

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

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SHIRE OF QUAIRADING

OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2005

	NOTE	2005 \$	2005 Budget \$	2004 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		5,916	1,540	10,694
General Purpose Funding		1,970,377	1,956,755	1,841,258
Law, Order, Public Safety		33,101	34,100	30,275
Health		321,999	305,110	320,876
Education and Welfare		1,816	3,815	2,011
Housing		33,154	32,240	32,349
Community Amenities		125,454	116,600	119,423
Recreation and Culture		68,038	30,365	47,336
Transport		345,188	262,170	515,161
Economic Services		24,139	23,350	37,074
Other Property and Services		50,854	22,000	56,101
	2	2,980,036	2,788,045	3,012,558
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		293,017	285,174	234,330
General Purpose Funding		71,632	67,559	39,936
Law, Order, Public Safety		35,790	42,721	69,985
Health		454,208	368,462	434,761
Education and Welfare		5,305	13,630	7,020
Housing		68,669	90,362	86,468
Community Amenities		205,658	172,495	288,357
Recreation & Culture		303,229	318,345	331,194
Transport		1,549,399	1,394,260	1,671,241
Economic Services		123,502	133,942	179,376
Other Property and Services		71,301	17,241	(154,092)
	2	3,181,710	2,904,191	3,188,576
BORROWING COSTS EXPENSE				
Governance		0	0	10,153
Housing		6,653	6,656	7,576
Community Amenities		1,926	1,926	4,194
Recreation & Culture		14,734	14,735	1,704
Economic Services		2,076	2,078	5,363
	2	25,389	25,395	28,990
NET RESULT		(227,063)	(141,541)	(205,008)

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

SHIRE OF QUAIRADING
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	NOTE	2005 \$	2004 \$
CURRENT ASSETS			
Cash Assets	3	719,915	708,432
Receivables	4	74,411	110,776
Inventories	5	5,396	15,436
TOTAL CURRENT ASSETS		<u>799,722</u>	<u>834,644</u>
NON-CURRENT ASSETS			
Receivables	4	5,009	7,298
Inventories	5	161,735	161,735
Property, Plant and Equipment	6	4,338,260	4,204,207
Infrastructure	7	26,696,473	27,145,524
TOTAL NON-CURRENT ASSETS		<u>31,201,477</u>	<u>31,518,764</u>
TOTAL ASSETS		<u>32,001,199</u>	<u>32,353,408</u>
CURRENT LIABILITIES			
Payables	8	126,448	137,314
Interest-bearing Liabilities	9	81,869	89,134
Provisions	10	103,156	158,270
TOTAL CURRENT LIABILITIES		<u>311,473</u>	<u>384,718</u>
NON-CURRENT LIABILITIES			
Interest-bearing Liabilities	9	242,581	324,450
Provisions	10	55,864	25,896
TOTAL NON-CURRENT LIABILITIES		<u>298,445</u>	<u>350,346</u>
TOTAL LIABILITIES		<u>609,918</u>	<u>735,064</u>
NET ASSETS		<u>31,391,281</u>	<u>31,618,344</u>
EQUITY			
Retained Surplus		28,258,229	28,424,753
Reserves - Cash Backed	11	530,478	591,017
Reserves - Asset Revaluation	12	2,602,574	2,602,574
TOTAL EQUITY		<u>31,391,281</u>	<u>31,618,344</u>

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

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

	NOTE	2005 \$	2004 \$
RETAINED SURPLUS			
Balance as at 1 July 2004		28,424,753	28,597,451
Net Result		(227,063)	(205,008)
Transfer from/(to) Reserves		60,539	32,310
Balance as at 30 June 2005		<u>28,258,229</u>	<u>28,424,753</u>
RESERVES - CASH BACKED			
Balance as at 1 July 2004		591,017	623,327
Interest transfer to Reserve		24,947	30,749
Transfers to Reserve		260,000	298,100
Transfers from Reserve		(345,486)	(361,159)
		<u>(60,539)</u>	<u>(32,310)</u>
Balance as at 30 June 2005	11	<u>530,478</u>	<u>591,017</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2004		2,602,574	2,602,574
Revaluation Increment		0	0
Revaluation Decrement		0	0
Balance as at 30 June 2005	12	<u>2,602,574</u>	<u>2,602,574</u>
TOTAL EQUITY		<u><u>31,391,281</u></u>	<u><u>31,618,344</u></u>

