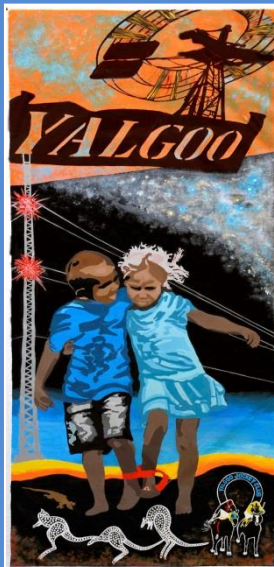




# Annual Report

For the year ending 30 June 2017



As adopted at the Ordinary Meeting of Council held 25 January 2018  
Decision number

## CONTENTS

PRESIDENT'S REPORT .....	4
CHIEF EXECUTIVE OFFICER'S REPORT .....	5
OTHER REPORTS .....	6
Strategic Community Plan 2016 - 2017.....	6
National Competition Policy .....	9
Competitive Neutrality .....	9
Legislation Review .....	9
Register of Certain Complaints of Minor Breaches .....	9
Public Interest Disclosures .....	9
Disability Access and Inclusion Plan .....	10
DAIP IMPLEMENTATION PLAN .....	11
Freedom of Information Statement .....	17
RECORD KEEPING .....	22
APPENDED.....	23
Shire of Yalgoo Audited Financial Statements and Auditor's Report for the financial year ended 30 June 2017 .....	23

## PRESIDENT'S REPORT

### President's Report 2016 - 2017

The Council on 29 August 2016 adopted the 2016-17 financial year Annual Budget and it is pleasing to report that the rate in the dollar and the minimum rates for each differential rating category has remained the same as the previous year with no additional burden being passed on to the ratepayers. In the last twelve months the Shire has consolidated its financial position which has meant that a number of new initiatives were able to be progressed.

The Shire in 2016-17 undertook the following major capital projects.

- Arts and Crafts Building	\$337,737
- Depot Electric Boundary Fence and Gate	\$ 53,680
- Shelter and Seating for Jokers Tunnel	\$ 10,946
- Shelter and Visitors Board Railway Station	\$ 10,946
- Extensive road works	\$846,192
- Replace Playground Equipment – Shamrock Park	\$ 35,000
- Solar lights Paynes Find	\$ 48,000

The October 2017 Ordinary elections resulted in Cr Tamisha Hodder and Cr Percy Lawson being elected to Council and Cr Gail Trenfield being re-elected. I now take this opportunity to formally welcome the elected members and in turn thank ex-councillors Neil Grinham and Raul Valenzuela for their contributions not only as Councillors but also in their roles as President and Deputy President respectively. As the newly elected President its been a pleasure working with you all and I trust that the teamwork will continue into the future.

I would like to thank the Chief Executive Officer and his support staff for their hard work and loyalty they have provided to the Shire over the past year.

In closing I would like to reassure the Yalgoo residents that Council will continue to operate on the basis of co-operation, honesty and integrity in all our decisions and above all work as a team for the progressive and efficient operation of the Shire.

Cr Joanne Kanny  
President

# CHIEF EXECUTIVE OFFICER'S REPORT

## The year in review

Once again Yalgoo has been leading the way through the Murchison with a full year of positive outcomes for the local community.

Our capital works plan has delivered a million dollars in upgrades to Morawa Rd and Ninghan Rd. These upgrades are planned to continue through the 17/18 year with further widening of Morawa Rd and seal work on Ninghan to move south towards Great Northern Highway.

New solar lights have been installed at Paynes Find for the two entrances into the roadhouse. It is anticipated that this request from the community will provide a safer road and lessen any risk to locals and other users.

Our outside staff has been able to increase our maintenance on rural roads and around town with some welcome new play equipment at Shamrock Park with shade sails and also at the Waterpark. A big item to add to our community is the Arts and Cultural Centre. The committee will now be able to work towards its opening and usage which will benefit many locals and the visitors to our region with displays of art and learning about our past. Congratulations to Council for their commitment to follow through with planned components of the Strategic Plan!

We have also been successful in gaining substantial funding for the Oval/Rifle Range project. This million dollar project will be a huge benefit to the residents who love being involved in outdoor activities and will also promote great opportunities for sport minded people. You will see this come together over the next 12 months just north of the power station. We will be seeking extensive input from locals on what they would like to see incorporated into the facility.

Our inside staff have also been very active in the implementation of a new software system- OZONE, that now enables us to manage our funds better and be able to report accurate figures to council that enable better decisions to be made. This has involved a lot of new processes that had to be learnt, and I congratulate all those involved in the hard work they have done in making this a success.

Yalgoo has also been very successful in recognition of its community involvement. We have been nominated for many awards from business enterprise, Tidy Towns finalists, and winners of the Healthy Community Award. We shall keep working at these important facets of our community, and I would like to thank those that took part in the programs and are showing a great community spirit of being involved and taking ownership of what they do.. Well Done!



Silvio Brenzi  
Chief Executive Officer

## OTHER REPORTS

### Strategic Community Plan 2014 - 2023

Copies of Council's Plan for the Future, including the Strategic Community Plan, as required by the Local Government Act s5.56, may be obtained from the Shire Office or website [www.yalgoo.wa.gov.au](http://www.yalgoo.wa.gov.au).

During 2012/13 the Shire engaged with the community to develop and draft a strategic community plan that sets out the vision, aspirations and objectives of the community in the district. The plan was adopted by Council in September 2013. The following report shows achievements against the plan in 2016/17 and major activities planned for 2017/18.

#### 1. Social

Education, Respect and Belongingness Objectives	Outcomes	Achieved 2016/17	Planned 2017/18
An educated, respectful and inclusive community, a place where people feel they belong.	<ul style="list-style-type: none"> <li>Maintenance of existing and development of new community infrastructure and resources.</li> </ul>	<ul style="list-style-type: none"> <li>The development of an Arts and Craft Centre</li> </ul>	Completion of Arts and Crafts Centre
	<ul style="list-style-type: none"> <li>Improved opportunities for education and training.</li> </ul>	<ul style="list-style-type: none"> <li>Facilitating interventions targeting young people disengaged from education</li> <li>Strengthening the relationship with MEEDAC, the local RJCP provider.</li> </ul>	<ul style="list-style-type: none"> <li>Facilitating interventions targeting young people disengaged from education</li> <li>Strengthening the relationship with MEEDAC, the local RJCP provider.</li> </ul>

Education, Respect and Belongingness Objectives	Outcomes	Achieved 2016/17	Planned 2017/18
	<ul style="list-style-type: none"> <li>Successful facilitation of wide ranging program of community activities.</li> </ul>	<ul style="list-style-type: none"> <li>Continued facilitation or support for local events</li> <li>Continued facilitation of regular school holiday programs</li> <li>Facilitating and supporting arts workshops</li> <li>Continued participation in the annual Banners In The Terrace Competition</li> <li>Continued provision of broad-ranging information, referral and support services to the community</li> </ul>	<ul style="list-style-type: none"> <li>Continued facilitation or support for local events</li> <li>Continued facilitation of regular school holiday programs</li> <li>Facilitating and supporting arts workshops</li> <li>Continued participation in the annual Banners In The Terrace Competition</li> <li>Continued provision of broad-ranging information, referral and support services to the community</li> </ul>
	<ul style="list-style-type: none"> <li>Improved delivery of existing or new health and support services.</li> </ul>	<ul style="list-style-type: none"> <li>Lobbying health services to provide increased health services in the Shire.</li> </ul>	<ul style="list-style-type: none"> <li>Lobbying health services to provide increased health services in the Shire.</li> </ul>

## 2. Environment

Appreciation and Balance Objectives	Outcomes	Achieved 2016/17	Planned 2017/18
	<ul style="list-style-type: none"> <li>Well maintained and improved built environments.</li> </ul>	<ul style="list-style-type: none"> <li>Improvements to staff houses</li> <li>Construction of an Arts and Crafts building, playground equipment upgrade, Shamrock Park</li> </ul>	<ul style="list-style-type: none"> <li>Finalise construction of Arts and Crafts Building</li> <li>Improvement to staff housing</li> <li>Construction of Additional staff houses</li> </ul>
An environment that is managed well and appreciated by all	<ul style="list-style-type: none"> <li>The natural environment is protected and utilised.</li> </ul>	<ul style="list-style-type: none"> <li>Support for MRVC and the vermin fence</li> </ul>	<ul style="list-style-type: none"> <li>Support for MRVC and the vermin fence</li> </ul>
	<ul style="list-style-type: none"> <li>Indigenous cultural heritage in the landscape is protected and appreciated.</li> </ul>	<ul style="list-style-type: none"> <li>Participation in cultural awareness training</li> </ul>	<ul style="list-style-type: none"> <li>Participation in cultural awareness training</li> </ul>
	<ul style="list-style-type: none"> <li>Become a leader in remote location waste management.</li> </ul>	<ul style="list-style-type: none"> <li>Investigation of recycling options</li> </ul>	<ul style="list-style-type: none"> <li>Investigation of recycling options</li> </ul>

