



Annual Report

For the year ending 30 June 2012



As adopted at the Ordinary Meeting of Council held 18 October 2012

CONTENTS

KEY STATISTICS	4
PRESIDENT'S REPORT	5
ELECTED MEMBERS REPORT	6
CHIEF EXECUTIVE OFFICER'S REPORT.....	7
OTHER REPORTS	8
Plan for the Future	8
National Competition Policy	14
Register of Certain Complaints of Minor Breaches.....	14
Public Interest Disclosures	15
Disability Access and Inclusion Plan.....	15
Freedom of Information Statement.....	16
Record Keeping	21
APPENDED	22
Shire of Yalgoo Audited Financial Statements and Auditor's Report for the financial year ended 30 June 2012	22

KEY STATISTICS

	2011/12	2010/11	2009/10
Total number of residents	405 in the 2011 Census	242 in the 2006 Census	242 in the 2006 Census
Total number of rateable properties	463	432	435
Rates levied	1,346,819	1,146,594	1,029,463
Minimum general residential rate	240	230	225
Minimum general commercial rate	240	230	225
Minimum general pastoral rate	240	230	225
Minimum general mining rate	240	230	225
Revenue from Ordinary Activities	7,454,001	5,856,315	5,043,240
Net current assets	2,041,280	1,742,300	3,274,657
Grants and Subsidies – Operating	5,319,772	2,136,675	2,187,719
Grants and Subsidies – Non-Operating	1,091,469	1,773,798	1,526,770
Debt servicing ratio	0.01	0.021	0.028
Total number of employees (FTE)	15	16	16
Building applications approved	2	3	2
Value of building applications approved	9,100,000	866,200	832,030

PRESIDENT'S REPORT

Council has achieved another successful year's operation with a focus on long term planning to ensure a positive future for Yalgoo. The most significant project completed this year was the construction of a rammed earth staff house. Continual progress is being made on the restoration of the community hall. The Caravan Park and Community Park are receiving positive comments from visitors. The possibilities for a community hub are beginning to be realised with some positive grants outcomes commencing with the Youth/Sports area (Rage Cage) and I congratulate our CEO for her persistence in seeking and obtaining grants that allow for projects identified by the community to come to fruition.

Once again we have been faced with the challenges of the extremities of our environment, following last year's flood that gave us a magnificent wildflower display and grazing pastures it also created the dangerous hazard that saw many hectares of pastoral land decimated by fire caused by lightning strikes. This was a huge learning curve for our staff and with the assistance of FESA and the SES who provided support to pastoral properties. It is times like this when we see the very best in our Community banding together to support neighbours. A grateful community thank the many volunteers who assisted from all over the state including employees of MMG Golden Grove.

Yalgoo like most rural areas has identified the issues relating to housing and education. Council has sought funding for additional staff housing and approved budget expenditure to upgrade existing properties. It is difficult to attract qualified staff to Yalgoo without the provision of appropriate housing.

The benefits of Yalgoo's close proximity to the nominated 'Super Town' of Morawa are already being realised with the school children of Yalgoo travelling to Morawa to take part in educational programs. Council is hoping to secure funding to complete the bitumen on the Morawa – Yalgoo road to facilitate access to the facilities in Morawa including two resident doctors, pharmacy, technical and other educational programs.

Recruitment and retention of staff is a challenge as attracting qualified persons whilst competing with the high salaries paid by mining industry is of concern. There have been several additions to the administrative staff and we welcome new staff members in particular Deputy CEO Heather Boyd. On behalf of Council I congratulate both the administrative staff and works crew for their loyalty and dedication.

Unfortunately and with sadness we acknowledge the passing of Councillor Thomas Hodder. His presence and contribution will be missed by all of our community.

I thank my fellow councillors for their efforts and commitment to the Shire of Yalgoo. Your quest to obtain knowledge and skills in the field of local government to ensure a professional approach by accessing the special training programs offered is greatly appreciated. Together we can ensure a strong community future for our Shire and an attractive friendly place to visit.



Cr Terry Iturbide
President

ELECTED MEMBERS REPORT

Councillors

As at 30 June 2012:

President	Cr Terry K Iturbide	Term expires 2015
Deputy President	Cr Len Terry	Term expires 2015
Members	Cr Laurence Hodder	Term expires 2013
	Cr Raul Valenzuela	Term expires 2013
	Cr Neil Grinham	Term expires 2013
	Vacant	Term expires 2015

Attendance at Council Meetings

There were 10 Ordinary Meetings, 4 Special Meetings and 2 Audit Meetings of Council held between 1 July 2011 and 30 June 2012. A breakdown of Councillors' presence at meetings is detailed in the table below, for Councillors in office as at 30 June 2012:

Councillor	Ordinary (10)	Special (4)	Audit Committee (2)
Cr TK Iturbide	9	4	2
Cr L Hodder	7	4	2
Cr R Valenzuela	10	4	2
Cr L Terry	9	4	1
Cr N Grinham	6	4	1

Fees and Allowances

The following fees, expenses and allowances were paid to Council Members and the President:

Fees, Expenses, Allowances	Actual \$ 2011/12	Budget \$ 2011/12	Actual \$ 2010/11	Budget \$ 2010/11
Meeting Fees	11,054	15,300	9,570	12,880
President's Allowance	6,512	6,624	6,089	4,248
Deputy President's Allowance	1,011	940	1,797	6,420
Travelling Expenses	21,971	22,500	11,607	1,090
Telecommunication Allowance	3,952	2,520	3,213	15,000
Total	44,500	47,884	32,276	39,638

CHIEF EXECUTIVE OFFICER'S REPORT

The year in review

This year was potentially amongst the most challenging that has been faced in the Shire of Yalgoo, characterised by critical staff shortages and the effects of back to back natural disasters. Despite these hurdles the Shire secured funds, completed construction projects and commenced planning for a range of visionary programs to strengthen future capacity.



Development and Transport

Construction of an attractive rammed earth staff house was completed in January; the first time in many years that a non transportable home has been built in Yalgoo.

Along with visual appeal, rammed earth is low maintenance and has passive heating/cooling benefits.

A successful grant application has enabled surveying and planning to commence for service infrastructure for the overall town revitalisation project. The elements include a sewerage treatment plant that will return clean water to parks and gardens, and improved drainage to mitigate flooding in town streets. Funds were also secured from four sources for the Yalgoo Community Hub covered sports facility comprising 'rage cage', BMX track, skate park, playground and tennis court.

In the area of transport, a business case has achieved widespread support for a proposal to seal the Morawa Road within three years instead of the original timeframe of 2020. If funded, this will assist in connecting the community of Yalgoo to Morawa to benefit from regional development of the Super Town including access to education. Further, negotiations with a mining stakeholder have led to agreement to seek funds to widen and stabilise the gravel section of the Yalgoo Ninghan Road.

Integrated Planning

Council is committed to developing integrated plans, now required by legislation, that will align Shire resources to community aspirations. Councillors and staff participated in training, a workforce review identified shortcomings that have now largely been addressed, and a community plan has been drafted from the findings of the 2011 community consultation.

Emergency Management

Over \$4 million in flood restoration work was completed across our 1,100 kilometre road network between April 2011 and June 2012.

Whilst the rain produced a wonderful 2011 wildflower season, it also led the district into summer with a catastrophic fire risk. Participation in a state bushfire evacuation exercise along with the efforts of FESA, the Shire's Chief Bushfire Control Officer and Shire staff meant that the Yalgoo bushfire brigade was well prepared. However, from 1 December until 28 February the district experienced bushfires on a scale never before experienced in living memory; colonial or indigenous. Over 250,000 hectares were burnt in multiple fire complexes. One incident rolled into the next and it was May before we gathered at a community debrief to reflect on the valuable lessons we learnt together.

I take this opportunity to commend the community of Yalgoo Shire, FESA, Shire staff and all others involved for your extreme dedication and effort during the extended and unprecedented emergency.



Sharon Daishe
Chief Executive Officer

OTHER REPORTS

Plan for the Future

Copies of Council's Plan for the Future, as required by the Local Government Act s5.56, may be obtained from the Shire Office or website www.yalgoo.wa.gov.au.

Having reviewed the Plan for the Future 2007-2011 in December 2010, Council resolved to extend the Plan without modification to 30 June 2012 in consideration of legislative changes that require Local Governments to implement integrated planning. In May 2012 Council further extended the term of the Plan for the Future until 30 June 2013.

During this time the Shire will engage with the community to develop a strategic community plan that sets out the vision, aspirations and objectives of the community in the district. The new community strategic plan must be in place after the financial year ending 30 June 2013. *Regulation 19C of the Local Government (Administration) Regulations 1996 as amended 26 August 2011.*

The Annual Report must include an overview of the Plan for the Future including major initiatives planned to commence or continue in the next year. *Section 5.53(e) of the Local Government Act 1995.* The following report shows achievements against the plan in 2011/12 and major activities planned for 2012/13 in line with this requirement.

