) for further details).

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

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

	2013
Debt Service Cover Ratio	10.842
Operating Surplus Ratio	0.154

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**19. TRUST FUNDS**

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

	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
Housing Bonds	970	2,400	(1,180)	2,190
Trust - Other	178	0	0	178
Councillor Nomination Fees	0	0	0	0
BCITF and BRB Levy	179	235	(414)	0
	<u>1,327</u>			<u>2,368</u>

**20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>PLANT AND EQUIPMENT</b>						
<b>Other Property Services</b>					0	0
Toyota Prado (0KT)	46,033	47,000	43,937	40,000	(2,096)	(7,000)
Mitsubishi Outlander (40KT)	23,112	20,000	19,802	20,000	(3,310)	(3,000)
<b>Transport</b>						
Mitsubishi Triton Utility (50KT)	36,193	34,000	29,092	30,000	(7,101)	(4,000)
Panel Steel Vibrating Roller (KT032)	0	0	10,000	0	10,000	0
Mitsubishi Triton Utility (KT019)	21,632	0	20,649	0	(985)	0
Iseki Mower	0	0	3,000	0	3,000	0
Refridgerator	423	0	0	0	(423)	0
Folding Tables and Visitors Chair	864	0	0	0	(864)	0
Davey Pump	485	0	0	0	(485)	0
Slimline Tank	325	0	0	0	(325)	0
Broom Cupboard	9	0	0	0	(9)	0
Chainsaw	122	0	0	0	(122)	0
Hedge Trimmer	181	0	0	0	(181)	0
Brushcutter	73	0	0	0	(73)	0
Pump Centrifugal	425	0	0	0	(425)	0
Chainsaw Husk	622	0	0	0	(622)	0
Makita Hammer Drill	119	0	0	0	(119)	0
Wetvac	122	0	0	0	(122)	0
Firefighter Pump	438	0	0	0	(438)	0
Telescopic Tran Jcak	459	0	0	0	(459)	0
Honda Brushcutter	366	0	0	0	(366)	0
Honda Blower	311	0	0	0	(311)	0
Brushcutter	410	0	0	0	(410)	0
Home Gardener MK11 Tiller	657	0	0	0	(657)	0
Drill Press	695	0	0	0	(695)	0
Lawnmower	502	0	0	0	(502)	0
6.5hp Pressure Washer	494	0	0	0	(494)	0
SILV Broom Field	1,088	0	0	0	(1,088)	0
V4 Linemarking Machine	1,619	0	0	0	(1,619)	0
Honda Brushcutter	631	0	0	0	(631)	0

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**20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR (continued)**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Grader Blades	3,571	0	0	0	(3,571)	0
Compressor	1,005	0	0	0	(1,005)	0
Impact Wrench	472	0	0	0	(472)	0
Brushcutter	421	0	0	0	(421)	0
Torch	261	0	0	0	(261)	0
Circular Saw	24	0	0	0	(24)	0
MBX System	494	0	0	0	(494)	0
GPS Tripmeter	761	0	0	0	(761)	0
Socket Set Deep	88	0	0	0	(88)	0
Socket Set Met Inhex	144	0	0	0	(144)	0
Socket Set Sidchrome	238	0	0	0	(238)	0
Honda GX270SX Motor	894	0	0	0	(894)	0
Tank stand	81	0	0	0	(81)	0
Filmers Bores	33	0	0	0	(33)	0
Aviation Snips	28	0	0	0	(28)	0
Aviation Snips	28	0	0	0	(28)	0
Phillips PRM 8020	288	0	0	0	(288)	0
Pallet Jack	117	0	0	0	(117)	0
Air Ratcher	108	0	0	0	(108)	0
Reversable Drill	231	0	0	0	(231)	0
Fire Hose Reel	474	0	0	0	(474)	0
Fire Fighter Pump	437	0	0	0	(437)	0
Combo 3 Tool	556	0	0	0	(556)	0
Angle Grinder	158	0	0	0	(158)	0
Turbo Saw	158	0	0	0	(158)	0
Wheel Dolly	361	0	0	0	(361)	0
Contribution Air Con	317	0	0	0	(317)	0
Kestral Anemometer	643	0	0	0	(643)	0
Brushcutter	442	0	0	0	(442)	0
WCF Rotowiper	1,048	0	0	0	(1,048)	0
Bike Outback Quad	1,126	0	0	0	(1,126)	0
Slasher - PGIC	2,183	0	0	0	(2,183)	0
Hedge Trimmer	302	0	0	0	(302)	0
Broom - Turf Tec	374	0	0	0	(374)	0
Trailer	264	0	0	0	(264)	0
Billy Goat Vaccum	886	0	0	0	(886)	0
Loadstar Trailer	1,349	0	0	0	(1,349)	0
Chainsaw Husk	1,778	0	0	0	(1,778)	0
Play Equipment	920	0	0	0	(920)	0
Robin Water Pump	620	0	0	0	(620)	0
Vac Pump	1,678	0	0	0	(1,678)	0
Adblue IBC Kit	1,223	0	0	0	(1,223)	0
Criquet Wicket	747	0	0	0	(747)	0
Radio	944	0	0	0	(944)	0
Radio	761	0	0	0	(761)	0
PCS PIV Tower	64	0	0	0	(64)	0
PCS PIV Tower	64	0	0	0	(64)	0
PCS PIV Tower	944	0	0	0	(944)	0
PCS PIV Tower	1,690	0	0	0	(1,690)	0
Toshiba Notebook	50	0	0	0	(50)	0
Server Cabinet	1,379	0	0	0	(1,379)	0