### 3. Economic

Appreciation and Balance Objectives	Outcomes	Achieved 2016/17	Planned 2017/18
	<ul style="list-style-type: none"> <li>Increased population size.</li> </ul>	<ul style="list-style-type: none"> <li>Additional staff housing</li> <li>Lobbying of government for additional housing</li> </ul>	<ul style="list-style-type: none"> <li>Additional staff housing</li> <li>Lobbying of government for additional housing</li> </ul>
A modern and sustainable economy that provides for our growing community	<ul style="list-style-type: none"> <li>Increased housing stock.</li> </ul>	<ul style="list-style-type: none"> <li>Continued lobbying of government for additional housing</li> </ul>	<ul style="list-style-type: none"> <li>Continued lobbying of government for additional housing</li> </ul>
	<ul style="list-style-type: none"> <li>Increase in number of tourists visiting the shire.</li> </ul>	<ul style="list-style-type: none"> <li>Tourism advertising campaign</li> </ul>	<ul style="list-style-type: none"> <li>Tourism advertising campaign</li> </ul>
	<ul style="list-style-type: none"> <li>Maintained and improved services and amenities.</li> </ul>	<ul style="list-style-type: none"> <li>Upgrade to Shire facilities such as the Depot, BBQ's</li> </ul>	<ul style="list-style-type: none"> <li>Upgrade to Shire facilities such as the Depot</li> </ul>

### 4. Civic

Service, Leadership and Integrity Objectives	Outcomes	Achieved 2016/17	Planned 2017/18
	<ul style="list-style-type: none"> <li>An informed and participatory community.</li> </ul>	<ul style="list-style-type: none"> <li>Community Survey on Shire performance</li> </ul>	<ul style="list-style-type: none"> <li>Community Survey on Shire performance</li> </ul>
To be a Shire that serves our community with integrity and leadership	<ul style="list-style-type: none"> <li>To have our community trust and respect us.</li> </ul>	<ul style="list-style-type: none"> <li>Improved community interaction through community engagement and all major issues</li> </ul>	<ul style="list-style-type: none"> <li>Improved community interaction through community engagement and all major issues</li> </ul>
	<ul style="list-style-type: none"> <li>High quality integrated planning and compliance.</li> </ul>		<ul style="list-style-type: none"> <li>Review of the Workforce and Community Strategic plans</li> <li>Review of the Long Term Financial Plan</li> </ul>
	<ul style="list-style-type: none"> <li>High quality strategic partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of facilitation of monthly Yalgoo Interagency meetings</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of facilitation of monthly Yalgoo Interagency meetings</li> </ul>



## 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 2016/17 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 was required in 2014, to be undertaken in 2018.

## 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, requiring the person to apologise or sending them to training. A register must be kept of all such breaches.

There were no such complaints recorded during 2016-17.

## 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 were to be fully developed by July 2007 to replace and build on the achievements of Disability Services Plans (DSPs).

The Shire has reviewed its DAIP which was completed in May 2016.

Under the Disability Services Act, the Shire must also include a report about DAIP implementation in its annual report each year.

The report contains information on the progress of the public authority and any agents and contractors in achieving the desired outcomes specified in the Act. The report also includes the strategies used to inform its agents and contractors of the DAIP.

## DAIP IMPLEMENTATION PLAN

The Implementation Plan details the task, timelines and responsibilities for each strategy to be implemented to progress the strategies of the DAIP each year.

It is intended that the Implementation Plan is updated annually through the Shire's operations, to progress the achievements of all the strategies over the duration of the five year plan.

In 2015 – 2016 the following tasks were undertaken to achieve the plans stated outcomes

### Outcome 1: Services and events

People with disability have the same opportunities as other people to access the services of, and any events organised by the Shire of Yalgoo.

<b>Total number of strategies planned (whether implemented or not):</b>	7
<b>Number of strategies that were implemented:</b>	5

For the next question, take the number of strategies that were implemented and tell us how many were:

**Effective** – enhanced access and inclusion.

**Average** – enhanced access and inclusion in the interim but was not sustainable.

**Ineffective** – did not enhance access and inclusion.

**Not yet evaluated** – implemented but unsure or too early to tell whether access and inclusion was enhanced.

The answers to these four questions should add up to the answer to the number of strategies that were implemented.

<b>Number of the strategies that were implemented that were effective:</b>	2
<b>Number of the strategies that were implemented that were average:</b>	3
<b>Number of the strategies that were implemented that were ineffective:</b>	
<b>Number of the strategies that were implemented that have not yet been evaluated:</b>	

#### Describe your organisation's strategies or provide a case study for DAIP Outcome 1:

The strategies here are always being reviewed and changes made on a needs basis as we are dealing with our small and close-knit community members. We are yet to ascertain the numbers of people with disabilities within the community, but it needs to be recognised that the community is small and well known. While procedures are not written down in a document, all staff members are fully aware of what is required.

## Outcome 2: Buildings and facilities

People with disability have the same opportunities as other people to access the buildings and other facilities of the Shire of Yalgoo.

<b>Total number of strategies planned (whether implemented or not):</b>	5
<b>Number of strategies that were implemented:</b>	4

For the next question, take the number of strategies that were implemented and tell us how many were:

**Effective** – enhanced access and inclusion.

**Average** – enhanced access and inclusion in the interim but was not sustainable.

**Ineffective** – did not enhance access and inclusion.

**Not yet evaluated** – implemented but unsure or too early to tell whether access and inclusion was enhanced.

The answers to these four questions should add up to the answer to the number of strategies that were implemented.

<b>Number of the strategies that were implemented that were effective:</b>	2
<b>Number of the strategies that were implemented that were average:</b>	2
<b>Number of the strategies that were implemented that were ineffective:</b>	
<b>Number of the strategies that were implemented that have not yet been evaluated:</b>	

### Describe your organisation's strategies or provide a case study for DAIP Outcome 2:

The construction of new buildings that are Commercial or Public Buildings (Class 2 to 9) are required to comply with the requirements of the Building Code of Australia, which is quite specific in regards to access and movement through the whole of a development.

Owners of older buildings are encouraged to upgrade where possible to allow for access for people with disabilities, but this needs to be when renovations are planned for these buildings.

There are no ACROD bays within the town as the demand for them is minimal and the infrastructure (businesses) is extremely limited. Access and consideration for people with disabilities are therefore considered on an ongoing basis.

The audit of signs needs to be completed, although this is not an urgent item.

## Outcome 3: Information

People with disability receive information from the Shire of Yalgoo in a format that will enable them to access the information as readily as other people are able to access it.

<b>Total number of strategies planned (whether implemented or not):</b>	3
<b>Number of strategies that were implemented:</b>	2

For the next question, take the number of strategies that were implemented and tell us how many were:

**Effective** – enhanced access and inclusion.

**Average** – enhanced access and inclusion in the interim but was not sustainable.

**Ineffective** – did not enhance access and inclusion.

**Not yet evaluated** – implemented but unsure or too early to tell whether access and inclusion was enhanced.

The answers to these four questions should add up to the answer to the number of strategies that were implemented.

<b>Number of the strategies that were implemented that were effective:</b>	
<b>Number of the strategies that were implemented that were average:</b>	2
<b>Number of the strategies that were implemented that were ineffective:</b>	
<b>Number of the strategies that were implemented that have not yet been evaluated:</b>	

<b>Describe your organisation's strategies or provide a case study for DAIP Outcome 3:</b>
<p>More work required on these strategies. Staff is aware and the number of new staff is extremely low. Staff are residents within the town and awareness of people with disabilities and how to assist them, comes from the close connection with the small community in which they live.</p> <p>These strategies are ongoing and will be evaluated and changed if necessary as circumstances dictate.</p>

#### Outcome 4: Level and quality of service

People with disability receive the same level and quality of service from the staff of the Shire of Yalgoo as other people receive from the staff of that public authority.

<b>Total number of strategies planned (whether implemented or not):</b>	4
<b>Number of strategies that were implemented:</b>	2

For the next question, take the number of strategies that were implemented and tell us how many were:

**Effective** – enhanced access and inclusion.

**Average** – enhanced access and inclusion in the interim but was not sustainable.

**Ineffective** – did not enhance access and inclusion.

**Not yet evaluated** – implemented but unsure or too early to tell whether access and inclusion was enhanced.

The answers to these four questions should add up to the answer to the number of strategies that were implemented.

<b>Number of the strategies that were implemented that were effective:</b>	
<b>Number of the strategies that were implemented that were average:</b>	2
<b>Number of the strategies that were implemented that were ineffective:</b>	
<b>Number of the strategies that were implemented that have not yet been evaluated:</b>	

<b>Describe your organisation's strategies or provide a case study for DAIP Outcome 4:</b>
<p>Given the size of the town and the population of the whole of the Shire, all staff are aware of what is required of them in regards to providing the Shire services to the whole of the community. Special consideration is always offered to those in need and those with disabilities. The staff know who has disabilities and generally what has to be done to ensure equity in service to those people.</p> <p>As with all other strategies, these are ongoing and will be altered if required.</p>

## Outcome 5: Complaints

People with disability have the same opportunities as other people to make complaints to the Shire of Yalgoo.

<b>Total number of strategies planned (whether implemented or not):</b>	1
<b>Number of strategies that were implemented:</b>	1

For the next question, take the number of strategies that were implemented and tell us how many were:

**Effective** – enhanced access and inclusion.

**Average** – enhanced access and inclusion in the interim but was not sustainable.

**Ineffective** – did not enhance access and inclusion.

**Not yet evaluated** – implemented but unsure or too early to tell whether access and inclusion was enhanced.

The answers to these four questions should add up to the answer to the number of strategies that were implemented.

<b>Number of the strategies that were implemented that were effective:</b>	
<b>Number of the strategies that were implemented that were average:</b>	1
<b>Number of the strategies that were implemented that were ineffective:</b>	
<b>Number of the strategies that were implemented that have not yet been evaluated:</b>	

<b>Describe your organisation's strategies or provide a case study for DAIP Outcome 5:</b>	
<p>The complaints system is the same for all the community, both resident and travelling/visiting.</p> <p>There have been no glitches in the current system and staff are always willing to assist any person with a disability to access this system.</p> <p>Again this strategy is ongoing and will be changed should there be any discrepancies with it.</p>	

## Outcome 6: Consultation

People with disability have the same opportunities as other people to participate in any public consultation by the Shire of Yalgoo.