1. Economic Prosperity

Program	Achieved 2011/12	Planned 2012/13
Maintenance and operation of the Yalgoo and Paynes Find Airport:	<ul style="list-style-type: none"> ▪ Installed ambulance transfer bay/path and solar windsock 	<ul style="list-style-type: none"> ▪ Maintain access roads and airstrips ▪ Appoint caretaker at Paynes Find duties to include airstrip inspection and reporting
Asset acquisition and replacement:	<ul style="list-style-type: none"> ▪ Changed over plant and equipment in accordance with the Shire's policy ▪ Reviewed plant and equipment inventory and recommended additions in order to resource work requirements (bitumen sprayer, concrete batching plant) 	<ul style="list-style-type: none"> ▪ Change over plant and equipment in accordance with the Shire's policy ▪ Purchase additional resources as per budget following recommendations

Program	Achieved 2011/12	Planned 2012/13
Develop partnerships with mining companies in the Shire area:	<ul style="list-style-type: none"> ▪ Offered Option Deed to Ferrowest to purchase land in Yalgoo to establish mining camp ▪ Implemented Community Benefit agreement with Mt Gibson Mining ▪ Continued negotiations with MMG Golden Grove for maintenance and construction work on the Yalgoo Ninghan Road. Additional funding was secured and in principle agreement reached to upgrade the southern section of the road. ▪ Commenced negotiations with Western Queen regarding haulage on Mt Farmer Road ▪ Commenced negotiations regarding mine access road for Mutiny Gold, Gullewa mine 	<ul style="list-style-type: none"> ▪ Continue negotiations with MMG Golden Grove for further funding for maintenance and construction work on the Yalgoo Ninghan Road ▪ Continue negotiations with Western Queen, Mutiny Gold and others
Promote and progress partnerships and regional development opportunities:	<ul style="list-style-type: none"> ▪ Continued involvement in Morawa SuperTowns reference group ▪ Applied for funding to complete the seal of the Morawa Yalgoo Road including extensive liaison to secure support for an application for regional funding that was acknowledged to be outside the guidelines but was of high regional value ▪ Supported Wiluna Gunbarrel-Canning Interpretive Centre and Murchison Vermin Proof cell project via contribution of \$420K Country Local Government Fund regional allocation 	<ul style="list-style-type: none"> ▪ Continue involvement in the Morawa Super Towns project including participation in the North Midlands Economic Development Strategy ▪ Continue to seek funding to finalise the seal of the Morawa Road to embrace Morawa as the new regional centre ▪ Pursue regional tourism proposal with Shires in the Murchison region

2. Environmental Integrity

Program	Achieved 2011/12	Planned 2012/13
Improve the efficiency of the Bush Fire Brigade	<p>The Shire of Yalgoo bushfire brigade experienced unprecedented bushfire activity from 1 December to 28 February. The brigade proved their capacity to operate with discipline, commitment and efficiency at a highly commendable level.</p> <p>Other achievements include:</p> <ul style="list-style-type: none"> ▪ Participated in State emergency bushfire exercise 8 November Yalgoo ▪ Established bush fire brigade at Paynes Find ▪ Provided training for Yalgoo & Paynes Find brigades ▪ Built shed to house Paynes Find fire appliance and applied for funding for apron and solar 	<ul style="list-style-type: none"> ▪ Conduct a rigorous bushfire preparedness program for the coming fire season which is predicted to be as high risk as last season.
Implementation of landfill waste reduction programs	<ul style="list-style-type: none"> ▪ Commenced construction of waste transfer station at Yalgoo 	<ul style="list-style-type: none"> ▪ Complete waste transfer station at Yalgoo ▪ Inspect and recommend future management plan for Paynes Find waste facility
Pursue increased State Government action to control feral animals.	<ul style="list-style-type: none"> ▪ Maintained membership of Vermin Council ▪ Approved contribution of Country Local Government regional funding 2012/13 for further construction of the vermin proof cell 	<ul style="list-style-type: none"> ▪ Maintain membership of Vermin Council

3. Social Equity

Program	Achieved 2011/12	Planned 2012/13
Review asset and risk management programs	<ul style="list-style-type: none"> ▪ The Shire of Yalgoo does not receive funding to implement integrated planning. However, Council has demonstrated commitment to this business critical process by allocating funds to engage strategically selected consultants. Council intends to properly document and integrate the Shire's planning processes to meet community aspirations within the available resources. 	<ul style="list-style-type: none"> ▪ Engage consultants to finalise asset management plan along with all elements of integrated planning ▪ Review forward capital works plan
Progress training and development programs for Councillors and staff	<ul style="list-style-type: none"> ▪ Councillors attended a range of training and development opportunities ▪ Staff training focussed on extensive induction and training programs for new staff, along with continual progress in the area of occupational safety and health. Staff have received high praise for their understanding and application of OSH ▪ Council engaged consultants to review the Shire of Yalgoo workforce and develop a Workforce Plan ▪ The Shire of Yalgoo Comprehensive Enterprise Agreement was registered and implemented ▪ Two staff have commenced a tertiary qualification through the Mid West Regional Council training program 	<ul style="list-style-type: none"> ▪ Induct new councillors ▪ Develop formal staff induction program ▪ Finalise workforce plan ▪ Identify gaps in staff training and continue to address skills shortages through training
Review the Shire's governance structure, delegations and policies	<ul style="list-style-type: none"> ▪ The Shire's annual compliance audit return was almost 100%, with only one minor area of non compliance where a councillor annual return was submitted later than the due date. ▪ Carried out minor review of delegations and reviewed various policies as required 	<ul style="list-style-type: none"> ▪ Begin best practice review of delegations to improve delegation manual and process ▪ Begin best practice review of policies to improve policy manual and separate operational policy from council policy

Program	Achieved 2011/12	Planned 2012/13
Continue the sealing of Yalgoo–Ningham Road, Yalgoo–Morawa Road and town streets	<ul style="list-style-type: none"> ▪ Scope Gibbons St beautification project ▪ Formed up 10 kilometres (and commenced remaining 26km) of the Yalgoo Morawa Road ready to seal. ▪ Applied for funding to complete the seal of Yalgoo Morawa Road ▪ Completed annual 8km repair/reseal of Yalgoo Ningham Road ▪ Completed the flood damage restoration works to all Shire roads (2010/11 flood events) ▪ Progressed negotiations with MMG Golden Grove regarding Yalgoo Ningham Road and secured additional funding 	<ul style="list-style-type: none"> ▪ Apply to Regional Roads group for funds for Yalgoo Morawa Road sealing program ▪ Apply to Regional Roads group for funds for new project to improve the gravel surface (widen and sheet) of the Yalgoo Ningham Road ▪ 8 km repair/reseal Yalgoo-Ningham Road ▪ Continue sealing of Yalgoo Morawa Road (minimum 6km but may be up to 16) ▪ Continue forming up and reseal of final section of Yalgoo Morawa Road to Shire boundary
Develop plans and seek funding to construct a path and trails network within the town, on the town outskirts, and within the district	<ul style="list-style-type: none"> ▪ Included in forward capital works plan 	<ul style="list-style-type: none"> ▪ Will be considered during integrated planning process

4. Community Well-being

Program	Achieved 2011/12	Planned 2012/13
To make Budget allocation and transfer to Reserve Funds allowance for future development of recreation facilities, and provision for maintenance of the Railway Station as a Heritage listed building	<ul style="list-style-type: none"> ▪ Interest earned on reserves 	<ul style="list-style-type: none"> ▪ Seek funding for heritage work to railway station
Identify priorities, source funding and implement actions for development of recreation facilities and reserves, arts and other cultural pursuits, sporting clubs and community organisations	<ul style="list-style-type: none"> ▪ Secured funding to construct the Yalgoo Community Hub stage 1 Covered Sports Facility. This includes rage cage, bmx track, skate park, playground and refurbished tennis court. 	<ul style="list-style-type: none"> ▪ Construct the Yalgoo Community Hub stage 1 Covered Sports Facility. This includes rage cage, bmx track, skate park, playground and refurbished tennis court. ▪ Continue to seek funding for Yalgoo Community Hub Stage 2: Community and Youth Centre
Encourage and support volunteers, with particular focus on promotion, training and recognition.	<ul style="list-style-type: none"> ▪ Indigenous community volunteers carried out school holiday programs and featured Yalgoo in their national annual fund raising brochure 	<ul style="list-style-type: none"> ▪ Continue partnership with ICV (indigenous community volunteers)
Implementation of the Disability Access and Inclusion Plan adopted in August 2007	<ul style="list-style-type: none"> ▪ Included disabled amenities when Shire hall refurbished 	<ul style="list-style-type: none"> ▪ Re-write disability access and inclusion plan
Explore opportunities to expand and further develop the Healthy Community Project, in co-operation with FaCSIA, Oxiana Mining and other potential partners.	<ul style="list-style-type: none"> ▪ Negotiated with Centacare regarding review of Memorandum of Understanding for Indigenous Parenting program ▪ Finalised recruitment package and advertised position of Community and Youth Development Coordinator ▪ Prepared offices for CYDC (Shire hall, including community room) ▪ Negotiated regarding development of Yalgoo Community Resource Centre 	<ul style="list-style-type: none"> ▪ Engage new Community and Youth Development Coordinator ▪ Pursue Community Resource Centre project (community consultation and scoping of project) ▪ Develop project and apply for funding for Indigenous trainee community development assistant ▪ Further negotiations with mining companies for community benefit funding

National Competition Policy

Regarding Council's responsibilities in relation to National Competition Policy the Shire reports that:

- No business enterprise of the Shire has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality were implemented in respect of any relevant activity undertaken during the 2011/12 year.

Competitive Neutrality

This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector.

This policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over \$200,000 unless it can be shown that it is not in the public interest. In this regard, no significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no non-compliance allegations were made.

The Shire of Yalgoo conducts no activities where the user pays income exceeds \$200,000.

Legislation Review

The Shire reviewed its Local Laws in November 2006, a result of the legislation review requirements. The next review of Local Laws is required in 2014.