**SHIRE OF KENT**  
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**20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR (continued)**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
Bar Tables	923	0	0	0	(923)	0
3G Handset	659	0	0	0	(659)	0
Washing Machine	1,223	0	0	0	(1,223)	0
Dryer	1,083	0	0	0	(1,083)	0
ULP Tank	618	0	0	0	(618)	0
Rotary Hammer	117	0	0	0	(117)	0
PCS PIV Tower	847	0	0	0	(847)	0
Synergysoft Remittance	637	0	0	0	(637)	0
Radio	978	0	0	0	(978)	0
Weather Station	3,516	0	0	0	(3,516)	0
Airconditioner	977	0	0	0	(977)	0
Bar Fridge	426	0	0	0	(426)	0
150 x plastic chairs	2,866	0	0	0	(2,866)	0
Protector Cricket Pitch	766	0	0	0	(766)	0
Decoder and Cards	125	0	0	0	(125)	0
Decoder	2,831	0	0	0	(2,831)	0
Surge Protector	2,826	0	0	0	(2,826)	0
Securio Shredder	1,002	0	0	0	(1,002)	0
PCS Monitor	121	0	0	0	(121)	0
Projector	241	0	0	0	(241)	0
Digital Camera	60	0	0	0	(60)	0
Protective jacket and trousers	241	0	0	0	(241)	0
Unknown	322	0	0	0	(322)	0
Refridgerator	403	0	0	0	(403)	0
Gravel Reserve	20	0	0	0	(20)	0
Gravel Reserve	94	0	0	0	(94)	0
	<b>195,559</b>	<b>101,000</b>	<b>126,480</b>	<b>90,000</b>	<b>(69,081)</b>	<b>(14,000)</b>

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

**21. INFORMATION ON BORROWINGS**

**(a) Repayments - Debentures**

Particulars	Principal 1-Jul-12	New Loans	Principal Repayments		Principal 30-Jun-13		Interest Repayments	
	\$	\$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Community Amenities</b>								
Loan 54, Nyabing Effluent	31,524	0	1,557	1,426	29,967	31,524	1,918	2,846
					0			
					0			
<b>Other Property Services</b>								
Loan 88, Nyabing Store	46,902	0	3,960	3,710	42,942	46,902	2,551	3,235
Loan 90, Principal Housing, Pingrup	23,970	0	23,970	22,777	0	23,970	915	2,091
Loan 91, Various Duplexes	555,376	0	31,968	30,016	523,408	555,376	21,165	36,096
Loan 92, Principal/CEO Housing	0	0	0	0	0	0	0	0
	<b>657,772</b>	<b>0</b>	<b>61,455</b>	<b>57,929</b>	<b>596,317</b>	<b>657,772</b>	<b>26,549</b>	<b>44,268</b>

(\*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

**(b) New Debentures - 2012/13**

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
<b>Other Property Services</b>										
Loan 92, Principal/CEO Housing	0	750,000	Unknown	Debenture	Unknown	Unknown	Unknown		750,000	0

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

**21. INFORMATION ON BORROWINGS (Continued)**

**(c) Unspent Debentures**

No portions of loans were unspent as at 30 June 2013.