<b>Total number of strategies planned (whether implemented or not):</b>	6
<b>Number of strategies that were implemented:</b>	2

For the next question, take the number of strategies that were implemented and tell us how many were:

**Effective** – enhanced access and inclusion.

**Average** – enhanced access and inclusion in the interim but was not sustainable.

**Ineffective** – did not enhance access and inclusion.

**Not yet evaluated** – implemented but unsure or too early to tell whether access and inclusion was enhanced.

The answers to these four questions should add up to the answer to the number of strategies that were implemented.

<b>Number of the strategies that were implemented that were effective:</b>	2
<b>Number of the strategies that were implemented that were average:</b>	
<b>Number of the strategies that were implemented that were ineffective:</b>	
<b>Number of the strategies that were implemented that have not yet been evaluated:</b>	

<b>Describe your organisation's strategies or provide a case study for DAIP Outcome 6:</b>	
<p>The Shire does not have any Agencies or Contractors engaged to provide services to the public on behalf of the Shire. Therefore, the requirement for them to report to the Shire in regards to DAIP is not relevant.</p> <p>All staff are aware of the venue that is preferred and compliant with access for people with disabilities for consultation. A number of consultations are actually conducted on a one to one basis and generally in a place conducive to the person, which is generally their place of residence.</p> <p>These strategies are constantly being monitored and assessed so that all of the community are involved.</p>	

## Outcome 7: Employment

People with disability have the same opportunity to obtain and maintain employment by the Shire of Yalgoo.

<b>Total number of strategies planned (whether implemented or not):</b>	1
<b>Number of strategies that were implemented:</b>	

For the next question, take the number of strategies that were implemented and tell us how many were:

**Effective** – enhanced access and inclusion.

**Average** – enhanced access and inclusion in the interim but was not sustainable.

**Ineffective** – did not enhance access and inclusion.

**Not yet evaluated** – implemented but unsure or too early to tell whether access and inclusion was enhanced.

The answers to these four questions should add up to the answer to the number of strategies that were implemented.

<b>Number of the strategies that were implemented that were effective:</b>	1
<b>Number of the strategies that were implemented that were average:</b>	
<b>Number of the strategies that were implemented that were ineffective:</b>	
<b>Number of the strategies that were implemented that have not yet been evaluated:</b>	

<b>Describe your organisation's strategies or provide a case study for DAIP Outcome 7:</b>
The anti-discrimination legislation ensures that no person with a disability is discriminated against when it comes to employment within the Shire. All employment positions that are advertised do carry the required notice.



## 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.

It is intended that the information 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
- Cat Act 2011
- 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. Ordinary meetings of Council will be held on the second last Friday of each month commencing at 11.00 am. Council does not generally meet in the month of November. 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)
- Gundawa Conservation Association (GCA)

*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 5 days in advance. A copy of the agenda is available to the public before the meetings.

*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>\$0.30</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  
Albert Facey House  
469 Wellington St  
PERTH WA 6000**

**Phone: 6551 7888 or 1800 621 244  
Fax: 6551 7889  
Email: [info@foi.wa.gov.au](mailto:info@foi.wa.gov.au)  
Web site: [www.foi.wa.gov.au](http://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,
- meeting the compliance requirements of the State Records Commission Standards and Records Management Standard AS15489,
- processes are in place to facilitate the accurate recording 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 in October 2016 adopted its Corporate Record Keeping Procedures detailed in its Record Keeping Procedures Handbook. Keywords for Council has been implemented. 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. The Plan was reviewed in 2016.

# APPENDED

## **Shire of Yalgoo Audited Financial Statements and Auditor's Report for the financial year ended 30 June 2017**

**SHIRE OF YALGOO**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**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
Independent Audit Report	54
Supplementary Ratio Information	57

Principal place of business:  
37 Gibbons Street  
YALGOO WA 6635




**SHIRE OF YALGOO  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire being the annual financial report and supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 20th day of December 2017



---

Silvio Brenzi  
Chief Executive Officer

**SHIRE OF YALGOO**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Rates	22	1,728,285	1,721,751	1,776,032
Operating grants, subsidies and contributions	29	5,816,245	3,875,058	2,977,708
Fees and charges	28	193,134	189,666	172,144
Interest earnings	2(a)	65,184	51,120	102,547
Other revenue	2(a)	116,879	46,948	131,572
		<u>7,919,727</u>	<u>5,884,543</u>	<u>5,160,003</u>
<b>Expenses</b>				
Employee costs		(1,193,899)	(1,837,706)	(1,286,308)
Materials and contracts		(3,127,914)	(2,001,386)	(4,057,565)
Utility charges		(114,343)	(85,000)	(110,607)
Depreciation on non-current assets	2(a)	(1,094,228)	(1,271,900)	(1,148,195)
Interest expenses	2(a)	(32,135)	(32,316)	(35,747)
Insurance expenses		(194,057)	(209,010)	(179,464)
Other expenditure		(203,085)	(277,020)	(329,465)
		<u>(5,959,661)</u>	<u>(5,714,338)</u>	<u>(7,147,351)</u>
		1,960,066	170,205	(1,987,348)
Non-operating grants, subsidies and contributions	29	684,302	1,022,310	888,497
Profit on asset disposals	20	76,911	51,107	28,058
(Loss) on asset disposals	20	(60,486)	0	(237,395)
<b>Net result</b>		<b>2,660,793</b>	<b>1,243,622</b>	<b>(1,308,188)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	799,999	0	290,896
<b>Total other comprehensive income</b>		<b>799,999</b>	<b>0</b>	<b>290,896</b>
<b>Total comprehensive income</b>		<b>3,460,792</b>	<b>1,243,622</b>	<b>(1,017,292)</b>

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 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Governance		0	0	2,000
General purpose funding		5,323,817	4,072,718	3,022,337
Law, order, public safety		16,862	14,875	16,257
Health		12,589	15,898	25,847
Housing		17,068	65,248	25,378
Community amenities		16,313	15,200	14,897
Recreation and culture		47,339	254,025	13,084
Transport		2,090,568	1,117,381	1,654,941
Economic services		305,746	260,382	267,624
Other property and services		89,425	68,816	117,638
		<u>7,919,727</u>	<u>5,884,543</u>	<u>5,160,003</u>
<b>Expenses</b>				
Governance		(411,765)	(487,058)	(453,869)
General purpose funding		(220,476)	(187,171)	(403,649)
Law, order, public safety		(142,141)	(176,873)	(160,513)
Health		(101,230)	(98,321)	(94,903)
Education and welfare		(6,735)	(9,149)	(7,718)
Housing		(256,762)	(288,552)	(302,185)
Community amenities		(202,363)	(253,850)	(214,887)
Recreation and culture		(650,424)	(679,311)	(580,656)
Transport		(3,228,375)	(2,800,344)	(4,302,904)
Economic services		(671,278)	(660,081)	(554,055)
Other property and services		(35,977)	(41,312)	(36,264)
		<u>(5,927,526)</u>	<u>(5,682,022)</u>	<u>(7,111,603)</u>
<b>Finance costs</b>				
Housing		(28,112)	(28,155)	(31,348)
Community amenities		(4,023)	(4,161)	(4,399)
		<u>(32,135)</u>	<u>(32,316)</u>	<u>(35,747)</u>
		1,960,066	170,205	(1,987,347)
Non-operating grants, subsidies and contributions				
	29	684,302	1,022,310	888,497
Profit on disposal of assets	20	76,911	51,107	28,058
(Loss) on disposal of assets	20	(60,486)	0	(237,395)
<b>Net result</b>		<b>2,660,793</b>	<b>1,243,622</b>	<b>(1,308,187)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	799,999	0	290,896
<b>Total other comprehensive income</b>		<b>799,999</b>	<b>0</b>	<b>290,896</b>
<b>Total comprehensive income</b>		<b><u>3,460,792</u></b>	<b><u>1,243,622</u></b>	<b><u>(1,017,291)</u></b>

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

**SHIRE OF YALGOO**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	3,637,435	2,997,046
Trade and other receivables	4	480,310	352,631
Inventories	5	0	475
<b>TOTAL CURRENT ASSETS</b>		<u>4,117,745</u>	<u>3,350,152</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	12,006,057	12,058,259
Infrastructure	7	64,225,933	62,112,200
<b>TOTAL NON-CURRENT ASSETS</b>		<u>76,231,990</u>	<u>74,170,459</u>
<b>TOTAL ASSETS</b>		<u>80,349,735</u>	<u>77,520,611</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	561,701	1,149,124
Current portion of long term borrowings	9	87,753	83,878
Provisions	10	108,096	89,779
<b>TOTAL CURRENT LIABILITIES</b>		<u>757,550</u>	<u>1,322,781</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	9	522,940	610,693
Provisions	10	58,003	36,687
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>580,943</u>	<u>647,380</u>
<b>TOTAL LIABILITIES</b>		<u>1,338,493</u>	<u>1,970,161</u>
<b>NET ASSETS</b>		<u>79,011,242</u>	<u>75,550,450</u>
<b>EQUITY</b>			
Retained surplus		29,998,434	27,371,905
Reserves - cash backed	11	1,649,625	1,615,361
Revaluation surplus	12	47,363,183	46,563,184
<b>TOTAL EQUITY</b>		<u>79,011,242</u>	<u>75,550,450</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 2017**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2015</b>		<b>28,717,697</b>	<b>1,577,756</b>	<b>46,272,288</b>	<b>76,567,741</b>
Comprehensive income					
Net result		(1,308,187)	0	0	(1,308,187)
Changes on revaluation of assets	12	0	0	290,896	290,896
Total comprehensive income		(1,308,187)	0	290,896	(1,017,291)
Transfers from/(to) reserves		(37,605)	37,605	0	0
<b>Balance as at 30 June 2016</b>		<b>27,371,905</b>	<b>1,615,361</b>	<b>46,563,184</b>	<b>75,550,450</b>
Comprehensive income					
Net result		2,660,793	0	0	2,660,793
Changes on revaluation of assets	12	0	0	799,999	799,999
Total comprehensive income		2,660,793	0	799,999	3,460,792
Transfers from/(to) reserves		(34,264)	34,264	0	0
<b>Balance as at 30 June 2017</b>		<b>29,998,434</b>	<b>1,649,625</b>	<b>47,363,183</b>	<b>79,011,242</b>