Register of Certain Complaints of Minor Breaches

Local Government Act sections 5.121 and 5.110 (6) (b) or (c)

The Act requires the annual report to contain details about certain complaints of minor breaches that result in certain action taken against the person. Generally a minor breach is a breach of a local law or code of conduct and the action taken may be public censure, making the person say sorry or sending them to training. A register must be kept of all such breaches.

There were no such complaints recorded during 2011-12.

Public Interest Disclosures

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

The Chief Executive Officer has complied with all obligations under the Act including:

- Appointing the Deputy Chief Executive Officer as the PID Officer for the organisation and publishing an internal procedure relating to the Shire's obligations.
- Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

Disability Access and Inclusion Plan

The Disability Services Act 1993 was amended in December 2004, creating a requirement for public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These plans to be fully developed by July 2007 replace and build on the achievements of Disability Services Plans (DSPs).

The Shire is committed to achieving the six standards of its disability access and inclusion plan which are as follows:

- Outcome 1 – Provide a means of ensuring that people with disabilities have the same opportunities as others to access the services of, and any event organised by, the Shire of Yalgoo.
- *Public events are held at venues providing disabled access*
- Outcome 2 – Provide a means of ensuring that people with disabilities have the same opportunities as others to access buildings and other facilities of the Shire of Yalgoo.
- *Shire has included disabled facilities in planned refurbishment of Yalgoo Town Hall (ramp access constructed, toilets under construction including disabled toilet)*
 - *Shire installed disabled water fountain at Yalgoo Water Park*
 - *Disabled access to be included in design of Yalgoo Community Hub*
 - *Shire unsuccessful in application for funding for disabled access and parking for amenities at Community Park. Shire will reapply.*
- Outcome 3 – Provide a means of ensuring that people with disabilities receive information from the Shire in a format that will enable them to access information as readily as others are able to.
- *Information about the functions, facilities and services provided by the Shire is prepared using clear and concise language.*
 - *Where necessary, or requested, information can be made available in alternative formats such as large print or verbally. During the year, no requests were received.*

Outcome 4 – Provide a means of ensuring that people with disabilities receive the same level and quality of service from the staff of the Shire of Yalgoo.

- *Staff are aware of the need to assist where necessary*
- *Separate interview room is used extensively for meeting and discussion with the public, rather than over the counter in an open area.*

Outcome 5 – Provide a means of ensuring that people with disabilities have the same opportunities as others to make complaints to the Shire of Yalgoo.

and

Outcome 6 – Provide a means of ensuring that people with disabilities have the same opportunities as others to participate in any public consultation with the Shire of Yalgoo.

- *People are invited to a separate interview room for any discussion*
- *Email facilities to contact staff for those with internet access*

Freedom of Information Statement

This information statement is published by the Shire of Yalgoo in accordance with the requirements of the Freedom of Information Act 1992.

An updated information statement will be published at least every twelve months. It is intended that the statement be included as part of the Annual Report and received each year as part of the Annual Electors meeting.

1. Structure and Functions of Council

a) *Establishment*

The Shire of Yalgoo is established under the *Local Government Act 1995*, which governs how the administration for the Shire is carried out. Other major legislation which creates a duty or an authority for Council to act includes –

- Local Government Act (Miscellaneous Provisions) Act 1960
- Town Planning and Development 1928
- Bush Fires Act 1954
- Dog Act 1976
- Cemeteries Act 1986
- Health Act 1911
- Freedom of Information Act 1992
- Disabilities and Amendment Act 1999
- Occupational Health and Safety Act 1994
- Equal Opportunities Act 1984

In addition, there is a wide range of other legislative responsibilities.

b) Council

Council's affairs are managed by six people elected from the community who represent the whole Shire. Council acts as a "community board", establishing policies and making decisions within the Local Government Act on a wide range of issues affecting the community, in keeping with legislation requirements to:

- determine policies to be applied by Council in exercising its discretionary powers;
- determine the type, range and scope of projects to be undertaken by Council;
- develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of Council.

Council makes decisions which direct and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken and the allocation of resources to such works and services.

Decisions are also made to determine whether or not approvals are to be granted for applications for residential and commercial development.

Meetings of Council and Committees are advertised at least once each year. Unless changed, Ordinary meetings of Council usually are held on the second last Thursday of each month commencing at 11.00 am. All members of the public are welcome to attend. Two meetings per year are held at Paynes Find in recognition that the Shire district covers an extensive geographic area with remote populations. Meeting at Paynes Find offers members of this remote locality the opportunity to attend a Council meeting without a 310 kilometre round trip on gravel roads.

Local public notice is given before any change of date of a meeting.

c) Regional Involvement

Elected members are involved with many organisations within the community, and also actively represent the community at a regional or state level. Council's nominations include –

- Murchison Country Zone of the WA Local Government Association (regional)
- Murchison Vermin Regional Council (regional)
- State Road Funds for Local Roads Sub-Group (regional)
- Extension Hill Regional Conservation Association (EGRCA)

d) Committees

Council utilises occasional committees as and when required. An Audit Committee meets as needed, in accordance with the requirements of the Local Government Act.

e) Agendas

To ensure that all items are included in the agenda, matters for consideration should reach the Council office at least 12 days before the Council meeting date as agendas are prepared for distribution 8 days in advance. A copy of the agenda is available to the public before the meeting.

f) Minutes

The Minutes are available for inspection after the meeting (usually about one week). Please note that all Minutes are subject to confirmation by Council at the following meeting.

g) Delegated Authority

The Chief Executive Officer and other officers of Council have delegated authority to make decisions on a number of specified administration and policy matters. These delegations are listed in the Delegations Register and are reviewed annually by Council.

2. Service to the Community

Council provides an extensive variety of services for the community under authority of a wide range of legislation. Services provided include –

- building control
- cemetery
- bush fire control
- citizenship ceremonies
- dog and cat control
- community bus
- environmental health
- demolition permits
- litter bins
- drainage
- parks & reserves
- fire prevention
- playground equipment
- library services
- public toilets
- media releases
- planning control
- rubbish collection
- public health services
- stormwater drainage
- public buildings for hire
- recreational /sporting facilities
- street lighting
- roads / footpaths /kerbing
- street tree planting
- vehicle licencing agency

3. Public Participation

Members of the public have a number of opportunities to put forward their views on particular issues before Council. These include:

- Deputations – With the permission of the President, a member of the public may address Council personally, on behalf of another or on behalf of an organisation.
- Submissions – Some development applications do not require special approval of Council. Where special approval is required, residents are notified by advertising in the local newspaper, and in some instances they may also be notified individually by Council or the developer. When an application is publicly notified, residents have the opportunity to make a written submission to Council expressing their views regarding the application.
- Petitions – Written petitions can be addressed to Council on any issue within the Council's jurisdiction.
- Written request – Members of the public can write to Council on any Council policy, activity or service.
- Elected members – Members of the public can contact any of the elected members to discuss any issue relevant to Council.
- Council meetings – public question time.

4. Access to Council Documents

Many documents are available for public inspection free of charge at the Council office. Copies of some documents can be made available, although some will incur a charge to cover photocopying.

Information that is available includes –

- Committee Agendas
- Council Agendas
- Minutes of Committee Meetings
- Minutes of Council Meetings
- Delegations Manual
- Policy Manual
- Annual Budget
- Annual Report
- Annual Financial Statement
- Council Local Laws
- Town Planning Scheme
- Electoral Rolls
- Plan for the Future
- Disability and Inclusion Plan

Requests for other information will be considered in accordance with the Freedom of Information Act. Under this legislation, an application fee and search fee must be submitted with the completed request form unless the information required is personal or an exemption is granted.

5. Amending Personal Information

Applications for information or to view / amend personal information should be made to the CEO.

6. Procedures and Access Arrangements

a) FOI Operations

It is the aim of the agency to make information available promptly and at the lowest cost. Documents will therefore be provided outside the FOI process where possible.

If information is not routinely available, the *Freedom of Information Act 1992* provides the right to apply for documents held by the agency and to enable the public to ensure that personal information in documents is accurate, complete, up to date and not misleading.

b) Freedom of Information Applications

Access applications have to -

- be in writing;
- give enough information so that the documents requested can be identified;
- give an Australian address to which notices can be sent; and
- be lodged at the agency with any application fee payable.

Applications and enquiries should be addressed to the CEO.

Applications will be acknowledged in writing and you will be notified of the decision within 45 days.

c) Freedom of Information Charges

The scale of fees and charges is set under the FOI Act Regulations. Apart from the application fee for non-personal information all charges are discretionary. The charges are as follows.

- | | |
|---|--------------------|
| • <i>Personal information about the applicant</i> | <i>No fee</i> |
| • <i>Application fee (for non personal information)</i> | <i>\$30.00</i> |
| • <i>Charge for time dealing with the application (per hour, or pro rata)</i> | <i>\$30.00</i> |
| • <i>Access time supervised by staff (per hour, or pro rata)</i> | <i>\$30.00</i> |
| • <i>Photocopying staff time (per hour, or pro rata)</i> | <i>\$30.00</i> |
| • <i>Per photocopy</i> | <i>\$0.20</i> |
| • <i>Transcribing from tape, film or computer (per hour, or pro rata)</i> | <i>\$30.00</i> |
| • <i>Duplicating a tape, film or computer information</i> | <i>Actual Cost</i> |
| • <i>Delivery, packaging and postage</i> | <i>Actual Cost</i> |

d) Deposits

- | | |
|---|------------|
| • <i>Advance deposit may be required of the estimated charges</i> | <i>25%</i> |
| • <i>Further advance deposit may be required to meet the charges for dealing with the application</i> | <i>75%</i> |

For financially disadvantaged applicants or those issued with prescribed pensioner concession cards, the charge payable is reduced by 25%.

e) Access Arrangements

Access to documents can be granted by way of inspection, a copy of a document, a copy of an audio or video tape, a computer disk, a transcript of a recorded, shorthand or encoded document from which words can be reproduced.

f) Notice of Decision

As soon as possible but in any case within 45 days you will be provided with a notice of decision which will include details such as -

- the date which the decision was made
- the name and the designation of the officer who made the decision
- if the document is an exempt document the reasons for classifying the matter exempt; or the fact that access is given to an edited document
- information on the right to review and the procedures to be followed to exercise those rights.

f) Refusal of Access

Applicants who are dissatisfied with a decision of the agency are entitled to ask for an internal review by the agency. Application should be made in writing within 30 days of receiving the notice of decision.