**(d) Overdraft**

Council established an overdraft facility of \$100,000 in 2010 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2012 and 30 June 2013 was \$Nil.

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

**22. RATING INFORMATION - 2012/13 FINANCIAL YEAR**

**(a) Rates**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>	<b>Budget Rate Revenue \$</b>	<b>Budget Interim Rate \$</b>	<b>Budget Back Rate \$</b>	<b>Budget Total Revenue \$</b>
<b>General Rates</b>											
GRV - Residential	11.3201	53	356,720	34,334	0	0	34,334	26,069	0	0	26,069
GRV - Commercial	11.3201	12		14,699	(730)	0	13,969	12,295	0	0	12,295
UV - Rural	0.9712	375	179,887,500	1,745,695	2,649	(2,585)	1,745,759	1,745,475	0	0	1,745,475
Mining	0.9712	0	0	0	0	0	0	0	0	0	0
<b>Sub-Totals</b>		<b>440</b>	<b>180,244,220</b>	<b>1,794,728</b>	<b>1,919</b>	<b>(2,585)</b>	<b>1,794,062</b>	<b>1,783,839</b>	<b>0</b>	<b>0</b>	<b>1,783,839</b>
<b>Minimum Rates</b>	<b>Minimum \$</b>										
GRV - Residential	365	29	44,096	4,015	0	0	4,015	10,585			10,585
GRV - Commercial	365	8		5,110	0	0	5,110	2,920			2,920
UV - Rural	365	9	139,400	0	0	0	0	3,285			3,285
Mining	365	24	97,264	8,760	0	0	8,760	8,760			8,760
<b>Sub-Totals</b>		<b>70</b>	<b>280,760</b>	<b>17,885</b>	<b>0</b>	<b>0</b>	<b>17,885</b>	<b>25,550</b>	<b>0</b>	<b>0</b>	<b>25,550</b>
Discounts (refer note 26)							<b>1,811,947</b>				<b>1,809,389</b>
<b>Total Amount Raised from General Rate</b>							<b>1,811,947</b>				<b>1,809,389</b>
Specified Area Rate (refer note 24)											
<b>Total Rates</b>							<b>1,811,947</b>				<b>1,809,389</b>

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

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

<b>(b) Information on Surplus/(Deficit) Brought Forward</b>	<b>2013 (30 June 2013 Carried Forward) \$</b>	<b>2013 (1 July 2012 Brought Forward) \$</b>	<b>2012 (30 June 2012 Carried Forward) \$</b>
<b>Surplus/(Deficit) - Rate Setting Statement</b>	<b><u>642,709</u></b>	<b><u>1,290,031</u></b>	<b><u>1,290,031</u></b>
<b><u>Comprises:</u></b>			
Cash - Unrestricted	527,190	686,601	686,601
Cash - Restricted	1,630,333	1,999,159	1,999,159
Investments - Restricted	0	0	0
Rates - Current	24,082	27,199	27,199
Sundry Debtors	89,596	259,172	259,172
GST Receivable	47,864	52,007	52,007
Inventories			
- Fuel and Materials	55,706	57,840	57,840
- History Books	0	0	0
<b>Less:</b>			
Reserves - Restricted Cash			
Employee Entitlements Reserve	(148,088)	(141,964)	(141,964)
Plant Reserve	(355,898)	(288,454)	(288,454)
Building Reserve	(276,659)	(265,218)	(265,218)
Nyabing Recreation Reserve	(27,789)	(44,854)	(44,854)
Pingrup Recreation Reserve	(18,172)	(7,792)	(7,792)
Cemetery Reserve	(16,217)	(15,546)	(15,546)
Water Supply Reserve	(26,215)	(25,131)	(25,131)
Sewerage Reserve	(119,203)	(104,687)	(104,687)
Computer Equipment Reserve	(1,539)	(1,475)	(1,475)
Administration Vehicles Reserve	(30,801)	(45,968)	(45,968)
Refuse Disposal Facilities Reserve	(97,322)	(93,297)	(93,297)
Road Reserve	(512,431)	(491,239)	(491,239)
	<b><u>(1,630,334)</u></b>	<b><u>(1,525,625)</u></b>	<b><u>(1,525,625)</u></b>
Sundry Creditors	(70,141)	(266,323)	(266,323)
Accrued Interest on Debentures	961		
Accrued Salaries and Wages	(32,550)		
Current Employee Benefits Provision			
<b>Surplus/(Deficit)</b>	<b><u>642,707</u></b>	<b><u>1,290,030</u></b>	<b><u>1,290,030</u></b>