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 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,679,885	1,721,751	1,796,021
Operating grants, subsidies and contributions		5,794,664	3,943,966	3,197,048
Fees and charges		193,134	189,666	172,144
Interest earnings		65,184	51,120	102,547
Goods and services tax		242,302	85,000	380,916
Other revenue		116,879	46,948	131,572
		<u>8,092,048</u>	<u>6,038,451</u>	<u>5,780,248</u>
<b>Payments</b>				
Employee costs		(1,145,730)	(1,837,706)	(1,341,996)
Materials and contracts		(3,762,476)	(1,985,112)	(3,497,783)
Utility charges		(114,343)	(85,000)	(110,607)
Interest expenses		(32,315)	(32,316)	(35,961)
Insurance expenses		(194,057)	(209,010)	(179,464)
Goods and services tax		(260,742)	(330,000)	(405,757)
Other expenditure		(203,085)	(277,020)	(329,465)
		<u>(5,712,748)</u>	<u>(4,756,164)</u>	<u>(5,901,033)</u>
<b>Net cash provided by (used in) operating activities</b>	13(b)	<u>2,379,300</u>	<u>1,282,287</u>	<u>(120,785)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,000,018)	(1,283,067)	(1,674,861)
Payments for construction of infrastructure		(1,663,117)	(1,899,137)	(538,298)
Non-operating grants, subsidies and contributions		684,302	1,022,310	888,497
Proceeds from sale of fixed assets		323,800	206,107	805,795
<b>Net cash provided by (used in) investment activities</b>		<u>(1,655,033)</u>	<u>(1,953,787)</u>	<u>(518,867)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(83,878)	(83,878)	(80,198)
<b>Net cash provided by (used in) financing activities</b>		<u>(83,878)</u>	<u>(83,878)</u>	<u>(80,198)</u>
<b>Net increase (decrease) in cash held</b>		640,389	(755,378)	(719,850)
Cash at beginning of year		2,997,046	2,460,370	3,716,896
<b>Cash and cash equivalents at the end of the year</b>	13(a)	<u><u>3,637,435</u></u>	<u><u>1,704,992</u></u>	<u><u>2,997,046</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 2017**

NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>	614,708	612,922	2,078,105
	<u>614,708</u>	<u>612,922</u>	<u>2,078,105</u>
<b>Revenue from operating activities (excluding rates)</b>			
Governance	0	0	2,000
General purpose funding	3,595,532	2,350,967	1,246,305
Law, order, public safety	16,862	14,875	16,257
Health	12,589	15,898	25,847
Housing	50,567	65,248	25,378
Community amenities	16,313	15,200	14,897
Recreation and culture	47,339	256,025	13,084
Transport	2,127,071	1,164,488	1,682,999
Economic services	305,746	260,382	267,624
Other property and services	96,334	70,816	117,638
	<u>6,268,353</u>	<u>4,213,899</u>	<u>3,412,029</u>
<b>Expenditure from operating activities</b>			
Governance	(411,765)	(487,058)	(461,158)
General purpose funding	(220,476)	(187,171)	(403,649)
Law, order, public safety	(142,141)	(176,873)	(160,513)
Health	(101,230)	(98,321)	(94,903)
Education and welfare	(6,735)	(9,149)	(7,718)
Housing	(284,874)	(316,707)	(333,533)
Community amenities	(221,622)	(258,011)	(219,286)
Recreation and culture	(650,424)	(679,311)	(580,656)
Transport	(3,260,440)	(2,800,344)	(4,513,010)
Economic services	(671,278)	(660,081)	(574,055)
Other property and services	(49,162)	(41,312)	(36,264)
	<u>(6,020,147)</u>	<u>(5,714,338)</u>	<u>(7,384,745)</u>
<b>Operating activities excluded from budget</b>			
(Profit) on disposal of assets	20	(76,911)	(51,107)
Loss on disposal of assets	20	60,486	0
Movement in Other accruals		18,542	0
Movement in employee benefit provisions (non-current)		39,633	0
Depreciation and amortisation on assets	2(a)	1,094,228	1,271,900
		<u>1,998,892</u>	<u>333,276</u>
<b>Amount attributable to operating activities</b>		<u>1,998,892</u>	<u>333,276</u>
		<u>1,998,892</u>	<u>(524,653)</u>
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions		684,302	1,022,310
Proceeds from disposal of assets	20	323,800	206,107
Purchase of property, plant and equipment	6(b)	(1,000,018)	(1,283,067)
Purchase and construction of infrastructure	7(b)	(1,663,117)	(1,899,137)
		<u>(1,655,033)</u>	<u>(1,953,787)</u>
<b>Amount attributable to investing activities</b>		<u>(1,655,033)</u>	<u>(1,953,787)</u>
		<u>(1,655,033)</u>	<u>(518,867)</u>
<b>FINANCING ACTIVITIES</b>			
Repayment of debentures	21(a)	(83,878)	(83,878)
Transfers to reserves (restricted assets)	11	(110,739)	(93,837)
Transfers from reserves (restricted assets)	11	76,475	76,475
		<u>(118,142)</u>	<u>(101,240)</u>
<b>Amount attributable to financing activities</b>		<u>(118,142)</u>	<u>(101,240)</u>
		<u>(118,142)</u>	<u>(117,803)</u>
<b>Surplus(deficiency) before general rates</b>		<u>225,717</u>	<u>(1,721,751)</u>
<b>Total amount raised from general rates</b>	22	1,728,285	1,721,751
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	23	<u>1,954,002</u>	<u>0</u>
		<u>1,954,002</u>	<u>614,709</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 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) BASIS OF PREPARATION**

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

Except for cash flow and rate setting information, the report has 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.

**THE LOCAL GOVERNMENT REPORTING ENTITY**

All Funds through which the Shire 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. A separate statement of those monies appears at Note 19 to these financial statements.

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

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

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

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

**(c) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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 reported as short term borrowings in current liabilities in the statement of financial position.



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(d) Trade and Other Receivables**

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

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

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.

**(e) 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 sale***

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

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

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

**(f) Fixed Assets**

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

***Mandatory requirement to revalue non-current assets***

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

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(f) Fixed Assets (Continued)**

***Land under control***

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

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

***Initial recognition and measurement between mandatory revaluation dates***

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, 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 Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

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

***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 AASB 1051 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 Shire.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(f) Fixed Assets (Continued)**

***Depreciation***

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods used for each class of depreciable asset are:

Buildings	35 years
Furniture and equipment	3 to 10 years
Plant and equipment	5 to 10 years
Sealed roads and streets formation	not depreciated
pavement seal	41 years
- bituminous seals	20 to 30 years
Gravel roads formation	not depreciated
pavement	23 years
Formed roads (unsealed) formation	not depreciated
pavement	14 years
Footpaths - slab	not depreciated
Airport	50 years
Other Infrastructure	35 to 40 years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

***Capitalisation threshold***

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(g) Fair Value of Assets and Liabilities**

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

Fair Value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

***Fair value hierarchy***

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

***Valuation techniques***

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

**Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(g) Fair Value of Assets and Liabilities (Continued)**

**Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach**

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

**(h) Financial Instruments**

***Initial recognition and measurement***

Financial assets and financial liabilities are recognised when the Shire of Yalgoo becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire 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.

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 and any reduction for impairment; and
- (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.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot 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 2017**

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

**(h) Financial Instruments (Continued)**

***Classification and subsequent measurement (continued)***

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. 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. Gains or losses are recognised in profit or loss.

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

*(iii) Held-to-maturity investments*

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

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

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

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable 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 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

*(v) Financial liabilities*

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(h) Financial Instruments (Continued)**

***Impairment***

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

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

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

***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 Shire 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.

**(i) Impairment of Assets**

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(k) Employee Benefits**

**Short-term employee benefits**

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Other long-term employee benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**(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 until such time as the asset is substantially ready for its intended use or sale.

**(m) Provisions**

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and 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.

**(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 Shire, 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.



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(o) Investment in Associates**

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

**(p) Interests in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

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

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

Control over assets 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 operations for the current reporting period.

Control of non operating grants arises when the Shire of Yalgoo can benefit from funds transferred to it and deny or regulate the access of others to those benefits. Therefore, control arises when the Shire can use funds granted or transferred to purchase goods and services, or retain those funds for future purposes.

**(r) Superannuation**

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(s) 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 Shire's operational cycle. In the case of liabilities where the Shire 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 sale where it is held as non-current based on the Shire's intentions to release for sale.