You will be notified of the outcome of the review within 15 days.

If you disagree with the result you then can apply to the Information Commissioner for an external review, and details would be advised to applicants when the internal review decision is issued.

Enquiries, applications for information or to view / amend personal information, should be made to –

Chief Executive Officer
Shire of Yalgoo
37 Gibbons Street
YALGOO WA 6635

Enquiries can also be made to –

Office of the Information Commissioner
PO Box Z5386
PERTH WA 6831

Phone: 9220 7888 or 1800 621 244
Fax: 9325 2152
Email: info@foi.wa.gov.au
Website: www.foi.wa.gov.au

Record Keeping

Background

The State Records Act 2000 is an Act to provide for the keeping of State records and for related purposes. Section 19 of the Act requires each government organisation have a Record Keeping Plan that has been approved by the State Records Commission.

The purpose of a Record Keeping Plan is to set out which records are to be created by the organisation and how it is to keep those records. Record Keeping Plans are to provide an accurate reflection of the record keeping program within the organisation, including information regarding the organisation's record keeping system(s), disposal arrangements, policies, practices and procedures. The Record Keeping Plan is the primary means of providing evidence of compliance with the Act and that best practices have been implemented in the organisation. In accordance with Section 17 of the Act, the Shire of Yalgoo and all its employees are legally required to comply with the contents of this plan.

The Shire of Yalgoo objectives for record keeping are:

- compliance with Section 19 of the State Records Act 2000,
- record keeping within the local government is moving toward compliance with State Records Commission Standards and Records Management Standard AS15489,
- processes are in place to facilitate the complete and accurate record of business transactions and decisions,
- recorded information can be retrieved quickly, accurately and cheaply when required,
- protection and preservation of government records.

Minimum Compliance Requirements

The record keeping plan is to provide evidence to address that –

- From time to time (where necessary) an external consultant is engaged to conduct a recordkeeping training session for staff. Staff are also encouraged to attend training courses outside the organisation whenever practicable.
- Information sessions are conducted for staff as required.
- The Shire provides brochures or newsletters to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.
- The Shire's Induction Program for new employees includes an introduction to the local government's recordkeeping system and program, and information on their recordkeeping responsibilities.

The Shire commenced a major review of records management in 2009-10. Excessive staff turnover delayed implementation however this project was recommenced in late 2011-12. Keywords for Council has been implemented and the Shire is in the process of transitioning all files this new system. Staff have received training and the overall project will include archiving and destruction, improved record keeping facilities and review of the records management plan.

Review

The State Records Act 2000 s.28 (5) requires that Records Keeping Plan must be reviewed at least every five years. Between reviews, the implementation / continuation of requirements is to be further developed.

APPENDED

Shire of Yalgoo Audited Financial Statements and Auditor's Report for the financial year ended 30 June 2012

SHIRE OF YALGOO
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9 to 49
Independent Audit Report	50 & 51

Principal place of business
37 Gibbons Street
Yalgoo WA 6635

SHIRE OF YALGOO

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2012

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Yalgoo being the annual financial report and other information for the financial year ended 30th June 2012 are in my opinion properly drawn up to present fairly the financial position of the Shire of Yalgoo at 30th June 2012 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 on the 2nd day of October 2012



Sharon Daishe
Chief Executive Officer

SHIRE OF YALGOO
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
Rates	22	1,346,819	1,316,495	1,146,594
Operating Grants, Subsidies and Contributions	28	5,319,772	5,030,882	2,136,675
Fees and Charges	27	628,108	326,670	325,023
Interest Earnings	2(a)	103,316	100,500	170,950
Other Revenue		55,986	97,100	130,547
		<u>7,454,001</u>	<u>6,871,647</u>	<u>3,909,789</u>
Expenses				
Employee Costs		(1,158,194)	(2,406,310)	(980,279)
Materials and Contracts		(3,815,966)	(2,282,721)	(2,259,062)
Utility Charges		(96,965)	0	(86,637)
Depreciation on Non-Current Assets	2(a)	(1,167,588)	(1,205,489)	(1,099,619)
Insurance Expenses		(174,429)	(112,117)	(141,896)
Interest Expenses	2(a)	(32,934)	(33,567)	(43,327)
Other Expenditure		(85,886)	(359,454)	(55,517)
		<u>(6,531,962)</u>	<u>(6,399,658)</u>	<u>(4,666,337)</u>
		922,039	471,989	(756,548)
Non-Operating Grants, Subsidies and Contributions	28	1,091,469	683,918	1,773,798
Profit on Asset Disposals	20	58,000	33,166	172,728
Loss on Asset Disposal	20	(30,228)	(66,863)	(26,071)
		<u>2,041,280</u>	<u>1,122,210</u>	<u>1,163,907</u>
Net Result				
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income				
		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income				
		<u><u>2,041,280</u></u>	<u><u>1,122,210</u></u>	<u><u>1,163,907</u></u>

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

SHIRE OF YALGOO
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue	2(a)			
Governance		399	80,000	0
General Purpose Funding		4,325,933	3,702,905	3,131,899
Law, Order, Public Safety		257,067	34,470	12,252
Health		66,175	23,000	28,320
Housing		10,868	54,000	18,184
Community Amenities		14,801	32,320	9,985
Recreation and Culture		12,637	12,250	67,600
Transport		2,521,336	2,739,502	221,473
Economic Services		145,340	99,600	146,757
Other Property and Services		99,445	93,600	273,319
		<u>7,454,001</u>	<u>6,871,647</u>	<u>3,909,789</u>
Expenses	2(a)			
Governance		(297,500)	(489,827)	(294,229)
General Purpose Funding		(311,258)	(286,095)	(227,255)
Law, Order, Public Safety		(365,711)	(153,155)	(101,042)
Health		(66,093)	(82,269)	(75,458)
Education and Welfare		(162)	(5,200)	(1,501)
Housing		(252,888)	(196,984)	(181,748)
Community Amenities		(186,813)	(178,502)	(129,186)
Recreation & Culture		(524,839)	(493,361)	(495,118)
Transport		(4,136,453)	(4,011,247)	(2,800,522)
Economic Services		(328,072)	(482,673)	(303,273)
Other Property and Services		(29,240)	2,410	(13,678)
		<u>(6,499,029)</u>	<u>(6,376,903)</u>	<u>(4,623,010)</u>
Financial Costs	2(a)			
Housing		(26,995)	(19,576)	(37,066)
Community Amenities		(5,938)	(3,179)	(6,261)
		<u>(32,933)</u>	<u>(22,755)</u>	<u>(43,327)</u>
Non-Operating Grants, Subsidies and Contributions				
Health		0	0	275,375
Community Amenities		50,000	0	0
Recreation & Culture		10,000	0	229,044
Transport		1,031,469	683,918	1,229,379
Economic Services		0	0	40,000
		<u>1,091,469</u>	<u>683,918</u>	<u>1,773,798</u>
Profit/(Loss) on Disposal of Assets				
Health		0	0	(9,757)
Transport		27,772	(8,016)	163,841
Economic Services		0	0	(1,298)
Other Property and Services		0	(25,681)	(6,129)
		<u>27,772</u>	<u>(33,697)</u>	<u>146,657</u>
Net Result		<u>2,041,280</u>	<u>1,122,210</u>	<u>1,163,907</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u>2,041,280</u>	<u>1,122,210</u>	<u>1,163,907</u>

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

SHIRE OF YALGOO
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2012

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	3,431,030	1,939,916
Trade and Other Receivables	4	92,615	695,188
Inventories	5	680	1,473
TOTAL CURRENT ASSETS		<u>3,524,325</u>	<u>2,636,577</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	7,765,203	7,474,322
Infrastructure	7	16,036,878	15,515,606
TOTAL NON-CURRENT ASSETS		<u>23,802,081</u>	<u>22,989,928</u>
TOTAL ASSETS	17	<u>27,326,406</u>	<u>25,626,505</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	367,230	747,219
Long Term Borrowings	9	28,593	26,823
Provisions	10	163,734	120,235
TOTAL CURRENT LIABILITIES		<u>559,557</u>	<u>894,277</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	460,009	488,602
Provisions	10	46,741	24,807
TOTAL NON-CURRENT LIABILITIES		<u>506,750</u>	<u>513,409</u>
TOTAL LIABILITIES		<u>1,066,307</u>	<u>1,407,686</u>
NET ASSETS		<u>26,260,099</u>	<u>24,218,819</u>
EQUITY			
Retained Surplus		23,551,457	21,823,086
Reserves - Cash Backed	11	1,556,538	1,243,629
Reserves - Asset Revaluation	12	1,152,104	1,152,104
TOTAL EQUITY		<u>26,260,099</u>	<u>24,218,819</u>