**Difference:**

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

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

**23. HEALTH RATE - 2012/13 FINANCIAL YEAR**

	<b>Rate in \$</b>	<b>Basis of Rate</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Budget Rate Revenue \$</b>	<b>Applied to Costs \$</b>	<b>Budget Applied to Costs \$</b>
<b>Sewerage Rate</b>							
Nyabing Residential	0.0405	GRV	164,178	11,775	12,180	11,775	12,180
Nyabing Commercial	0.0405	GRV	27,363	3,723	5,307	3,723	5,307
Nyabing Vacant	197.0000	GRV	11,272	1,062	591	1,062	591
Pingrup Residential	0.0468	GRV	144,637	5,427	7,250	5,427	7,250
Pingrup Commercial	0.0468	GRV	39,090	4,394	6,475	4,394	6,475
Pingrup Vacant	197.0000	GRV	11,727	1,409	197	1,409	197
				<b>27,790</b>	<b>32,000</b>	<b>27,790</b>	<b>32,000</b>

The Health Rate is for the provision of sewerage. The charge is applicable to all owners within a designated area surrounding the town site.

The proceeds of the Health Rate are applied in full to the costs of the town sewerage.

**24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR**

	<b>Amount of Charge \$</b>	<b>Revenue Raised \$</b>	<b>Budget Revenue \$</b>	<b>Applied to Service Costs \$</b>	<b>Budget Applied to Costs \$</b>
Television - Nyabing	136	5,440	6392	5,440	6,392
Television - Pingrup	136	4,327	4,608	4,327	4,608
		<b>9,767</b>	<b>11,000</b>	<b>9,767</b>	<b>11,000</b>

The service charge for the provision of television re-broadcasting is not applicable as from 1 July 2013 due to the change-over from an analogue service to a digital service in June 2013.

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

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

No discount is offered.

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

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

	<b>Interest Rate %</b>	<b>Admin. Charge \$</b>	<b>Revenue \$</b>	<b>Budgeted Revenue \$</b>
Interest on Unpaid Rates	9.00%		5,449	6,250
Interest on Instalments Plan	9.00%		0	0
Charges on Instalment Plan		15	2,145	5,500
			<b>7,594</b>	<b>11,750</b>

Ratepayers had the option of paying rates in four equal instalments, due on 12th October 2012, 14th December 2012, 15th February 2013 and 19th April 2013. Administration charges and interest applied for the final three instalments.

<b>27. FEES &amp; CHARGES</b>	<b>2013 \$</b>	<b>2012 \$</b>
Governance	2,349	0
General Purpose Funding	2,561	20,351
Law, Order, Public Safety	31,471	31,979
Health	0	0
Education and Welfare	0	0
Housing	82,915	0
Community Amenities	58,968	55,098
Recreation and Culture	1,539	10,759
Transport	308,290	0
Economic Services	54,267	30,391
Other Property and Services	138,298	145,479
	<b><u>680,658</u></b>	<b><u>294,057</u></b>

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

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

**28. GRANT REVENUE**

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	1,275,809	1,275,168
Non-Operating Grants, Subsidies and Contributions	520,490	1,468,844
	<u><b>1,796,299</b></u>	<u><b>2,744,012</b></u>
<b>By Program:</b>		
Governance	5,821	4,126
General Purpose Funding	1,077,499	1,944,942
Law, Order, Public Safety	29,007	27,800
Health	0	0
Education and Welfare	571	241
Housing	98	0
Community Amenities	0	0
Recreation and Culture	43,180	143,800
Transport	639,660	614,058
Economic Services	463	0
Other Property and Services		9,045
	<u><b>1,796,299</b></u>	<u><b>2,744,012</b></u>