**(t) Rounding Off Figures**

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

**(u) Comparative Figures**

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**(v) Budget Comparative Figures**

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

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

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

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

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	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 Shire, it is not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii)	AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.  Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

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

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

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

<p>(i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</p> <p>[AASB 10, 124 &amp; 1049]</p>	<p>The objective of this Standard was to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.</p>
--	---

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

2. REVENUE AND EXPENSES	2017	2016
	\$	\$
<b>(a) Net Result</b>		
The Net result includes:		
(i) Charging as an expense:		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	39,804	28,542
- Other services	11,612	1,114
<b>Depreciation</b>		
Buildings - non-specialised	65,616	69,866
Buildings - specialised	179,950	196,085
Furniture and equipment	2,721	11,084
Plant and equipment	395,797	455,687
Infrastructure - Roads	412,655	412,655
Infrastructure - Airport	2,818	2,818
Infrastructure - Other	34,671	0
	<u>1,094,228</u>	<u>1,148,195</u>
<b>Interest expenses (finance costs)</b>		
Debentures (refer Note 21 (a))	<u>32,135</u>	<u>35,747</u>
	<u>32,135</u>	<u>35,747</u>
(ii) Crediting as revenue:		
<b>Other revenue</b>		
Reimbursements and recoveries	76,450	124,413
Other	<u>40,429</u>	<u>7,159</u>
	<u>116,879</u>	<u>131,572</u>
	<u>116,879</u>	<u>131,572</u>
	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>		
- Reserve funds	26,186	35,000
- Other funds	18,833	15,000
Other interest revenue (refer note 27)	<u>20,165</u>	<u>1,120</u>
	<u>65,184</u>	<u>102,547</u>
	<u>65,184</u>	<u>102,547</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**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.

**COMMUNITY VISION**

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life. Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

**GOVERNANCE**

**Objective:**

To provide a decision making process for the efficient allocation of scarce resources.

**Activities:**

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**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

To provide services to help ensure a safer and environmentally conscious community.

**Activities:**

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

Food quality, pest control and immunisation services.

**EDUCATION AND WELFARE**

**Objective:**

To provide services to disadvantaged persons, the elderly, children and youth.

**Activities:**

To promote education services through the education initiative.

**HOUSING**

**Objective:**

To provide housing for Shire of Yalgoo staff.

**Activities:**

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(b) Statement of Objective (Continued)**

**COMMUNITY AMENITIES**

**Objective:**

To provide services required by the community.

**Activities:**

Rubbish collection services, operation of rubbish disposal sites, noise control, litter control, administration of town planning schemes, strategic planning, maintenance of the cemetery, public conveniences and town storm water drainage.

**RECREATION AND CULTURE**

**Objective:**

To establish and effectively manage infrastructure and resources which will help the social well being of the community.

**Activities:**

Maintenance of public halls, water park, recreation grounds and various reserves. The operation of library and maintenance of cultural heritage assets and TV/radio transmission services.

**TRANSPORT**

**Objective:**

To provide safe, effective and efficient transport services to the community.

**Activities:**

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

**ECONOMIC SERVICES**

**Objective:**

To help promote the shire and its economic wellbeing.

**Activities:**

Regulation and provision of tourism services including the caravan park, area promotion, community activities, building control, noxious weeds and vermin control.

**OTHER PROPERTY AND SERVICES**

**Objective:**

To monitor and control Shire's overheads operating accounts.

**Activities:**

Private works operation, plant repair and operation costs and engineering operation costs.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(c) Conditions Over Grants/Contributions**

Grant/Contribution	Opening Balance <sup>(1)</sup>	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing Balance <sup>(1)</sup>	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing Balance
	1/07/15 \$	2015/16 \$	2015/16 \$	30/06/16 \$	2016/17 \$	2016/17 \$	30/06/17 \$
<b>Housing</b>							
MWIP - 2 Modular Staff Houses	322,697	0	(322,697)	0	0	0	0
<b>Community amenities</b>							
Dept of Planning - Yalgoo Revitalisation	19,875	0	0	19,875	0	0	19,875
<b>Recreation and culture</b>							
Kidz Sports Grants	21,775	0	0	21,775	0	(21,775)	0
CLGF 2012-13	54,521	0	(10,299)	44,222	0	0	44,222
<b>Transport</b>							
RRG - Yalgoo/Ninghan Road	0	192,000	(37,406)	154,594	0	(154,594)	0
RRG - Yalgoo/North Road	0	48,000	(37,650)	10,350	72,000	(82,350)	0
R2R - Yalgoo/Ninghan Road	0	180,000	0	180,000	212,304	(392,304)	0
R2R - Yalgoo/Morawa Road	0	184,159	(178,904)	5,255	400,000	(405,255)	0
<b>Economic services</b>							
Regional Tourism Strategy	10,085	0	0	10,085	0	0	10,085
Landcare Grant	20,000	0	(18,182)	1,818	0	(1,652)	166
<b>Total</b>	<b>448,953</b>	<b>604,159</b>	<b>(605,138)</b>	<b>447,974</b>	<b>684,304</b>	<b>(1,057,930)</b>	<b>74,348</b>

**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 2017**

	Note	2017 \$	2016 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		1,913,462	883,005
Restricted		1,723,973	2,114,041
		3,637,435	2,997,046
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - Leave	11	46,293	44,852
Reserves cash backed - Plant	11	57,288	55,505
Reserves cash backed - Building	11	342,879	349,294
Reserves cash backed - Yalgoo Ninghan Road	11	321,754	311,737
Reserves cash backed - Sports Complex	11	90,002	87,200
Reserves cash backed - Housing Maintenance	11	115,801	112,196
Reserves cash backed - General Road	11	121,407	117,627
Reserves cash backed - Community Amenities Maintenance	11	255,178	247,235
Reserves cash backed - HCP	11	133,194	129,048
Reserves cash backed - Yalgoo Morawa	11	142,494	138,058
Reserves cash backed - Superannuation Back-Pay	11	22	22
Reserves cash backed - Office Equipment	11	3,404	3,298
Reserves cash backed - Natural Disaster Triggerpoint	11	12,033	11,658
Reserves cash backed - Emergency Road Repairs	11	7,876	7,631
Unspent grants	2(c)	74,348	447,974
Unspent loans (not held in the Building Reserve)	21(c)	0	50,706
		1,723,973	2,114,041

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates outstanding	421,990	373,590
Sundry debtors	277,374	249,666
GST receivable	109,849	52,151
Telstra Technology Fund	34,121	40,248
Provision for Doubtful Debts	(363,024)	(363,024)
	<u>480,310</u>	<u>352,631</u>

Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

<b>Rates outstanding</b>	<u>421,990</u>	<u>373,590</u>
Includes:		
Past due and not impaired	418,173	73,937
Impaired	<u>0</u>	<u>0</u>
<b>Sundry debtors</b>	<u>277,374</u>	<u>249,666</u>
Includes:		
Past due and not impaired	83,456	28,987
Impaired	<u>0</u>	<u>0</u>

**5. INVENTORIES**

<b>Current</b>		
Fuel and materials	0	475
	<u>0</u>	<u>475</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land		
- Independent valuation 2014 - level 3	0	155,000
- Independent valuation 2017 - level 2/3	329,000	0
- Additions after valuation - cost	3,085	0
	<u>332,085</u>	<u>155,000</u>
Buildings - non-specialised at:		
- Independent valuation 2014 - level 3	0	2,051,744
- Independent valuation 2017 - level 2/3	1,613,000	0
- Additions after valuation - cost	28,277	563,958
Buildings - non-specialised - Less: accumulated depreciation	0	(207,093)
	<u>1,641,277</u>	<u>2,408,609</u>
Buildings - specialised at:		
- Independent valuation 2014 - level 3	0	5,041,256
- Management valuation 2014 - level 3	0	1,923,682
- Independent valuation 2017 - level 2/3	7,115,270	0
- Additions after valuation - cost	436,928	419,477
Buildings - specialised - Less: accumulated depreciation	0	(521,455)
	<u>7,552,198</u>	<u>6,862,960</u>
	<u>9,193,475</u>	<u>9,271,569</u>
Total land and buildings	<u>9,525,560</u>	<u>9,426,569</u>
Furniture and equipment at:		
- Management valuation 2016 - level 3	16,090	16,090
- Additions after valuation - cost	35,515	0
Furniture and equipment - Less: accumulated depreciation	(2,721)	0
	<u>48,884</u>	<u>16,090</u>
Plant and equipment at:		
- Management valuation 2016 - level 3	2,356,600	2,615,600
- Additions after valuation - cost	456,334	0
Plant and equipment - Less: accumulated depreciation	(381,321)	0
	<u>2,431,613</u>	<u>2,615,600</u>
	<u>12,006,057</u>	<u>12,058,259</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(b) 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.