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

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

	NOTE	2005 \$	2005 Budget \$	2004 \$
Cash Flows From Operating Activities				
Receipts				
Rates		926,208	862,507	831,748
Grants and Subsidies - operating		1,089,984	1,122,800	1,072,771
Contributions, Reimbursements & Donations		111,579	86,105	86,848
Fees and Charges		512,768	515,920	658,192
Interest Earnings		49,884	35,000	48,949
Goods and Services Tax		186,015	0	138,016
Other		24,885	27,600	50,034
		<u>2,901,323</u>	<u>2,649,932</u>	<u>2,886,558</u>
Payments				
Employee Costs		(1,169,624)	(1,261,507)	(1,073,966)
Materials and Contracts		(524,436)	(963,840)	(664,663)
Utilities (gas, electricity, water, etc)		(36,737)	(68,545)	(55,579)
Insurance		(111,422)	(105,075)	(124,729)
Interest		(27,474)	(40,440)	(31,027)
Goods and Services Tax		(128,893)		(169,986)
Other		(45,938)	5,105	0
		<u>(2,044,524)</u>	<u>(2,434,302)</u>	<u>(2,119,950)</u>
Net Cash Provided By (Used In)				
Operating Activities	13(b)	856,799	215,630	766,608
Cash Flows from Investing Activities				
Payments for Development of				
Land held for Resale		0	0	0
Payments for Purchase of Property				
Plant & Equipment		(672,766)	(749,035)	(555,825)
Payments for Construction of				
Infrastructure		(571,433)	(920,670)	(868,844)
Grants/Contributions for				
the Development of Assets		254,341	479,740	412,824
Proceeds from Sale of				
Plant & Equipment/Land Held for Resale		231,519	177,000	202,004
		<u>231,519</u>	<u>177,000</u>	<u>202,004</u>
Net Cash Provided By (Used In)				
Investing Activities		(758,339)	(1,012,965)	(809,841)
Cash Flows from Financing Activities				
Repayment of Debentures		(89,134)	(86,540)	(86,542)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		2,157	0	2,030
Proceeds from Advances		0	0	0
Proceeds from New Debentures		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In)				
Financing Activities		(86,977)	(86,540)	(84,512)
Net Increase (Decrease) in Cash Held		11,483	(585,975)	(127,745)
Cash at Beginning of Year		708,432	911,400	836,177
Cash at End of Year	13(a)	<u>719,915</u>	<u>325,425</u>	<u>708,432</u>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax

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

(d) Fixed Assets

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

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

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

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

(e) Land Held for Resale

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Depreciation of Non-Current Assets

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

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

Buildings	2%
Furniture and Equipment	10%
Computer and Electronic Equipment	33%
Plant and Equipment	
Cars and Utilities	0% to 10%
Heavy (eg Loaders and Graders)	7%
Medium (eg Light Trucks)	10%
Light (eg Chainsaws)	20%
Sealed roads and streets:	
Aggregate Surfaces	6.70%
Asphalt Surfaces	5%
Pavement Surfaces	2.50%
Clearing and Formation	not depreciated
Drainage Systems	1.30%
Culverts/Floodways	2%
Concrete Footpaths	2%
Footpaths - Other	4%
Kerbing	2%

NB Light vehicles (sedans, station wagons and utilities) are not depreciated if replacement is scheduled within 40,000 kms or 2 years.

(g) Leases

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Investments

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

(i) Joint Venture

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

(j) Employee Benefits

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

(i) Wages, Salaries and Annual Leave

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

(ii) Long Service Leave

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

(k) Rates, Grants, Donations and Other Contributions

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

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

(l) Superannuation

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Interest Rate Risk

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

(n) Credit Risk

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

(o) Net Fair Values

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

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

(p) Rounding Off Figures

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

(q) Comparative Figures

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

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2005

2. OPERATING REVENUES AND EXPENSES

(a) The Profit or Loss Result from Ordinary Activities includes:

(i) Charging as an Expense:	2005	2004
	\$	\$
Auditors Remuneration		
- Audit	8,100	5,300
- Other Services	23,112	6,340
Bad and Doubtful Debts		
Rates	1,968	321
Sundry Debtors	0	0
Depreciation		
Buildings	52,040	61,231
Furniture and Equipment	36,142	50,109
Plant and Equipment	187,122	200,361
Roads	987,250	931,815
Footpaths	33,234	37,646
	<u>1,295,788</u>	<u>1,281,162</u>
 (ii) Crediting as Revenue:		
Interest Earnings		
Investments		
- Reserve Funds	24,947	30,749
- Other Funds	20,362	16,109
Other Interest Revenue (refer note 27)	4,575	2,091
	<u>49,884</u>	<u>48,949</u>