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

**SHIRE OF YALGOO
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2012**

NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVES \$	TOTAL EQUITY \$
Balance as at 1 July 2010	20,113,004	1,789,804	1,152,104	23,054,912
Net Result	1,163,907	0	0	1,163,907
Total Other Comprehensive Income	0	0	0	0
Reserve Transfers	546,175	(546,175)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2011	21,823,086	1,243,629	1,152,104	24,218,819
Net Result	2,041,280	0	0	2,041,280
Total Other Comprehensive Income	0	0	0	0
Reserve Transfers	(312,909)	312,909	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2012	<u>23,551,457</u>	<u>1,556,538</u>	<u>1,152,104</u>	<u>26,260,099</u>

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

SHIRE OF YALGOO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2012

	NOTE	2012 \$	2012 Budget \$	2011 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,367,212	1,316,495	1,147,136
Operating Grants, Subsidies and Contributions		5,742,479	5,030,882	1,949,308
Fees and Charges		628,108	1,197,916	325,023
Interest Earnings		103,316	100,500	170,950
Goods and Services Tax		525,778	383,351	264,096
Other Revenue		55,986	97,100	130,547
		<u>8,422,879</u>	<u>8,126,244</u>	<u>3,987,060</u>
Payments				
Employee Costs		(1,107,254)	(2,406,310)	(945,452)
Materials and Contracts		(4,180,582)	(2,844,212)	(1,627,152)
Utility Charges		(96,965)	0	(86,637)
Interest Expenses		(33,021)	(33,567)	(43,451)
Insurance Expenses		(174,429)	(112,117)	(141,896)
Goods and Services Tax		(366,305)	(383,351)	(420,669)
Other Expenditure		(85,886)	(359,454)	(55,517)
		<u>(6,044,442)</u>	<u>(6,139,011)</u>	<u>(3,320,774)</u>
Net Cash Provided By Operating Activities	13(b)	<u>2,378,437</u>	<u>1,987,233</u>	<u>666,286</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(1,137,832)	(1,739,110)	(1,944,093)
Payments for Construction of Infrastructure		(933,955)	(1,378,327)	(1,940,970)
Non-Operating Grants, Subsidies and Contributions		1,091,469	683,918	1,773,798
Proceeds from Sale of Plant & Equipment		119,818	171,000	266,809
Net Cash Used in Investing Activities		<u>(860,500)</u>	<u>(2,262,519)</u>	<u>(1,844,456)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(26,823)	(26,524)	(43,915)
Net Cash Provided By (Used In) Financing Activities		<u>(26,823)</u>	<u>(26,524)</u>	<u>(43,915)</u>
Net Increase (Decrease) in Cash Held		1,491,114	(301,810)	(1,222,085)
Cash at Beginning of Year		1,939,916	1,933,693	3,162,001
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>3,431,030</u></u>	<u><u>1,631,883</u></u>	<u><u>1,939,916</u></u>

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

**SHIRE OF YALGOO
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012**

	NOTE	2012 \$	2012 Budget \$	2011 \$
Revenue				
Governance		399	80,000	0
General Purpose Funding		2,979,114	2,386,410	1,985,305
Law, Order, Public Safety		257,067	34,470	12,252
Health		66,175	23,000	303,695
Housing		10,868	54,000	18,184
Community Amenities		64,801	32,320	9,985
Recreation and Culture		22,637	12,250	296,644
Transport		3,610,805	3,456,586	1,623,580
Economic Services		145,340	99,600	186,757
Other Property and Services		99,445	93,600	273,319
		<u>7,256,651</u>	<u>6,272,236</u>	<u>4,709,721</u>
Expenses				
Governance		(297,500)	(489,827)	(294,229)
General Purpose Funding		(311,258)	(286,095)	(227,255)
Law, Order, Public Safety		(365,711)	(153,155)	(101,042)
Health		(66,093)	(82,269)	(85,215)
Education and Welfare		(162)	(5,200)	(1,501)
Housing		(279,883)	(216,560)	(218,813)
Community Amenities		(192,751)	(181,681)	(135,447)
Recreation and Culture		(524,839)	(493,361)	(495,118)
Transport		(4,166,681)	(4,052,428)	(2,809,409)
Economic Services		(328,072)	(482,673)	(304,571)
Other Property and Services		(29,240)	(23,272)	(19,808)
		<u>(6,562,190)</u>	<u>(6,466,521)</u>	<u>(4,692,408)</u>
Net Result Excluding Rates		694,461	(194,285)	17,313
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	20	(27,772)	33,697	(146,657)
Movement in Accrued Interest		(87)	0	(124)
Movement in Employee Benefit Provisions		65,433	0	16,524
Depreciation and Amortisation on Assets	2(a)	1,167,588	1,205,489	1,099,619
Capital Expenditure and Revenue				
Purchase Land and Buildings	6(a)	(713,417)	(1,102,510)	(878,458)
Purchase Infrastructure Assets - Roads	7(a)	(823,572)	(822,844)	(991,992)
Purchase Infrastructure Assets - Other	7(a)	(110,383)	(555,483)	(948,978)
Purchase Plant and Equipment	6(a)	(419,595)	(631,100)	(1,056,599)
Purchase Furniture and Equipment	6(a)	(4,820)	(5,500)	(9,036)
Proceeds from Disposal of Assets	20	119,818	171,000	266,809
Repayment of Debentures	21(a)	(26,823)	(26,524)	(43,915)
Transfers to Reserves (Restricted Assets)	11	(809,446)	(1,125,790)	(110,520)
Transfers from Reserves (Restricted Assets)	11	496,537	731,313	656,695
ADD Surplus/(Deficit) July 1 B/Fwd	22(b)	648,295	1,006,042	1,631,020
LESS Surplus/(Deficit) June 30 C/Fwd	22(b)	1,603,036	0	648,295
Amount Required to be Raised from Rates	22(a)	<u>(1,346,819)</u>	<u>(1,316,495)</u>	<u>(1,146,594)</u>

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial report is a general purpose financial 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 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

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. 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 held at call with banks, 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 on the statement of financial position.

(e) Trade and Other Receivables

Collectability 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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

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

(g) Fixed Assets

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

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 that 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

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

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 in 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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

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 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	35 years
Furniture and Equipment	3 to 10 years
Plant and Equipment	5 to 10 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	41 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	23 years
gravel sheet	23 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	14 years
Footpaths - slab	not depreciated

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets (Continued)

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 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 earnings.

Capitalisation Threshold

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

(h) 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 (i.e. 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 exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot 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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

(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 assets.

(ii) Loans and receivables

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

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 that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-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 payments.

They are subsequently measured at fair value with changes in such fair value (i.e. 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 that 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 the 12 months after the end of the reporting period. All other financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to 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 continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. 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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) 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 (e.g. AASB 116) whereby 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.

(j) Trade and Other Payables

Trade payables 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 and are usually paid within 30 days of recognition.

(k) 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 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 employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(l) 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.

(m) 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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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.

(o) Joint Venture

The Council'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 appropriate line items of the financial statement. Information about the joint venture is set out in Note 16.

The Council's interests in joint venture entities are recorded using the equity method of accounting in the financial report.

Where the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(p) 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(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.

(q) 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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where 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 the Council's intentions to release for sale.

(s) Rounding Off Figures

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

(t) 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.

(u) 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 YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2012.

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

Title and Topic	Issued	Applicable ⁽¹⁾	Impact
(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.
(ii) AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iii) 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 YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable ⁽¹⁾	Impact
(iv) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(v) 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, 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).
(vi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable ⁽¹⁾	Impact
(vii) AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters <input type="checkbox"/> [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	Nil - None of these amendments will have any effect on the financial report as non of the topics are relevant to the operations of the Council.
(viii) AASB 2011 - 2 Amendments to Australian Accounting Standards - Arising from the Trans - Tasman Consequence Project - Reduced Disclosure Requirements. <input type="checkbox"/> [AASB 101 & AASB 1054]	May 2011	1 July 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2011 - 3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to ABS GFS manual and related Amendments. <input type="checkbox"/> [AASB 1049]	May 2011	1 July 2012	
AASB 2011 - 6 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements <input type="checkbox"/> [AASB 127, 128 & 131]	July 2011	1 July 2013	

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable ⁽¹⁾	Impact
(ix) 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 □ 101,107,112,118,121,124, □ 132,133,131,138,139,1023 & □ 1038 and Interpretations 5,9,16 & 17] 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]	August 2011	1 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.
(x) AASB 13 - Fair Value Measurements □ AASB 2011 - 8 Amendments to Australian Accounting Standards arising from AASB 13 □ [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	September 2011	1 January 2013	AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. □ AASB 13 requires: □ - Inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and □ - Enhanced disclosures regarding all assets and liabilities (including, but not limited to financial assets and financial liabilities) measured at fair value. □ AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards. □ The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations. C131

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and Topic	Issued	Applicable ⁽¹⁾	Impact
(xi) 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	1 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.
(xii) AASB 119 - Employee Benefits □ AASB 2010 - 10 Amendments to Australian Accounting Standards arising from AASB 119 □ [AASB 1,8,101,124,134,1049 & 2011-8 and Interpretation 14]	September 2011	1 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.
(xiii) AASB 2011 - 11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	September 2011	1 July 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2011 - 12 Amendments to Australian Accounting Standards arising from Interpretation 20 □[AASB 1]	November 2011	1 January 2013	
AASB 2011 - 13 Amendments to Australian Accounting Standards - Improvements to AASB 1049	December 2011	1 July 2012	

Notes:

(1) Applicable to reporting periods commencing on or after the given dates.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) 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 124
- AASB 1054
- AASB 2009 - 12
- AASB 2010 - 4
- AASB 2010 - 5
- AASB 2010 - 6
- AASB 2010 - 9
- AASB 2010 - 14
- AASB 2011 - 1