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold land	155,000	3,085	0	62,000	0	0	0	112,000	332,085
<b>Total land</b>	<b>155,000</b>	<b>3,085</b>	<b>0</b>	<b>62,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>112,000</b>	<b>332,085</b>
Buildings - non-specialised	2,408,609	38,598	(62,851)	(583,314)	0	0	(65,616)	(94,149)	1,641,277
Buildings - specialised	6,862,960	466,486	0	1,321,313	0	0	(179,950)	(918,611)	7,552,198
<b>Total buildings</b>	<b>9,271,569</b>	<b>505,084</b>	<b>(62,851)</b>	<b>737,999</b>	<b>0</b>	<b>0</b>	<b>(245,566)</b>	<b>(1,012,760)</b>	<b>9,193,475</b>
<b>Total land and buildings</b>	<b>9,426,569</b>	<b>508,169</b>	<b>(62,851)</b>	<b>799,999</b>	<b>0</b>	<b>0</b>	<b>(245,566)</b>	<b>(900,760)</b>	<b>9,525,560</b>
Furniture and equipment	16,090	35,515	0	0	0	0	(2,721)	0	48,884
Plant and equipment	2,615,600	456,334	(244,524)	0	0	0	(395,797)	0	2,431,613
<b>Total property, plant and equipment</b>	<b>12,058,259</b>	<b>1,000,018</b>	<b>(307,375)</b>	<b>799,999</b>	<b>0</b>	<b>0</b>	<b>(644,084)</b>	<b>(900,760)</b>	<b>12,006,057</b>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Land</b>					
Land - freehold land	Level 2/3	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology; Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Price per hectare/market borrowing rate; Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	Level 2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuer	June 2017	Price per hectare/market borrowing rate
Buildings - specialised	Level 3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Furniture and equipment</b>	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Plant and equipment</b>	Level 2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2016	Market price per item

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>7 (a). INFRASTRUCTURE</b>		
Infrastructure - Roads		
- Management valuation 2015 - level 3	71,436,735	71,436,735
- Additions after valuation - cost	2,030,139	538,298
Infrastructure - Roads - Less: accumulated depreciation	<u>(11,755,792)</u>	<u>(11,343,147)</u>
	61,711,082	60,631,886
Infrastructure - Airport		
- Management valuation 2015 - level 3	2,039,468	2,039,468
Infrastructure - User defined 2 - Less: accumulated depreciation	<u>(561,972)</u>	<u>(559,154)</u>
	1,477,496	1,480,314
Infrastructure - Other		
- Management valuation 2014 - level 3	999,220	0
- Additions after valuation - cost	171,266	0
Infrastructure - User defined 3 - Less: accumulated depreciation	<u>(133,131)</u>	<u>0</u>
	1,037,355	0
	<u><u>64,225,933</u></u>	<u><u>62,112,200</u></u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A(2) which requires infrastructure to be shown at fair value.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**7. INFRASTRUCTURE (Continued)**

**(b) 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.

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	60,631,886	1,491,851	0	0	0	0	(412,655)	0	61,711,082
Infrastructure - Airport	1,480,314	0	0	0	0	0	(2,818)	0	1,477,496
Infrastructure - Other	0	171,266	0	0	0	0	(34,671)	900,760	1,037,355
<b>Total infrastructure</b>	<b><u>62,112,200</u></b>	<b><u>1,663,117</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>(450,144)</u></b>	<b><u>900,760</u></b>	<b><u>64,225,933</u></b>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**7. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Infrastructure - Roads</b>	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Airport</b>	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Other</b>	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2014	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	431,834	1,097,022
Accrued interest on debentures	1,604	1,784
Accrued salaries and wages	45,978	27,256
ATO liabilities	0	10,186
Other payables	82,285	12,876
	<u>561,701</u>	<u>1,149,124</u>

**9. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by floating charge		
Debentures	87,753	83,878
	<u>87,753</u>	<u>83,878</u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	522,940	610,693
	<u>522,940</u>	<u>610,693</u>

Additional detail on borrowings is provided in Note 21.

**10. PROVISIONS**

	<b>Provision for Annual Leave</b>	<b>Provision for Long Service Leave</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2016</b>			
Current provisions	59,806	29,973	89,779
Non-current provisions	0	36,687	36,687
	<u>59,806</u>	<u>66,660</u>	<u>126,466</u>
Additional provision	139,477	4,719	144,196
Amounts used	(96,972)	(7,591)	(104,563)
<b>Balance at 30 June 2017</b>	<u>102,311</u>	<u>63,788</u>	<u>166,099</u>
<b>Comprises</b>			
Current	102,311	5,785	108,096
Non-current	0	58,003	58,003
	<u>102,311</u>	<u>63,788</u>	<u>166,099</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**11. RESERVES - CASH BACKED**

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Reserves cash backed - Leave	44,852	1,441	0	46,293	44,852	972	0	45,824	43,808	1,044	0	44,852
Reserves cash backed - Plant	55,505	1,783	0	57,288	55,505	1,203	0	56,708	54,213	1,292	0	55,505
Reserves cash backed - Building	349,294	70,060	(76,475)	342,879	349,294	66,405	(76,475)	339,224	341,162	8,132	0	349,294
Reserves cash backed - Yalgoo Ninghan Road	311,737	10,017	0	321,754	311,737	6,754	0	318,491	304,480	7,257	0	311,737
Reserves cash backed - Sports Complex	87,200	2,802	0	90,002	87,200	1,889	0	89,089	85,170	2,030	0	87,200
Reserves cash backed - Housing Maintenance	112,196	3,605	0	115,801	112,196	2,431	0	114,627	109,584	2,612	0	112,196
Reserves cash backed - General Road	117,627	3,780	0	121,407	117,627	2,549	0	120,176	114,889	2,738	0	117,627
Reserves cash backed - Community Amenities Maintenance	247,235	7,943	0	255,178	247,235	5,357	0	252,592	241,479	5,756	0	247,235
Reserves cash backed - HCP	129,048	4,146	0	133,194	129,048	2,796	0	131,844	126,044	3,004	0	129,048
Reserves cash backed - Yalgoo Morawa	138,058	4,436	0	142,494	138,058	2,991	0	141,049	134,844	3,214	0	138,058
Reserves cash backed - Superannuation Back- Pay	22	0	0	22	21	0	0	21	22	0	0	22
Reserves cash backed - Office Equipment	3,298	106	0	3,404	3,298	72	0	3,370	3,221	77	0	3,298
Reserves cash backed - Natural Disaster Triggerpoint	11,658	375	0	12,033	11,658	253	0	11,911	11,387	271	0	11,658
Reserves cash backed - Emergency Road Repairs	7,631	245	0	7,876	7,631	165	0	7,796	7,453	178	0	7,631
	<u>1,615,361</u>	<u>110,739</u>	<u>(76,475)</u>	<u>1,649,625</u>	<u>1,615,360</u>	<u>93,837</u>	<u>(76,475)</u>	<u>1,632,722</u>	<u>1,577,756</u>	<u>37,605</u>	<u>0</u>	<u>1,615,361</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 2017**

**11. RESERVES - CASH BACKED (continued)**

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

**Name of Reserve**

**Purpose of the reserve**

Reserves cash backed - Leave	- to be used to fund annual and long service leave requirements.
Reserves cash backed - Plant	- to be used to fund the purchase of major plant
Reserves cash backed - Building	- to be used for the replacement of council properties including housing and other properties.
Reserves cash backed - Yalgoo Ninghan Road	- to be used to maintain the sealed Yalgoo-Ninghan Road.
Reserves cash backed - Sports Complex	- to be used for the development of new recreational facilities.
Reserves cash backed - Housing Maintenance	- to be used for the maintenance of staff and other housing owned by the Shire.
Reserves cash backed - General Road	- to be used for the maintenance of grids, etc on roads in the Shire.
Reserves cash backed - Community Amenities Maintenance	- to be used for the maintenance of community amenities.
Reserves cash backed - HCP	- to be used for future community projects operating expenditure.
Reserves cash backed - Yalgoo Morawa	- to be used to maintain the sealed Yalgoo-Morawa Road.
Reserves cash backed - Superannuation Back-Pay	- to be used for the purposes of paying any superannuation back pay costs.
Reserves cash backed - Office Equipment	- to be used for the purposes of purchase of new office equipment and the maintenance of existing equipment.
Reserves cash backed - Natural Disaster Triggerpoint	- to be used to fund the Shire's mandatory contribution ("Triggerpoint") when the Shire receives funding for the reparation after natural disaster events.
Reserves cash backed - Emergency Road Repairs	- to be used to fund emergency repairs to roads that are damaged by unfunded events (e.g. unfunded storm damages, vehicular, etc).

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**12. REVALUATION SURPLUS**

	30/06/2017				30/06/2016					
	30/06/2017	30/06/2017	30/06/2017	Total	30/06/2017	30/06/2016	30/06/2016	30/06/2016	Total	30/06/2016
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation	Closing Balance
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	0	62,000	0	62,000	62,000	0	0	0	0	0
Revaluation surplus - Buildings	1,163,849	737,999	0	737,999	1,901,848	1,163,849	0	0	0	1,163,849
Revaluation surplus - Furniture and equipment	25,665	0	0	0	25,665	44,850	0	(19,185)	(19,185)	25,665
Revaluation surplus - Plant and equipment	1,561,098	0	0	0	1,561,098	1,251,017	310,081	0	310,081	1,561,098
Revaluation surplus - Infrastructure - Roads	42,485,242	0	0	0	42,485,242	42,485,242	0	0	0	42,485,242
Revaluation surplus - Infrastructure - Airport	1,327,330	0	0	0	1,327,330	1,327,330	0	0	0	1,327,330
	<u>46,563,184</u>	<u>799,999</u>	<u>0</u>	<u>799,999</u>	<u>47,363,183</u>	<u>46,272,288</u>	<u>310,081</u>	<u>(19,185)</u>	<u>290,896</u>	<u>46,563,184</u>

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Cash and cash equivalents	<u>3,637,435</u>	<u>1,704,992</u>	<u>2,997,046</u>

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

Net result	2,660,793	1,243,622	(1,308,188)
Non-cash flows in Net result:			
Depreciation	1,094,228	1,271,900	1,148,194
(Profit)/Loss on sale of asset	(16,425)	(51,107)	209,337
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(127,679)	68,903	214,488
(Increase)/Decrease in inventories	475	0	750
Increase/(Decrease) in payables	(587,423)	(228,721)	494,023
Increase/(Decrease) in provisions	39,633	0	9,107
Grants contributions for the development of assets	<u>(684,302)</u>	<u>(1,022,310)</u>	<u>(888,497)</u>
Net cash from operating activities	<u>2,379,300</u>	<u>1,282,287</u>	<u>(120,786)</u>

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	50,000	50,000
Bank overdraft at balance date	0	0
Credit card limit	5,000	5,000
Credit card balance at balance date	0	0
<b>Total amount of credit unused</b>	<u>55,000</u>	<u>55,000</u>
<b>Loan facilities</b>		
Loan facilities - current	87,753	83,878
Loan facilities - non-current	522,940	610,693
<b>Total facilities in use at balance date</b>	<u>610,693</u>	<u>694,571</u>
<b>Unused loan facilities at balance date</b>	<u>323,525</u>	<u>400,000</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**14. CONTINGENT LIABILITIES**

There were no known contingent liabilities as at 30th June 2017.