**29. ELECTED MEMBERS REMUNERATION**

<b>2013</b>	<b>2013</b>	<b>2012</b>
<b>\$</b>	<b>Budget</b>	<b>\$</b>
	<b>\$</b>	

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

Meeting Fees	48,364	56,000	54,250
President's Allowance	7,000	7,000	7,000
Deputy President's Allowance	0	0	0
Travelling Expenses	23,065	27,700	5,053
Telecommunications Allowance	6,909	8,000	7,750
Childcare Expenses	310	3,000	540
	<u><b>85,648</b></u>	<u><b>101,700</b></u>	<u><b>74,593</b></u>

**30. EMPLOYEE NUMBERS**

<b>2013</b>	<b>2012</b>
-------------	-------------

The number of full-time equivalent employees at balance date

<u><b>26</b></u>	<u><b>24</b></u>
------------------	------------------

**31. MAJOR LAND TRANSACTIONS**

Council did not participate in any major land transactions during the 2012/2013 financial year.

**32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

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

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

**33. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013 \$	2012 \$	2013 \$	2012 \$
<b>Financial Assets</b>				
Cash and cash equivalents	2,157,522	2,685,760	2,157,522	2,685,760
Receivables	148,220	342,521	148,220	342,521
Investments				
	<u><b>2,305,742</b></u>	<u><b>3,028,281</b></u>	<u><b>2,305,742</b></u>	<u><b>3,028,281</b></u>
<b>Financial Liabilities</b>				
Payables	111,270	281,600	111,270	281,600
Borrowings	596,318	647,783	596,318	647,783
	<u><b>707,588</b></u>	<u><b>929,383</b></u>	<u><b>707,588</b></u>	<u><b>929,383</b></u>

Fair value is determined as follows:

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

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

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

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

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2013 \$	2012 \$
Impact of a 10% (*) movement in interest rates on cash and investments:		
- Equity	17,979	22,381
- Statement of Comprehensive Income	17,979	22,381

**Notes:**

(\*) Sensitivity percentages based on management's expectation of future possible market movements.

Recent market volatility has seen large market movements for certain types of investments.

Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	1,798	2,238
- Statement of Comprehensive Income	1,798	2,238

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

**33. FINANCIAL RISK MANAGEMENT (Continued)**  
**(b) Receivables**

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	<b>2013</b>	<b>2012</b>
<b>Percentage of Rates and Annual Charges</b>		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
<b>Percentage of Other Receivables</b>		
- Current	95.80%	98.01%
- Overdue	4.20%	1.99%

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

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables  
Borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	<u>2013</u>	<u>2012</u>		
	Due within 1 year \$	Due between 1 & 5 years \$		
	Due after 5 years \$	Total contractual cash flows \$		
	Carrying values			
Payables	70,141	70,141	70,141	
Borrowings	78,336	391,681	370,651	596,318
	<u>148,477</u>	<u>391,681</u>	<u>370,651</u>	<u>666,459</u>
Payables	266,323	0	0	266,323
Borrowings	103,243	391,680	449,016	657,775
	<u>369,566</u>	<u>391,680</u>	<u>449,016</u>	<u>924,098</u>

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

**33. FINANCIAL RISK MANAGEMENT (Continued)**

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

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

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<b>Year Ended 30 June 2013</b>								
Payables								
Borrowings								
<b>Fixed Rate</b>								
Debtentures	0	0	0	0	0	596,318	<b>596,318</b>	<b>6.54%</b>
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	<b>6.54%</b>		
<b>Year Ended 30 June 2012</b>								
Payables								
Borrowings								
<b>Fixed Rate</b>								
Debtentures	0	0	0	0	0	596,340	<b>596,340</b>	<b>6.54%</b>
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	<b>6.54%</b>		

**The Independent Audit Report will be Provided by your Auditor**

**The Independent Audit Report will be Provided by your Auditor**

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

**RATIO INFORMATION**

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>
Asset Consumption Ratio	<b>0.662</b>	<b>N/A</b>	<b>N/A</b>
Asset Renewal Funding Ratio	<b>***</b>	<b>N/A</b>	<b>N/A</b>

The above ratios are calculated as follows:

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

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

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

\*\*\* Council are unable to provide an Asset Renewal Funding Ratio at this time as the information required is not available.