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.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES	2012	2011	
	\$	\$	
(a) Net Result			
The Net Result includes:			
(i) Receiving as a Revenue:			
Significant Revenue			
General Purpose Funding			
This significant revenue in both years relates to Local Government Financial Assistance Grant			
- Payment received early	<u>995,350</u>	<u>474,100</u>	
Auditors Remuneration			
- Audit	17,380	8,654	
- Other Services	1,345	750	
Depreciation			
Buildings	183,375	160,891	
Furniture and Equipment	24,785	36,632	
Plant and Equipment	546,745	514,634	
Roads	382,054	372,623	
Other Infrastructure	30,629	14,839	
	<u>1,167,588</u>	<u>1,099,619</u>	
Interest Expenses (Finance Costs)			
Debentures (<i>refer Note 21(a)</i>)	<u>32,934</u>	<u>43,327</u>	
(ii) Crediting as Revenue:			
	2012	2012	2011
	Actual	Budget	Actual
	\$	\$	\$
Interest Earnings			
Investments			
- Reserve Funds	81,128	50,000	110,520
- Other Funds	16,600	50,000	53,081
Other Interest Revenue (<i>refer note 26</i>)	5,588	500	7,349
	<u>103,316</u>	<u>100,500</u>	<u>170,950</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, the Shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

GOVERNANCE

Administration and operation facilities and services to the members of the Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern other specific functions/activities of the Shire are also recorded here.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

Food quality, pest control and immunisation services.

EDUCATION AND WELFARE

Telecentre Access Point Service.

HOUSING

Provision and maintenance of staff, rental and Joint Venture Housing.

COMMUNITY AMENITIES

Rubbish collection services, operation of tips, noise control, litter control, administration of the town planning scheme, strategic planning, maintenance of the cemetery, public conveniences and town storm water drainage.

RECREATION AND CULTURE

Maintenance of halls, recreation centres and various reserves, operation of libraries, maintenance of cultural heritage assets and TV/radio retransmission services.

TRANSPORT

Construction and maintenance of streets, roads, footpaths, drainage works, lighting of streets, maintenance of the depot and airstrips.

ECONOMIC SERVICES

Regulation and provision of tourism, area promotion, building control, noxious weeds and vermin control.

OTHER PROPERTY AND SERVICES

Private works operations, plant repairs and operation costs.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening	Received	Expended	Closing	Received	Expended	Closing
Grant/Contribution	Function/ Activity	Balance⁽¹⁾ 1/07/2010	2010/11	2010/11	Balance⁽¹⁾ 30/06/2011	2011/12	2011/12	Balance 30/06/2012
		\$	\$	\$	\$	\$	\$	\$
RLCIP	Various	477,143	0	(477,143)	0	0	0	0
RLCIP Hall Upgrade	Rec & Culture	30,000	30,000	(56,581)	3,419	0	(3,419)	0
CSRFF Water Playground	Rec & Culture	0	199,044	(199,044)	0	0	0	0
CLGF (FCWP)	GPF	35,000	0	(10,000)	25,000	0	0	25,000
Crime Prevention Grant	Law Order	20,000	0	0	20,000	0	0	20,000
Black Spot Funding	Transport	13,875	0	0	13,875	0	(13,875)	0
National Rural & Remote Health	Health	353,821	125,375	(479,196)	0	0	0	0
WA Child Health Service	Health	0	150,000	(150,000)	0	0	0	0
Dry Season Assistance	Econ Services	0	20,000	(5,709)	14,291	0	(14,291)	0
MWDC Entry Statement	Econ Services	0	15,000	(4,141)	10,859	0	(10,859)	0
CLGF	Various	0	0	0	0	479,522	(140,429)	339,093
Emergency Management	Law Order	0	0	0	0	7,500	(6,180)	1,320
Roadwise LG Road Safety Grant	Law Order	0	0	0	0	5,000	0	5,000
Yalgoo town Structure Plan	Community Amen	0	0	0	0	50,000	(12,000)	38,000
Roads to Recovery (R2R)	Transport	0	0	0	0	609,610	(226,239)	383,371
Community Benefit	Econ Services	0	0	0	0	20,000	0	20,000
Total		929,839	539,419	(1,381,814)	87,444	1,171,632	(427,292)	831,784

Notes:

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - 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.

(3) - 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 YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	Note	2012 \$	2011 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,042,708	608,843
Restricted		<u>2,388,322</u>	<u>1,331,073</u>
		<u><u>3,431,030</u></u>	<u><u>1,939,916</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	11	89,884	85,994
Plant Reserve	11	217,034	194,928
Building Reserve	11	460,251	390,248
Yalgoo Ninghan Road Reserve	11	168,369	158,533
Sports Complex Reserve	11	80,534	77,049
Housing Maintenance Reserve	11	37,991	32,907
General Road Reserve	11	102,263	72,370
Community Amenities Maintenance Reserve	11	163,308	101,726
HCP Reserve	11	53,323	80
Yalgoo Morawa Road Reserve	11	87,775	58,509
Superannuation Back-Pay Reserve	11	74,510	71,285
Office Equipment Reserve	11	21,296	0
Unspent Grants	2(c)	<u>831,784</u>	<u>87,444</u>
		<u><u>2,388,322</u></u>	<u><u>1,331,073</u></u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates Outstanding		7,392	27,785
Sundry Debtors		61,900	468,661
Provision for Doubtful Debts		(1,043)	(3,597)
GST Receivable		24,366	183,839
Prepayments		<u>0</u>	<u>18,500</u>
		<u><u>92,615</u></u>	<u><u>695,188</u></u>
5. INVENTORIES			
Current			
Fuel and Materials		<u>680</u>	<u>1,473</u>
		<u><u>680</u></u>	<u><u>1,473</u></u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	7,212,371	6,498,954
Less Accumulated Depreciation	<u>(1,459,040)</u>	<u>(1,275,665)</u>
	5,753,331	5,223,289
Furniture and Equipment - Cost	423,923	419,103
Less Accumulated Depreciation	<u>(378,989)</u>	<u>(354,204)</u>
	44,934	64,899
Plant and Equipment - Cost	4,615,702	4,421,871
Less Accumulated Depreciation	<u>(2,650,440)</u>	<u>(2,237,413)</u>
	1,965,262	2,184,458
Tools - Cost	6,250	6,250
Less Accumulated Depreciation	<u>(4,574)</u>	<u>(4,574)</u>
	1,676	1,676
	<u><u>7,765,203</u></u>	<u><u>7,474,322</u></u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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.

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Tools \$	Total \$
Balance as at the beginning of the year	5,223,289	64,899	2,184,458	1,676	7,474,322
Additions	713,417	4,820	419,595	0	1,137,832
(Disposals)	0	0	(92,046)	0	(92,046)
Revaluation - Increments/(decrements)	0	0	0	0	0
Impairment - (losses)/reversals	0	0	0	0	0
Depreciation (Expense)	(183,375)	(24,785)	(546,745)	0	(754,905)
Carrying amount at the end of year	<u>5,753,331</u>	<u>44,934</u>	<u>1,965,262</u>	<u>1,676</u>	<u>7,765,203</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

	2012	2011
	\$	\$
7. INFRASTRUCTURE		
Roads Cost	34,432,800	33,609,227
Less Accumulated Depreciation	<u>(19,705,621)</u>	<u>(19,323,566)</u>
	14,727,179	14,285,661
Infrastructure - Other - Cost	1,358,730	1,248,347
Less Accumulated Depreciation	<u>(49,031)</u>	<u>(18,402)</u>
	1,309,699	1,229,945
	<u>16,036,878</u>	<u>15,515,606</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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>Other</u> \$	<u>Total</u> \$
Balance at the beginning of the year	14,285,661	1,229,945	15,515,606
Additions	823,572	110,383	933,955
(Disposals)	0	0	0
Revaluation - Increments/(decrements)	0	0	0
Impairment - (losses)/reversals	0	0	0
Depreciation (Expense)	(382,054)	(30,629)	(412,683)
			0
Carrying amount at the end of year	<u><u>14,727,179</u></u>	<u><u>1,309,699</u></u>	<u><u>16,036,878</u></u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	337,654	697,172
Accrued Interest on Debentures	2,479	2,566
ATO Liabilities	25,110	39,603
Other Payables	1,987	7,878
	<u>367,230</u>	<u>747,219</u>

9. LONG-TERM BORROWINGS

Current

Secured by Floating Charge Debentures	<u>28,593</u>	<u>26,823</u>
	<u>28,593</u>	<u>26,823</u>

Non-Current

Secured by Floating Charge Debentures	<u>460,009</u>	<u>488,602</u>
	<u>460,009</u>	<u>488,602</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Current

Provision for Annual Leave	82,089	72,864
Provision for Long Service Leave	55,159	47,371
Provision for Sick Leave	26,486	0
	<u>163,734</u>	<u>120,235</u>