**15. CAPITAL AND LEASING COMMITMENTS**

	2017	2016
	\$	\$

**(a) Operating Lease Commitments**

The Shire did not have any future operating lease commitments at the reporting date.

**(b) Capital Expenditure Commitments**

Contracted for:

- capital expenditure projects	0	459,412
- plant & equipment purchases	0	0

Payable:

- not later than one year	0	459,412
---------------------------	---	---------

The capital expenditure project outstanding at the end of the prior reporting period represents the contract awarded for the gravel sheeting and shoulder binding of Yalgoo-Ninghan Road.

**16. JOINT VENTURE ARRANGEMENTS**

The Shire is not involved in any joint venture arrangements.

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

	2017	2016
	\$	\$
Governance	10,856	3,396
General purpose funding	1,002,678	21,200
Law, order, public safety	237,771	267,125
Health	1,045,070	777,688
Housing	2,688,273	3,108,734
Community amenities	940,826	948,464
Recreation and culture	4,439,150	4,089,780
Transport	65,436,887	64,198,883
Economic services	1,758,598	1,528,663
Other property and services	876,164	1,097,522
Unallocated	1,913,463	1,479,156
	80,349,736	77,520,611

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	2017	2016	2015
<b>18. FINANCIAL RATIOS</b>			
Current ratio	3.37	0.97	2.78
Asset sustainability ratio	0.86	0.36	1.32
Debt service cover ratio	26.75	(8.74)	19.65
Operating surplus ratio	0.92	(1.00)	0.25
Own source revenue coverage ratio	0.36	0.30	0.32

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 56 of this document.

Three of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$1,206,700.

Three of the 2016 and 2015 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$1,157,933.

If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

	2017	2016	2015
Current ratio	1.67	1.81	0.14
Debt service cover ratio	16.34	1.25	6.51
Operating surplus ratio	0.36	(0.47)	(0.30)

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**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:

	1 July 2016 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2017 \$
Yamtji BBMAC	150	0	0	150
Community Bus Bond - School	450	0	0	450
Bus Yalgoo Hall - Annual Bond	300	0	0	300
Casual Complex	1,150	0	0	1,150
Housing Bonds	8,144	750	(1,230)	7,664
Land Auction Proceeds	2,500	0	0	2,500
Post office Bonds	30	0	0	30
Casual Hall Bond	150	0	0	150
Library Bond	25	0	0	25
Alcohol Bond	0	1,000	(1,000)	0
Candidates Deposits	320	0	(320)	0
Museum	9,220	0	0	9,220
Casual Bus Bond	100	100	(100)	100
	<u>22,539</u>			<u>21,739</u>

**20. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
<b>Buildings</b>								
<u>Housing</u>								
House - Lot 17 Shamrock St	62,851	96,350	33,499	0	0	0	0	0
<b>Plant and Equipment</b>								
<u>Transport</u>								
Toyota Hilux	34,689	25,455	0	(9,234)	22,000	25,000	3,000	0
Isuzu Factory Tipper	33,418	18,182	0	(15,236)	18,000	20,000	2,000	0
Holden Colorado DX	20,107	14,340	0	(5,767)	20,000	20,000	0	0
Isuzu NPR300 Crew Cab	46,609	29,545	0	(17,064)	30,000	32,500	2,500	0
Volvo FH16 Prime Mover	0	36,503	36,503	0	0	0		
<u>Other property and services</u>								
Toyota Landcruiser	75,003	61,818	0	(13,185)	65,000	67,000	2,000	0
Holden Colorado LX	34,698	41,607	6,909	0	0	41,607	41,607	0
	<u>307,375</u>	<u>323,800</u>	<u>76,911</u>	<u>(60,486)</u>	<u>155,000</u>	<u>206,107</u>	<u>51,107</u>	<u>0</u>



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal	New	Principal		Principal		Interest	
	1 July		Loans	Repayments	Repayments	Actual	Budget	Actual
	2016		Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>								
Loan 53 - 19a & 19b Stanley St	127,475	0	13,612	13,612	113,863	113,863	8,081	8,118
Loan 55 - 18c & 18d Shamrock St	166,138	0	16,454	16,455	149,684	149,683	10,287	10,293
Loan 56 - Staff Housing	332,165	0	46,960	46,960	285,205	285,205	9,744	9,744
<b>Community amenities</b>								
Loan 54 - Public Toilets	68,793	0	6,852	6,852	61,941	61,941	4,023	4,161
	<u>694,571</u>	<u>0</u>	<u>83,878</u>	<u>83,878</u>	<u>610,693</u>	<u>610,692</u>	<u>32,135</u>	<u>32,316</u>

Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

(b) New Debentures - 2016/17

The Shire did not take up any new debentures during the year ended 30 June 2017.

(c) Unspent Debentures

<b>Particulars</b>	<b>Date</b>	<b>Balance</b>	<b>Borrowed</b>	<b>Expended</b>	<b>Balance</b>
	<b>Borrowed</b>	<b>1 July 16</b>	<b>During</b>	<b>During</b>	<b>30 June 17</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Loan 56 - Purchase of Staff Housing		400,000	0	(76,475)	323,525
		<u>400,000</u>	<u>0</u>	<u>(76,475)</u>	<u>323,525</u>

(d) Overdraft

The Shire established an overdraft facility of \$50,000 with the National Australia Bank to assist with short term liquidity requirements. The balance of the bank overdraft as at 1 July 2016 and 30 June 2017 was \$0.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**22. RATING INFORMATION - 2016/17 FINANCIAL YEAR**

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>Differential general rate</b>											
<b>Gross rental value valuations</b>											
Townsites Improved	0.0745	32	261,026	19,459	(3,545)	0	15,914	19,459	11,000	0	30,459
Townsites Vacant	0.0745	0	0	0	0	0	0	0	0	0	0
<b>Unimproved value valuations</b>											
Pastoral/Rural	0.0658	23	861,835	56,667	(90)	0	56,577	56,667	0	0	56,667
Mining/Mining Tenement	0.3743	126	3,894,205	1,457,611	0	0	1,457,611	1,457,611	0	0	1,457,611
Exploration/Prospecting	0.1988	101	726,991	144,544	19,784	0	164,328	144,544	0	0	144,544
<b>Sub-Total</b>		282	5,744,057	1,678,281	16,149	0	1,694,430	1,678,281	11,000	0	1,689,281
<b>Minimum payment</b>	<b>\$</b>										
<b>Gross rental value valuations</b>											
Townsites Improved	270	5	11,284	1,350	0	0	1,350	1,350	0	0	1,350
Townsites Vacant	620	11	1,550	6,820	0	0	6,820	6,820	0	0	6,820
<b>Unimproved value valuations</b>											
Pastoral/Rural	270	3	4,786	1,080	0	0	1,080	1,080	0	0	1,080
Mining/Mining Tenement	270	32	16,983	7,830	0	0	7,830	7,830	0	0	7,830
Exploration/Prospecting	270	78	40,481	15,390	1,386	0	16,776	15,390	0	0	15,390
<b>Sub-Total</b>		129	75,084	32,470	1,386	0	33,856	32,470	0	0	32,470
		<b>411</b>	<b>5,819,141</b>	<b>1,710,751</b>	<b>17,534</b>	<b>0</b>	<b>1,728,285</b>	<b>1,710,751</b>	<b>11,000</b>	<b>0</b>	<b>1,721,751</b>
<b>Total amount raised from general rate</b>							<u>1,728,285</u>				<u>1,721,751</u>
<b>Totals</b>							<u>1,728,285</u>				<u>1,721,751</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**23. NET CURRENT ASSETS**

Composition of net current assets

	<b>2017</b> <b>(30 June 2017</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>	<b>2017</b> <b>(1 July 2016</b> <b>Brought</b> <b>Forward)</b> <b>\$</b>	<b>2016</b> <b>(30 June 2016</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>
<b>Surplus/(Deficit) 1 July 16 brought forward</b>	<u>1,954,002</u>	<u>614,708</u>	<u>614,708</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	1,913,463	883,005	883,005
Restricted	1,723,973	2,114,041	2,114,041
Receivables			
Rates outstanding	421,990	373,590	373,590
Sundry debtors	277,374	249,666	249,666
GST receivable	109,849	52,151	52,151
Telstra Technology Fund	34,121	40,248	40,248
Provision for Doubtful Debts	(363,024)	(363,024)	(363,024)
Inventories			
Fuel and materials	0	475	475
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(431,834)	(1,097,022)	(1,097,022)
Accrued interest on debentures	(1,604)	(1,784)	(1,784)
Accrued salaries and wages	(45,978)	(27,256)	(27,256)
ATO liabilities	0	(10,186)	(10,186)
Other payables	(82,285)	(12,876)	(12,876)
Current portion of long term borrowings			
Secured by floating charge	(87,753)	(83,878)	(83,878)
Provisions			
Provision for annual leave	(102,311)	(59,806)	(59,806)
Provision for long service leave	(5,785)	(29,973)	(29,973)
<b>Unadjusted net current assets</b>	<u><b>3,360,196</b></u>	<u><b>2,027,371</b></u>	<u><b>2,027,371</b></u>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(1,649,625)	(1,615,361)	(1,615,361)
Add: Secured by floating charge	87,753	83,878	83,878
Accrued salaries and wages	45,978	27,256	27,256
Provision for Annual & long service leave	108,096	89,780	89,780
Accrued interest on debentures	1,604	1,784	1,784
<b>Adjusted net current assets - surplus/(deficit)</b>	<u><u><b>1,954,002</b></u></u>	<u><u><b>614,708</b></u></u>	<u><u><b>614,708</b></u></u>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**24. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR**

No specified area rates were imposed by the Shire during the year ended 2017.