**(b) Revenues and Expenses from Ordinary Activities
Classified According to Nature and Type**

	2005	2004
	\$	\$
Revenues from Ordinary Activities		
Rates (refer note 23)	936,100	835,434
Grants and Subsidies - operating (refer note 29)	1,089,984	1,072,771
Grants and Subsidies - non-operating (refer note 29)	254,341	412,824
Contributions Reimbursements and Donations	111,579	86,848
Profit on Asset Disposals (refer note 20)	2,688	14,759
Fees and Charges (refer note 28)	510,126	491,398
Interest Earnings (refer note 2(a))	49,884	48,949
Other Revenue	25,334	49,575
	<u>2,980,036</u>	<u>3,012,558</u>
Expenses from Ordinary Activities		
Employee Costs	1,095,375	1,122,834
Materials and Contracts	561,872	508,216
Utilities (gas, electricity, water, etc)	36,737	55,579
Depreciation on Non-current Assets (refer note 2(a))	1,295,788	1,281,162
Loss on Asset Disposals (refer note 20)	34,578	62,473
Insurance	111,422	124,729
Other	45,938	33,583
	<u>3,181,710</u>	<u>3,188,576</u>
Interest/Borrowing Costs (refer Note 2(c))	25,389	28,990
Net Result	<u>(227,063)</u>	<u>(205,008)</u>

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2004

2. OPERATING REVENUES AND EXPENSES (Continued)

(c) Borrowing Costs Expense

Comprises:

Overdraft Costs	0	0
Debentures (refer Note 22(a))	25,389	28,990
	<u>25,389</u>	<u>28,990</u>

(d) Statement of Objective

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

GOVERNANCE

The Governance function accumulates the costs of Members expenses and other costs of Council that relate to the tasks of assisting Councillors and the ratepayers on matters which do not concern specific Council services. The type of expenses that can be expected under this function/activity are election expenses; meeting costs; salaries and expenses of members; policy and planning expenses; general information and publicity; audit fees; some aspects of accounting; budgeting and annual reports and public ceremonies/functions. The cost of compliance with the Local Government Act and other legislation is recorded in Other Governance.

GENERAL PURPOSE FUNDING

This function includes rates and general purpose government grants in the revenue section. The type of expenses included are the cost of collecting and administering rates and general purpose grants, for example: wages for the Rates Officer, postage and stationery, valuation costs, grant submissions and a proportion of computer expenses.

LAW, ORDER, PUBLIC SAFETY

This includes fire control which covers the maintenance of bushfire equipment and insurance; animal control and supervision of various local laws.

HEALTH

Food quality control, pest control and operation of the Child Health Centre, Medical Centre and Dental Surgery.

EDUCATION AND WELFARE

Maintenance of Pre-School facility. Provide assistance to the operation of the Frail Aged Lodge and Retirement Village facilities in Quairading.

HOUSING

Maintenance of housing rented to staff and non staff.

COMMUNITY AMENITIES

Rubbish collection services, operation of rubbish tip, sewerage services and administration of the Town Planning Scheme. Provision of community bus service, maintenance of cemetery and public conveniences.

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

2. OPERATING REVENUES AND EXPENSES (Continued)

(d) Statement of Objective (Continued)

RECREATION AND CULTURE

Maintenance of halls, swimming pool, recreation centre and various reserves and operation of library.

TRANSPORT

Construction and maintenance of roads, drainage works, footpaths, parking facilities, traffic signs and cleaning of streets. Operation of on-line Licensing as a contractor to the Department of Transport.

ECONOMIC SERVICES

This includes tourism and district promotion, noxious weed and vermin control, implementation of building controls, operation of the saleyards and operation of the water standpipe and washdown bay.

OTHER PROPERTY & SERVICES

This function incorporates private works and other contracting, public works overheads and their allocation, plant operation costs and their allocation, gross salaries and wages and their allocation.