Non-Current

Provision for Long Service Leave	<u>46,741</u>	<u>24,807</u>
	<u>46,741</u>	<u>24,807</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2012 Budget \$	2011 \$
11. RESERVES - CASH BACKED			
(a) Long Service and Annual Leave Reserve			
Opening Balance	85,994	85,564	80,852
Amount Set Aside / Transfer to Reserve	4,320	3,229	5,142
Amount Used / Transfer from Reserve	(430)	0	0
	<u>89,884</u>	<u>88,793</u>	<u>85,994</u>
(b) Plant Reserve			
Opening Balance	194,928	193,953	183,273
Amount Set Aside / Transfer to Reserve	23,082	375,800	11,655
Amount Used / Transfer from Reserve	(976)	(352,000)	0
	<u>217,034</u>	<u>217,753</u>	<u>194,928</u>
(c) Building Reserve			
Opening Balance	390,248	388,295	754,338
Amount Set Aside / Transfer to Reserve	183,956	171,829	45,910
Amount Used / Transfer from Reserve	(113,953)	(30,000)	(410,000)
	<u>460,251</u>	<u>530,124</u>	<u>390,248</u>
(d) Yalgoo Ninghan Road Reserve			
Opening Balance	158,533	157,740	198,008
Amount Set Aside / Transfer to Reserve	152,402	147,724	12,332
Amount Used / Transfer from Reserve	(142,566)	(141,773)	(51,807)
	<u>168,369</u>	<u>163,691</u>	<u>158,533</u>
(e) Sport Complex Reserve			
Opening Balance	77,049	76,663	100,790
Amount Set Aside / Transfer to Reserve	3,871	2,896	6,259
Amount Used / Transfer from Reserve	(386)	0	(30,000)
	<u>80,534</u>	<u>79,559</u>	<u>77,049</u>
(f) Housing Maintenance Reserve			
Opening Balance	32,907	32,742	30,939
Amount Set Aside / Transfer to Reserve	72,789	72,153	1,968
Amount Used / Transfer from Reserve	(67,705)	(67,540)	0
	<u>37,991</u>	<u>37,355</u>	<u>32,907</u>
(g) General Road Reserve			
Opening Balance	72,370	72,008	68,043
Amount Set Aside / Transfer to Reserve	30,255	27,717	4,327
Amount Used / Transfer from Reserve	(362)	0	0
	<u>102,263</u>	<u>99,725</u>	<u>72,370</u>
(h) Community Amenities Maintenance Reserve			
Opening Balance	101,726	101,217	106,983
Amount Set Aside / Transfer to Reserve	91,091	84,568	6,743
Amount Used / Transfer from Reserve	(29,509)	0	(12,000)
	<u>163,308</u>	<u>185,785</u>	<u>101,726</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012 \$	2011 Budget \$	2011 \$
11. RESERVES - CASH BACKED (continued)			
(i) HCP Reserve			
Opening Balance	80	79	2,804
Amount Set Aside / Transfer to Reserve	193,243	190,000	164
Amount Used / Transfer from Reserve	<u>(140,000)</u>	<u>(140,000)</u>	<u>(2,888)</u>
	<u>53,323</u>	<u>50,079</u>	<u>80</u>
(j) Yalgoo Morawa Reserve			
Opening Balance	58,509	58,216	55,011
Amount Set Aside / Transfer to Reserve	29,559	27,197	3,498
Amount Used / Transfer from Reserve	<u>(293)</u>	<u>0</u>	<u>0</u>
	<u>87,775</u>	<u>85,413</u>	<u>58,509</u>
(k) Superannuation Back-pay Reserve			
Opening Balance	71,285	70,929	208,763
Amount Set Aside / Transfer to Reserve	3,582	2,677	12,522
Amount Used / Transfer from Reserve	<u>(357)</u>	<u>0</u>	<u>(150,000)</u>
	<u>74,510</u>	<u>73,606</u>	<u>71,285</u>
(l) Office Equipment Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	21,296	20,000	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>21,296</u>	<u>20,000</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u><u>1,556,538</u></u>	<u><u>1,631,883</u></u>	<u><u>1,243,629</u></u>

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

11. RESERVES - CASH BACKED (continued)

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

Long Service and Annual Leave Reserve

- To be used to fund annual and long service leave requirements.
- The title of the reserve account was changed to better reflect the purpose of the reserve.

Plant Reserve

- To be used for the purchase of major plant.

Building Reserve

- For the replacement of council properties including housing and other properties.

Yalgoo Ninghan Road Reserve

- To be used to maintain the sealed road Yalgoo Ninghan Road.

Sports Complex Reserve

- For the development of new recreational facilities.

Community Amenities Maintenance Reserves

- For the maintenance of community amenities.

HCP Reserve

- For future community projects operating expenditure.

Housing Maintenance Reserve

- For the maintenance of staff & other housing owned by the Shire.

Yalgoo Morawa Road Reserve

- To be used to maintain the sealed road Yalgoo Ninghan Road.

General Road Reserve

- For the maintenance of grids, etc on roads in the Shire.

Superannuation Back-Pay Reserve

- For the purpose of paying any superannuation back pay costs.

Office Equipment Reserve

- To be used for the purchase of office equipment.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

12. RESERVES - ASSET REVALUATION

	2012	2011
	\$	\$
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
(a) Land and Buildings		
Opening Balance	1,152,104	1,152,104
Revaluation Increment	0	0
Revaluation Decrement	0	0
	1,152,104	1,152,104
TOTAL ASSET REVALUATION RESERVES	1,152,104	1,152,104

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:

	2012	2012	2011
	\$	Budget	\$
		\$	
Cash and Cash Equivalents	3,431,030	1,631,883	1,939,916

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

Net Result	2,041,280	1,122,210	1,163,907
Depreciation	1,167,588	1,205,489	1,099,619
(Profit)/Loss on Sale of Asset	(27,772)	33,697	(146,657)
(Increase)/Decrease in Receivables	602,573	871,246	(343,398)
(Increase)/Decrease in Inventories	793	(4,175)	(1,473)
Increase/(Decrease) in Payables	(379,989)	(557,316)	651,562
Increase/(Decrease) in Employee Provisions	65,433	0	16,524
Grants Contributions for the Development of Assets	(1,091,469)	(683,918)	(1,773,798)
Net Cash from Operating Activities	2,378,437	1,987,233	666,286

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

	2012	2011
	\$	\$
Bank Overdraft limit	50,000	50,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	7,000	7,000
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	57,000	57,000

Loan Facilities

Loan Facilities - Current	28,593	26,823
Loan Facilities - Non-Current	460,009	488,602
Total Facilities in Use at Balance Date	488,602	515,425

Unused Loan Facilities at Balance Date	Nil	Nil
---	------------	------------

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

14. CONTINGENT LIABILITIES

There were no known contingent liabilities as at the 30 June 2012.

15. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

There were no finance lease commitments as at the 30 June 2012.

(b) Operating Lease Commitments

There were no operating lease commitments as at the 30 June 2012.

(c) Capital Expenditure Commitments

There were no capital expenditure commitments as at the 30 June 2012.

16. JOINT VENTURE

The Shire did not participate in any joint ventures as at the 30 June 2012.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2012	2011
	\$	\$
Governance	0	1,300
General Purpose Funding	31,349	2,209,599
Law, Order, Public Safety	247,825	9,548
Health	707,148	850,305
Housing	2,063,524	1,616,524
Community Amenities	422,447	2,894,230
Recreation and Culture	2,623,628	56,709
Transport	16,840,398	16,182,460
Economic Services	607,994	591,561
Other Property and Services	816,288	1,025,674
Unallocated	2,962,805	188,595
	<u>27,323,406</u>	<u>25,626,505</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

	2012	2011	2010
18. FINANCIAL RATIOS			
Current Ratio	2.42	1.81	5.02
Untied Cash to Unpaid Trade Creditors Ratio	2.87	0.83	4.76
Debt Ratio	0.04	0.06	0.03
Debt Service Ratio	0.01	0.04	0.03
Gross Debt to Revenue Ratio	0.08	0.24	0.16
Gross Debt to Economically Realisable Assets Ratio	0.04	0.05	0.02
Rate Coverage Ratio	0.18	0.29	0.20
Outstanding Rates Ratio	0.01	0.02	0.03

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

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 July 2011 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2012 \$
Yamatji BBMAC	150	0	0	150
Community Bus Bond - School	350	100	0	450
Licensing	0	1,063	0	1,063
Bus Yalgoo Hall - Annual Bond	0	300	0	300
Casual Complex	0	1,150	0	1,150
Housing Bonds	2,618	1,000	(360)	3,258
Land Auction Proceeds	2,500	0	0	2,500
Casual Hall Bond	150	0	0	150
Library Bond	25	0	0	25
Land Deposit	1,562	0	(1,562)	0
Unallocated	(127)			(127)
	<u>7,228</u>			<u>8,919</u>

20. DISPOSALS OF ASSETS - 2011/12 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant & Equipment						
Transport						
Cat Roller	0	19,834	58,000	25,000	58,000	5,166
Dolly	0	13,608	0	8,000	0	(5,608)
Gardener's Ute FAO483	23,938	39,268	10,454	12,000	(13,484)	(27,268)
Works' Ute	0	0	0	24,000	0	24,000
Tanker	0	0	0	4,000	0	4,000
G/Foreman's Ute FAO436	34,786	32,306	25,909	24,000	(8,877)	(8,306)
G/Foreman's Ute FAO182	33,322	24,000	25,455	24,000	(7,867)	0
Other Property						
CEO Vehicle FAO139	0	75,681	0	50,000	0	(25,681)
					0	0
	<u>92,046</u>	<u>204,697</u>	<u>119,818</u>	<u>171,000</u>	<u>27,772</u>	<u>(33,697)</u>
					Profit	58,000
					(Loss)	33,166
					<u>(30,228)</u>	<u>(66,863)</u>
					<u>27,772</u>	<u>(33,697)</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2011 \$	New Loans \$	Principal Repayments		Principal 30 June 2012		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
Loan 53 - 19 a & b Stanley	183,661	0	9,818	9,519	173,843	174,142	12,032	12,034
Loan 55 - 18c & d Shamrock	234,420	0	11,981	11,980	222,439	222,440	14,964	14,929
Community Amenities								
Loan 54 - Public Toilets	97,344	0	5,024	5,025	92,320	92,319	5,938	6,054
	515,425	0	26,823	26,524	488,602	488,901	32,934	33,017

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2011/12

There were no new debentures during the 2011/12 financial year.