**25. SERVICE CHARGES - 2016/17 FINANCIAL YEAR**

No service charges were imposed by the Shire during the year ended 2017.

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2016/17 FINANCIAL YEAR**

**Incentives**

Cash prize of \$1,000 made to the first drawn entry of ratepayers who have paid their rates by the due date and in one lump sum.

**27. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR**

	<b>Date Due</b>	<b>Instalment Plan Admin Charge \$</b>	<b>Instalment Plan Interest Rate %</b>	<b>Unpaid Rates Interest Rate %</b>															
<b>Instalment Options</b>																			
<b>Option One</b>																			
Single full payment	21-Oct-16	0	0.00%	11.00%															
<b>Option Two</b>																			
First Instalment	21-Oct-16	0	0.00%	11.00%															
Second Instalment	21-Dec-16	10	5.50%	11.00%															
Third Instalment	21-Feb-17	10	5.50%	11.00%															
Fourth Instalment	24-Apr-17	10	5.50%	11.00%															
<table border="0" style="width: 100%; margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><b>Revenue \$</b></th> <th style="text-align: center;"><b>Budgeted Revenue \$</b></th> </tr> </thead> <tbody> <tr> <td>Interest on unpaid rates</td> <td style="text-align: right;">238</td> <td style="text-align: right;">1,120</td> </tr> <tr> <td>Interest on instalment plan</td> <td style="text-align: right;">19,927</td> <td style="text-align: right;">8,530</td> </tr> <tr> <td>Charges on instalment plan</td> <td style="text-align: right;">9,268</td> <td style="text-align: right;">3,970</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">29,433</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">13,620</td> </tr> </tbody> </table>						<b>Revenue \$</b>	<b>Budgeted Revenue \$</b>	Interest on unpaid rates	238	1,120	Interest on instalment plan	19,927	8,530	Charges on instalment plan	9,268	3,970		29,433	13,620
	<b>Revenue \$</b>	<b>Budgeted Revenue \$</b>																	
Interest on unpaid rates	238	1,120																	
Interest on instalment plan	19,927	8,530																	
Charges on instalment plan	9,268	3,970																	
	29,433	13,620																	

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

<b>28. FEES &amp; CHARGES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
General purpose funding	9,377	17,087
Law, order, public safety	211	3,687
Health	716	268
Housing	16,491	17,815
Community amenities	16,313	14,897
Recreation and culture	2,031	1,091
Transport	236	650
Economic services	128,372	115,024
Other property and services	19,387	1,625
	<u>193,134</u>	<u>172,144</u>

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

**29. GRANT REVENUE**

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

<b>By Nature or Type:</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
Governance	0	2,000
General purpose funding	3,486,581	1,119,809
Law, order, public safety	16,651	12,570
Health	0	25,579
Recreation and culture	45,308	11,780
Transport	2,090,331	1,654,291
Economic services	177,374	151,000
Other property and services	0	679
	<u>5,816,245</u>	<u>2,977,708</u>
<b>Non-operating grants, subsidies and contributions</b>		
Transport	684,302	888,497
	<u>684,302</u>	<u>888,497</u>
	<u>6,500,547</u>	<u>3,866,205</u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>21</u>	<u>21</u>
-----------	-----------

**31. ELECTED MEMBERS REMUNERATION**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	21,666	35,634	23,381
President's allowance	9,864	9,864	10,475
Deputy President's allowance	2,049	2,466	1,552
Travelling expenses	18,881	50,000	39,611
Telecommunications allowance	20,507	21,000	16,334
	<u>72,966</u>	<u>118,964</u>	<u>91,353</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**32. RELATED PARTY TRANSACTIONS**

**Key Management Personnel (KMP) Compensation Disclosure**

	<b>2017</b>
	<b>\$</b>
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	202,930
Post-employment benefits	15,200
Other long-term benefits	4,000
	222,130

**Short-term employee benefits**

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 31.

**Post-employment benefits**

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

**Other long-term benefits**

These amounts represent long service benefits accruing during the year.

**Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

*ii. Entities subject to significant influence by the Shire*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

**Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	<b>2017</b>
	<b>\$</b>
<b>Associated companies/individuals:</b>	
Purchase of goods and services	23,149

**Joint venture entities:**

**Amounts outstanding from related parties:**

**Amounts payable to related parties:**

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**33. MAJOR LAND TRANSACTIONS**

The Shire did not participate in any major land transactions during the 2016/2017 financial year.

**34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire did not participate in any trading undertakings or major trading undertakings during the 2016/2017 financial year.



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**35. FINANCIAL RISK MANAGEMENT**

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

The Shire 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 Shire held the following financial instruments at balance date:*

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	3,637,435	2,997,046	3,637,435	2,997,046
Receivables	480,310	352,631	480,310	352,631
	<u>4,117,745</u>	<u>3,349,677</u>	<u>4,117,745</u>	<u>3,349,677</u>
<b>Financial liabilities</b>				
Payables	561,701	1,149,124	561,701	1,149,124
Borrowings	610,693	694,571	610,693	694,571
	<u>1,172,394</u>	<u>1,843,695</u>	<u>1,172,394</u>	<u>1,843,695</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.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(a) Cash and Cash Equivalents**

**Financial assets at fair value through profit and loss**

**Available-for-sale financial assets**

**Held-to-maturity investments**

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

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

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

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	36,374	32,632
- Statement of Comprehensive Income	36,374	32,632

*Notes:*

<sup>(1)</sup> Sensitivity percentages based on management's expectation of future possible market movements.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(b) Receivables**

The Shire'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. The Shire 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 the Shire to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The Shire 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.

The Shire 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 Shire's credit risk at balance date was:

	<b>2017</b>	<b>2016</b>
Percentage of rates and annual charges		
- Current	1%	3%
- Overdue	99%	97%
Percentage of other receivables		
- Current	78%	16%
- Overdue	22%	84%

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**35. 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. The Shire 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 the Shire's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2017</u></b>					
Payables	561,701	0	0	561,701	561,701
Borrowings	116,231	455,349	136,991	708,571	610,693
	<u>677,932</u>	<u>455,349</u>	<u>136,991</u>	<u>1,270,272</u>	<u>1,172,394</u>
<b><u>2016</u></b>					
Payables	1,149,124	0	0	1,149,124	1,149,124
Borrowings	116,546	466,184	264,584	847,314	694,571
	<u>1,265,670</u>	<u>466,184</u>	<u>264,584</u>	<u>1,996,438</u>	<u>1,843,695</u>

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**35. 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. The Shire 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>&lt;1 year</u>	<u>&gt;1&lt;2 years</u>	<u>&gt;2&lt;3 years</u>	<u>&gt;3&lt;4 years</u>	<u>&gt;4&lt;5 years</u>	<u>&gt;5 years</u>	<u>Total</u>	<b>Weighted Average Effective Interest Rate</b>
	\$	\$	\$	\$	\$	\$	\$	%
<b><u>Year ended 30 June 2017</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	0	0	0	0	610,693	610,693	4.82%
Weighted average Effective interest rate	0.00%	0.00%	0.00%	0.00%	0.00%	4.82%		
<b><u>Year ended 30 June 2016</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	0	0	0	0	694,571	694,571	4.79%
Weighted average Effective interest rate	0.00%	0.00%	0.00%	0.00%	0.00%	4.79%		

**RSM Australia Pty Ltd**

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000

GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100

F +61(0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE RATEPAYERS OF**

### **SHIRE OF YALGOO**

#### **Opinion**

We have audited the financial report of Shire of Yalgoo, which comprises the statement of financial position as at 30 June 2017, the statements of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Chief Executive Officer's statement.

In our opinion:

- a) The accompanying financial report:
  - (i) Presents fairly, in all material respects, the financial position of Shire of Yalgoo as at 30 June 2017, and its financial performance and cash flows for the year then ended;
  - (ii) Complies with Australian Accounting Standards (including the Australian Accounting Interpretations); and
  - (iii) Is prepared in accordance with the requirements of the *Local Government Act 1995* Part 6 and the Regulations under that Act.
- b) The Supplementary Ratio Information included in the financial report is supported by verifiable information and reasonable assumptions.

#### **Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Shire of Yalgoo in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Responsibilities of the Chief Executive Officer for the financial report**

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Shire of Yalgoo's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

The Chief Executive Officer is responsible for overseeing the Shire of Yalgoo's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

### **Report on statutory compliance**

#### *Basis for qualified opinion*

The September 2016 statement of financial activity was not presented at an ordinary meeting of Council within two months after the end of the month to which the statement relates as required by Regulation 34(4)(a) of the *Local Government (Financial Management) Regulations 1996*.

### **Auditor's qualified opinion on statutory compliance**

Except for the matter described in the Basis for Qualified Opinion paragraph, we did not, during our audit, become aware of any further instances where Shire of Yalgoo 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.

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA PTY LTD

A handwritten signature in black ink that reads 'D J Wall'.

Perth, WA

Dated: 20 December 2017

D J WALL  
Director

**SHIRE OF YALGOO  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2017**

**RATIO INFORMATION**

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

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Asset consumption ratio	0.85	0.85	0.61
Asset renewal funding ratio	0.96	0.90	0.91

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$