	2005	2004
	\$	\$
(e) Conditions Over Contributions		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Grant for Youth (Education and Welfare)	1,338	5,273
Grant for Drainage Strategy (Community Amenities)	0	4,500
Joint Venture Housing (Homeswest)	26,809	21,315
Parker Estate - Community Funds	0	3,960
Rabbit Proof Fence Project	5,312	0
Conservation Grants	4,364	0
	37,823	35,048
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Rabbit Proof Fence Project (Economic Services)	0	5,312
Conservation Grants	0	4,364
Joint Venture Housing (Homewest)	1,165	5,494
Unspent Grant - Ministry of Transport	66,665	0
Unspent Grant - Roads to Recovery	68,613	0
Unspent Grant - Indigenous Heritage	2,500	0
Unspent Grant - Roadwise	8,500	0
Drainage Strategy - 2002-2003	1,772	0
	149,215	15,170

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

2. OPERATING REVENUES AND EXPENSES (Continued)

(e) Conditions Over Contributions (Continued)

	2005	2004
	\$	\$
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Grant for Drainage Strategy (Community Amenities)	0	(4,500)
Grant for Youth (Education and Welfare)	(1,338)	(3,935)
Parker Estate - Community Funds	0	(3,960)
Conservation Grants	(4,364)	0
Rabbit Proof Fence Project	(5,312)	0
	(11,014)	(12,395)
Closing balances of unexpended grants	176,024	37,823
Grant for Youth (Education and Welfare)	0	1,338
Grant for Drainage Strategy (Community Amenities)	0	0
Joint Venture Housing (Homeswest)	27,974	26,809
Parker Estate - Community Funds	0	0
Rabbit Proof Fence Project	0	5,312
Conservation Grants	0	4,364
Unspent Grant - Ministry of Transport	66,665	0
Unspent Grant - Roads to Recovery	68,613	0
Unspent Grant - Indigenous Heritage	2,500	0
Unspent Grant - Roadwise	8,500	0
Drainage Strategy - 2002-2003	1,772	0
	176,024	37,823

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2005

	2005	2004
	\$	\$
3. CASH ASSETS		
Unrestricted	13,413	79,592
Restricted	706,502	628,840
	<u>719,915</u>	<u>708,432</u>
<p>The following restrictions have been imposed by regulations or other externally imposed requirements:</p>		
Building Reserve	97,654	208,950
Furniture, Fittings & Equipment Reserve	14,705	14,202
Plant Reserve	201,358	230,870
Swimming Pool Reserve	79,276	47,267
Long Service Leave Reserve	57,424	57,046
Water & Waste Management Reserve	30,061	32,682
Health Reserve	50,000	0
Restricted Cash - J/V Housing (Homewest)	27,974	26,809
Unspent Grants	148,050	11,014
	<u>706,502</u>	<u>628,840</u>
4. RECEIVABLES		
Current		
Rates Outstanding	25,077	17,839
Sundry Debtors	47,664	43,267
Less: Provision for Doubtful Debts	(618)	(618)
GST Receivable	0	41,093
Prepayments	0	7,266
Accrued Income	0	(227)
Self Supporting Loan Debtors	2,288	2,156
	<u>74,411</u>	<u>110,776</u>
Non-Current		
Rates Outstanding - Pensioners	0	0
Self Supporting Loan Debtors	5,009	7,298
	<u>5,009</u>	<u>7,298</u>

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
5. INVENTORIES		
Current		
Fuel and Materials	<u>5,396</u>	<u>15,436</u>
	<u>5,396</u>	<u>15,436</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	<u>161,735</u>	<u>161,735</u>
	<u>161,735</u>	<u>161,735</u>

Valuations of Land Held for Resale Measured at Cost Basis

In accordance with the requirements of AAS36 'Statement of Financial Position' the current valuation of land disclosed above and measured on the cost basis is as follows:

Current Valuation: \$380,788

The above valuation is a management valuation based on the replacement cost of all of Council's land held for resale as at 30 June 2003.

It is not considered independent in nature.

SHIRE OF QUAIRADING

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	3,248,863	2,990,036
Less Accumulated Depreciation	<u>(758,226)</u>	<u>(706,186)</u>
	<u>2,490,637</u>	<u>2,283,850</u>
Furniture and Equipment - Cost	472,054	460,461
Less Accumulated Depreciation	<u>(372,420)</u>	<u>(336,277)</u>
	99,634	124,184
Plant and Equipment - Cost	2,768,884	2,732,352
Less Accumulated Depreciation	<u>(1,020,895)</u>	<u>(936,179)</u>
	1,747,989	1,796,173
	<u><u>4,338,260</u></u>	<u><u>4,204,207</u></u>

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

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

Valuations of Land and Buildings Measured at Cost Basis

In accordance with the requirements of AAS36 'Statement of Financial Position' the current valuation of land and buildings disclosed above and measured on the cost basis is as follows:

Current Valuation: \$3,151,771.

The above valuation is a management valuation based on the written down replacement cost of all of Council's land and buildings as at 30 June 2005.

It is not considered independent in nature.