(c) Unspent Debentures

There were no unspent debenture funds as at the 30th June 2012.

(d) Overdraft

Council established an overdraft facility of \$50,000 in 2012 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2011 and 30 June 2012 was \$Nil.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

22. RATING INFORMATION - 2011/12 FINANCIAL YEAR

(a) Rates	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
RATE TYPE											
Differential General Rate											
GRV Town sites	0.0669	35	287,964	19,265	247	0	19,512	19,265	0	0	19,265
UV Pastoral	0.0590	21	901,251	53,174	0	0	53,174	52,990	0	0	52,990
UV Mining Leases	0.2700	123	4,010,322	1,082,787	(13,703)	0	1,069,084	1,028,060	0	0	1,028,060
UV Mining	0.2700	0	0	0	0	0	0	50,428	0	0	50,428
UV Rural	0.0590	1	10,000	590	(590)	0	0	0	0	0	0
UV Prospecting & Exploration	0.1783	127	711,523	126,865	7,256	0	134,121	110,532	0	0	110,532
Sub-Totals		307	5,921,060	1,282,680	(6,790)	0	1,275,890	1,261,275	0	0	1,261,275
Minimum Rates											
	Minimum \$										
GRV Improved	240	2	4,155	480	0	0	480	480	0	0	480
GRV Vacant	555	12	407	6,660	0	0	6,660	6,660	0	0	6,660
UV Pastoral	240	2	5,454	480	0	0	480	480	0	0	480
UV Mining Leases	240	38	23,447	9,120	7,414	0	16,534	8,880	0	0	8,880
UV Mining	240	0	0	0	0	0	0	240	0	0	240
UV Prospecting & Exploration	240	101	58,469	24,240	7,410	0	31,650	24,240	0	0	24,240
UV Rural	240	1	100	240	590	0	830	240	0	0	240
Sub-Totals		156	92,032	41,220	15,414	0	56,634	41,220	0	0	41,220
							1,332,524				1,302,495
Ex-Gratia Rates							14,295				14,000
Totals							1,346,819				1,316,495

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

22. RATING INFORMATION - 2011/12 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward

	2012 (1 July 2011 Brought Forward)	2011
	\$	\$
Surplus/(Deficit) 1 July 2011 Brought Forward	648,295	648,295
<u>Comprises:</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	1,939,916	1,939,916
Rates - Current	27,785	27,785
Sundry Debtors	483,564	483,564
GST Receivable	183,839	183,839
Inventories	1,473	1,473
	2,636,577	2,636,577
CURRENT LIABILITES		
Sundry Creditors	(705,050)	(705,050)
ATO Liabilities	(39,603)	(39,603)
	(744,653)	(744,653)
NET CURRENT ASSETS	1,891,924	1,891,924
LESS: Cash - Reserves Restricted	(1,243,629)	(1,243,629)
Surplus/(Deficit)	648,295	648,295

Difference

There was no difference between the Surplus/(Deficit) 1 July 2011 Brought Forward position used in the 2012 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2011 audited financial report.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

23. SPECIFIED AREA RATE - 2011/12 FINANCIAL YEAR

The Shire did not impose any specified area rates in the 2011/12 financial year.

24. SERVICE CHARGES - 2011/12 FINANCIAL YEAR

The Shire did not impose a service fee in the 2011/12 financial year.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2011/12 FINANCIAL YEAR**

No discount was granted for early payment of rates. However, an incentive for payment of rates within 35 days of the date of service appearing on the rate notice was offered in the form of a prize (to the maximum value of \$ 1,000) to one ratepayer who qualified accordingly and whose name was drawn randomly from a suitable receptacle for that purpose.

26. INTEREST CHARGES AND INSTALMENTS - 2011/12 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budget Revenue \$
Interest on Unpaid Rates	11.00%	0	5,588	3,000
Charges on Instalment Plan		15	6,744	3,000
			12,332	6,000

Ratepayers had the option of paying rates in four equal instalments, due on 22nd September 2011, 22nd November 2011, 24 January 2012 and 26th March 2012. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2012 \$	2011 \$
General Purpose Funding	10,214	4,857
Law, Order, Public Safety	210,731	3,150
Health	16,175	0
Housing	10,868	18,184
Community Amenities	12,330	9,985
Recreation and Culture	4,620	1,503
Transport	187,000	11,455
Economic Services	117,470	77,757
Other Property and Services	58,700	198,132
	<u>628,108</u>	<u>325,023</u>

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

28. GRANT REVENUE

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

	2012	2011
By Nature and Type:	\$	\$
Operating Grants, Subsidies and Contributions	5,319,772	2,136,675
Non-Operating Grants, Subsidies and Contributions	1,091,469	1,773,798
	<u>6,411,241</u>	<u>3,910,473</u>
By Program:		
General Purpose Funding	2,865,583	1,809,385
Law, Order, Public Safety	46,336	9,102
Health	100,000	303,695
Education and Welfare	0	10,850
Recreation and Culture	18,017	229,044
Transport	3,361,305	1,439,397
Economic Services	20,000	109,000
	<u>6,411,241</u>	<u>3,910,473</u>

29. ELECTED MEMBERS REMUNERATION

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

	2012	2012	2011
	\$	Budget	\$
		\$	
Meeting Fees	11,055	18,000	9,570
President's Allowance	6,512	6,530	6,089
Deputy President's Allowance	1,011	1,110	1,797
Travelling Expenses	21,971	15,000	11,607
Telecommunications Allowance	3,952	0	3,213
	<u>44,501</u>	<u>40,640</u>	<u>32,276</u>

30. a) EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	2012	2011
	<u>15</u>	<u>16</u>

30. b) EMPLOYEE REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

Salary Range (\$)	2012	2011
100,000 - 109,999	0	0
110,000 - 119,999	0	0
120,000 - 129,999	0	1
130,000 - 139,999	1	0

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

31. MAJOR LAND TRANSACTIONS

No major land transactions occurred in the 2011/12 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2011/12 financial year.

33. POST BALANCE DATE EVENT

There were no post date events.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

34. 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	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	3,431,030	1,939,916	3,431,030	1,939,916
Receivables	92,615	695,188	92,615	695,188
	<u>3,523,645</u>	<u>2,635,104</u>	<u>3,523,645</u>	<u>2,635,104</u>
Financial Liabilities				
Payables	367,230	747,219	367,230	747,219
Borrowings	488,602	515,425	441,424	515,425
	<u>855,832</u>	<u>1,262,644</u>	<u>808,654</u>	<u>1,262,644</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings, Held-to-Maturity Investments - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

34. 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.

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

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

Council manages these risks by diversifying its portfolio and only investing in registered commercial banks. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2012	2011
	\$	\$
Impact of a 1% movement in interest rates on cash:		
- Equity	20,062	30,534
- Statement of Comprehensive Income	20,062	30,534

Notes:

- 1 Sensitivity percentages based on management's expectation of future possible market movements.
- 2 Maximum impact.

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

34. 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:

	2012	2011
Percentage of Rates and Annual Charges		
- Current	50.18%	19.99%
- Overdue	49.82%	80.01%
Percentage of Other Receivables		
- Current	52.24%	75.20%
- Overdue	47.76%	24.80%

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

34. 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:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2012</u>					
Payables	367,230	0	0	367,230	367,230
Borrowings	59,843	239,372	395,247	694,462	488,602
	<u>427,073</u>	<u>239,372</u>	<u>395,247</u>	<u>1,061,692</u>	<u>855,832</u>
<u>2011</u>					
Payables	747,219	0	0	747,219	747,219
Borrowings	59,843	239,372	508,177	807,392	515,425
	<u>807,062</u>	<u>239,372</u>	<u>508,177</u>	<u>1,554,611</u>	<u>1,262,644</u>

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2012

34. 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:

	<u><1 year</u>	<u>>1<2 years</u>	<u>>2<3 years</u>	<u>>3<4 years</u>	<u>>4<5 years</u>	<u>>5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
Year Ended 30 June 2012								
Payables								
Borrowings								
Fixed Rate								
Debentures	0	0	0	0	0	488,602	488,602	6.49%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	6.49%		
Year Ended 30 June 2011								
Payables								
Borrowings								
Fixed Rate								
Debentures	0	0	0	0	0	515,425	515,425	6.49%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	6.49%		

INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE SHIRE OF YALGOO

Report on the Financial Report

We have audited the financial report of the Shire of Yalgoo (the Shire), which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and a summary of significant accounting policies and other explanatory notes and the statement by the Chief Executive Officer.

Shire's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Local Government Act 1995 Part 6* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Shire's financial position and of its performance.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's opinion on the Financial Report

In our opinion, the financial report of the Shire of Yalgoo:

- (i) gives a true and fair view of the financial position of the Shire of Yalgoo as at 30 June 2012 and of its financial performance for the year ended on that date: and
- (ii) complies with the *Local Government Act 1995 Part 6* and the Regulations under that Act and Australian Accounting Standards (including the Australian Accounting Interpretations).

Statutory Compliance

We did not during the course of our audit become aware of any instances where the Shire did not comply with the requirements of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* as they relate to the financial report.


RSM BIRD CAMERON


S C CUBITT
Director

Perth, WA
Dated:

2 October 2012